

NATURAL PRODUCTS MARKETING ACT EGG COMMODITY MARKETING REGULATIONS

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This document is *not* the official version of these regulations. The regulations and the amendments printed in the *Royal Gazette* should be consulted on the Prince Edward Island Government web site to determine the authoritative text of these regulations.

For more information concerning the history of these regulations, please see the *Table of Regulations* on the Prince Edward Island Government web site (www.princeedwardisland.ca).

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NATURAL PRODUCTS MARKETING ACT Chapter N-3

EGG COMMODITY MARKETING REGULATIONS

On the recommendation of the Prince Edward Island Marketing Council and under the authority of subsections 4(2) and (3) and section 29 of the *Natural Products Marketing Act* R.S.P.E.I. 1988, Cap. N-3, Council made the following regulations:

1. Definitions

In these regulations and in all orders, rules and regulations made hereunder, unless the context otherwise requires, terms defined in the Act shall have the same meaning herein, and

- (a) "Act" means the *Natural Products Marketing Act* R.S.P.E.I. 1988, Cap. N-3;
- (b) "**commodity board**" means the Egg Farmers of PEI continued under section 2;
- (c) "Council" means the Prince Edward Island Marketing Council;
- (d) "egg" means the egg of a domestic hen;
- (d.1) "**family farm corporation**" means a corporation, engaged in the production of eggs, of which all the issued shares are owned by individuals over the age of eighteen who are related by blood or marriage and are actively involved in the business of the corporation;
- (d.2) "**family farm partnership**" means a partnership of two or more natural persons who are related by blood or marriage;
- (e) "farm unit" means a single tract of land or a number of separate tracts held under the same or different tenures and operated as a single unit;
- (f) "hen" means the hen of any class of domestic chicken belonging to the species Gallus Domesticus:
- (g) "**person**" means natural persons, cooperatives, family farm partnerships and family farm corporations;
- (h) "plan" means the Prince Edward Island Egg Commodity Marketing Plan;
- (i) "producer" means a person engaged in the production of eggs;
- (j) "registered producer" means a producer registered by the commodity board as hereinafter provided. (EC274/76; 55/89; 609/02; 146/18)

2. Renaming and continuation of commodity board

The board previously renamed by these regulations as the Egg Producers of Prince Edward Island is renamed as the Egg Farmers of PEI, and is continued as a body corporate. (EC274/76; 609/02; 146/18)

3. Head office

The head office of the commodity board shall be in the City of Charlottetown, or at such other location in the province as may be determined from time to time by the board. (EC274/76)

4. Seal

The seal, an impression of which is affixed hereto, shall be the common seal of the commodity board, and when used shall be authenticated by the signature of the chairperson and of the secretary or of such other person or persons as the commodity board may authorize by resolution. (EC274/76; 609/02; 146/18)

5. Fiscal year

The fiscal year of the commodity board shall end on December 31 in each and every year. (EC274/76; 609/02)

6. Filing of information

The commodity board shall file with the Council

- (a) a certified copy of the audited financial statement of the commodity board accompanied by the report of operations of the commodity board within ninety days of the close of the fiscal year;
- (b) a certified copy of all minutes, orders, appointments, agreements, awards, reports, rules, resolutions and regulations of the commodity board within seven days of the passage or making thereof;
- (c) where the commodity board appoints an agent, the agent shall file with the Council a certified copy of the audited financial statement and annual report of the agent within ninety days of the close of the fiscal year of that agent. (EC274/76; 609/02)

7. Records

(1) The commodity board shall keep proper books of account which shall be audited for each fiscal year, by an auditor approved by the commodity board.

Audited financial statements

(2) A copy of the audited financial statement accompanied by a report of the operations of the commodity board shall be presented to the commodity board within sixty days of the close of the fiscal year of the commodity board at a regularly scheduled meeting of the commodity board or a special meeting of the commodity board called by the chairperson to consider the report.

