

**Canada-Ontario Orchards and Vineyards Transition Program
Program Guidelines – Plant Removal Projects**

Please read the Program Guidelines carefully to ensure your eligibility.

Definitions

In these Program Guidelines, the following terms have the corresponding meanings:

Accepted Plant Removal Project means a project for the removal of Orchard and/or Vineyard Stock accepted into the Program by Agricorp, to be completed pursuant to the Program Guidelines.

Application Form means the Program application form, as prescribed by Agricorp and as amended from time to time.

Crop Failure means that a Producer was not able to harvest Eligible Crops for reasons outside of its control and where it can be shown by production insurance or other records that the Producer was intending to produce Eligible Crops in the Growing Season.

Eligible Crops means any one or more of the following crops: apples, apricots, cherries (sour), cherries (sweet), grapes (fresh market varieties), grapes (juice varieties), grapes (wine varieties), nectarines, peaches, pears or plums.

Growing Area means, in the case of an orchard or vineyard block or part block containing Orchard and/or Vineyard Stock in either a single row or in multiple rows of trees or vines, the physical area of the orchard or vineyard block or part block, as measured by Agricorp according to Agricorp's standard global positioning system method, as amended or varied from time to time. For the purposes of these Program Guidelines, as they apply to tree fruits, a reasonable number of plants used as pollinators that are contained within the Growing Area and used in the production of Eligible Crops (other than grapes) will be included in the calculation of the Growing Area, at the discretion of Agricorp.

Growing Season means the period starting at bud break and finishing once the fruit harvest is completed or the period when such events would have taken place when it is verified by Agricorp that a Crop Failure occurred for this period.

Landlord means the legal owner of the land on which an Accepted Plant Removal Project is to take place or has taken place.

Orchard and/or Vineyard Stock means all trees, vines, roots and any trellising system components that are used as supporting structures (including posts and wires) for the cultivation of an Eligible Crop in Ontario.

Payment means financial assistance paid to Producers and/or Landlords by Agricorp pursuant to the Program Guidelines upon the completion of an Accepted Plant Removal Project and as directed in writing on the Application Form.

Producer means one or more legal entities carrying on business as a single commercial enterprise on an area of at least 1.236 acres (0.5 hectares) devoted to the production of Eligible Crops in Ontario and that is currently farmed or that was farmed in the Growing Season prior to the period when the Accepted Plant Removal Project is undertaken.

Program means the Canada-Ontario Orchards and Vineyards Transition Program described in these Program Guidelines pertaining to Accepted Plant Removal Projects.

Program Guidelines means these guidelines, including any amendments or supplementary guidelines issued under the Program.

Statement of Final Removal means the Program form prescribed by Agricorp that documents the completion of an Accepted Plant Removal Project, as amended from time to time.

In these Program Guidelines, words in the singular include the plural and *vice versa*. All references to “hectares” and/or “acres” in these Program Guidelines mean as calculated by Agricorp on a Growing Area basis.

About the Program

Agriculture and Agri-Food Canada and the Ontario Ministry of Agriculture, Food and Rural Affairs have jointly established the Program for the Province of Ontario. The Program will be administered by Agricorp in Ontario.

The Program provides Payments following the completion of Accepted Plant Removal Projects. The Program will provide qualifying Producers of Eligible Crops and/or Landlords with Payments as a reimbursement towards part of the costs of removing and disposing of Orchard and/or Vineyard Stock. The Program is voluntary and is designed to help Producers adapt to industry pressures and changing markets.

Qualifying Program participants will receive Payment based on a flat rate of **\$1,618.74 per acre** (\$4,000 per hectare) towards their Orchard and/or Vineyard Stock removal and disposal costs upon the completion of an Accepted Plant Removal Project to the satisfaction of Agricorp.

In cases where the Growing Area on which an Accepted Plant Removal Project is leased or rented, the Producer and the Landlord may designate in writing on the Application Form which entity should receive the Payment.

Each Producer, Landlord and/or farm enterprise is limited to a maximum of \$800,000 in Payments over the lifetime of the Program.

The Program is scheduled to terminate on March 31, 2011.

Further information regarding applicable Program deadlines for the submission of Application Forms and the completion of Accepted Plant Removal Projects is available from Agricorp.

Eligible Crops

The Program will provide Payments for the removal of Orchard and/or Vineyard Stock upon the completion of Accepted Plant Removal Projects.

