

THE ONTARIO WHEAT PRODUCERS' MARKETING BOARD
GENERAL REGULATIONS
Made under
The Farm Products Marketing Act

PART 1

Interpretation

1.1 In this Regulation,

“agent” means a person appointed by the local board as its agent to receive wheat from producers and to carry out such duties and responsibilities in connection therewith as required by the local board, but does not include a person whose appointment as an agent is terminated.

“buyer” means an person who is engaged in the purchase of wheat from producers and includes a processor.

“contract” means a forward contract or a cash contract.

“direct marketing” means marketing of wheat by a producer to a buyer other than the local board and direct marketed has a corresponding meaning.

“dry tonne” means one metric tonne of wheat with a moisture content of 14.5 percent or less.

“final payment” means the total payment made by the local board to a producer for wheat delivered by a producer less the landed basis amount, which may include increases to the initial payments.

“improvement of grades of wheat” means the practice of blending various grades of wheat of the same class and variety as designated by pools to increase the quantity of higher grades delivered to the local board, provided that blending does not allow for the reduction of Grade No. 1 wheat.

“initial payment” means the landed basis.

“landed basis” means a payment made by the local board for the type or class of wheat when such wheat is delivered by a producer to the local board.

“local board” means The Ontario Wheat Producers' Marketing Board.

“processor” means a person engaged in processing wheat.

“processing” includes cleaning, drying, treating, turning, washing, grinding, rolling, pulverizing, cracking, crimping or distilling, with or without other ingredients, and processing or manufacturing articles of food or drink in whole or in part from wheat.

“producer” means a person engaged in the production of wheat.

“seed agent” means a person appointed by the local board as its seed agent to receive wheat from producers, to make initial payments to producers for the wheat as a seed agent of the local board and to carry out such other duties and responsibilities as are required by the local board, but does not include a person whose appointment as a seed agent is terminated.

“terminal” means a transfer elevator designated by the local board.

“wheat” means wheat of every variety and class produced in Ontario.

Application

- 1.2 This Regulation provides for the control and regulation in any or all respects of the marketing within Ontario of wheat, including the prohibition of such marketing in whole or in part.

Exemption

- 1.3 This Regulation does not apply to,
- (a) wheat used on a farm on which it was produced, and
 - (b) wheat sold by a producer directly to another producer and used by that other producer on his, her or it's farm.

Licence Fees

- 1.4 Every producer shall pay to the local board licence fees at the rate of \$1.25 per tonne in respect of all wheat produced by that producer (together with the fee of ten cents (10¢) per tonne of wheat sold payable to the local board on behalf of the Grain Financial Protection Board for a total of \$1.35 per tonne).

Licence Fee Collection

- 1.5 The local board may collect licence fees and recover such licence fees by suit in a court of competent jurisdiction.

Interest on Overdue Licence Fees

- 1.6 Interest calculated at the rate of 1.5% per month shall be payable to the local board in respect of any licence fees in arrears.

Service Charges

- 1.7 (1) The local board may fix and impose service charges from time to time for the marketing of wheat.
- (2) All service charges imposed by the local board are payable on the date specified by the local board in the notice of same delivered by the local board to the producer.
- (3) Interest calculated at the rate of 1.5 per cent per month is payable to the local board on any unpaid service charges owing to the local board.

Penalties

- 1.8 (1) In addition to or as an alternative to such other remedies as it has available to it, the local board may impose a penalty on any applicant or licensee who it finds, after a hearing, has contravened any term or condition of the licence or any provision of the Act, the Regulations, any Plan or any order or direction of the local board.
- (2) Subject to the Act, any penalty imposed under subsection (1) may be in an amount, as determined by the local board, to remove any advantage gained by the party in contravention and to fully reimburse the local board for any of its expenses and costs associated with the investigation, hearing and disposition of the matter, including, but not limited to, staff time, board member costs, additional marketing or sales costs, legal and accounting fees and disbursements.
- (3) The local board will use any such penalty monies received by it for the payment of its expenses as aforesaid, with any surplus to be used for its general purposes.

