

# **Operation and Policy Manual**

## **Alberta Honey Producers Co-operative Limited**

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# Membership Policies

## Table of Contents

|   |       |
|---|-------|
| Alberta Honey Producers Co-operative Limited – Incorporation..... | 3     |
| Bee Maid Honey Limited .....                                      | 4     |
| Organization .....  | 5     |
| Membership.....   | 6     |
| Continuing Membership .....                                       | 7     |
| Deferred Equity .....   | 8     |
| Drums .....   | 9     |
| Drum Depot.....   | 10    |
| Honey Freight Adjustment .....                                    | 11    |
| Receiving and Grading Honey .....                                 | 12    |
| Payments and Accounts.....  | 13    |
| Insurance .....   | 14    |
| Member Warehousing .....  | 15    |
| Other Services .....  | 16    |
| Full Contracts .....  | 17    |
| Pool A & B.....   | 17    |
| Truck Load Contracts.....   | 18    |
| Operation & Facility Standards .....                              | 19    |
| Incentive Program .....   | 19    |
| ‘88 Contracts .....   | 20    |
| Delivery of Honey to the Co-operative .....                       | 21    |
| Pricing .....   | 22    |
| Establishment of Quota Rate .....                                 | 22    |
| Quota Base for the Co-operative .....                             | 23    |
| Establishment of Quota Base for a New Member .....                | 23-24 |
| Contract Term.....  | 25    |
| Assumption of Quota.....  | 26    |
| Transfer of Quota .....   | 26    |
| Transfer of Membership .....                                      | 26    |
| Index.....  | 27-28 |

*ALBERTA HONEY PRODUCERS CO-OPERATIVE LIMITED*

*Incorporated by means of the Cooperatives Act  
Statutes of the Province of Alberta, 2001  
Chapter C-28,1*

*Articles of Incorporation and By-laws*

*Filed March 17, 2005*

*This brochure is published under the authority of the Board of Directors of  
Alberta Honey Producers Co-operative Limited outlining the policies of the  
Co-operative.*

*Copies of the Articles of Incorporation and By-laws are available to members  
on request.*

## Alberta Honey Producers Co-operative Limited

And

## Bee Maid Honey Limited

Bee Maid Honey Limited is owned jointly and equally by Alberta Honey Producers Co-operative Limited and Manitoba Cooperative Honey Producers Limited. Bee Maid Honey is owned by the Member beekeepers in western Canada.

The Directors of the two Co-operatives are also the Directors of Bee Maid. The Directors appoint and direct the Management of Bee Maid Honey Limited. Bee Maid receives the revenue from all processed honey sales and is responsible for paying the costs of honey containers, processing, freight, commissions, advertising and all other related expenses. The net proceeds are then returned to the Co-operatives on a shared basis.

Should either Co-operative have honey beyond that which is required by Bee Maid to fill its processed honey market, the Co-operative may sell this honey through as raw bulk honey. The net revenue from this honey is returned to the Co-operative supplying the honey.

## **Section 1**

### **Organization**

- 1.01 The Annual General Meeting will be convened within five months of the year end.
- 1.02 The Co-operative is governed by a Board of five Directors.
- 1.03 The Directors are elected by the Members to serve three-year terms.
- 1.04 After three consecutive three-year terms, a Director must stand down for at least one year.
- 1.05 Election of Directors is held at the Annual General Meeting, with one or two positions being filled each year.
- 1.06 Immediately following each Annual General Meeting the Board elects from their number, a Chairman, Vice-Chairman and Secretary to the Board for a one-year term.
- 1.07 The Chairman provides leadership at Board and general meetings, represents AHP at various national and international meetings, and executes financial responsibilities as required.
- 1.08 The Vice-Chairman acts as a Chairman in the absence of the Chairman.
- 1.09 The Secretary is responsible for the recordings of the minutes of the meetings of the Board of the Directors.
- 1.10 The Board has the general responsibility of directing and supervising the business of AHP by formulating and establishing policies.
- 1.11 The Directors may appoint Managers and other Officers that they consider necessary to conduct the affairs and business of AHP.
- 1.12 The fiscal year is from August 1 to July 31.