The removal of any trees and/or vines in respect of commodities other than Eligible Crops (other than approved pollinators included in the Growing Area for tree fruits) will not qualify for Payments under the Program.

Qualifying Orchards and Vineyards

To qualify to receive Payments under the Program, you must be a Producer or a Landlord.

Producers and/or Landlords must own or operate orchards and/or vineyards containing Eligible Crops with a total size of at least 1.236 acres (0.5 hectares). All qualifying orchards and vineyards under the Program must be located in the Province of Ontario.

In order to be eligible for consideration under the Program, the minimum size for an Accepted Plant Removal Project in one farm location is 0.25 acres (approximately 0.101 hectares).

At least one of the signatories to the Application Form must be a Producer. The Producer must be farming Eligible Crops in the current Growing Season or have farmed Eligible Crops in the Growing Season prior to the period when the Accepted Plant Removal Project is undertaken. Agricorp will require written evidence and may request other information in order to substantiate the eligibility of the Producer in respect of this Program requirement. For verification and audit purposes, Agricorp may also access information or records in the possession of Agricorp pertaining to the Producer's farm operations. Agricorp reserves the right to request further evidence of a Producer's maintenance of any orchard and/or vineyard block demonstrating the intention of producing an Eligible Crop should a Crop Failure have occurred in the Growing Season prior to the period when the Accepted Plant Removal Project is undertaken.

To qualify for Payments, the subject orchards and/or vineyards must have been cultivated for commercial purposes. Home or garden orchards and/or vineyards for personal use are not eligible for Payments in respect of removals.

Agricorp will make final decisions regarding Program eligibility.

Other Sources of Funding

Producers and Landlords will be required to disclose all funding from municipal, provincial, federal or other government sources (including production insurance payments for tree or vine loss) providing any reimbursement of the costs of completing the Accepted Plant Removal Projects identified on the Application Form.

For apples and grapes only, the plant removal portion of any production insurance claim payment for destroyed apple trees or grape vines within an Accepted Plant Removal Project's Growing Area will count as a source of funding for the Accepted Plant Removal Project where the subject trees and/or vines have not been replaced. This amount will be determined based on Agricorp's published claim prices.

Agricorp reserves the right to deny Payments or to prorate Payments in the event that other sources of municipal, provincial, federal or other government funding would result in a Producer or Landlord receiving more than 80 per cent of the costs of completing an Accepted Plant Removal Project.

The removal of Orchard and/or Vineyard Stock that is carried out as part of a government or industry disease control program (such as the Plum Pox Eradication Program) will not be eligible to receive Payments under this Program.

Past Removals

The removal of Orchard and/or Vineyard Stock **on or after October 25, 2007** will be eligible for Payments under the Program if all other Program requirements set out in these Program Guidelines are otherwise met. Agricorp will require proof of the date that such work was commenced, including copies of receipts or other documentary evidence, in order to verify eligibility. All decisions regarding acceptable forms of evidence shall be made by Agricorp.

The removal of Orchard and/or Vineyard Stock that occurred **prior to** October 25, 2007 is **not** eligible for Payments under the Program.

Scope of Removal Work

To qualify for Payments under this Program, Accepted Plant Removal Projects must involve the complete removal of all subject trees and/or vines within the Growing Area. In addition, all stumps and as much of the plant root system as is reasonably possible must be removed from the ground and destroyed. Plant material and trellising systems must be disposed of in accordance with all federal, provincial and local laws, by-laws and guidelines.

Trellising system components that are in good condition or, in the case of tree fruits, any reasonable number of pollinators in good condition, that are present in the Growing Area, may be retained on the lands for further horticultural use at the discretion of Agricorp.

All work carried out pursuant to the Program must be completed to the satisfaction of Agricorp.

Any Growing Area contained within an Accepted Plant Removal Project must be used for agricultural purposes or be made available to agricultural use for at least five years after the Accepted Plant Removal Project is completed to the satisfaction of Agricorp. Any Growing Area on which an Accepted Plant Removal Project occurred must be made available and accessible to Agricorp for monitoring purposes to ensure compliance with this Program requirement for five years following the completion of the Accepted Plant Removal Project.

For Leased or Rented Land

If a Growing Area is leased or rented, the existence of the tenancy or lease must be disclosed on the Application Form and both the Producer (as the tenant) and the Landlord must sign the Application Form. At least one of the signatories to the Application Form must be a Producer.