Marketing of Wheat

- 1.9 All wheat shall be marketed by a producer either to the local board in accordance with Part 2 or by direct marketing in accordance with Part 3.
- 1.10 No producer shall sell or offer for sale any wheat except in accordance with the Regulations, Orders, Directions, Policies and any decisions of the local board.

PART 2

Marketing of Wheat by Producers to the local board

- 2.1 (1) Pooling
- (a) The local board shall conduct a pool or pools for the distribution of all money received from the sale of wheat of such class or variety as designated by the local board and after deducting all necessary and proper disbursements and expenses, shall distribute the remainder of the money received from the sale in such manner that every producer receives a share of the remainder of the money received from the sale in relation to the amount, class, variety, grade or size of wheat delivered by the producer, and the local board may make an initial payment on delivery of the wheat and subsequent payments until all of the remainder of the money received from the sale is distributed to the producers.
 - (b) The local board may during any year change the varieties in any Pool because of milling quality as determined by the local board and producer entitlements and payments shall be adjusted accordingly.
- (2) Forward Contracting
- (a) The local board may make available 2009 crop forward contracts to producers during prescribed trading hours.
 - (b) The local board will accept a completed forward contract at the head office of the local board or via facsimile/electronic transmission.
 - (c) The local board may accept resting orders.
 - (d) The local board will not accept a forward contract of less than 500 bushels or 13.61 tonne of wheat of any variety or class.
 - (e) The local board or its agent will make deductions for cleaning, drying, grade discount, handling and transportation charges where applicable and for licence fees.
 - (f) The producer will deliver the contracted volume within the delivery period specified in the contract.

- (g) The local board will pay the producer the forward contract price for the type or class of wheat being delivered at a designated marketable position.
- (h) Upon delivery of wheat to an agent, the agent will pay to the producer the landed basis minus all charges to the agent.
- (i) The local board will pay or charge the producer the difference between the gross landed basis and the forward contracted price.
- (j) Where a producer fails to deliver wheat pursuant to a forward contract entered into by the producer with the local board, the local board will fill the contract at market level on the producer's behalf and the producer will be liable to the local board for any value lost between the contracted price and the replacement value and will be subject to pay to the local board a service charge of \$10.00 per metric tonne.
- (k) A producer may store wheat to be delivered pursuant to a forward contract at country elevator locations licenced under the Grain Elevator Storage Act of Ontario and receive an elevator storage receipt in that regard.

Quality Control

- 2.2. (1) Wheat sold or offered for sale by a producer to the local board shall be,
 - (a) inspected and sold on the basis of grades and inspection procedures established under *The Canada Grain Act*; and
 - (b) tested for moisture content by the agent who takes delivery of the wheat.
 - (2) When an agent receives wheat from a producer, the agent or the producer may require a sample of the wheat to be taken for the purpose of checking the grade, dockage, moisture and protein content of the wheat.
 - (3) A producer or any person delivering wheat to the local board on behalf of a producer shall be advised by the party receiving the wheat of the grade placed on the wheat prior to unloading the wheat.
- 2.3 (1) Wheat graded, Sample or contaminated wheat shall not be accepted by an agent of the local board.

(2) Every sample of wheat taken for the purposes of checking the grade, dockage, moisture and protein content of the wheat shall,

- (a) weigh not less than 1,000 grams;
- (b) be placed by the agent in a sealed, moisture proof container with a label thereon containing the grade, variety, class, dockage, moisture, date and name and address of the producer and the name of the agent; and
- (c) if required by an inspector of the Canadian Grain Commission for examination and testing, be delivered by the agent to the inspector.

(3) For the purpose of accepting a sample of wheat as a fair sample pursuant to clause (2), any person delivering wheat to an agent on behalf of a producer shall be deemed to be the authorized agent of the producer.

Matters in Dispute

2.4 (1) All disputes in respect of grade, dockage, moisture or condition of any load of wheat shall be made at the time of delivery of the wheat.

(2) Where any dispute arises between an agent and a producer in respect of the grade, variety, class, dockage, moisture content or condition of any load of wheat, the matters in dispute shall be referred to an inspector of the Canadian Grain Commission and the decision of the inspector shall be final and binding upon the agent and the producer, which findings shall be provided to the local board upon request. The cost of testing will be the responsibility of the producer.