## Section 2

### Membership

- 2.01 Any beekeeper operating in Alberta, Saskatchewan or British Columbia may apply for membership in AHP provided the beekeeper is able to ship a minimum of 5,000 pounds of honey annually. Dual memberships are not allowed. The applicant cannot be an existing Member of the Manitoba Cooperative Honey Producers.
- 2.02 Beekeepers wishing to join AHP must complete an application form.
- 2.03 Applications for membership are considered by the Board. Approval of membership is based on market requirements and existing Board policies. Applications may be placed on a waiting list.
- 2.04 An annual membership fee of \$1.00 will be deducted from the Member's account on August 1<sup>st</sup> of each year.
- 2.05 To retain Member status, each Member must ship a minimum of 5,000 pounds of honey in each crop year (August 1 to July 31). There is **NO** shortfall tolerance if deliveries fall below 5,000 pounds.
- 2.06 The honey must be delivered before the last working day in January of the crop year.
- 2.07 It is the responsibility of each Member to advise the Board if they are unable to meet the shipping requirements.
- 2.08 The Board may, upon request, reinstate a Member who, in special circumstances (crop failure, fire), was unable to ship the required honey and therefore had his membership automatically revoked.
- 2.09 An important obligation of membership is to reply to AHP's requests for information about the Member's operation as it pertains to AHP.
- 2.10 The Board has the right to refuse membership or to expel a Member for just cause. A Member expelled by the Board may appeal to the membership at an annual meeting for reinstatement.
- 2.11 In the event that the producer fails to deliver honey by January 31 in accordance with the producer's contract, management will inform the producer that he is in default of his contract and must apply for reinstatement. The Board may remove the producer from the membership list of the Co-operative.
- 2.12 If the producer with a Full Contract or a '88 Contract fails to deliver a minimum of five thousand (5000) pounds of honey in any year, then the Board may remove the producer from the membership list.

## Section 3

### Continuing Membership

- 3.01 A Continuing Membership is available to Members who have sold their operation but do not wish to transfer or withdraw their equity. Application must be made to the Board.
- 3.02 This membership will carry a permanent maximum Pool A quota of 5,000 pounds of honey. Some honey must be shipped annually to retain this membership.
- 3.03 Conditions that will apply to a Continuing Member.
  - 3.03(a) A Member cannot be a Continuing Member and also hold a normal quota with AHP.
  - 3.03(b) A Member must apply to be a Continuing Member at the same time he applies to transfer his existing quota.
  - 3.03(c) A Member must have divested himself of all, or virtually all, of his beekeeping operation.
  - 3.03(d) Any honey shipped in excess of 5,000 pounds shall go into Pool B.
  - 3.03(e) Continuing Members may apply for and receive the accelerated pay out of their equity if they meet the requirements for this pay out. (See section 4.06 for requirements)
  - 3.03(f) At the Board's discretion, a continuing membership will be granted only to Members with at least 10 years of continuous shipping history.

## Section 4

### Deferred Equity

- 4.01 Alberta Honey Producers Co-operative Limited retains a deferred equity account for each Member as part of the membership contract. The deferred equity provides Alberta Honey Producers Co-operative Limited with operating capital.
- 4.02 Deferred equity is repayable to the Member on a 10-year rotation basis.
- 4.03 The amount retained in the deferred equity account is determined by the Board annually.
- 4.04 The final payment for each crop, a Member will receive a portion in cash, past patronage, and a notice of the portion that is credited to the Member's deferred equity account.
- 4.05 Money in a Member's equity account will earn income each year based upon a factor to be determined by the Board. This past patronage payment is available to active Members.
- 4.06 In the event of serious illness, retirement after age 60, or death, repayment of equity may be accelerated based on the following schedule and subject to the Board's approval.

|         |                     |          |
|---------|---------------------|----------|
| 100%    | Less than \$6,000   | 1st year |
| 50%     | \$6,000 - \$14,999  | per year |
| 33 1/3% | \$15,000 - \$29,999 | per year |
| 25%     | \$30,000 - \$59,999 | per year |
| 20%     | Over \$59,999       | per year |

- 4.07 Transfer of equity is possible with the Board's approval. Transfers usually occur as a result of the sale of equity and equipment by a Member. In the case of a transfer of equity to a non-member, the buyer must be accepted by the Board as a new Member before the transfer may take place.

