

BRITISH COLUMBIA VEGETABLE MARKETING COMMISSION

STORAGE CROP NEW ENTRANT PROGRAM POLICY

PURPOSE

The BC Vegetable Marketing Commission (VMC) has identified that through the creation of a Storage Crop New Entrant Program the prospect of increasing the provincial supply of regulated storage crop vegetables is improved and the opportunity for expanding this sector of the BC horticulture industry enhanced by encouraging the establishment of viable and sustainable farm businesses and farmer owned marketing organizations.

OBJECTIVE

The objective of the program is to assign certain amounts of one or more storage crop Delivery Allocations (expressed in tons) to a prospective producer determined by the Commission to be a New Entrant.

The expected result of the new entrant program is a greater proportion of storage crop vegetables entering marketing channels by way of Designated Agency sales of product grown in the Province.

GOAL

By assigning Delivery Allocation to new entrants the VMC's intention is to establish farm businesses where there is a reasonable expectation for achieving financial success over the short and long term.

NEW ENTRANT PROGRAM

The New Entrant Program is for Persons having the intention to commence the production for marketing of regulated storage crop vegetables within the Regulated Area.

Overview and Program Elements

The below listed elements provide an overview of the new entrant program:

1. The Commission will provide administration to received applications on a first-come first-served basis. This is regardless of the storage crop type or where within the geographically defined Regulated Area regulated crop is intended to be grown.
2. If an application is complete in all respects the applicant will be informed whether or not they are qualified to participate in the New Entrant Program. This notice of qualification does not constitute a VMC decision regarding the assignment of Delivery Allocation.

3. Once qualified the new entrant is to demonstrate to the VMC that a Designated Agency is prepared to represent the new entrant's supply of regulated vegetables. For doing so the Designated Agency is to advise the VMC in writing that it is prepared to market the new entrant's supply of regulated product (one or more of the regulated storage crop vegetables) in accordance with the agency's and the new entrant's marketing plan.
4. On receiving Designated Agency advice about proposed Delivery Allocation amounts the VMC will consider this information at the time it is reaching a decision about the application.

Program Duration

Commencing from the date when Delivery Allocation is assigned by the VMC and on completion of 10 consecutive years plus one day (3,651 days) of production for marketing of one or more regulated storage crops the licensed producer will no longer be classified as a new entrant.

Accordingly, on the eleventh anniversary date of when Delivery Allocation was first assigned the new entrant producer is no longer limited by any term or condition placed upon them by virtue of entering the regulated marketing sector by making use of the Storage Crop New Entrant Program.

BC Vegetable Marketing Commission Decision

The decision to approve or deny an application will be made by Commission members.

Changes to the New Entrant Program

The New Entrant Program established by the Commission is subject to change from time to time.

Eligibility Criteria

The eligibility criteria are:

- The new entrant confirms that their interest is to produce regulated storage crops that are to be marketed through a Designated Agency as opposed to marketing by way of one's own on-farm or off-farm market stand or at farmers' markets.
- For Person's whose interest it is to farm as a proprietor or a spousal partnership they are to demonstrate to the satisfaction of the Commission at the time of submitting an application that they are a citizen of Canada or a Permanent Resident of British Columbia and are over the age of 18 .

- If, at the time of application, the Applicant is not a British Columbia resident he/she must attest that when farming commences it is their intention to produce for marketing within the Regulated Area one or more of the regulated storage crops.
- For non-spousal partnerships; corporations or co-operatives, the Applicant must demonstrate at the time of submitting an application that it is a legal person of the Province of British Columbia, for example a company formed under the BC Companies Act; and must demonstrate to the satisfaction of the Commission 51% common beneficial ownership is retained by a Person or Persons holding Canadian citizenship or Permanent Resident status and that person is over the age of 18.
- The Applicant is to elect only one of the five above-described legal persons permitted to make an application and is not permitted to make more than one application.
- Applicants must have no record, direct or indirect, that storage crop Delivery Allocation is currently assigned by the Commission to the applying person.
- Applicants directly related to a Licensed Producer (son, daughter, son-in-law or daughter-in-law) to whom Delivery Allocation is currently assigned are to disclose the relationship on the application form; however, that fact will not disqualify the application.
- An application is to be accompanied by a Business Plan (see description below) that will be relied upon for determining eligibility.

Applying for the New Entrant Program

Making an Application

Persons making application to the program may do so on the basis of the prevailing policy and rules in place as at the date of application. Program policy and rules at the time of application will apply to the new entrant for the entire time they are classified as a new entrant producer.