PART 3

Direct Marketing

3.1 (1) Every producer direct marketing wheat shall be deemed to hold, in addition to the licence to produce wheat, a marketing licence.

3.2 It is a term and condition of each marketing licence that,

- (a) the producer holds a licence to produce wheat;
- (b) the person to whom that producer markets the wheat deducts the applicable licence fees and remits those licence fees to the local board together with a report on the wheat marketed in accordance with these Regulations; and

- (c) the producer reports to the local board any Buyer who has not deducted licence fees on behalf of that producer.
- 3.3 The local board may refuse a licence for the marketing of wheat where the applicant is not qualified by experience, financial responsibility or equipment to engage properly in the marketing of wheat.
- 3.4 The local board may suspend or revoke or refuse to renew a licence for the marketing of wheat for failure to observe, or perform or carry out the provisions of the Act or the Regulations, any Plan or any Order or Direction of the Commission or the local board.
- 3.5 No producer shall engage in direct marketing except under the authority of a licence to market wheat issued by the local board and except in compliance with the terms and conditions of the licence.

Buyers of Direct Marketed Wheat

- 3.6 (1) The local board does not accept any responsibility or liability in any manner whatsoever including but not limited to the quality, quantity or terms of delivery of wheat marketed by a producer. The foregoing is prescribed as a term and condition of every agreement for the marketing of wheat between a producer and a buyer.
- (2) For every purchase of direct marketed, the buyer shall, within thirty days complete and file with the local board, through its agent, Eleview (formerly Agri-eBusiness), electronically at inbatches@eleview.ca or manually at Eleview, 100 Stone Road West, Suite 107, Guelph, Ontario, N1G 5L3 a Direct Market Producer Settlement Form 3-OB with the following information:
- Buyer #
 - Buyer Name
 - Producer Number AEBG #
 - Producer Name, Address and Phone #
 - Sale Date
 - Receiving Ticket and Suffix Numbers
 - Tonnage Received
 - Grade and Class
 - Variety
 - Protein % (if applicable)
 - Net \$/tonne,
 - Net Amount, and
 - Net dollars paid
- 3.7 Every person who receives wheat from a producer shall, at any time upon request, make all books, records and documents relating to the marketing of wheat and

- wheat available for inspection by persons appointed as inspectors by the local board.
- 3.8 Every buyer of wheat shall deduct any licence fees payable by the producer from whom the buyer received the wheat and remit same to the local board at its office not later than the 15th day of month following the month in which the wheat was purchased, along with the Form 3-OB Summary.
- 3.9 Every producer shall report to the local board any buyer who as not deducted licence fees on behalf of the producer.
- 3.10 Every producer shall pay to the local board at its office any licence fees payable by the producer in respect of wheat sold by the producer which have not been forwarded to the local board by the person who purchased the wheat from the producer within ten days from the date on which the local board has sent an invoice for same to the producer by regular mail at the producer's address as recorded on the books of the local board.

PART 4 AGENTS

Application for Appointment

- 4.1 (1) No person shall commence or continue to engage as an agent unless and until that person is appointed as an agent by the local board.
- (2) No person,
- (a) who is a member of the local board;
- (b) is a corporation having an officer or employee who is a member of the local board; or
- (c) is a partnership, a member of which is a member of the local board,
- is eligible to be appointed as an agent of the local board.
- 4.2 (1) An appointment as an agent commences on the 1st day of June in the year of the Order of the local board appointing the agent and terminates on the 31st day of May of the year immediately following, unless terminated prior thereto by the local board or the agent.
- (2) An Application for an Appointment as an Agent or for re-appointment as an agent shall be in Form 4.