## Section 5

### DRUMS

Alberta Honey Producers Co-operative Ltd. recognizes the importance of ensuring that all Members have fair access to Bee Maid owned honey drums during the production season.

- 5.01 Members may withdraw drums for the coming season based on a maximum of 125% of their 5-year average requirements. Management will be able to use discretion based on individual situations.
- 5.02 Alberta Honey Producers normally accepts honey only in Bee Maid drums, supplied to the Members complete with gasket and lot tags. At Management and Board discretion, honey may be received in non-Bee Maid drums.
- 5.03 The drums are to be used only for honey that is destined for Alberta Honey Producers. Members using drums for other purposes will be subject to penalties, which may include termination of membership.
- 5.04 Alberta Honey Producers Co-operative may physically confirm drum counts at the Members' locations.
- 5.05 Once a year, Members are required to reconcile their drum count with a count kept by Alberta Honey Producers. The cost of any drums damaged or lost by a Member shall be charged to the Member's account at a rate set by the Board.
- 5.06 Members are encouraged to transfer drums with their neighboring beekeeper if they have surplus drums. If drums are transferred, they may either be returned by the borrower at a later agreed upon date or formally transferred to the borrower by signing a formal transfer receipt as outlined under "*Drum Depot*", Section 5.1.
- 5.07 The cost of transporting empty drums from Spruce Grove to a Member's honey house is the responsibility of the Member.
- 5.08 Because Bee Maid Honey Ltd. uses only drums made to Alberta Honey Producers standards, a universal tare is used.
- 5.09 Drums must be stored in a secure area, off the dirt, in a covered building, or structure.
- 5.10 At all times, Bee Maid and the Co-operatives will have the right to reposition drums where needed.

## **Section 5.1**

### **Drum Depot**

In an effort to distribute Bee Maid Member drums as efficiently as possible, empty Drum Depots may be set up. This is being established to assist Members that do not require full truckloads of drums by consolidating loads.

Those Members wishing to operate as a Drum Depot must contact your Co-operative and advise the number of empty drums that you can store and the storage conditions available. Depot locations and number of depots required will be determined based on historical Member needs.

- 5.1.01 Members willing to operate a Drum Depot must have the ability to store drums in a covered, clean, secure location.
- 5.1.02 The depot operator will be responsible for the freight charges of the empty drums from the Co-operative to the depot.
- 5.1.03 The depot operator will charge a \$1.00 handling fee per drum to the Member receiving drums.
- 5.1.04 When the depot operator provides drums to the Member receiving drums, a formal transfer receipt will be completed and signed by the Member receiving the drums showing the number of drums received. The receipt will include freight charges per drum paid by the depot operator to the Co-operative and the handling charge per drum. The operator will then forward this completed receipt to the Co-operative where the drums will be transferred between accounts and the freight and handling charges will be transferred from the Member receiving the drums account to the operator's account.

## Section 6

### Honey Freight Adjustment

6.01 A honey freight adjustment towards the cost of transporting honey to the plant is based upon the straight-line distance from the beekeeper's production address to the Alberta Honey Producers plant at Spruce Grove, Alberta.

| Distance (km) | Rate/Drum (\$) |
|---------------|----------------|
| 0 - 80        | 4.32           |
| 81 -160       | 6.41           |
| 161 -300      | 8.57           |
| 301 -480      | 9.84           |
| Over 480      | 9.84           |

