



## OPERATING POLICY & PROCEDURE (OPP)

<b>OPP Policy #:</b>	<b>9.25</b>
<b>Policy Heading:</b>	<b>Quota &amp; Production Facilities</b>
<b>Policy Title:</b>	<b>New Entrant Program (NEP)</b>

### POLICY

Last Updated: March 17, 2015

#### Overview

Egg Farmers of Alberta (EFA) believes that it is crucial to the long-term sustainability of agriculture in Canada that new people and new investment be encouraged to enter the industry. EFA's New Entrant Program was developed in order assist individuals and families who want to own an egg farm by alleviating some of the start-up capital. The program strives to accomplish this task by setting aside a small amount of the province's egg quota to be issued to successful applicants.

#### Background

In May, 2010 the Board decided to establish a pool of quota for the assignment of quota to new producers.

#### **1. Definition**

A New Entrant is an individual or company who:

- 1.1 has never before received a quota allocation from the Egg Farmers of Alberta
- 1.2 is not a current shareholder of a company which has received a quota allocation from the Egg Farmers of Alberta

#### **2. New Entrant Quota Pool**

- 2.1 A New Entrant Quota Pool shall be established by EFA for the assignment of quota to new producers as prescribed in the program

#### **3. Allocation of New Entrant Quota**

- 3.1 Where the Egg Farmers of Canada (EFC) issues new quota to the Provinces, the EFA shall set aside 10% of each new allocation to a maximum of 100,000 per allocation



#### **4. Eligibility Requirements**

- 4.1 An applicant shall be a “person” as defined in the Egg Production & Marketing Regulations being AR 293/97 as amended.
- 4.2 An applicant that is an individual and his or her spouse (including common law spouses), may not be:
  - (a) a current or past quota holder
  - (b) a shareholder or past shareholder of a current or past quota holder.
- 4.3 Only one application can be received for each legal land description. If two are received, one will be returned along with the application fee.
- 4.3 An applicant that is a Hutterite Colony shall be fully independent from any other Hutterite Colony to be eligible.
- 4.4 Applicant(s) must have a genuine intention to be actively engaged in the production of eggs.
- 4.5 Applicants must include a written plan that describes:
  - 4.5.1 where the applicant intends to set up production;
  - 4.5.2 the facilities and equipment the applicant will be using for production;
  - 4.5.3 the applicant’s experience and/or knowledge of egg production and hens;
  - 4.5.4 the timeframe in which the applicant will begin production; and
  - 4.5.5 the applicant’s experience and/or knowledge of animal care, food safety and biosecurity practices.
- 4.6 Applicant(s) must own an acceptable production facility (includes land, buildings and equipment) or a detailed plan for an acceptable production facility prior to the commencement of egg production. Producers who need to build a new facility must select an alternative housing system (i.e. not conventional). However, if the production facilities currently have conventional cages, the new entrant is free to use those facilities.
- 4.7 Applicants agree to undertake accreditation under EFC’s Start Clean – Stay Clean Program and adhere to EFC’s Animal Care Program and EFA’s Space Density Policy.
- 4.8 Applicant(s) must agree to sign onto the CEIRA Insurance Program prior to commencing egg production.
- 4.9 Applicant(s) must attend a training session in Calgary .
- 4.9 Applicant(s) must be a Canadian citizen or permanent resident of Canada.
- 4.10 Applicant(s) must be a permanent resident in the Province of Alberta.
- 4.11 Applicant(s) must be at least 18 years of age at the time of application.
- 4.12 Applicant(s) must qualify for a license from EFA.
- 4.13 Applicant(s) may not object to the publication of the applicant’s identity.
- 4.14 EFA staff and family are not eligible to apply for the New Entrant Program.



## **5. Application Process**

- 5.1 On an annual basis, EFA will provide public notice of the existence of the amount of quota that is available for the New Entrant Program.
- 5.2 If there is any quota that has not been accessed in the pool, the Board may lease the quota to an existing producer for production up to the next annual New Entrant draw.
- 5.3 Interested applicants who contact EFA will be provided with an electronic information package (either online or downloaded on a flash-drive brought to us by the applicant) that will include all necessary information regarding Regulations, Policies and any programs operated by EFA or EFC; along with an application form for New Entrant Quota and a non-refundable application fee of \$1,000 plus GST (GST Reg #122224538) payable to the Board by way of certified cheque or money order. There is a lifetime maximum of \$5,000 per applicant. Note: In the event that the applicant does not have access to the internet or does not live near the EFA office, we will provide a flash drive with the information package for a pre-paid fee of \$50.00.
- 5.4 All applications must be submitted to the EFA office in a **sealed envelope**. The outside of the envelope must be clearly marked "New Entrant Program". For confidentiality purposes, none of the envelopes will be opened until the deadline for the program has passed.
- 5.5 Applications received will be reviewed and evaluated by a Committee consisting of EFA Directors and staff with advice from independent experts where appropriate. Only those applications meeting all the eligibility criteria will be approved.
- 5.6 The EFA Board of Directors may, at its sole and exclusive discretion, restrict the allocation of New Entrant Quota.

## **6. Receiving and Producing New Entrant Quota**

- 6.1 New entrant quota will be issued in lots to a maximum of 1,500 birds.
- 6.2 Should the total number of birds requested by all approved applicants exceed the number of birds available, a draw will be held to determine the allotment of new quota. The drawing process will continue until all birds are allocated or the birds remaining number less than 1,500 birds, at which time they will be returned to the New Entrant Pool.
- 6.3 New entrant quota will be issued at no cost, however new entrants must pay the over base user fee that is established annually. For the first 10 years, the quota will be allocated annually in the form of a production permit which must be renewed every year. During the 10 year phase-in, new entrant quota cannot be transferred or sold and new entrants will not receive any increases/decreases in quota.



- 6.4 The new entrant has two years to activate this quota during which time he/she is able to lease out this quota to another registered producer and after which time he/she must be in full production. Producers who go out of business or fail to produce their quota at any time after their quota has been activated during the 10 years will forfeit their right to the quota allocation and it will be returned to the New Entrant Quota Pool for re-allocation.
- 6.5 At the end of the ten years, the quota will be allocated to the producer. Any additional quota acquired by purchase or lease during the 10 year period will not be subject to the same policy if the producer fails to meet the requirements of the New Entrant Program.
- 6.6 New entrants may purchase or lease layer quota.
- 6.7 New entrants are required to meet all requirements established by EFA and EFC.
- 6.8 At the time of the allocation of the permits to the New Entrants, consideration must be given to whether or not they have laying hens on their farm. If they wish to continue with this flock, their permit must reflect the number of birds they have on their farm and are therefore not eligible to lease out.

## **7. Withdrawal of Lots**

EFA reserves the right to withdraw any or all lots offered under the New Entrant Program at any time before or after the closing time for receipt of applications. Unless and until the EFA has notified the applicant in writing, a contractual relationship (either expressed or implied) is not created with any person submitting an application under the New Entrant Program.

## **8. Information Session**

Within the first 2 weeks after the program launch, a town hall meeting will be held to explain the program in detail and to answer any questions that interested parties may have. Information regarding the date and time of the meeting will be posted to EFA's website.