Copies to producers

(3) Copies of the annual audited financial statement shall be presented to the producers at the annual meeting of producers. (EC274/76; 609/02; 146/18)



8. Membership

The commodity board shall consist of five members, each of whom shall be a registered producer in the province. (EC274/76; 609/02)

9. Eligibility to vote

(1) To be eligible to vote for a member of the commodity board a producer shall be registered by the commodity board in accordance with these regulations.

Voting by corporation, etc.

(2) A registered producer that is a family farm corporation, family farm partnership or cooperative shall be entitled to one vote only and such vote shall be cast by the representative of the corporation, partnership or cooperative named in writing to the commodity board. (EC274/76; 55/89; 609/02)

10. Eligibility for election

To be eligible for election or appointment to the commodity board, a producer shall hold the qualifications set out in section 9. (EC274/76; 609/02)

11. Elections

(1) The members of the commodity board shall be elected by the registered producers by mailed ballot

Returning officer

(2) The commodity board shall appoint a returning officer if an election to the commodity board is to be held.

Duties

- (2.1) The returning officer shall, not later than the last day of each fiscal year of the commodity board in which an election is to be held, cause an election notice, which advises where nomination forms may be obtained, to be
 - (a) published in at least two daily or weekly newspapers; or
 - (b) mailed to each registered producer, at the most recent address provided by the registered producer.

Nominations

(3) Nominations shall be received or postmarked not later than the last day of the month next following the end of the fiscal year.

Form of nomination

(4) Every nomination shall be in writing and shall be on a form prescribed by the commodity board and shall be signed by at least three registered producers.

Notice of acceptance

(5) Acceptance of a nomination by a nominee shall be evidenced by a notice in writing from the nominee to the commodity board and such notice shall accompany the nomination.

No nomination received

(6) If no nomination is received, the commodity board members whose term of office have expired will be considered to have been *re*-elected for the ensuing term.

Single nominee

(7) If not more than one nomination is received for each vacancy for which an election is being held, the registered producers so nominated shall be declared elected for the ensuing term.

Election by mailed ballot

(8) If more nominations are received than the number of vacancies to be filled, the Returning Officer shall conduct an election by mailed ballot.

Close of register

(9) For the purpose of conducting an election, the register of producers shall be closed on the last day of the month next following the end of the fiscal year. (EC274/76; 609/02; 411/12)

12. Eligibility

(1) Persons whose names appear on the register of producers on the last day of the next month following the end of the fiscal year shall be the only persons eligible to cast a ballot.

Voting

(2) Every registered producer is entitled to one vote for each vacancy to be filled.

Idem

(3) No person shall cast more than one ballot in an election.

Ballot

(4) The Returning Officer shall cause to be mailed to each registered producer a ballot which shall bear the name of each candidate nominated.

Notice

(5) The registered producer shall be deemed to have received any notice or ballot under subsection (4) which is addressed to the registered producer with postage prepaid at the address appearing on the register of producers; failure of any producer to receive such notice or ballot shall not invalidate any election.

Counterfoil

(6) The counterfoil shall be signed by the registered producer completing the ballot.

Return of ballots

(7) All ballots shall be returned by mail, with the counterfoil attached, to the Returning Officer and shall be postmarked not later than the last day of the second month next following the end of the fiscal year.

Scrutineer

(8) Each candidate in an election is entitled to appoint one scrutineer to represent the candidate at the opening and counting of ballots.

Witnesses

(9) The Returning Officer may appoint such persons as the Returning Officer feels necessary to witness the counting of ballots.

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Council

(10) The Council may appoint an additional witness to represent the Council.

Validity

(11) The failure of a scrutineer or witness to witness the counting of ballots shall not invalidate the election.

Comparison of signatures

(12) The Returning Officer shall compare the producer's signature on the counterfoil of the ballot with the producer's signature appearing in the register of producers.

Valid ballots

(13) Only those ballots of which the counterfoil signature has been validated by the Returning Officer shall be counted.

Idem

(14) All ballots shall have the counterfoil removed before being placed in the ballot box.

Counting

(15) Ballots shall be opened and counted by the Returning Officer not later than the 15th day of the third month after the end of the fiscal year, in the presence of the scrutineers and witnesses and a complete report of the results, bearing the signatures of those present shall be filed with the Council.

