

BRITISH COLUMBIA VEGETABLE MARKETING COMMISSION POLICY

Transferring Greenhouse Vegetable Production Allocation

Section 8 of Part XVI – *Production and Delivery Allocation –General* – of the General Order provides for the transfer of Delivery and Production Allocation.

Throughout the Regulated Area Delivery and Production Allocation is transferable between and among licensed Producers and prospective producers intending to obtain a Producer license.

Production Allocation Transfer Outcomes

Dependent on the parties involved in a Production Allocation transfer request, including producers, prospective producers and agencies, the result may lead to different outcomes.

One outcome is when a Designated Agency's supply of regulated product is unaffected on the completion of a Production Allocation transfer. The other outcome is when a Designated Agency's supply of regulated produce is affected.

Production Allocation Transfer Application Submission

Production allocation transfer requests set out on a VMC Production Allocation Transfer Form may be submitted to the VMC at any time.

For transfers where the supply of greenhouse vegetables to a designated agency is not affected the transfer is to have effect subject to the agreement of the involved parties.

For transfers where the supply of greenhouse vegetables to a designated agency is affected the transfer is to have effect in accordance with provisions set out in the balance of this document.

Procedures for the Transfer of Production Allocation Involving Licensed Producers

Non-Migrating Production Allocation Area

In the instance where the subject production allocation area does not result in agency supply reduction because the involved parties have a common Designated Agency and this is to continue the VMC is to receive a completed and signed Production Allocation Transfer Application form. The form is to be signed by the transferor, the transferee and the involved Designated Agency.

On the VMC receiving a Production Allocation transfer application that is in good order in all respects and the parties are in good standing with the VMC the transfer is to have effect at a time specified on the transfer form.

Migrating Production Allocation Area

In the instance where the supply of regulated product from the subject production allocation area is to migrate to another agency the transferor is to provide advance notice of that intention to the agency of record. Such notice is to be provided prior to the agency of record on or before June 30 of the current crop year. This date may be different to termination notice dates set out in a prevailing Grower Marketing Agreement.

At the time the transferor provides advance notice to the agency of record the parties to the Production Allocation transfer are to complete, sign and submit to the VMC a Production Allocation Transfer Application. Subject to the application being received on or before June 30, it is in good order in all respects and the parties are in good standing with the VMC the application will be held in abeyance and actioned for having effect at the start of the ensuing crop year (January 1). Applications received after June 30 of the current crop year will be received at any time; however, they will have no effect until the completion of the current crop year and one additional crop year. The effective date will be January 1.

The licensed producer acquiring Production Allocation by way of transfer is to arrange for their Designated Agency of record to confirm with the VMC that it is aware of the future supply increase and it is prepared to market the incremental volume along with the producer's base regulated product volume.

If ownership of the farm property is retained by the transferor written assurance is to be provided to the VMC that in future the greenhouse facility will not be used by any party for the production of regulated greenhouse vegetables. The form of the written assurance is to be an enforceable, signed undertaking.

Procedures for the Transfer of Production Allocation Involving a Licensed Producer and a Prospective Producer

Licensed producers are able to transfer Production Allocation to persons not currently issued a Greenhouse Vegetable Producer license contingent upon that person's intention is to obtain a license for the production for marketing of regulated greenhouse vegetables.

For obtaining a Producer License the prospective producer is to undertake measures set out in the General Order.

Non-Migrating Production Allocation Volume

In the instance where the subject production allocation does not result in agency supply reduction because the parties involved in the Production Allocation transfer deliver or intend to deliver regulated greenhouse vegetables to the same agency the parties are to complete, sign and submit to the VMC a Production Allocation Transfer Application. The application may be submitted to the VMC at any time.

The unlicensed person is to undertake measures for the VMC to issue a producer license so that license issuance and assignment of Production Allocation occurs at the same time. This includes electing the Designated Agency that is to receive regulated product for marketing.

On receiving a production allocation transfer application the VMC may approve the Production Allocation transfer for having effect at the time specified by the involved parties. This is subject to the transfer application form being complete in all respects, the transferor is in good standing with the VMC and the prospective producer is eligible for the issuance of a Greenhouse Vegetable Producer license.

Migrating Production Allocation Volume

In instances where the volume of greenhouse vegetables from the subject production allocation is to migrate to another agency the transferor is to provide advance notice of that intention to the agency of record. Such notice must be provided to the agency prior to June 30 of the current crop year. If approved, the effective date of the transfer is to be for the start of the ensuing crop year, January 1. Applications received after June 30 of the current crop year will be received at any time; however, they will have no effect until the completion of the current crop year and one additional crop year. The effective date will be January 1.

During the notice period the unlicensed person is to undertake measures for obtaining a producer license. The issuance of a producer license and the assignment of Production Allocation are to occur at the same time. This will be on a date when the VMC determines the Production Allocation transfer approved.

The measures to be undertaken by the unlicensed person include electing the Designated Agency that is to receive regulated product for marketing. The elected Designated Agency is to confirm in writing with the VMC that it is aware of the future supply increase and it is prepared to market the prospective producer's volume of regulated product.

The transferor must provide written assurance to the VMC that the production area that is the subject of the migrating Production Allocation will not be used for the production of regulated greenhouse vegetables. The form of the written assurance is to be an enforceable, signed undertaking.

Other Considerations

All provisions of the General Order apply. More specifically Sections 1- 9 of Part XVI – *Production and Delivery Allocations – General* - of the General Order apply.

The VMC will not disturb prevailing Grower Marketing Agreements.

February 25, 2010