Application Form

A Storage Crop New Entrant Program application form is to be submitted to the VMC. It may be submitted at any time.

Administrative Process

Ideally, applications should be received by the Commission well in advance of the time when the applicant wishes to start farming. This is typically in the spring, which is when the crop year begins.

The administration of applications takes time; consequently, applicants control the administrative process by virtue of when information is submitted and its thoroughness. Also, promptly responding to Commission supplemental information requests influences the time when the Commission considers an application.

Application Fee

An application fee of \$250.00 is due and payable at the time an application is submitted to the VMC.

Notice of Qualification

The VMC will inform applicants in writing if they are determined qualified to make use of the program.

Applicants determined not qualified will be so informed by the VMC in writing. The application fee will be returned less a \$100.00 administration fee.

Withdrawal from Consideration

Should an applicant withdraw from consideration any time after being informed they have qualified to make use of the program the application fee will not be refunded.

Rank Ordering of Applications and Order of Consideration

The Commission will rank order fully completed applications by their receipt date.

Received incomplete applications will not be date stamped and not placed into rank order. Applicants will be informed of deficiencies so that a complete application is received by the Commission.

Re-Application

If an applicant is determined unqualified the person may submit a new application only after the passage of 365 calendar days from the date written notice was issued to the applicant by the VMC that they did not qualify.

Persons re-applying will be required to pay the \$250.00 application fee.

Entry into the Program

Once determined qualified the applicant is to:

- inform the VMC in writing that they are prepared to commence farming by a certain date or if, for whatever reason, start-up is not to coincide with the beginning of the ensuing crop year the applicant is to inform the

Commission when start-up is expected; and

- demonstrate to the VMC that it has completed discussions with a Designated Agency whereby the agency is to inform the VMC in writing having regard to the volume of one or more regulated crops to be produced for marketing and it is prepared to market the prospective new entrant producer's production.; and
- obtain a Class 1 Storage Crop Producer Licence.

OTHER INFORMATION ABOUT THE NEW ENTRANT PROGRAM

Program Restrictions and Limitations

Following issuance of a Producer License and the assignment of Delivery Allocation the below listed elements apply:

- The assigned amount of Delivery Allocation is for a specific regulated storage crop;
- The assigned Delivery Allocation is not transferable to other regulated crops;
- The new entrant producer is to be actively engaged in the production for marketing of regulated storage crops;
- If the new entrant producer commences production for the marketing of regulated storage crops in the manner set out in the new entrant producer's approved business plan and then ceases to produce and market regulated product for two consecutive crop years the Commission shall revoke the assigned Delivery Allocation(s) and cancel the Producer License;
- In addition to the new entrant producer having Delivery Allocation assigned they can add to it in the same manner existing producers are able to do so; and
- Based on the then prevailing amounts of VMC assigned Delivery Allocation its transfer to other producers or persons may occur once 6 consecutive years plus one day (2,191 days) of regulated vegetable production for marketing has occurred (calculated from the Delivery Allocation assignment date), and such transfers are permitted during years 7 – 9 on a graduated basis as displayed in the schedule set out below and on the completion of 10 consecutive years plus one day of regulated vegetable production for marketing the entirety of then assigned Delivery Allocation is eligible for transfer:

Year ¹	Number of Days Transpired Since Date of Delivery Allocation Assignment	Eligible Transfer Amount (Percent)
From Date of Assignment to Completion of Year 5 (365 X 5 = 1,825 days)	1,825	0
Completion of Year 5 plus 1 day (365 X 5 = 1,825)	1,826	0
Completion of Year 6 plus 1 day (365 X 6 = 2,190 days)	2,192	20
Completion of Year 7 plus 1 day (365 X 7 = 2,555 days)	2,556	40
Completion of Year 8 plus 1 day (8 X 365 = 2,920 days)	2,921	60
Completion of Year 9 plus 1 day (365 X 9 = 3,285 days)	3,286	80
Completion of Year 10 plus 1 day (10 X 365 = 3,650)	3,651	100

Note 1 – first eligibility for transferring Delivery Allocation commences one day following 2,190 consecutive days of regulated vegetable production for marketing and similarly so for each of years 7 through 10 where on the conclusion of 10 consecutive years (3,650 days) of regulated vegetable production for marketing the entirety of then assigned Delivery Allocation is eligible for transfer

- If a transfer of Delivery Allocation has not occurred during years 5 through 10 transfer of all then assigned Delivery Allocation to other producers or persons may occur one day after completing 10 consecutive years plus a day (3,651) of regulated vegetable production for marketing.