- (3) An Application for an Appointment as a new agent shall be completed and filed with the local board not later than the 30th day of April in any year.
- (4) Every applicant for appointment as an agent of the local board shall,
- (a) when requested by the local board, file with the local board such financial or other information deemed necessary by the local board by the date specified by the local board;
 - (b) authorize the local board to obtain from the applicant's financial institution all necessary information regarding the agent's credit arrangements;
 - (c) authorize and direct the applicant's financial institution to provide information regarding the applicant's credit arrangements to the local board upon request;
 - (d) have the experience and competence in the opinion of the local board to perform the duties of an agent; and
 - (e) provide the equipment and facilities required by the local board
- 4.3 (1) Where the applicant operates a branch premises, the facility and equipment requirements for the branch premises are the same as such requirements for the headquarters premises.
- (2) An applicant for appointment as an agent shall, prior to application for appointment in Form 4, have on the headquarters premises and branch premises, if any, the following equipment and facilities:
- (a) not less than four storage bins capable of maintaining wheat in good condition, plus a bin for wet storage, in addition to any storage bins required to maintain the normal wheat flow. Storage bins with in bin dryers do not meet the local board's requirements for storage bins under this clause;
 - (b) not less than one dryer;
 - (c) not less than one cleaner capable of removing small seeds, chaff and foreign materials as per the specifications of the Canadian Grain Commission standards;
 - (d) not less than one scale, either of the batch or trip type or the truck and wagon platform type, approved under the Weights and Measures Act;

- (e) adequate rail or truck loading equipment;
 - (f) at least one moisture meter of a type that meets the calibration standards of the Canadian Grain Commission; and
 - (g) grading equipment and screens as defined by Canadian Grain Commission standards.
- (3) Despite clauses (2) (b) and (d), an applicant may designate a dryer or scale to be utilized by the applicant at premises other than those belonging to the applicant provided that such designated scale or dryer is acceptable to the local board.

Terms and Conditions of Appointment

- 4.4 (1) All wheat received by an agent shall be at the agent's risk.
- (2) An agent is entitled to ship wheat received from producers as agent of the local board to any landed basis point except as otherwise directed by the local board through written shipping instructions.
- (3) All wheat received by an agent shall be at the agent's risk and the agent shall be responsible to the local board for the grade, class and quality of the wheat until the wheat,
- (i) is accepted by the person purchasing the wheat from the local board, or
 - (ii) is delivered into the local board's designated storage other than that of the agent.
- (4) Agents are liable to the local board for grade discounts, as determined in accordance with these regulations and for any loss of grade of wheat delivered to the local board.
- (5) Payment for the improvement, adjustment or downgrading of grade of wheat handled by an agent and delivered to the local board shall be made according to the grade differential in effect at the time of said delivery and will be paid by the local board to the agent at the time of the agent balancing the grades of wheat.
- (6) All grades and classes of wheat delivered by a producer to an agent and by the agent to the local board shall have all dockage deducted from weight to 0%. Dockage weight deductions are to be assessed in one-tenth increments.

- (7) Wheat containing dockage of 1.1% or more may be rejected, but if cleaning facilities are available a cleaning fee may be levied against the producer by the agent if delivered to an agent or against the agent by the receiving elevator, payment of which shall be the responsibility of the producer or agent respectively. Wheat containing 1% dockage or less shall not be assessed a cleaning charge.
- (8) Improvement of grades of wheat is defined as the practice of blending various grades of wheat of the same class and variety as designated by pool to increase the quantity of higher grades delivered to the local board. Blending does not allow for the reduction of grade #1 wheat.
- (9) Agents appointed to handle Pool B and Pool C wheat shall be liable basis protein to the local board for any loss of protein of wheat delivered to the local board.
- (10) An agent shall condition all wheat received as agent for the local board so that the moisture content of the wheat is reduced to 14.5%.
- (11) If an agent is unable to deliver to the local board wheat that is 14.5% moisture or less, the agent shall be liable to the local board for any loss suffered by the local board as a result of the agent's failure to comply with this provision.
- 4.5 An agent shall account to the local board for all wheat received from producers.
- 4.6 An agent shall be entitled to a shrink allowance of one quarter of one percent on all wheat received from producers and if the actual shrink is less than one quarter of one percent, the local board will purchase from the agent at a price determined by the local board based on market factors, the quantity of wheat that is equal to the difference between the shrink allowance and the actual shrink. Shrink allowance shall be determined within 30 days after the agent ships all the wheat received by that agent.
- 4.7 The agent is liable to the local board for any decrease in the quantity of wheat received by the agent while the wheat is in the possession of the agent and for the full value of the quantity of wheat that the agent is unable to provide, said value to be the agreed price.
- 4.8 An agent shall be entitled to make an agreement with a producer from whom the agent receives wheat authorizing the agent to make deductions from the landed basis initial payment to the producer for amounts owing by the producer to the agent subject to any outstanding liens on the wheat marketed.
- 4.9 All accounts for which an agent becomes liable to the local board shall be due when rendered, and an agent shall pay the local board interest at the rate of 1.5 percent per month on all such amounts that are not so paid.

