



### New Entrant Quota Loan Pool [NEQLP]

#### **INTRODUCTION:**

EFO developed the New Entrant Quota Loan Pool [NEQLP] in 2011 to assist individuals into the Ontario egg industry.

#### **HOW DOES THE NEQLP WORK?**

- Up to 10,000 units of egg quota will be loaned per year to the successful applicant[s];
- Units of egg quota will be loaned to the successful applicant[s] over a 20 year period; based on a 1:2 ratio; [1 bird purchased, 2 birds loaned].
  - *As an example:*
    - *in order to receive up to a maximum of 2,000 units of loaned quota, the new entrant is required to purchase up to 1,000 units of quota, for a total production of up to 3,000 units of quota*
    - OR
    - *in order to receive up to a maximum of 5,000 units of loaned quota, the new entrant is required to purchase up to 2,500 units of quota, for a total production of up to 7,500 units of quota*
- The applicant[s] will return the loaned units of quota into EFO's NEQLP as follows:
  - [X #] units of loaned quota back into the pool in ten [10] (10% each) installments - commencing in the 11<sup>th</sup> year up to and including the 20<sup>th</sup> year: *10% in the 11<sup>th</sup> year; 10% in the 12<sup>th</sup> year; 10% in the 13<sup>th</sup> year; 10% in the 14<sup>th</sup> year; 10% in the 15<sup>th</sup> year and in succession until year 20.*

#### **ELIGIBILITY:**

In order to be considered for EFO's NEQLP, an applicant must:

- Be a Canadian Citizen or landed immigrant [proof required];
- Be a permanent resident of Ontario [proof required];
- Not hold quota of any type in the supply-managed sector [egg, pullet, chicken, turkey, dairy, or hatching eggs];
- Not have held quota, currently or in the past, of any type in the supply managed sector;
- Priority will be given to persons between the ages of 18 and 45.

#### **APPLICATION PROCESS:**

- To apply for the NEQLP, interested individuals must fully complete and submit the application in the form attached along with a non-refundable fee of \$113.00 (includes HST) with each application.
- Only one application is accepted per deeded property, which must be owned by the applicant(s) or, if the applicant, at time of application, does not own a property, the applicant must submit a binding agreement of purchase and sale for such premises with the closing date on or before the effective date of bird placement. A copy of the registered deed / transfer; must be submitted to the Board on or before the Effective Date of bird placement identifying the applicant as the registered owner of the property.



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### **NEW ENTRANT POLICY APPLICATION PROCESS CONTINUED**

- A letter of reference from a financial institution is required.
- A letter of support from a grading station is required.
- The applicant is encouraged to submit a Business Plan along with their application.
- All pages submitted must be numbered and in sequential order.

### **SELECTION PROCESS:**

Should an applicant meet the above Eligibility criteria, their application will be reviewed by a Selection Committee comprised of well respected and knowledgeable industry representatives.

- Members of the Selection Committee are chosen by EFO and may include:
  - an Accountant; a Financial Representative [i.e. FCC]; an OMAFRA staff person; a non-Director egg farmer; a representative from Junior Farmers' Association of Ontario.
- EFO staff will act as resource persons for the Selection Committee.
- The Selection Committee's recommendation will be presented to EFO's Board of Directors for a final decision.
- All applicants will be notified by EFO of their application status.
- Applications not selected become null and void.
- Applications do not remain on file.
- Applicants must re-apply to be considered by the Selection Committee in future years.

### **HOW DOES A SUCCESSFUL CANDIDATE OBTAIN LOANED QUOTA?**

- Once the Selection Committee has named a successful applicant[s], EFO will prepare a Memorandum of Understanding [MOU] setting out the conditions for obtaining [X#] units of loaned quota;
- The successful applicant[s] must sign the Memorandum of Understanding [MOU] with EFO;
- The successful applicant [s] complete and file with EFO all documentation required of a buyer as set out in the Quota Transfer System (QTS), EFO Policies, Programs and Procedures 2014 as may be amended from time to time [based on 1:2 ratio]
- Upon execution of the MOU, EFO will loan [based on above 1:2 ratio] and allocate [X#] units of quota to an assigned NEQLP quota number;
- The successful applicant[s] must be in production within 18 months of being selected.

### **WHAT ARE THE NECESSARY REQUIREMENTS FOR AN EGG FACILITY/PRODUCTION?**

All egg and pullet farmers are representatives of an industry that takes tremendous pride in producing a safe and nutritious food according to the highest standards of quality. Egg facilities/production must maintain HACCP certification. The entire production [purchased & lent quota] will be treated as a regulation production unit and must meet all requirements: be in compliance with EFO's General Regulations, Policies, Procedures & Programs; be HACCP certified; meet Housing Density Requirements; all eggs must go through a registered egg grading station; levy is to be paid on all eggs.

### **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 26 [Quality Standards], Section 27 [On Farm Food Safety] and Section 28 [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.