## Section 7

### Receiving and Grading Honey

- 7.01 Management may request your shipping intentions for the current year.
- 7.02 Honey received from February 1 to July 31 will be held over to the next crop year.
- 7.03 Shipping appointments are required during July, August, September and October. Honey shipments are not received on weekends or holidays.
- 7.04 All honey received is weighed and graded on a lot basis. Members are required to segregate honey into different lots and label with the provided tag. Honey which is known to be of a different color and/or moisture content must be identified and given a lot designation.
- 7.05 Determination of grade is made by means of samples. The grade is based primarily on color and moisture according to the schedule prepared annually by AHP and mailed to each member.
- 7.06 Bonuses are paid for light colour and low moisture; penalties are assessed for dark colour and high moisture.
- 7.07 Honey over 19.0% moisture or over 90mm colour may be accepted at the discretion of Management.
- 7.08 Adulterated honey is not accepted. AHP analyzes honey for bee repellents, antibiotics and other contaminants. Honey with contaminants over the maximum acceptable levels will be returned to the producer at the producer's expense.
- 7.09 Honey from non-members may be accepted at the discretion of Management and with approval of the Board of Directors.

## Section 8

### Payments and Accounts

- 8.01 Members are paid for their honey with an initial payment and subsequent interim and final payments as the honey is sold.
- 8.02 The amount of each payment is determined by the Board.
- 8.03 Notification of the initial payment for the coming crop year is usually made in the June newsletter.
- 8.04 Notification of the final payment for the past crop year is usually made and paid in mid-November.
- 8.05 Payments are credited to each Member's account. However, arrangements can be made to have a cheque sent immediately to the Member.
- 8.06 A Member may receive an advance against future payments, based on a percentage of the estimated final payment, once the honey is received at Alberta Honey Producers Co-operative Ltd, Spruce Grove, Alberta.
- 8.07 Member's accounts earn interest at the daily prime bank rate less 1/2%. Member accounts are charged interest at the prime rate plus 1/2%. Accumulated interest is credited or charged to Member accounts each July 31 and December 31.
- 8.08 At the Member's request, the initial payment for the current crop year may be deferred to January 1 of that crop year.
- 8.09 AHP participates in the Agriculture Marketing Programs Act of the Federal Government. This can improve the return to a member by as much as 1.5 cents per pound. Only Members who participate in the program receive this improved return. Members who do not submit the required forms by November 15 shall not be allowed to participate in this program, do not receive benefits of interest savings, and are charged a fee for non-participation.

## **Section 9**

### **Insurance**

- 9.01 Each Member is covered for \$10,000 by an Accidental Death and Dismemberment Policy.
- 9.02 The annual fee for this coverage is deducted from the Member's account each August 1.
- 9.03 Where a company or partnership is the Member, only one individual is covered. Members may, however, obtain similar coverage based on a per person fee for their immediate family and employees of their honey operation. Contact AHP for details.
- 9.04 Honey is insured once it is placed in Bee Maid drums. All Bee Maid drums stored by Members are insured against fire.
- 9.05 Directors and management are insured at all meetings.
- 9.06 Upon the producers packing the extracted honey into drums supplied by the Co-operative, or honey in hives/supers at the producer's farm gate establishment and in transit, the Co-operative agrees to insure or cause to be insured all of the said honey.

## Section 10

### Member Warehousing

- 10.01 Up to 100% of a Member's crop will be permitted under the storage program at a Member's location.
- 10.02 Management has authority to approve any portion up to the 100% until sufficient storage has been secured. Those who have previously participated in the program will have first choice. Only those who have requested and been approved for the Member Storage Program will be allowed to participate in it.
- 10.03 All storage must be indoors, unheated and in Bee Maid drums.
- 10.04 Members storing product will call "collect" to make weekly reports of honey added to the storage program until extracting has been completed. Upon receipt of this report, the Member's account will be credited at 638 pounds per drum, for the initial payment rate. Once the product is delivered to the plant, adjustments to the Member's account will be completed based on actual weight.
- 10.05 Delivery of honey in storage could be requested any time, but no later than May 31, of the same crop year. The Member will be expected to deliver the product requested in a reasonable time frame. This could be negotiated depending on circumstances at the time.
- 10.06 Product in storage will be subject to periodic inspection as requested by the Agriculture Marketing Programs Act.
- 10.07 All honey will be insured by AHP while at the Member's location, refer to section 9.
- 10.08 The Member's account will be credited with the following warehousing payment:
  - (a) a handling credit of \$1.00 per drum
  - (b) monthly rental of \$1.00 per drum per month
- 10.09 Warehousing payments will stop when the notice to ship has been given to the Member.