- 4.10. (1) Agents shall receive from producers, where feasible, all wheat offered by producers to the agent other than wheat that is graded sample.
- (2) Graded sample wheat shall only be received by the agent from producers with the written approval of the local board.
- (3) The agent shall determine the number of dry tonne of wheat received from each producer (basis 14.5% moisture).
- (4) The agent shall pay to producer on behalf of the local board the landed basis initial payment as determined in accordance with this regulation less the local board's licence fees and the deductions of the agent for grade discounts as authorized by the local board when the wheat is delivered to the agent.
- (5) The agent shall clean, weigh, condition, grade and establish the moisture content of all wheat received from producers.
- (6) The agent shall keep separate all classes of wheat as established under the Canada Grain Act or those varieties determined by the local board as set within Pool B and Pool C.
- (7) The agent shall ship wheat to an elevator as instructed by the local board, showing on the Bill of Lading the grade and class of the wheat being shipped.
- (8) Where any dispute arises between an agent and elevator in respect of the grade, variety, class, dockage, moisture content or condition of any load of wheat, the agent shall, upon instructions from the local board, require the elevator to which wheat has been shipped, to draw a sample of the wheat and forward the sample to the office of the Canadian Grain Commission at Chatham to establish the grade and/or class of the wheat. The cost of testing will be the responsibility of the agent.
- (9) The agent shall accept the decision of the inspector of the Canadian Grain Commission at the office to which the sample is forwarded as final and binding upon the agent, the local board and the operator of the elevator.
- (10) The agent shall pay the cost of sample inspection charged by the Canadian Grain Commission and forward the findings of the dispute by the inspector of the Canadian Grain Commission to the local board upon request.
- (11) The agent shall complete all wheat purchases before wheat is converted to feed or seed.

4.11 An agent shall forthwith after receiving wheat from a producer,

- (a) (i) Where the agent agrees, store the wheat for the producer and deliver to the producer a storage receipt under the Grain Elevator Storage Act, and pay the producer, upon surrender of the elevator storage receipt, the landed basis initial payment as determined in accordance with the regulations, less the agent's deduction for storage at no higher than the transfer elevator storage rate as approved by the local board.
- (ii) Deliver to the producer a completed settlement slip showing the following information:
 - (a) agent's name;
 - (b) agent's number;
 - (c) producer's number; AEBG #
 - (d) producer's name;
 - (e) producer's address;
 - (f) cheque number;
 - (g) date paid;
 - (h) grade, variety and class;
 - (i) moisture;
 - (j) quantity;
 - (k) gross initial payment
 - (l) agent handle per tonne;
 - (m) licence fee;
 - (n) date of delivery;
 - (o) producer's telephone number;
 - (p) in the case of variety designated wheat to Pool B and Pool C
 - (q) protein % (if applicable)
- (iii) Complete and maintain a copy of the Form 7 Declaration of Variety at the agent's premises.
- (iv) Report the variety on the Form 3 Wheat Board Producer Settlement.
- (v) Mail an original completed copy to the Board office, or deliver by electronic data transfer via Eleview to the local board, the Form 3 for the appropriate class of wheat.

4.12 Every agent who receives wheat from a producer and who pays the producer for wheat shall deduct from the monies payable for the wheat any licence fees payable to the local board by such producer. As well the agent shall be entitled to make the following deductions from landed basis initial payment to producers

- (a) maximum grade discounts as follows:
 - (i) Canada Eastern White Winter, Canada Eastern Soft White Spring
 - Grade #1 - nil
 - Grade #2 - nil
 - Grade #3 - \$10.00 per tonne
 - Feed grade - designated to Pool G
 - (ii) Canada Eastern Red spring varieties and Canada Eastern Durum
 - Grade #1 - nil
 - Grade #2 - nil
 - Grade #3 - \$10.00 per tonne
 - Feed grade - designated to Pool G
 - (iii) Canada Eastern Red winter varieties
 - Grade #1 - nil
 - Grade #2 - nil
 - Grade #3 - \$10.00 per tonne
 - Feed grade - designated to Pool G
- (b) Drying charge deductions as agreed to by the producer.
- (c) The agent's handling fee as agreed to by the producer.
- (d) Any other amounts agreed to by the producer under section 4.8.

