

## Chicken Farmers of Ontario

### Regulation No. 2072-2005

Made under: The Farm Products Agencies Act (Canada)  
The Farm Products Marketing Act (Ontario)

Effective May 28, 2006  
Commencing with Quota Period A-72  
(May 28, 2006 to July 22, 2006)

# Requirements for the Marketing of Chicken By Producers to Out-Of-Province Processors

## Section 1.0 – Interpretation

1.01 In this Regulation:

- (a) “*approved scale*” means a weigh scale located in Ontario used to determine the net weight of chicken sold by a producer to a processor and approved by the Board;
- (b) “*Form 101A*” means an application made by the processor to the Board on the form prescribed by the Board to agree on a Form 101 with Ontario chicken producers for the purchase and sale of chicken and in which the applicant processor agrees to comply with certain terms and conditions.
- (c) “*processor*” means a person who slaughters chicken and who holds a valid and subsisting licence to engage in the business of operating a registered establishment under the Meat Inspection Act (Canada) and Regulations thereto or a plant under the Agricultural Products, Marine Products and Food Act and regulations thereto and which plant or establishment are located outside of Ontario;
- (d) “*transporter*” means a person engaged in the delivery of chicken from the premises of a producer to the plant or establishment of a processor or from one processor to another processor and includes the owner or lessee and the driver of the vehicle used to deliver the chicken and “transport”, “transporting”, “transported”, and “transportation” have corresponding meanings;

1.02 Other words appearing in this Regulation shall have the same meaning as found in Regulation No. 2070-2005 (“Words and Meanings”).

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## **Section 2.0 - Application**

- 2.01 This Regulation provides for the control and regulation in any or all respects of the marketing by producers of chicken produced by them in Ontario to a processor whose plant or establishment is located outside of Ontario.

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### **Section 3.0 - Marketing**

- 3.01 No person shall buy any chicken from any person to whom the Board has not fixed and allotted a quota for the marketing of chicken or whose quota has been cancelled.
- 3.02 No person other than a processor shall buy chicken from a producer.
- 3.03 No person shall process, pack or package any chicken that has not been sold through the Board.
- 3.04 No person shall purchase or otherwise acquire any chicken from a producer that was not produced and marketed by that producer pursuant to the producer's crop quota.

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## Section 4.0 - Purchase and Sale of Chicken

- 4.01 A processor which applies to purchase chicken produced in Ontario shall first complete and file with the Board an "Application and Agreement" in a Form 101A.
- 4.02 The Board will advise the applicant regarding the outcome of its application made in a Form 101A.
- 4.03 All chicken shall be sold to the processor by the producer and bought by the processor from the producer in accordance with Form 101 and this Regulation.
- 4.04 Every agreement for the marketing of chicken shall be on a Form 101 signed by the producer and bearing the recognized stamp of the processor and filed by the processor or producer with the Board on or before the deadline date specified on the Form 101.
- 4.05 A Form 101 may be amended after the deadline date in relation to the home week, marketing week, or category by the filing at the time of the amendment of a new Form 101 for each crop quota period in which an amendment is to be made prior to any marketing's occurring, provided that; the amendment does not involve marketing's moving to another quota period, and there will be no change to a crop exception period for quota periods already allotted.
- 4.06 A producer shall market the crop quota for each crop quota period in accordance with the producer's home week(s) as specified on a Form 101.
- 4.07 A producer, at the request of the processor, may market the number of units of basic quota specified to be marketed on a Form 101 in the week prior to or the week following the home week for that number of units.
- 4.08 Either party to an *ongoing rollover Form 101* may cancel it by filing a Form 201 not later than 2 weeks prior the opening of the *sign-up window* for the applicable quota period.
- 4.09 Upon the expiration of a *fixed term Form 101* and absent the filing by the producer or processor of a Form 201 by the appropriate deadline date the *fixed term Form 101* shall continue in effect as an *ongoing rollover Form 101*.
- 4.10 Following receipt by the Board of a Form 201 initiated by a producer, the producer affected must file an *ongoing rollover Form 101* with an Ontario processor or a *fixed term Form 101* with an out-of-province processor for the crop quota period in which the Form 201 takes effect.
- 4.11 Following receipt by the Board of a Form 201 initiated by a processor the producer affected must file an *ongoing rollover Form 101* for the crop quota period in which the Form 201 applies.
- 4.12 When a producer completes more than one *ongoing rollover Form 101* or more than one *fixed term Form 101* relating to the same basic quota units with different processors, the Board will only accept the first *ongoing rollover Form 101* or *fixed term Form 101* it receives.

