

ALBERTA AGRICULTURAL PRODUCTS MARKETING COUNCIL

Title:	Quota Governance and Management Principles
Number:	APMC 04
Approved by:	Alberta Agricultural Products Marketing Council
Effective Date:	June 3, 2005 (prior policy document)
This document was updated on:	February 24, 2020
Audience:	Alberta Agricultural Marketing Boards

Policy Statement: Identifies the principles associated with quota governance and management.

PURPOSE

The role of the Alberta Agricultural Products Marketing Council (Marketing Council) is to provide regulatory oversight and to enable the implementation of the supply-managed system through Alberta's five marketing boards, in alignment with provincial and national agricultural frameworks and the principles of supply management.

The role of Alberta's five marketing boards is to implement the supply-managed system in the best interests of the industry, and in alignment with provincial and national agricultural frameworks and the principles of supply management.

The Minister of Agriculture and Forestry, Marketing Council, and Alberta's five supply-managed marketing boards support the following fundamentals of quota governance and management:

Fundamentals of Quota Governance and Management

1. The marketing board has the full legal responsibility and accountability for the quota that is allocated to the province.
2. Quota is a producer's responsibility, authorized by the marketing board, to fulfill the market demand obligations of the industry.
3. Producers have full responsibility to be actively engaged in producing the quota that they have been allocated by the marketing board.
4. Marketing boards cannot assign monetary value to quota.
5. The intention of quota is to ensure the market demands for the regulated product are met in a timely and orderly fashion.

POLICY CONTEXT/BACKGROUND

Building on these fundamentals, the following quota governance and management principles apply:

Quota Management Principles

Quota governance must reflect provincial and national agricultural frameworks.

As a part of their role in protecting and maintaining the supply management system in Alberta, it is expected that Alberta's marketing boards will:

- establish programs and policies to enable entry for new producers;
- establish programs and policies to stimulate and promote innovative approaches to production and marketing that have the potential to create sustainable demand for the regulated product; and
- ensure that costs are reflective of the services provided in managing the quota system for producers, industry, government and consumers.

Quota governance reflects a principles-based approach to regulation:

As a part of their role in protecting and maintaining the supply management system in Alberta, it is expected that Alberta's marketing boards will work with government to develop policy and regulatory frameworks that:

- manage the quota system in a consistent, open and transparent manner;
- retain a flexible approach to quota management and distribution in order to be able to respond to market demands and requirements;
- align with the fundamentals of quota management while still supporting the required flexibility that is needed in each industry sector;
- ensure accountability through quota governance programs and policies;
- ensure quota programs and policies align to national and provincial agricultural frameworks and are aligned with national and provincial regulations; and
- facilitate effective consultation with stakeholders in developing quota governance programs, policies, and regulations.

In response to these principles, Alberta's five supply-managed marketing boards are guided by the following policy positions (and as formalized in regulations and policy) relative to quota governance and management:

1. **Quota stewardship** – Quota allocated to the province is stewarded by the marketing boards, as enabled by their respective regulations. Marketing boards have the full legal responsibility and accountability for quota allocated to the province. Marketing boards have the ability in regulation to increase or decrease the allocation of quota to producers, as required.
2. **Responsibility to produce** – Producers who are allocated quota are responsible for being actively engaged in the production and marketing of the regulated products.
3. **Quota valuation** – Marketing boards cannot assign monetary value to quota.
4. **Increases and decreases in quota allocation** – Any increase or decrease in quota allocation must be applied to all producers on a *pro rata* basis, without any payment required from producers or

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compensation provided to producers. Temporary measures, such as utilization factors, may be used as an interim solution to respond to a short-term rise in demand, but sustained increases in demand must be formalized as permanent quota increases. Quota may be reserved and allocated by the marketing board using alternative allocation methodologies, as described in their respective regulations, to achieve marketing and production objectives.

5. **Leases and transfers in quota** – Leases and transfers of quota between eligible producers must be approved through the marketing board, in accordance with their respective regulations. Marketing boards may facilitate programs that allow for the transfer of responsibility for production from one producer to another on either a temporary or permanent basis, but every transaction requires approval from the marketing board.
6. **Fee assessment** – Marketing boards may assess a fee to cover the costs associated with quota governance, management activities, and programs.
7. **Consideration of producers entering and exiting the industry** – Marketing boards are encouraged to develop programs, policies, and regulations that enable new producers to enter the industry and facilitate the exit of producers leaving the industry.

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APPROVAL AND REVIEW DETAILS

Approval and Review	Details
Approval Authority	Alberta Agricultural Products Marketing Council
Administrator	General Manager, Marketing Council
Communications (To/Date)	Distributed to Alberta Marketing Boards and Commissions.
Next Review Date	February 24, 2022

Approval and Amendment History	Details
Original Approval Authority and Date	Alberta Agricultural Products Marketing Council, June 3, 2005
Amendment Authority and Date	<ul style="list-style-type: none">• Alberta Agricultural Products Marketing Council, July 14, 2017.• Marketing Council reviewed on February 24, 2020, no substantive changes made, only updates to review dates.
Notes	Replaces Quota Allocation Guidelines 2.8, approved on June 3, 2005.