Declaration

(16) The candidate or candidates receiving the greatest number of votes shall then be declared elected by the Returning Officer.

Casting vote

(17) In the event of two or more candidates for election receiving an equal number of votes, the Returning Officer shall cast a ballot, in the Returning Officer's discretion, in favour of one of the candidates having an equal number of votes to complete the election and such candidate shall be deemed to have been duly elected. (EC274/76; 146/18)

13. Term of office

Each member of the commodity board shall be elected for a two-year term and shall assume office on the first day of the month next succeeding the member's election. (EC274/76; 609/02; 146/18)

14. Vacancies

If no member is elected in accordance with these regulations or if an elected member becomes unwilling or unable to act, or if a vacancy occurs on the commodity board for any other reason, the Council shall appoint a registered producer to fill the unexpired term of office of the member being replaced or until the date of the next annual meeting. (EC274/76; 609/02; 146/18)

15. *Idem*

The Council may declare vacant the office of any member of the commodity board who has been convicted of an offence under the Act or under the Criminal Code, or who has failed to

attend three consecutive meetings of the commodity board without reasonable cause. (EC274/76; 609/02)

16. Officers

(1) The commodity board shall, at the first meeting in the fourth month following the end of the fiscal period, elect from its members a chairperson and a vice-chairperson and shall appoint a secretary and a treasurer; the same person may be appointed secretary and treasurer.

Idem

(2) The commodity board may also appoint such officers and employees as it deems necessary. (EC274/76; 609/02; 146/18)

17. Duties of chairperson

The chairperson of the commodity board shall

- (a) arrange for the calling, time and place of meetings;
- (b) chair all meetings the chairperson is able to attend; and
- (c) be a signing officer of the commodity board,

and may vote on all motions. (EC274/76; 609/02; 146/18)

18. Vice-chairperson

The vice-chairperson of the commodity board shall perform all duties and functions of the chairperson in the chairperson's absence, or in the event of the chairperson's inability or refusal to act. (EC274/76; 609/02; 146/18)

19. Secretary

The duties of the secretary are to

- (a) attend all meetings of the commodity board and keep true minutes thereof and to send a copy of the minutes to every member of the commodity board within ten days of the meeting;
- (b) attend all meetings of producers called by the commodity board and keep true minutes thereof;
- (c) conduct the correspondence of the commodity board;
- (d) sign all orders and regulations of the commodity board;
- (e) keep a record of
 - (i) all business transactions of the commodity board,
 - (ii) all orders, directions or determinations of the commodity board,
 - (iii) all reports of committees that are from time to time appointed by the commodity board, and
 - (iv) all annual statements, auditor's reports and annual reports;
- (f) maintain at the head office of the commodity board true copies of all regulations and orders of the commodity board and the secretary shall permit any registered producer to inspect same without charge during normal business hours of the commodity board;
- (g) maintain a register of producers in which shall be recorded the names of all producers registered by the commodity board, and the secretary shall permit any registered



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- producer to inspect such register without charge during normal business hours of the commodity board; and
- (h) perform such other duties as may be prescribed from time to time by the commodity board. (EC274/76; 514/79; 609/02)

20. Treasurer

The duties of the treasurer are

- (a) under the direction of the commodity board, to provide for the deposit of money, the safekeeping of securities and the disbursement of funds of the commodity board;
- (b) to keep full and accurate books of account in which shall be recorded all receipts and disbursements of the funds of the commodity board;
- (c) to prepare reports showing the financial position of the commodity board as the board may direct; and
- (d) to perform such other duties as may be prescribed from time to time by the commodity board. (EC274/76; 609/02)

21. Duties of members

The members of the commodity board shall

- (a) attend the meetings of the commodity board;
- (b) act in the best interests of the industry in the province; and
- (c) subject to clause (b) represent the registered producers. (EC274/76; 609/02)

22. Assistants

(1) Any powers and duties of an officer to whom an assistant has been appointed by the commodity board may be exercised and performed by the assistant.