4.13 (1) The agent shall be reimbursed in an amount equal to the initial payment made by the agent to the producer less applicable licence fees upon completion and filing with the local board of all information required by the local board.

(2) The agent shall insure at the agent's expense with loss payable to the local board all wheat received for the local board against all damage or loss while the wheat is on the agent's premises and while the wheat is in transit from the premises of the agent to any destination specified by the local board.

(3) When wheat is received by the agent from a producer for the local board, the agent shall issue out a similar quantity and variety of wheat in accordance with the local board's instructions, which wheat shall be at least equal in grade, variety and class to that of the wheat received.

(4) All wheat delivered by an agent to the local board shall be subject to weight, protein, Pool B and Pool C, grades, class and moisture at points of destination specified by the local board.

(5) The agent shall only receive wheat of the classes and varieties in accordance with the agent's appointment by the local board.

(6) The agent shall grade any varieties of wheat not included in the prescribed varieties into the lowest grade as set out in Schedule 1 of the Canada Grain Act for that kind of grain.

(7) The agent shall adhere to the following class and variety designation by Pool:

- (i) Pool A
 - Canada Eastern White Winter recommended for Eastern Canada
 - Canada Eastern Soft White Spring
 - Grades #1 to #3 only
 - Feed grade to Pool G
- (ii) Pool B
 - Canada Eastern Red wheat by designation (winter varieties)
 - Grades #1 to #3 only
 - Feed grade to Pool G
- (iii) Pool C
 - Canada Eastern Red wheat by designation (spring varieties)
 - Grades #1 to #3 only
 - Feed grade to Pool G
- (iv) Pool E
 - Canada Eastern Red wheat (soft red winter varieties)
 - Grades #1 to #3 only
 - Feed grade to Pool G
- (v) Pool F
 - Canada Eastern Red Wheat
 - Grades #1 to #3 only
 - Feed grade to Pool G
- (vi) Pool G
 - feed grade wheat

Confidential Information

- 4.14 The agent acknowledges and agrees, as a condition of its appointment, that all information that comes into the agent's possession by reason of its appointment relating to wheat tonnages, varieties, grades, prices and location is proprietary to the local board and at all times is to be kept confidential and is not to be released to any other person without prior written consent of the local board. "Information" includes documents, data, statistics and calculations and may be in written, electronic or verbal formats.

Termination of Appointment

- 4.15 The local board or an agent may terminate the appointment of the agent by giving the other party seven (7) days notice in writing.
- 4.16 The termination of the appointment of an agent shall not affect the rights and obligations of the local board or the agent with respect to rights and obligations that have accrued prior to the termination of the agent's appointment.

PART 5

GENERAL PROVISIONS

Forms and Filings

- 5.1 (1) The forms prescribed and referred to in this Regulation are attached.
- (2) Unless otherwise directed by the local board, when forms are to be filed, reports made or licence fees or service charges paid, they shall be filed, made or paid to the local board at its head office at 100 Stone Road West, Suite 201, Guelph, Ontario, N1G 5L3.

Revocation

- 5.2 General Regulations of the local board made as of the 2nd day of June, 2008 are hereby revoked as of the effective date, with these General Regulations being substituted therefor provided that such revocation shall not affect the previous effect of the former regulations or anything duly done or suffered thereunder or any right, privilege, obligations or liability acquired, accrued, accruing or incurred under the former Regulations or any offence committed against the former Regulations or any penalty or forfeiture or punishment incurred in respect thereof or any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment.

Effective Date

5.3 This Regulation comes into effect on the 1st day of June 2009.

BY ORDER OF THE ONTARIO WHEAT PRODUCERS' MARKETING BOARD

Chair

Secretary