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- 4.13 Where an application for a transfer of basic quota with registered premises has been approved the producer shall file an *ongoing rollover Form 101* for the applicable crop quota period associated with the next Form 101 filing deadline. The *ongoing rollover Form 101* shall be with the same processor as the previous *ongoing rollover Form 101* filed with the Board, unless a Form 201 has been filed. Where there is a *fixed term Form 101*, the producer shall file a *fixed term Form 101* with the same processor as the previous *fixed term Form 101* that shall apply for the duration of the original fixed term.
- 4.14 All chicken shall be purchased and sold "Freight on Board" (F.O.B.) at the producer's premises at the time of receipt by the processor.
- 4.15 The processor shall give the producer not less than 48 hours notice of the day of receiving chicken at the premises of the producer and reasonable notice of the time of pick up. However, the required notice may be less than 48 hours provided the processor and producer mutually agree.
- 4.16 All of the chicken that a producer has agreed to sell and a processor has agreed to purchase on a Form 101 shall be processed at the plant or establishment of the processor that agreed to purchase it on the Form 101. A processor shall have obtained prior approval from the Board for any arrangement whereby chicken is to be processed at the plant or establishment of another processor.
- 4.17 The Board will decline to accept any subsequently filed Form 101 from a processor that it determines has not complied with the provisions of Section 4.16 or Sections 10.01 and 10.02.
- 4.18 Every completed Form 101 shall be deemed to contain a term permitting the Board through its authorized inspectors to have full and complete access to all books, records and documents relating to the marketing of the chicken, access to trucks and other means of transporting the chicken from the premises of a producer to the plant or establishment of the processor, and full access to the approved scales used by the processor and the plant or establishment of the processor.
- 4.19 The provisions of this part shall prevail if they conflict with any term, condition or other provision of any agreement made between a producer and a processor relating to the marketing of chicken.

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## Section 5.0 - Receiving Chicken

- 5.01 At the time of receipt of chicks, every producer shall complete, for each load of chicks received the placement information section in a Form 3.
- 5.02 Prior to the sale of chickens and at the request of the processor the producer must provide the processor with the average weight of the chickens on the date requested by the processor and complete the appropriate section of the Pre-Shipment Form in a Form 3. At 3 to 4 days prior to the sale of chicken and in accordance with the Federal Meat Inspection Regulation the producer shall complete the entire Pre-Shipment Form in a Form 3 and forward a signed copy of the completed Form 3 to the processor.
- 5.03 At the time of sale of the chicken the producer shall complete and sign four copies of the Flock Information Reporting Form in a Form 6 for each load of chicken received by the processor and deliver such copies to the processor or the processor's agent. The producer shall ensure that the Form 6 is complete and accurate in all respects and is a Form 6 issued in respect of the registered premises on which the chicken were produced. The processor or the processor's agent shall sign the Form 6 and return two copies to the producer and retain two copies. Two copies must accompany the vehicle in transit to the processing plant.
- 5.04 The producer shall file the white original copy of the Pre-Shipment Form in a Form 3 and the Flock Information Reporting Form in a Form 6 with the Board at its office by not later than seven days following the day on which the chicken were received by the processor.
- 5.05 Every processor shall purchase all chicken from a producer in accordance with the production and marketing specifications set out on the Form 101.

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## Section 6.0 - Transporting and Weighing Chicken