Variation of functions

(2) The commodity board may add to or limit the powers and duties of an officer or the officer's assistant.

Term of office

(3) Every member or official of the commodity board shall hold office until a replacement is elected or appointed. (EC274/76; 609/02; 146/18)

BOARD MEETINGS

23. Annual meeting

The annual meeting of the commodity board for the purpose of electing or appointing officers of the commodity board shall be held not later than the fifteenth day of the fourth month next following the end of the fiscal year. (EC274/76; 609/02)

24. Other meetings

(1) Meetings of the commodity board shall be held from time to time at such place, at such time and on such day as the chairperson, or in the chairperson's absence the vice-chairperson or any two members of the commodity board shall determine and the secretary, when directed or

authorized by either of the said officers or by any two members of the commodity board, shall give or cause to be given notice of the meeting.

Place

(2) Unless otherwise stated in the notice calling the meeting, meetings of the commodity board shall be held at the head office.

Notice

- (3) Notice of a meeting shall
 - (a) include the date and time of the meeting; and
 - (b) be given, in writing by mail, or orally or by telephone.

Waiver of notice

(4) No notice of a meeting is required to be given where, in addition to the members of the commodity board present, those absent waive notice of meeting either before or after the meeting.

Mail

(5) Notice in writing by mail is sufficiently given if mailed to a member at the member's last address as recorded in the books of the commodity board.

Quorum

(6) A majority of the members of the commodity board constitutes a quorum for the transaction of business.

Majority vote

(7) All questions arising at a meeting of the commodity board are decided by the majority of the votes of the members present and in the event of a tie vote, the motion shall be tabled for reconsideration.

Absence

(8) Where the chairperson and the vice-chairperson are absent from a meeting, the commodity board may elect a chairperson for the purpose of that meeting from among the members present.

Idem

(9) Where the secretary is absent from a meeting the commodity board may appoint a secretary for the purpose of that meeting. (EC274/76; 609/02; 146/18)

25. Transaction of business

- (1) The commodity board may transact business matters other than at a meeting called and conducted in accordance with sections 23 and 24 upon condition that
 - (a) the chairperson of the commodity board is of the opinion that the matter of business should be decided sooner than a meeting can be called;
 - (b) the chairperson submits the matter to be decided to the secretary of the commodity board:
 - (c) the chairperson or the secretary submits the matter for decision to the members of the commodity board by mail or orally or by telephone; and
 - (d) the secretary makes a record in the minute book of the commodity board of the matter to be decided and the decision of each member.



Record

(2) Where the conditions prescribed in subsection (1) have been complied with and the record shows a majority of members in favour of, or against, the matter of business, it shall be decided accordingly.

Confirmation of record

(3) Where the secretary of the commodity board makes a record in the minute book under subsection (1), the record shall be read and confirmed at the next meeting of the commodity board. (EC274/76; 609/02; 146/18)

26. Finance

- (1) An order passed by the commodity board
 - (a) for borrowing money on the credit of the commodity board;
 - (b) for issuing, selling or pledging securities of the commodity board;
 - (c) for charging, mortgaging, hypothecating or pledging all or any of the real or personal property of the commodity board, including book debts and unpaid calls, rights, powers, franchises and undertakings; or
 - (d) to negotiate for any securities or any money borrowed, or other debt, or any other obligation or liability of the commodity board,

shall state the purpose or purposes for which the money, credit, debt or liability is to be used.

Majority on financial resolution

(2) No order referred to in subsection (1) is effective unless it is passed at a meeting of the members of the commodity board called for the purpose of considering the order and not less than two-thirds of the total commodity board members are present and vote in favour thereof. (EC274/76; 609/02)

27. Bond

(1) The commodity board shall require the treasurer to furnish a bond for the faithful discharge of the treasurer's duties in such form and with such security as the commodity board may from time to time prescribe.

Idem

(2) The commodity board may require such other officers and such employees and agents as the commodity board deems advisable to furnish bonds for the faithful discharge of their duties in such form and with such security as the commodity board may from time to time prescribe.

