



Quota Credit Policy

as amended December 2021

INTRODUCTION:

The Ontario Quota Credit Policy is available to qualifying producers in Good Standing whose flocks are out of production due to renovation, quota transferred through the Ontario Quota Transfer System (QTS), producers whose flocks are short on inventory at initial flock placement, an approved change to a later Home Week, Production Quota Re-Alignment between barns, or other circumstances as determined by the Board. EFO recognizes that there is a National Quota Credit Program but has decided for administrative purposes to run the program provincially. However, EFO's policy will reflect the National policy and EFO will honour all types of quota credits offered by EFC.

PRINCIPLE:

The program allows producers to recover lost production by allocating additional birds that may be placed at a later date. The issuance of Quota Credits is subject to the discretion of the Board with respect to the hen utilization figure.

CRITERIA:

All Quota Credits issued by EFO are subject to the following criteria:

1. Producers must be out of production for a minimum of fourteen [14] days [the first seven days of downtime are not eligible]. This does not apply to Short-Placement Credits.
2. The replacement flock must comply with the current Home Week Policy.
3. The calculation of the Quota Credit ends and Per Bird Levy charges begin when the replacement flock turns 19-weeks or at placement date if birds are placed after the 19-week date
4. Eligible Quota Credits are calculated on a producer's Production Quota only. Programs will only be included in the calculation of Short-Placement Quota Credits as per the Special Layer Lease Policy.
5. Producers may accumulate Quota Credits; EFO-issued Quota Credits do not expire.
6. Quota Credits cannot be transferred and are specific to the registered premise they are approved for.
7. Quota Credits will be automatically issued as part of a producer's Allotment subject to capacity limitations. Layer producers will be able to request deferral of Quota Credits but will be subject to the Board's discretion with respect to hen utilization.
8. Inspectors will visit the barn(s) to assess the beginning and end of a qualifying period.
9. Following the submission of an Application for Quota Credits to the EFO Online Portal and approved by EFO staff, producers will receive a Quota Credit Estimate for the qualifying period (from disposal to placement, to a maximum of 1 year). This estimate is subject to change and will not be finalized until the replacement flock has received a verified count and flock dates and inventories have been confirmed.
10. After the replacement flock has been counted, the credit calculation will be finalized. If the final number of Quota Credits is *higher* than the estimated amount, additional Quota Credits equal to the difference will be issued and can be used at the next flock placement. If the final number of Quota Credits is *lower* than the estimated amount, a reverse (negative) Quota Credit equal to the difference will be issued and must be used at the next flock placement.
11. After the Quota Credit Estimate has been issued, if there is a change in the disposal and/or placement date that results in the producer being out of production for less than the required fourteen [14] days, the credits will be voided.
12. Producers are required to submit disposal paperwork as confirmation of the flock disposal date and disposal inventory which are used for the calculation of the final Quota Credit amount.

Renovation Quota Credits

13. Producers who are building a new barn or renovating an existing barn and will have existing Production Quota out of production may apply for a Renovation Quota Credit.
14. Producers renovating an existing barn must remain within their Home Week. A new barn's Home Week and/or requested changes to existing barn's Home Weeks require Board approval to ensure there is an appropriate distribution of birds throughout the year.



15. To participate in the Renovation Quota Credit program, producers are required to submit an Application for Quota Credits to the EFO Online Portal a minimum of 30 days prior to the start of the qualifying renovation period.
16. Additionally, if producers intend to use the Renovation Quota Credits with the first flock placed immediately after the renovation is complete, the Quota Credit application must *also* be submitted prior to EFO issuing the Allotment for that flock. Otherwise, the Quota Credits will not be available to use until the next flock placement.

Production Quota Re-Alignment

17. Producers may realign how their Production Quota is distributed by Home Week/Barn and may intentionally short-place one barn so that Production Quota is available for a later placement.
18. If the re-alignment results in existing Production Quota being out of production producers may apply for a quota credit by first contacting the EFO office to confirm the amount of Production Quota moving from one barn to another, and then submitting an Application for Quota Credits to the EFO Online Portal a minimum of 30 days prior to the start of the qualifying re-alignment period.

QTS Quota Credits

19. When quota is acquired through the QTS Quota Credits may be available to recognize the period between the purchase date of the quota and the placement date.
20. If the producer is eligible for QTS Quota Credits, the credits will be issued automatically, no application is required.
21. Quota Credits earned through the QTS cannot exceed the initial amount purchased through an individual QTS session.