## Section 11

### Other Services

Alberta Honey Producers Co-operative has the largest beekeeping supplies retail outlet in Western Canada. The store is located within the plant. Along with an excellent stock of national and international beekeeping equipment, supplies and printed material, *Bee Supplies* handles package bees and queens from a variety of breeders. Orders for bees and queens should be placed early to ensure delivery. Bulk liquid and dry sugar is also available. Bee supplies can also be ordered online at [www.beemaidbeestore.com](http://www.beemaidbeestore.com).

- 11.01 Alberta Honey Producers Co-operative Ltd. offers its Members the option to purchase Canada No. 1 Creamed Honey packed in a 1 kg or 3 kg container. This honey is for use solely in public relations work (i.e., yard rent or local honey promotions). Please contact the *Bee Supply* department for details.
- 11.02 Alberta Honey Producers Co-operative Ltd. purchases and sells rendered beekeeper wax through the *Bee Supply* department. Rendered beeswax is graded based on color and cleanliness. AHP buys beeswax on a cash basis when markets are available.
- 11.03 Members charging bee supplies to their Member account pay no interest for the first thirty days.
- 11.04 Alberta Honey Producers Co-Operative Ltd. provides its Members with a newsletter after each Board Meeting and whenever circumstances warrant.
- 11.05 Alberta Honey Producers Co-operative Ltd., through the Bee Maid organization, is a Member of the Canadian Honey Council. Alberta Honey Producers Co-operative Members wishing to join CHC may arrange to pay for their membership from their Alberta Honey Producers Co-operative Member account.
- 11.06 Each year AHP sponsors the attendance of a Member's child, through the Alberta Community and Cooperative Association (ACCA), at the Goldeye Center. Contact AHP for details.

## **Section 12**

### **Full Contracts**

- 12.1 Full Contracts were approved by the membership in 1996 to provide Management a more accurate tool for estimating intake, thus providing the marketing organization information to develop and maintain markets for future benefit.
- (a) Quota Base means the amount of honey assigned by the Board as the goal for the producer to deliver to the Co-operative expressed in pounds and determined in accordance with this Agreement.
  - (b) Quota Rate means the percentage portion of the Quota Base for that year and determined by the Board acting in its sole discretion on a yearly basis. The Quota Rate is calculated to determine the amount of honey the producer is permitted to deliver to Pool A.

### **Pool A & B**

- 12.2 Pool A means the designation given to honey that is delivered by the producer to the Co-operative in an amount up to the amount of the Quota Rate.

Pool B means the designation given to honey that is delivered by the producer to the Co-operative in an amount in excess of the Quota Rate.

## **Section 13**

### **Truck Load Contracts**

#### **(TLC)**

- 13.01 Truck Load Contract (TLC) is an intake policy approved by the Membership at the 2007 Annual General Meeting. Truck Load Contracts will be signed at the discretion of the Board of Directors, based on market circumstances.
- 13.02 Upon application and approval for membership in Alberta Honey Producers Coop Ltd, Truck Load Contracts will be established with producers. Truck Load Contract producers will have full privileges, obligations and services; conform to payment schedule and equity provisions as outlined the Operation and Policy Manual of Alberta Honey Producers Co-operative Ltd.
- 13.03 Truck Load Contract holders agree to deliver a minimum of seventy drums (approximately 44,000 lbs.) to a maximum of eighty four drums (approximately 53,000 lbs.) of extracted honey produced by the Producer or under the Producer's direction and control in Saskatchewan, Alberta and British Columbia in such condition as is necessary to meet the minimum standards as set by the Board.
- 13.04 Delivers must be in Bee Maid owned drums and as Members adhere to the drum policy outlined in Section 5 of this manual.
- 13.05 Payments and pricing will be as outlined in Section 8 and 17 of this manual.
- 13.06 Quota Shipping Base will be established as outlined in Section 19 of this manual.

## Section 14

### OPERATION AND FACILITY STANDARDS

Operation and Facility Standards are listed below. Members are expected to meet these standards by January 31, 2013 (deadline amended, Board of Directors Meeting, February 28, 2011). The Board, at their discretion, may grant an extension to the deadline. A written request outlining why an extension is required must be submitted to the Board by August 1, 2012 for consideration.