Costs

(3) The commodity board shall pay the cost of any bond required under subsection (1) or (2). (EC274/76; 609/02; 146/18)

28. Investment

The commodity board shall not invest any surplus funds of the commodity board other than in investment certificates of a chartered bank, trust company, credit union, or the provincial or federal treasurers. (EC274/76: 609/02)

29. Audit

(1) The commodity board shall cause its accounts to be audited annually by one or more auditors within sixty days of the end of the fiscal year of the commodity board.

Auditor's report

(2) The auditor shall make a report to the commodity board based on the accounts examined by the auditor and on every balance sheet laid before the commodity board at a general meeting and in the report shall state whether, in the auditor's opinion, the balance sheet referred to in the report is properly drawn up so as to exhibit a true and correct view of the state of the commodity board's affairs as shown by its books and the treasurer's financial statements.

Filing financial statements

(3) The commodity board shall file or cause to be filed a true copy of every audited financial statement with the Council within ninety days of the close of the fiscal year. (EC274/76; 609/02; 146/18)

30. Register of producers

(1) The secretary of the commodity board shall maintain a continuous up-to-date register of producers which shall be available for inspection by registered producers without charge at all times during normal business hours of the commodity board.

Eligibility

(2) Every producer who has attained the age of eighteen years and has in the producer's possession a flock of three hundred or more laying hens is eligible for registration, provided that there shall be not more than one registered producer for each farm unit.

Registration of corporations, etc.

(3) In the event that a producer who complies with subsection (2) is a family farm corporation or family farm partnership, that producer shall be registered in the corporate or firm name of such producer and all rights and privileges and responsibilities of such producer shall be exercised by an individual designated by notice in writing from the producer to the commodity board.

Removal from register

(4) The commodity board may remove from the register any producer who does not comply with subsection (2) by giving thirty days notice in writing mailed to the last known address of such producer.

Appeal

(5) A producer may appeal the removal of the producer's name from the register to the commodity board; in the event of such appeal the producer's name shall remain on the register until the appeal is heard. (EC274/76; 514/79; 55/89; 609/02; 146/18)

31. Annual meeting

(1) The commodity board shall call an annual meeting of producers registered under the plan.

Date of meeting

(2) The annual meeting of producers shall be held within three months of the end of the fiscal year of the commodity board at such time and at such place and on such date as the commodity board determines.

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Statements to be presented

(3) At every annual meeting the commodity board shall present the audited financial statement for preceding fiscal period along with the annual report of the commodity board and shall announce the appointment of auditors for the next succeeding year. (EC274/76; 609/02)

32. Special meeting

(1) Where the commodity board receives a petition or request signed by at least ten percent of the registered producers requesting that a special meeting of producers be held for discussion of matters respecting the operation of the plan or of the commodity board, the commodity board shall call a special meeting of producers within thirty days of the receipt of such a petition or request.

Matters for discussion

(2) A petition or request shall contain or be accompanied by a statement of the matters for discussion at the special meeting.

Notice

- (3) A meeting referred to in subsection (1) or (2) may be called
 - (a) by giving notice thereof in writing to each registered producer; or
 - (b) by publication of such notice in at least two newspapers in the province,

and such notice shall contain a statement of the matters to be discussed and shall be given at least two weeks prior to the date of such meeting.

Agenda

(4) At such special meeting only those matters contained in the notice of meeting may be brought before the meeting. (EC274/76; 609/02)

33. Commodity board not bound

The commodity board shall not be bound by any decision arising from a special or annual meeting of producers. (EC274/76; 609/02)

34. Committees

The commodity board may appoint committees, the members of which need not be members of the commodity board, to advise or assist it in its work, but shall not sub-delegate any powers delegated to the commodity board under the plan. (EC274/76; 609/02)

35. Validity of actions

The actions of the commodity board are, notwithstanding any defect or irregularity in the appointment or election or qualifications of any member thereof, as valid as if the commodity board and every member thereof has been duly appointed or elected and were duly qualified. (EC274/76; 609/02)

36. Liability

No action shall be brought against any person who at any time acts, purports to act or who hereafter acts or purports to act under or pursuant to the provisions of the Act for anything

done by the person in good faith in the performance or intended performance of the person's duties. (EC274/76; 609/02; 146/18)

37. Indemnity

Every member or officer of the commodity board and his heirs, executors and administrators, and estate and effects, respectively, shall, from time to time at all times, be indemnified and saved harmless out of the funds of the commodity board, from and against.