- 6.01 Every transporter shall obtain a Form 6 from the producer for each load of chicken and shall ensure that the said Form 6 accompanies the load and is delivered to the processor who is buying the chicken from the producer.
- 6.02 The transporter shall ensure that the Form 6 is complete and accurate in all respects.
- 6.03 Every transporter shall, in respect of each load of chicken transported from a producer to a processor, proceed directly from the producer's premises to attend at an approved scale and obtain a weight ticket for the chicken being transported showing the exact date and time and weight of the chicken including the tare weight of the vehicle, the gross weight of the vehicle and the net weight of the chicken. The transporter shall obtain the completed weight ticket and deliver a copy of it with the completed Form 6 to the processor. The chicken shall be weighed immediately upon arrival at the approved scale.
- 6.04 Where the plant or establishment of a processor is equipped with a weigh scale, the chicken shall be weighed at the plant or establishment of the processor in addition to being weighed at an approved scale.
- 6.05 The same tractor and trailer combination shall be used when weighing at the approved scale and when weighing at the weigh scale located at the plant or establishment of the processor.
- 6.06 The tractor and trailer must be weighed together or the trailer alone.
- 6.07 When chicken are weighed, the fuel tank of the vehicle transporting chicken shall be full when weighing empty and when weighing loaded with chicken and the processor or the processor's agent shall make accurate allowances for the tare weight of the empty vehicle and crates.
- 6.08 For the purpose of making accurate allowances for the tare weight of the empty vehicle and crates, the empty vehicle and crates shall be weighed at an approved scale as soon as possible prior to the loading of the chicken. The tare weight is to be taken at the same approved scale as the gross weight taken following the loading of the chicken.
- 6.09 The processor or the processor's agent shall ensure that the time and date of weighing is on the tare weight ticket and provide a duplicate copy of the weight ticket to the producer at the time of loading.
- 6.10 The processor shall, upon request by the Board, immediately reweigh any chicken at the nearest available weigh scale.
- 6.11 The processor or the processor's agent shall attach true copies of the tare and gross weigh tickets to the processor's settlement to the producer.
- 6.12 Despite anything in this Section to the contrary, the Board may by order or direction require a processor to weigh under the direct supervision of the Board or its designated agents at such time or times or within such period of time or times as may be specified in the order or direction of the Board.
- 6.13 Every approved scale weight ticket shall clearly identify the vehicle weighed and the approved scale at which the chicken was weighed.

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6.14 The approved scale shall be equipped with a clock and a printer capable of furnishing a clear and legible hard copy of the tare weight, gross weight and net weight showing the date and time that each was taken.

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## Section 7.0 - Payment to Producers

- 7.01 Payment for chicken shall be calculated based on the weight of the chicken obtained at an approved scale less an allowance for shrink of 1%. The processor, in calculating payment for the chicken shall make no other deduction in the weight of the chicken.
- 7.02 Every processor shall pay to the producer the purchase price of all chicken received at the premises of the producer other than chicken condemned at the plant of the processor by reason of:
- i. Disease, or
  - ii. Emaciation.
- 7.03 No processor may make any deduction for chicken that are dead on arrival at the plant or establishment or condemned due to bruising or cyanosis.
- 7.04 Parts condemned by reason of disease or emaciation only may be charged to the producer. Parts condemned for any other reason shall not be charged to the producer.
- 7.05 Condemnation of chicken, or parts thereof, shall be determined by an Inspector of the Meat Inspection Division, Health of Animals Branch, Agriculture and Agri-Food Canada or the Ministère De L'Agriculture, Des Pêches Et De L'Alimentation Du Quebec who shall issue a certificate of Condemnation to the processor.
- 7.06 Where chicken are processed on Sunday, Monday, Tuesday or Wednesday, the processor shall make payment available to the producer on the Thursday following the day on which the chicken are processed.
- 7.07 Where chicken are processed on Thursday, Friday, Saturday, the processor shall make payment available to the producer on the Monday following the day on which the chicken are processed. Where the Monday specified by this Section or the Thursday specified in Section 7.06 is a statutory holiday, the processor shall make payment available to the producer on the day following the statutory holiday.
- 7.08 The processor shall be responsible for all costs associated with catching chicken at the producer's premises by either providing a catching crew at the processor's own expense or reimbursing the producer for all the producer's costs associated with catching chicken.
- 7.09 The price to be paid by a processor to a producer for chicken shall not be less than the price from time to time determined in accordance with Regulation No. 402 made under the Farm Products Marketing Act and which is in effect when the chicken are received by the processor at the premises of the producer.
- 7.10 Where a processor, as a result of the processor's action, acquires chicken from a producer that are not in accordance with the marketing specifications on a Form 101, the processor shall pay to the producer at least the minimum price for the chicken that would have been paid had the chicken been acquired in accordance with the marketing specifications on the Form 101.
- 7.11 Every processor who receives chicken shall deduct from the monies payable for the chicken, any licence fees payable to the Board by the producer and shall forthwith forward such licence fees to the Board at its office not later than 7 days from the last day of the week the chicken was received.

