



ELIGIBILITY

1. This program applies to layer farmer participants in the New Entrant Quota Loan Pool (NEQLP) who submit bids on each QTS session.

LEASE CONVERSIONS

2. The NEQLP quota lease conversions (500 units of quota per calendar year) will continue in accordance with the previous NEQLP.

OPTION TO PURCHASE

3.
 - (a) To the extent such quota has not been acquired on the QTS, the producer will have the option to purchase the number of units equal to that shortfall from EFO at the QTS price then in effect (currently \$295.00 per unit) payable to EFO.
 - (b) The purchase option will be based on that producer's QTS purchases during the immediately preceding calendar year and must be exercised by not later than December 31st of the current year.
 - (c) This purchase option expires on December 31st of the current year and cannot be carried forward.
 - (d) Failure to exercise this purchase option will result in EFO's cancellation of that number of units of NEQLP in shortfall.

QUOTA ALLOTMENT

4. Upon completion of each such purchase, EFO will cancel the NEQLP lease quota and affix and allot the same amount of quota to the producer in respect of the registered premises.

TERMINATION

5. This program will terminate upon EFO's cancellation of all of the NEQLP lease quota.