- (a) all costs, charges and expenses whatsoever which such member or officer sustains or incurs in or about any action, suit or proceeding which is brought, commenced or prosecuted against the member or officer, for or in respect of any act, deed, matter or thing whatsoever, made, done or permitted by the member or officer, in or about the execution of the duties of the member's or officer's office; and
- (b) all other costs, charges and expenses which the member or officer sustains or incurs in or about or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by the member's or officer's own willful neglect or default. (EC274/76; 609/02; 146/18)

38. Remuneration

(1) The remuneration to be paid to members of the commodity board shall be such per diem allowance as the commodity board may from time to time determine.

Expenses

(2) The members are also entitled to be paid their travelling or other expenses properly incurred by them in connection with the business of the commodity board.

Special services

(3) The members may also by resolution award special remuneration to any member undertaking any special services on behalf of the commodity board. (EC274/76; 609/02)

39. Powers of the commodity board

The Lieutenant Governor in Council hereby vests in the commodity board all powers necessary to enable it effectively to promote, control and regulate the marketing of eggs within the province including the power to prohibit any aspect of the marketing of eggs, and without limiting the generality of the foregoing or any other provisions of these regulations it has the following additional powers:

- (a) to regulate the time and place at which and to designate the agency or sub-agency, or the agencies or sub-agencies through which eggs are to be marketed;
- (b) to determine the manner of distribution, the quantity and quality, grade or class of eggs that are to be marketed;
- (c) to prohibit any aspect of the marketing of any grade, quality or class of eggs;
- (d) to determine the charges that may be made for its services by any designated agency;
- (e) to exempt from any determination or order any person or class of persons engaged in the production of, or any aspect of marketing of eggs or any class, variety, or grade thereof;
- (f) to require any or all persons engaged in the production of, or any aspect of marketing of eggs to register with and obtain licenses from the commodity board;



- (g) to fix and collect yearly, half yearly, quarterly, or monthly license fees from any or all persons engaged in the production of, or any aspect of the marketing of eggs, and for this purpose to classify such persons into groups and fix the license fees payable by the members of the different groups;
- (h) to fix and collect from such persons fees and levies for services rendered or to be rendered by the commodity board;
- (i) to recover such license, levies or other fees by suit in any court of competent jurisdiction;
- (j) to suspend or revoke at any time any license granted under the Act and to establish appeal procedures;
- (k) to impose penalties as provided by regulation for violation of any determination or order made under this Act;
- (l) to require full information relating to the production and any aspect of marketing of eggs from all persons engaged therein;
- (m) to require periodic returns to be made by such persons;
- (n) to inspect the books and premises of such persons;
- (o) to fix price or prices, minimum price or prices, at which eggs, or any grade or class thereof may be bought or sold in the province, or that shall be paid for eggs by a designated agency;
- (p) to authorize any marketing agency or sub-agency appointed under the plan to conduct a pool or pools for the distribution of all proceeds received from the sale of eggs and requiring any such marketing agency to distribute the proceeds of sale, after deducting all necessary and proper disbursements, expenses, and charges, in such manner that each person receives a share of the total proceeds in relation to the amount, variety, size, grade and class of eggs delivered by the person and to make payments in respect thereof until the total net proceeds are distributed;
- (q) to seize and dispose of any eggs marketed in violation of any order of the commodity board;
- (r) to require the person in charge of any vehicle to permit any agent or employee authorized by the commodity board to search the vehicle;
- (s) to use in carrying out the purposes of the plan and paying the expenses of the commodity board any money received by such board;
- (t) to delegate its powers to any agent or employee authorized by the commodity board for the proper operation of the plan under which the commodity board is constituted, provided that this clause shall not permit the delegation by such board of the powers contained in clauses (f), (g) and (j);
- (u) to make orders, rules and regulations affecting the production or marketing of eggs;
- (u.1) to acquire, possess, purchase and sell eggs;
- (v) to establish and regulate sales and production quotas, and to prohibit the marketing or production of regulated products in excess of such quotas, or by persons to whom a quota has not been allotted;
- (w) to investigate and arbitrate any dispute arising from the sale of the natural product between producers, shippers, transporters and distributors;
- (x) to require proof of financial responsibility by any person engaged in marketing; and
- (y) to establish price stabilization programs and to fix and collect from producers fees and levies to be used for services rendered or to be rendered to establish a price stabilization program and for the general purposes of orderly marketing. (EC274/76; 609/02; 236/05; 146/18)

