

MMB91-12
PRINCE EDWARD ISLAND
MILK MARKETING BOARD

BOARD ORDER: MMB91-12

EFFECTIVE: January 1, 1992

Under the Prince Edward Island Milk Marketing Regulations and under the Natural Products Marketing Act, R.S.P.E.I.1988, Cap. N-3, the Prince Edward Island Milk Marketing Board makes the following Order:

PARTNERSHIP AND CORPORATION QUOTA TRANSFER ORDER

Application

This Order establishes a policy to cover transfers of class 1 quota and market sharing quota to bona fide partnerships and corporations where each of the partners or shareholders have a significant financial and working interest in the partnership or corporation.

Definitions

1. The words herein shall have the meanings as found in the Natural Products Marketing Act and the Prince Edward Island Milk Marketing Regulations and in this Order:

(a) "quota" means class 1 quota or market sharing quota.

(b) "working corporation" means a corporation where each shareholder has a significant financial interest in an on-going dairy enterprise and each is involved in the day-to-day working of the on-going dairy enterprise where market sharing quota or class 1 quota is utilized.

(c) "working partnership" means a partnership where each partner has a significant financial interest in an on-going dairy enterprise and each is actively involved in the day-to-day working of the on-going dairy enterprise where the market sharing quota or the class 1 quota is utilized.

2. Market sharing quota or class 1 quota may be transferred under the following conditions, subject to restrictions and conditions contained in other Board Orders, without a transfer assessment:

(1) To a working partnership or working corporation involving only one quota, where the working partnership or working corporation agrees to produce all milk from a single on-going dairy enterprise for at least twenty-four (24) consecutive months after the effective date of the transfer; and

(2) to a working partnership or working corporation where the working partnership or working corporation is comprised of two or more persons who each holds quota, provided the partners or shareholders agree that, prior to consideration by the Board:

(a) they will appear before the Board to explain why the working partnership or working corporation is being formed and what interest each partner or shareholder has in the working partnership or working corporation,

(b) they will provide the Board with a certified copy of a partnership or shareholder agreement which clearly shows the financial and working interest each partner or shareholder has in the working partnership or working corporation,

(c) they will provide the Board with an affidavit showing their intention to be full working partners or shareholders within the working partnership or working corporation for at least five (5) years after approval by the Board,

(d) they will provide the Board, annually, for five (5) consecutive years after approval by the Board, by July 31st of each year, with an affidavit stating that the financial and working interest of each partner or shareholder has not changed since approval by the Board,

(e) they will notify the Board, in writing, of any change in the status of the working partnership or working corporation or any partner or shareholder in the working partnership or working corporation, and

(f) they will agree to the Board publishing the composition of the working partnership or working corporation in the Board's monthly newsletter,

3. The Board may, at any time, on its own volition, or on a written request from any registered dairy producer, call to a public hearing any or all partners or shareholders of any working partnership or working corporation approved under this Order, to explain the status of their interest in the working partnership or working corporation, provided that the partners or shareholders shall be notified at least thirty (30) days in advance of the hearing.

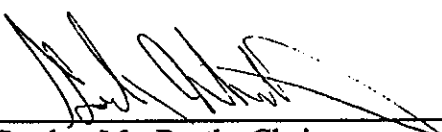
4. The Board may refuse to approve, may reverse, or may revoke, at any time, any transfer to a working partnership or working corporation if it believes the partners or shareholders do not meet the purpose and intent of the policy of providing for transfers of quota to bona fide working partnerships or working corporations or fail to otherwise comply with the requirements set out herein.

5. Where a transfer of quota to a working partnership or working corporation under this Order is reversed or revoked by the Board, the Board shall make a transfer assessment of 20% of the total amount of quota held by the working partnership or working corporation.

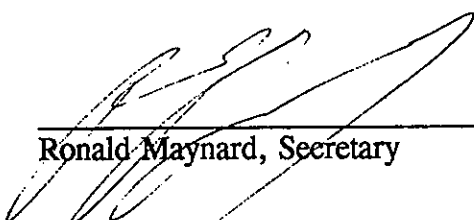
Commencement

6. This Order comes into force on January 1, 1992.

DATED at Charlottetown, Prince Edward Island, this 6th day of December, 1991.



Gordon MacBeath, Chairman



Ronald Maynard, Secretary