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## Section 8.0 - Processor Information

- 8.01 Every processor shall complete and file with the Board within 7 days of the date on which chicken were received by the processor, a Buyer Purchase Report in a Form 68 showing with respect to each producer the producer's name, address, the lot, concession, township and county of the producer's premises, the purchase date, Form 6 number, number of chickens purchased, condemned and paid for, the net weight, the Board licence fee and the Chicken Farmers of Canada levy.
- 8.02 Every Buyer Purchase Report in a Form 68 shall be accompanied by true copies of all Producer Settlement Statements for all chicken purchased by the processor showing with respect to each producer the loads of chicken purchased by the processor, the total weight of each load, the Form 6 number for each load, the full purchase price paid to the producer, the deductions including the licence fees of the Board and the levies of the Chicken Farmers of Canada and the net amount paid to the producer, true copies of all Certificates of Condemnation issued to the producer in respect of chicken and true copies of the tare and gross weight tickets obtained from the approved scale with respect to each load of chicken and true copies of the tare and gross weight tickets obtained from the processor's weigh scale with respect to each load of chicken.

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## **Section 9.0 - Cancellation and Non-Fulfillment**

- 9.01 Either party to an agreement in a Form 101 shall be excused for non-fulfillment of the agreement caused by inability beyond the control of either party due to acts of God, fire, floods, strikes, wind, hail, explosion or order of civil or military authorities, to the extent that fulfillment of the agreement has been prevented, in whole or in part, by such cause or causes.

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## **Section 10.0 - Furnishing of Financial Security**

- 10.01 Every processor shall, not later than 17 weeks prior to the commencement of each quota period, file a Letter of Credit in a Form "LC" with the Administrator in favour of the Board, in an amount not less than twelve percent (12%) of the dollar value of the volume of kilograms of chicken to be processed by that processor in the crop quota period.
- 10.02 The Letter of Credit shall be irrevocable and the beneficiary of the Letter of Credit shall be the Board. The term of the Letter of Credit shall be for a minimum of 16 weeks beyond the end of the quota period for which the request was made.

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## Section 11.0 - Forfeiture and Disposition of Letters of Credit

- 11.01 A Letter of Credit delivered by a processor to the Administrator may be forfeited to the Board in whole or in part upon the occurrence of any of the following:
- i. A processor has refused to accept all or part of the kilograms of chicken contracted for by it on a Form 101 for any crop quota period.
  - ii. A processor has failed to pay a producer for kilograms of chicken received by it contrary to Section 7.01 to 7.11 of this Regulation regarding time of payment or any order or direction of the Board.
- 11.02 The Board will notify a processor, in writing, that it has determined to authorize and direct the Administrator to draw, in whole or in part, on the letter of credit filed by the processor. In such case the processor may within 48 hours of delivery of the notice request that the Board hold a hearing to reconsider its decision. The Board will then arrange a hearing as soon as possible at which the processor shall be required to show cause as to why a draw on its letter of credit should not be made in the circumstances.
- 11.03 When the Board has determined that a processor has contravened either paragraph of Section 11.01, it will authorize and direct the Administrator on a Form "DT" to draw, in whole or in part, on the Letter of Credit filed by the processor as follows:
- i. If a processor has refused to accept the kilograms of live chicken contracted for by it on a Form 101, then the Letter of Credit will be drawn on in an amount equal to the monies lost by the producer, if any, due to the processor's refusal to accept the kilograms of chicken;
  - ii. If a processor has failed to pay a producer for chicken marketed to it, then the Letter of Credit will be drawn on in an amount equal to the amount of money the processor has failed to pay the producer for kilograms of chicken received by it.
- 11.04 The Administrator will draw on a Letter of Credit by filing a Demand and Certificate on a Form "DC" with the financial institution that issued the Letter of Credit. The Administrator will distribute all monies received in accordance with the Board's direction. The Board may authorize the Administrator to pay all or part of the monies to it or such other persons and in amounts as it may determine.

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## **Section 12.0 - Orders and Directions**

12.01 The Board may on occasion deem it appropriate to make certain specific orders and directions in relation to and as an adjunct of this Regulation for the purpose of furthering the intended effect of its application.


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### Section 13.0 - Revocation


13.01 Regulation No. 1863-2002 made by the Board on the 20<sup>th</sup> day of November, 2002 and Regulation No. 1963-2004 made by the Board on the 10<sup>th</sup> day of March, 2004 are hereby revoked as of the effective date and this Regulation is substituted therefor, provided that such revocation shall not affect the previous effect of said Regulations or anything duly done or suffered thereunder, or any right, privilege, obligation or liability acquired, accrued, accruing or incurred under said Regulations; or any contravention committed against said Regulations or any penalty or forfeiture or punishment incurred in respect thereof or any such right, investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid.

**BY ORDER OF** Chicken Farmers of Ontario

**Dated** at Burlington, Ontario this 29<sup>th</sup> day of December, 2005.



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**Chairman**



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**Secretary**