All signatories to the Application Form will be jointly and severally responsible for compliance with the terms and conditions of the Program, which means that each of the signatories is liable for compliance. In the event of non-compliance, recovery of any Payments may be sought against each of the signatories separately or together.

In cases where the Growing Area on which an Accepted Plant Removal Project is completed is leased or rented, the Producer and the Landlord may designate in writing on the Application Form which entity should receive the Payment in respect of the Growing Area.

Agricorp will issue the Payment according to the information designated on the Application Form. Each of the Producer and the Landlord must be a legal entity capable of entering into a contractual agreement.

The governments of Canada and Ontario, as well as Agricorp, will not accept responsibility for any matters pertaining to a tenancy or lease arrangement for lands on which an Accepted Plant Removal Project occurs under the Program or for any non-compliance with the terms and conditions of a tenancy or lease arrangement by either or both of the Landlord or the tenant.

A direction made on the Application Form in respect of a Payment is the responsibility of the Landlord and the tenant jointly. The governments of Canada and Ontario, as well as Agricorp, are not responsible for mediating or arbitrating any dispute between a Landlord

and a tenant related to a Payment, nor are they liable for the consequences where a written payment direction on the Application Form has been relied upon by Agricorp.

As noted above, all orchard and/or vineyard lands that have been accepted into the Program must remain in agriculture (or be available to agriculture) for at least five years. For leased or rented lands that are accepted into the Program, the Landlord will also be bound by this requirement. Producers and/or Landlords will remain liable for compliance with this Program requirement following the sale of any lands on which an Accepted Plant Removal Project has taken place to a third party.

Agricorp will conduct random spot audits to confirm compliance with all Program requirements.

Application Process

Application Form

Producers and/or Landlords must apply to Agricorp using the Application Form in order to have their eligibility under the Program considered. Changes made to a submitted Application Form may result in a delay of approval and may affect eligibility to receive Payments.

Applicants will be required to specify on the Application Form which specific orchard and/or vineyard blocks or part blocks are to be included in the Program, including, for grapes and apples, VITIS and/or ADAMS identifiers where available. Once a completed Application Form has been accepted by Agricorp, changes to the Application Form will be accepted only with the consent of Agricorp.

The benefits and obligations under the Program remain the responsibility of the original signatories to the Application Form and are not transferable to third parties without the prior written consent of Agricorp.

The overall funding for Accepted Plant Removal Projects in Ontario will be up to \$18.46 million under the Program and will be subject to annual budget limits in each Program year. Application Forms will be accepted and approved each Program year on a “first come, first served” basis. Agricorp reserves the right to close the Program to the acceptance of further Application Forms if the level of available funding is reached in any Program year. Whenever the available funding in a Program year is exceeded, Agricorp will place submitted but not yet approved Application Forms on a Program priority list for the following Program year.

Completed Application Forms will be considered in the order of receipt. Once an Application Form is processed, Agricorp will issue a written notification of Program acceptance with instructions for proceeding with the Accepted Plant Removal Project.

Deadlines

Agricorp may establish annual application deadlines in order for Application Forms to be considered under the Program for Payments to be made within the same Program year.

Agricorp may also establish an ultimate application deadline during the final year of the Program following which no further Application Forms will be received.

Following the approval of a completed Application Form, Agricorp will notify the applicant (as designated on the Application Form) of any deadline for an Accepted Plant Removal Project to be completed in order to receive Payment.

Assessment of Eligibility

All completed Application Forms must first be approved by Agricorp following receipt. If the vineyard and/or orchard information provided on the Application Form cannot be verified by Agricorp in VITIS and/or ADAMS, where applicable, or where updated mapping is necessary, an eligibility assessment visit by an Agricorp representative may be required before acceptance into the Program can be confirmed.

During the eligibility assessment, Agricorp will be responsible for verifying the size of any orchard and/or vineyard blocks or part blocks to be included in the Growing Area, including through the use of global positioning system units where new or updated mapping is required at the discretion of Agricorp. Agricorp's determination in respect of any verification assessment and/or mapping shall be final.

Notification of Acceptance

If approved, the applicant (as designated on the Application Form) will receive a confirmation letter or other written means of notification of acceptance into the Program from Agricorp.