Short-Placement Quota Credits

22. EFO recognizes that unexpected mortality in the pullet barn can result in producers receiving fewer birds than their planned Allotment. This is referred to as a short-placement and producers may be eligible to receive Quota Credits to compensate for the difference between bird inventory at the verified count and the planned Allotment, to be used at the following year's flock placement.
23. To participate in the Short-Placement Quota Credit program, producers are required to submit an Application for Short-Placement Quota Credits to the EFO Online Portal prior to the verified count for the flock that has been short-placed.
24. Quota Credits will be issued by EFO staff when it can be accurately determined that the short-placement resulted from high mortality in an Ontario pullet barn. Quota Credits will not be issued for pullets coming from outside of Ontario.
25. In order to determine pullet barn mortality, all required pullet reporting must be submitted within the prescribed time frames: Day Old, Two Week, Ten Week, and 19-Week reporting.
26. Quota Credits will be issued when the difference in inventory at flock placement is more than one quarter of a percent of the Allotment for that flock and is greater than 25 birds.
27. Other circumstances of short-placement will be reviewed by the Board on a case-by-case basis and the producer may be issued Quota Credits. Please refer to the Flock Allotment Policy for additional information regarding excessive mortality in the first seven days in the layer barn.
28. Quota Credits will not be issued when the inventory at flock placement matches or exceeds the Allotment. Only placements that are short upon delivery and remain below their Allotment at the verified count will be eligible.
29. Allotments are limited by barn capacity. If a producer owns more Production Quota than can be placed within the barn, credits will not be issued for the unutilized Production Quota.
30. Allotments are composed of Production Quota + Programs + Quota Credits. In situations of short-placement, credits will only be issued for unutilized Production Quota and Programs. Unused credits will not earn additional credits. The unused credits will remain for use at future placements.
31. If a producer willfully places an order with their hatchery to receive fewer birds at delivery to the layer barn than the planned Allotment then credits will not be issued.



Home Week Change Quota Credits

32. As stated in the Home Week Policy, if a producer requests a change to a later Home Week that results in the layer barn being out of production for more than 14 days, Quota Credits may be issued.
33. An Application for Change in Home Week Form must be submitted to the EFO Online Portal prior to EFO issuing the Allotment for the flock changing Home Weeks.
34. If the Home Week Change request is approved and the producer is eligible for Quota Credits they will be issued automatically, with the Application for Home Week Change acting in place of the Application for Quota Credits.
35. If producers intend to use the Home Week Change Quota Credits with the first flock placed in the new Home Week, then the Application for Home Week Change *must* be submitted prior to EFO issuing the Allotment for that flock. Otherwise, the Quota Credits will not be available to use until the next flock placement.

EXAMPLES:

Example # 1

A producer is undergoing a renovation and is out of production from April 1 – May 30

# of Disposed Birds [verified by Disposal receipt]	Less Program Birds	Total Eligible Birds		# of Days Empty [less 7 days]		# of days in flock cycle	Number of Quota Credit Birds
21,248	4,014	= 17,234	x	52	÷	358	2,503

Example # 2

A producer is undergoing a renovation and is out of production from April 1 – April 20

# of Disposed Birds [verified by Disposal receipt]	Less Program Birds	Total Eligible Birds		# of Days Empty [less 7 days]		# of days in flock cycle	Number of Quota Credit Birds
21,248	4,014	= 17,234	x	12	÷	358	577

Example # 3

A producer purchases quota on the QTS

QTS Payment Date	Minus Requested Effective Date	# of Days Eligible		# of Units Purchased		# of days in flock cycle	Number of Quota Credit Birds
July 3, 2020	April 19, 2021	= 290	x	150	÷	358	121

Example # 4

A producer has short-placed from their Allotment

Total Allotment	Inventory at 19-weeks	Inventory at verified count		Difference between Allotment and inventory at verified count		Number of Quota Credit Birds
51,500	49,800	49,780		1,720		1,720

Example # 5

A producer is changing from Home Week #14 to Home Week #25 and is out of production from April 3 – June 17

# of Disposed Birds [verified by Disposal receipt]	Less Program Birds	Total Eligible Birds		# of Days Empty [less 7 days]		# of days in flock cycle	Number of Quota Credit Birds
15,336	1,026	=14,310	x	68	÷	358	2,718



SANCTIONS:

The Board may cancel or reduce, refuse to increase, refuse to loan, fix, and allot quota to any person for any reason that the Board considers proper. Additional or alternative sanctions may apply under EFO's Quota Policy; Section 27 [Quality Standards], Section 28 [On Farm Food Safety / Animal Care Program] and Section 30 [Housing Density]. Indirect methods to circumvent EFO's policies will not be permitted and where identified may result in an appropriate reduction or cancellation of quota.