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September 25, 2015

BY EMAIL

Nathalie Vanasse, Registrar Farm Products Council of Canada Central Experimental Farm, Building 59 960 Carling Avenue Ottawa, Ontario K1A 0C6

Dear Ms. Vanasse:

Re: OBHECC complaint pursuant to paragraph 7(1)(f) of the Farm Products

Agencies Act, R.S.C., 1985, c. F-4

Our file: 800883-22

This letter is intended as a complement to our two letters of August 21 and September 11, 2015, concerning the position of the Syndicat des producteurs d'oeufs d'incubation du Québec (the Syndicat) regarding the complaint filed by the Ontario Broiler Hatching Egg and Chick Commission (OBHECC) and the letter of response to this complaint filed on July 30, 2015, by the Canadian Hatching Egg Producers (CHEP).

In our letter of August 21, 2015, we broadly outlined the Syndicat's position with regard to the quota lease pool (QLP), and this letter is intended to set out that position in full.

Consequently, the letters of August 21 and September 11 and this letter will constitute the Syndicat's position as it will be presented against the OBHECC complaint on October 27.

QUOTA LEASE POOL (QLP)

The QLP in effect to date was adopted by CHEP in a three-step process.

STEP 1: CHEP closed board meeting on March 20, 21 and 22, 2012

As shown in item 6 of the meeting minutes, an extract of which is attached to this letter as **Appendix 1**, the directors decided to accept the CHEP staff proposal for a review of the QLP rates for the 2012 production year and the striking of a working group to further review the rates for the 2013 production year.

This motion was withdrawn as there had not been sufficient discussion on the proposal, but a working group was subsequently struck to discuss the QLP rates and procedures.

STEP 2: CHEP directors-only meeting on May 9, 2012

At this meeting, the directors were reminded that the board had discussed the QLP in March and that a working group had been struck.

As noted in the minutes, this working group had held a conference call during which the history and effectiveness of the QLP had been discussed.

It was moved and carried that, <u>effective for the 2013 allocation</u>, there would be two quota lease pools, one in November and one in July, as shown in item 10 of the meeting minutes, an extract of which is attached to this letter as **Appendix 2**.

The directors also decided that CHEP staff would draft a revised QLP to be discussed in July.

STEP 3: CHEP open meeting on July 11, 2012

At this meeting, the board reviewed the documentation prepared by CHEP staff on the revision of the QLP procedures, and this documentation was accepted with minor amendments, as shown in item 13 of the meeting minutes, an extract of which is attached to this letter as **Appendix 3**.

As a result of the above, the QLP was revised, and the revision was adopted by the board at its March, May and July 2012 meetings. The document of July 17, 2012, produced by CHEP staff in relation to this file clearly states that it will be effective for the 2013 allocation, and this statement is wholly consistent with the directors' decision of May 9, 2012.

The Syndicat asserts that the QLP is still effective today and that, at their meeting of November 17, 2014, the CHEP directors did not decide to either abolish it or to apply it solely for 2014. In reality, they made the quite legitimate decision that the QLP would

apply in 2014 and that it could be revised in future in response to the work required from CHEP legal counsel and the directors' discussions.

The Syndicat believes that the word "<u>uniquement</u>" [TRANSLATION: "only"] in the first paragraph of the July 30, 2015, letter from the counsel for CHEP does not appear in the minutes of the CHEP directors-only meeting held on November 17, 2014.

In light of the above, the Syndicat is of the opinion that the QLP is still in effect, that the CHEP board has neither abolished nor suspended it, and that it must continue to apply. The Syndicat would like you to place this letter on file.

Sincerely,

[original signed by]
Pierre Brosseau, Counsel
BELANGER LONGTIN, s.e.n.c.r.l.

PB/mg

c.c.: Madeleine Lemieux, Counsel for Les Couvoiriers du Quebec David Wilson, Counsel for Canadian Hatching Egg Producers Jack Greydanus, Chair, Canadian Hatching Egg Producers Ginette Bureau, Chair, Régie des marchés agricoles et alimentaires du Québec Gyslain Loyer, Chair, Syndicat des producteurs d'oeufs d'incubation du Quebec

Pierre Belleau, Executive Secretary, Syndicat des producteurs d'oeufs d'incubation du Quebec

Laurent Pellerin, Chairman, Farm Products Council of Canada Scott Snider, Counsel for the Ontario Broiler Hatching Egg and Chicken Commission