



Hog Farm Transition Program TECHNICAL OVERVIEW

A. PURPOSE:

The purpose of this Program is to:

- a) assist Canadian hog producers to address the current market situation of low hog prices, higher feed grain costs and a stronger Canadian dollar by helping to return the industry to a level of production that is more sustainable in domestic and international markets;
 - b) facilitate an orderly transition to these new market realities by providing payments to Canadian hog producers who agree to set aside production in all Barns for the required three (3) year period;
 - c) permit the Canadian Pork Council to conduct a national tender program which will allow hog producers to bid the minimum amount of financial assistance they would accept to set aside production for the required three (3) year period.
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B. DEFINITIONS:

- B.1. Barn:** means any farm building in Canada used or formerly used, or that may be used, by an Eligible Producer to house Eligible Animals, including barns owned, leased, rented or contracted by the Eligible Producer.
- B.2. Bid Form:** means the Program's bid form to be used to submit a bid for funding under the Program by Eligible Producers who are duly registered under the Program.
- B.3. Bid Number:** means a number assigned by the Program Administrator to an Eligible Producer whose registration under the Program is complete.
- B.4. Bid Window:** means a period of time designated by the Program Administrator during which bids by Eligible Producers for funding under the Program will be accepted.
- B.5. Eligible Animals:** means any type of domestic pig in any type of production.
- B.6. Eligible Producer:** means an individual, partnership, corporation or co-operative which:
 - B.6.1.** was engaged in the production of Eligible Animals as of April 1, 2009;
 - B.6.2.** has not filed an assignment or proposal under the *Bankruptcy and Insolvency Act* or was the subject of an order made under that Act;
 - B.6.3.** has not obtained a loan from a financial institution where that loan is supported by the *Hog Industry Loan Loss Reserve Program*; and
 - B.6.4.** is willing to undertake to set aside production of all Barns for a period of not less than three (3) years following the emptying of the applicable Barns in accordance with the Program.
- B.7. Eligible Program Payments:** means payments made to, or to the direction of, Eligible Producers under the Program.
- B.8. Minister:** means the Minister of Agriculture and Agri-Food and any person authorized to act on his or her behalf;
- B.9. Program:** means the Hog Farm Transition Program

B.10. Program Administrator: the Canadian Pork Council has contracted with Welch LLP to Administer the Program on its behalf. The Program Administrator's contact information is as follows:

Hog Farm Transition Program
c/o Welch LLP
1200-151 Slater Street
Ottawa, ON
K1P 5H3

Telephone: 1-888-368-4023

Fax: 1-888-334-6618

Email: hftp@welchllp.com

B.11. Qualified Person: means an individual engaged in employment as a veterinarian, Canadian Quality Assurance (CQA) validator, SPCA/Humane Society animal cruelty inspector duly appointed under provincial regulation, or designated as a properly trained individual by the Canadian Food Inspection Agency, the provincial department of agriculture, the Canadian Pork Council or a provincial pork organization for purposes of meeting the requirements for Eligible Animals slaughtered as described in Appendix 5 (available after Eligible Producer has been notified that a bid was successful).

B.12. Registration Form: means the Program's registration form, including the Appendices, used to register the Eligible Producer and to confirm eligibility to submit a bid for funding.

C. REGISTRATION:

- C.1.** To receive a bid number and be eligible to submit a bid for funding under the Program, Eligible Producers are required to register by submitting a duly completed and signed Registration Form to the Program Administrator.
 - C.2.** Only registrations filed using the Registration Form will be accepted.
 - C.3.** Only Eligible Producers are entitled to register under the Program.
 - C.4.** If an Eligible Producer files a Registration Form, the Program Administrator will contact the Eligible Producer or their Designated Contact Person (if provided) should any further information be required to complete the registration process. The Eligible Producer will not be able to submit bids if they fail to respond to the Program Administrator's request.
 - C.5.** Eligible Producers must register and be accepted by the Program's Administrators in order to receive a Bid Number and to be eligible to submit a bid for funding under the Program.
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D. BIDDING:

- D.1.** Eligible Producers must be registered with the Program Administrators and must have received a Bid Number and a Bid Form in order for that Eligible Producer's bid to be considered by the Program Administrator.
 - D.2.** Notice will be given in advance of a Bid Window as to the length of the Bid Window and the amount of funds to be made available for bids submitted during that Bid Window.
 - D.3.** Only bids submitted on the Bid Form will be considered by the Program Administrator.
 - D.4.** Only bids **received** by the Program's Administrator by the date and time stipulated as the closing of the Bid Window and at the addresses stipulated by the Program Administrator will be considered for funding.
 - D.5.** Following the closing of the Bid Window, the Program Administrator will compare bids using the bid comparison methodology established under the Program to determine which bids are successful. All those who submitted bids under the Program will be notified of the bid results, whether successful or unsuccessful.
 - D.6.** Upon notification of a successful bid, the Eligible Producer must depopulate all of such Eligible Producer's Barns of Eligible Animals according to the terms of the Program and must provide the information required by the Program Administrator in the time lines specified in 'Section E – Program Payments'.
 - D.7.** If an Eligible Producer is notified that the bid was unsuccessful, the Eligible Producer will be eligible to submit another bid during any subsequent Bid Window.
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E. PROGRAM PAYMENTS

Program payments will be made to those Eligible Producers who have submitted a successful bid and have completed the depopulation of their Barns in accordance with the Program. Payments will be allocated to a maximum of the amount made available during the Bid Window.

Eligible Producers will have the following timelines to depopulate their Barns, based on the type of their operation and provide the Program Administrator with required documentation:

Farrow to finish:	12 months
Farrow to wean:	5 months
Farrow to feeder:	7 months
Weaner only:	3 months
Finisher only:	6 months

Should the Eligible Producer not be able to corroborate the number of hogs in their inventory, the Program Administrator reserves the right to limit payment to that amount which the Eligible Producer can corroborate.

F. SIGNATURES:

- F.1.** Registration Forms must be signed by, or on behalf of, a properly authorized person. The Minister or Program Administrator may require evidence of authorization. If two or more individuals are listed on the same form, only a properly authorized person is allowed to sign on behalf of the Eligible Producer.
 - F.2.** Designates are not permitted to sign the Registration Forms unless they have duly authorized powers of attorney, proof of which must be submitted with the Application.
 - F.3.** The Registration Form is not deemed complete unless the Registration Form and all other required supporting documents are completed, signed and delivered to the Program Administrator.
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G. VERIFICATION:

- G.1.** The Eligible Producer consents to the Minister or the Program Administrator releasing any information contained in the Registration Form or related to it and obtained by the Minister or the Program Administrator in the course of verifying or auditing the information to any other government department, agency or other body. The Eligible Producer expressly authorizes the Minister or the Program Administrator to obtain information from any government department, agency or other body to verify the contents of the Registration Form and to determine the Eligible Producer's eligibility for other programs offering financial assistance for which the Eligible Producer is eligible.
 - G.2.** The Eligible Producer agrees to give representatives of the Minister or Program Administrator access to examine their farming or business operation and agrees to make available to the Minister or Program Administrator all farm records, books of account, and income tax returns, personal and/or corporate, necessary to audit the operation or to verify any information provided in their Registration Form or any other forms completed by the Eligible Producer.
 - G.3.** The Minister or Program Administrator may require an Eligible Producer to provide copies of farm records, books of account and income tax returns of persons who are involved in a non-arm's length relationship and partners and shareholders or members who actively farm on behalf of the Eligible Producer, as necessary at the Minister or Program Administrator's discretion to verify or audit the Registration. The Eligible Producer may be ineligible for future programs should they fail to provide the records within a reasonable time on reasonable notice.
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H. MONITORING AND COMPLIANCE

- H.1.** The Minister and the Program Administrator reserve the right to subject any Eligible Producer to an on premises audit or any other audit procedures as it sees fit prior to payment.
 - H.2.** The Eligible Producer agrees to permit the Minister and the Program Administrator to visit the Eligible Producer's premises at any time from the date the Registration Form is received and up to three years following the emptying of the Barns for the purposes of monitoring compliance with the Program requirements.
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