If you have not already removed trees and/or vines, it is advised that you do not proceed with vine or tree cutting or removal until your acceptance into the Program has been confirmed by Agricorp. If you commence work prior to the receipt of a confirmation letter or other written means of your notification of acceptance from Agricorp, you may not be eligible for Payments and the costs of any work that you undertake may be your responsibility entirely.

The written notification from Agricorp will indicate the deadline required to notify Agricorp of the completion of the work (which will normally be twelve months from the date of Agricorp's written notification to you, unless otherwise specified by Agricorp).

Should you fail to meet any deadline set by Agricorp, your eligibility to receive a Payment may be lost. In order to be considered further for the Program, you will be required to submit a new Application Form to Agricorp.

However, removals of Orchard and/or Vineyard Stock completed prior to the publication of these Program Guidelines may be included in the Program if all eligibility criteria contained in these Program Guidelines are otherwise met. (See “Past Removals” above for further information.)

Commencement of Accepted Plant Removal Project

Once the applicant (as designated on the Application Form) is accepted into the Program through a confirmation letter or other written notification from Agricorp, activities pursuant to the Accepted Plant Removal Project that had not been undertaken previously may commence.

Final Verification Inspection

The Producer and/or Landlord must sign and submit a Statement of Final Removal with Agricorp indicating that all necessary work has been completed under the Program following a final verification inspection by an Agricorp representative.

Completion of the final verification inspection to the satisfaction of Agricorp is a prerequisite to receiving any Payments under the Program.

Weather conditions may affect or delay the timing of any visit by an Agricorp representative.

Payments

The order in which Agricorp makes Payments may not reflect the order in which Accepted Plant Removal Projects are completed or the order in which Statements of Final Removal are submitted to Agricorp.

For income tax purposes, any entity designated as a Payment recipient on a completed and accepted Application Form will be required to provide a social insurance number (in the case of individual persons) and/or a business number (in the case of business enterprises) to Agricorp as a condition of receiving a Payment.

Existing Buyer or Processor Contracts

Producers are responsible for managing their existing contractual relationships with processors, packers and other buyers. The Program will not assist Producers with the costs of terminating existing contracts. Agricorp and the governments of Canada and Ontario are not legally responsible for the consequences if Program participants fail to meet their contractual or other legal obligations to third parties.

Compliance with Laws

As a condition of participating in the Program, a Producer and/or Landlord is responsible for complying with all applicable federal, provincial and municipal laws and regulations, including those related to public health and safety, labour codes and standards, environmental protection and wildlife habitat.

Participating Producers and Landlords must commit to undertaking proper and effective control measures to mitigate erosion where such a risk is present for fish-bearing water bodies. Additional federal government guidelines are available regarding compliance with the *Canadian Environmental Assessment Act*.

Failure to comply in any material respect with applicable laws and regulations may result in disqualification from receiving Payments and require the repayment of any Payments received under the Program.

Agricorp and the governments of Canada and Ontario are not legally responsible for the consequences if Program participants fail to comply with any applicable laws and regulations.

Compliance and Audits

Once accepted into the Program, it is the responsibility of all signatories to the Application Form to comply with the terms and conditions of the Program as outlined in these Program Guidelines and on the Application Form.

All signatories to the Application Form are responsible for ensuring the truth and accuracy of all information provided to Agricorp. Any signatory to an Application Form who provides false or misleading information to Agricorp may be disqualified and required to repay any Payments received under the Program.

Agricorp will seek to recover any Payments made for which a recipient was not entitled under the Program and, should a recipient have any pre-existing debts to the Crown in right of Ontario or of Canada, Agricorp may make recoveries or offset any Payments against such pre-existing debts.

Review Process

Agricorp has the discretion to determine eligibility and to administer the Program.

A review process is available for the resolution of any disputes regarding the administration of the Program, such as decisions made or actions taken regarding a person's eligibility to receive Payments. The review process will occur in writing. Guidelines outlining how the review process will operate are available from Agricorp upon request.

For More Information or to Obtain an Application Form

For more information, or to obtain an Application Form, please contact the Fruit Specialist at Agricorp's Contact Centre directly:

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Box 3660, Stn. Central
Guelph, Ontario N1H 8M4
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Fax: 519-826-4118
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These Program Guidelines are subject to change. Funding for the Program is provided by the Government of Canada in partnership with the Government of Ontario.