Application of the General Order

In addition to the terms and conditions of the program new entrant producers are at all times to remain in compliance with the entirety of the General Order.

Failure to remain in compliance with the General Order will give cause for the VMC to undertake enforcement measures as provided for in the General Order, including the cancellation of assigned Delivery Allocation, Producer License or both.

Business Plan

The business plan is to provide the Commission with sufficient information so that an informed decision about qualification can be reached.

Not to the exclusion of other information, the Business Plan is to provide information such as:

- farming experience
- location of the farm land
- crops to be produced
- financing, including a 5-year cash flow projection that, if applicable, includes off-farm income
- shareholders or partners are listed
- information about investment in land, farm equipment, and other production resources
- documentation that the real property to be used for farming is owned or if it is to be leased or rented demonstrate to the satisfaction of the VMC that long term land rental or lease arrangements are in-hand or are attainable
- provide information where storage crops are to be stored for marketing later in a crop year
- experience in food safe vegetable production or familiarity with on-farm food safety principles

| Amended November 18, 2011

December 17, 2009

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BC VEGETABLE MARKETING COMMISSION

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Phone 604-542-9734 FAX 604-542-9735

APPLICATION FOR STORAGE CROP NEW ENTRANT PROGRAM

Name of Applicant _____

Name of Applicant Company _____

Mailing Address _____

_____ Postal Code _____

Location of Farm Premises _____

Phone No. _____ Cell No. _____

Fax No. _____ E-mail _____

PLEASE SELECT ONE OF THE FOLLOWING CATEGORIES THAT INDICATES THE LEGAL STRUCTURE OF YOUR PROPOSED OR EXISTING FARM BUSINESS: (check only one)

Proprietorship Spousal Partnership Non Spousal Partnership
Corporation Co-operative

PLEASE ANSWER THE FOLLOWING QUESTIONS:

(Write yes or no responses)

Is it your interest to produce regulated storage crops that are to be marketed through a Designated Agency as opposed to marketing by way of your own on-farm or off-farm market stand or at farmers' markets? _____

Have you had any discussions with a Designated Agency regarding crops to be grown? _____

Are you a Canadian Citizen? _____ or, if not, are you a Permanent Resident of British Columbia/another Province or Territory? _____

(Please note that proof of citizenship or resident status may be requested)

Are you currently a resident of British Columbia? _____ or, if not, is it your intention to produce regulated storage crops within the Regulated Area of British Columbia when farming commences? _____

Is the farm premise where you plan to farm currently under your control and management? _____

Are you over 18 years of age? _____

Are you providing a business plan at the time of submitting this application? _____

IF NOT APPLYING AS A PROPRIETORSHIP PLEASE LIST ALL PARTNERS, OR SHAREHOLDERS IF A CORPORATION:

_____	_____
_____	_____
_____	_____

FOR NON-SPOUSAL PARTNERSHIPS, CORPORATIONS OR CO-OPERATIVES:

The Applicant must demonstrate at the time of submitting an application that it is a legal person of the Province of British Columbia, for example a company formed under the BC Companies Act; and must demonstrate to the satisfaction of the Commission 51% common beneficial ownership is retained by a Person or Persons holding Canadian citizenship or Permanent Resident status and that person is over the age of 18.

UNDERTAKING BY THE APPLICANT:

We certify that all information given in this application is true, correct and complete in every respect and agree to comply with all Orders and Regulations of the BC Vegetable Marketing Commission, including the Storage Crop New Entrant Program.

_____	_____	_____
Print Name in Full	Signature	Date

COMPLETE AND RETURN TO THE ADDRESS ABOVE:

- This application form;
- Application fee (as indicated below);
- If ready to do so, a Business Plan (as described in the *Storage Crop New Entrant Program*) that will be relied upon for determining eligibility.

Application Fee:

APPLICATION FEE	\$ 250.00
HST – 12% (#119480598RP0001)	\$ 30.00
TOTAL	\$ 280.00

NOTE: Once your application has been submitted to the BC Vegetable Marketing Commission (VMC) and considered to be complete in all respects, you will be informed whether or not you are qualified to participate in the New Entrant Program. This notice of qualification will not constitute a VMC decision regarding the assignment of Delivery Allocation.

March 2010