



NEW ENTRANT PROGRAM SALE NOTICE

The Chicken Farmers of Saskatchewan (CFS) will receive offers to purchase base quota as outlined in this Notice Base quota offered for purchase entitles a new entrant to produce a specified number of kilograms of chicken per year. All quota remains the property of the CFS.

Quota Available

1. The sale of a new entrant base quota shall consist of 35,400 kilograms allotment(s) of chicken quota per A-period cycle (equivalent to 20,000 birds) available for purchase by a new applicant.
2. The goal of the New Entrant Program is to award quota to new producers who would be an asset to the broiler chicken industry

Eligibility

3. Applicants must be at least 18 years of age.
4. Existing licensed producers or base quota owners, or individuals, corporations, or partnerships that have been base quota owners or licensed producers within the last ten years, are not eligible to submit an offer to purchase this base quota.
5. Only one application per married or common-law* couple is allowed.
6. Only one application per specified production location is allowed.

*Common-law as defined by the Canada Revenue Agency.

Submission of Offers

7. Offers to purchase a new entrant base quota will be received up to 30 days after the posted date of the Notice of Sale. All offers to purchase must be submitted to the Chicken Farmers of Saskatchewan's office: 224 Pacific Ave., Suite 201 (Rumley Building), Saskatoon, SK S7K 1N9.
8. Offers must be submitted using the prescribed Offer to Purchase Form and must be submitted in a sealed envelope that is clearly marked with "Offer to Purchase Base Quota." Offer to Purchase Forms may be obtained by contacting the CFS office.
9. Only one offer may be submitted per applicant.

Application Requirements

10. All applications must include a non-refundable administration fee of \$1000.00.
11. An Application for License must accompany the Offer to Purchase Form and is available from the Board office.
12. The applicant's submission must include a brief business plan, including a brief description of the facility and projected start date of production. The applicant must demonstrate within the plan that he or she will be active in the day to day activities of the farm including animal husbandry.
13. The applicant's submission must include a signed bank letter demonstrating proof of financing to produce the quota.
14. If the applicant's intended production facility is not within 200 kilometers of a licensed Saskatchewan processor, the applicant must include in his or her application an agreement with a Saskatchewan licensed processor agreeing to purchase their production.
15. The applicant's submission must meet the requirements and be in compliance with *The Agri-Food Act, 2004*, *The Chicken Marketing Plan Regulations*, and all Orders of the CFS.

Review of Offers

16. After the closing date for receipt of offers, all offers will be opened privately by an independent party appointed by the CFS in the presence of a scrutineer appointed by the CFS who is not an employee, officer or director of the CFS, nor a base quota owner.

Award of Quota

17. New entrant base quota will be awarded in accordance with the applicant meeting all application criteria to become a licensed producer. The sale price will be \$3.9548 per kilogram of quota.
18. In the case of more applicants than lots offered, the applications will be reviewed by the Board and its officers, who will determine eligibility based on the application. Preference will be given to a person who does not, currently or in the past, own quota in the supply-managed sector. Of those applicants declared eligible, the successful recipient will be randomly chosen by drawing of names/applicants by the independent third party.

Terms of Purchase

19. Acceptance by the CFS of an offer to purchase base quota will create a binding contract between the CFS and the purchaser.
20. A non-refundable deposit equal to 25% of the purchase price must be delivered to the CFS within 14 days of receiving a written notice of acceptance of the purchaser's offer. Notices are deemed to be received ten days after being mailed. The full purchase price must be delivered to CFS at the time the base quota being purchased is put into production. Both

payments must be in the form of a cheque, certified cheque, bank draft or money order payable to the Saskatchewan Chicken Industry Development Fund.

21. Base quota purchased by a new applicant under this Order must be put into production within one year of the purchaser receiving written notice of acceptance of the purchaser's offer, or such longer period of time as the CFS, in its sole discretion, may allow.
22. The base quota must be produced on land owned by the applicant, and such land may not serve as a production location for any other licensed producer. No other licensed producer, or any individual who has a direct or indirect beneficial interest in another licensed producer, may have any direct or indirect beneficial interest in a new applicant or in the production location where a new applicant puts the base quota into direct production.
23. Base quota purchased under this Order shall be forfeited and cancelled if:
 - a. it has not been put into production in accordance with this Order; or
 - b. it is subsequently determined by the Board that the purchaser does not satisfy the eligibility or other requirements outlined in this Order.
24. Base quota purchased under this Order may not be transferred by the base quota owner in accordance with the provisions of *The Chicken Marketing Plan Regulations* prior to the tenth anniversary of the base quota being awarded.
25. Base quota purchased under this Order is subject to all applicable provisions and restrictions set out in *The Chicken Marketing Plan Regulations* and CFS Orders.

Withdrawal of Base Quota

26. CFS reserves the right to withdraw the base quota offered for sale under the Order at any time before or after the closing time for receipt of offers. Unless and until the CFS has accepted in writing an offer from an applicant, a contractual relationship (either expressed or implied) is not created with any person submitting an offer in response to this Order.

Inquiries

Any inquiries related to this Order may be directed to:

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