40. Dual capacity

Every person who operates in more than one of the capacities dealt with in this plan shall be deemed to act in each of such capacities separately from the others, and to contract in each of such capacities with itself, himself or herself in each of the other capacities in which the person acts, for the purposes of this plan, and shall comply with all provisions in the Act, this plan, and all orders, rules, and regulations of the commodity board that apply to the person or the person's operations in each capacity. (EC274/76; 609/02; 146/18)

41. Quotas

(1) Quotas will be based on flock numbers and producers will be restricted to a maximum number of laying hens in any quota period.

Property of commodity board

(2) Quotas shall be the sole property of the commodity board provided that, subject to approval of the commodity board, they may be transferable between persons subject to advance notice to the commodity board.

Maximum quota

(3) Subject to subsection (12), the maximum quota to be held by any producer shall be 75,000 hens, including hens in moult and the commodity board may impose a penalty not exceeding one dollar per hen on any producer in respect of each laying hen that the producer has in the producer's possession in excess of the producer's quota and thereafter, one dollar per month in respect of each laying hen that the producer has in the producer's possession in excess of the producer's quota.

Registration

(4) Any producer whose flock of laying hens shall become three hundred or more in number shall apply for registration as a registered producer and must apply for a quota which may or may not be allocated by the commodity board depending on market demand for eggs at that time.

Offence

No producer shall maintain a flock in excess of three hundred laying hens without having first received a quota from the commodity board.

Reversion of quota

(6) The quota of any producer whose flock of laying hens becomes less than three hundred hens in number shall revert to the commodity board and the same shall apply to any producer who ceases to produce eggs and whose quota is not transferred with the approval of the commodity board.

Reservation of quota

(7) The commodity board may reserve for new registered producers twenty-five percent of the quotas in its possession or of any increases in the total provincial quota.

Cancellation, etc.

(8) The commodity board may revoke, cancel or reduce a producer's quota by giving thirty days notice in writing to such producer.

Seizure

(9) The commodity board has the power to make order relative to the seizure of laying hens.

Offence

(10) No producer shall keep laying hens in excess of the quota allocated to the producer by the commodity board.

Shareholdings

- (11) No producer to whom a quota has been allocated shall be
 - (a) a shareholder in any family farm corporation; or
 - (b) a member of any family farm corporation, family farm partnership or cooperative,

to which a quota has been allocated, if the aggregate of the quota of that producer and of the corporation, partnership or cooperative, as the case may be, would exceed the maximum quota set out in subsection (3).

Supplementary quota

(12) In the event that a producer is not utilizing part or all of the producer's quota due to a catastrophe or other reasons satisfactory to the commodity board, the commodity board may temporarily, but in no case for more than one year, *re*-allocate that quota as supplementary quota to other producers including those who hold, or will hold, as a result of the *re*-allocation, quota in excess of the maximum quota set out in subsection (3). (EC274/76; 787/77; 11/78; 55/89; 862/94; 338/01; 609/02; 236/05; 146/18)

42. Exemptions

Producers with flocks of laying hens of a number less than three hundred may be exempt from quota restrictions, license fees or levies but shall be subject to other regulations of the commodity board. (EC274/76; 609/02)