**CFIA registrations are annual certificates; therefore, Members must supply a copy of the certificate to the Co-operative on an annual basis.**

- 14.01 Full Contract and '88 Contract Producers shipping on average over ten thousand pounds (10,000 lbs.) must insure their honey is extracted in a Canadian Food Inspection Agency registered facility.
- 14.02 Producers with a Truck Load Contract must maintain a Producer/Grader status with the Canadian Food Inspection Agency.
- 14.03 Full Contract and '88 Contract producers shipping on average under ten thousand pounds (10,000 lbs.) should initiate or follow a program similar to the Canadian Honey Council's best operating practices program (CBISQT).

### Section 14.2

#### Incentive Program

- 14.2.01 An Incentive Program is available to assist Members with the Canadian Food Inspection Agency Producer/Grader registration, and to acknowledge Members who are already registered beginning with 2010-2011 crop year to be in effect for 5 years.
- 14.2.02 The Incentive Program will pay \$0.01 per pound per year to a maximum total payout of \$2,200 based on 220,000 lbs. delivered from a CFIA registered facility. The program payment applies to the registered facility not the individual. If more than one Member uses the same facility, a maximum payout of \$2200 is available to the facility under the Incentive Program. The incentive is earned from the date the Co-operative receives a copy of the CFIA certificate. The Incentive Program payment will be made with the June Interim Payment each year.

**As part of the Incentive Program, Members must supply a copy of the CFIA certificate to the Co-operative on an annual basis.**

## **Section 15**

### **'88 Contracts**

#### **'88 Contract History**

- 15.01 '88 Contracts are not available to new Members as of 1996.
- 15.02 '88 Contracts were developed by the Board of Directors and approved by the Membership in 1988 to assist in controlling the intake of honey.
- 15.03 Members of AHP were given a shipping base established by shipping history and approved by the Board. Based upon market projections and existing honey stocks, a quota rate will be set in June each year. The quota rate will be expressed as a percentage. This percentage is the portion of the shipping base that a Member may ship into Pool A for that crop year. Members must ship their shipping base each year in order to maintain the same volume of pounds.
- 15.04 If there is not enough honey available (short crops) or should the market situation improve, an increase in this quota rate (supplemental quota) may be announced at any time.
- 15.05 Non-Bee Maid drums may be used to supply supplemental quota. These drums will become the property of AHP.
- 15.06 Members MUST fill their shipping base requirements before shipping honey elsewhere. Failure to do so will result in a reduction of shipping base. In the event of a reduced crop, members MUST ship their entire crop in an attempt to fill their shipping base.
- 15.07 Members may purchase honey from other AHP Members in order to fill their quota.

## Section 16

### Delivery of Honey to the Co-operative

The producer agrees to deliver to the Co-operative, as directed by the Co-operative, all extracted honey produced by the producer or produced under the producer's direction and control in Saskatchewan, Alberta and British Columbia in such condition as is necessary to meet the minimum standards as set by the Board acting in its sole discretion except for the following:

- (a) honey used for home consumption; or
- (b) honey sold at the producer's extracting plant at the farm end for sale for individual consumption and not commercial trade.

## **Section 17**

### **Pricing**

- 17.01 The price to be paid for both the Pool A and Pool B honey shall be established annually by the Board, acting in its sole discretion, based on need, inventory carry over, and potential sales.
- 17.02 In addition to designating honey into the Pool A or Pool B category, all delivered honey shall be graded within Pool A or Pool B by the Co-operative according to quality, colour, flavour and moisture.
- 17.03 The grading shall be in the Co-operative's sole discretion and the prices to be paid by the Co-operative shall vary according to the grade established.

## **Section 18**

### **Establishment of Quota Rate**

- 18.01 Quota Rate means the percentage portion of the Quota Base for that year determined by the Board acting in its sole discretion on a yearly basis. The Quota Rate is calculated to determine the amount of honey the producer is permitted to deliver to Pool A.
- 18.02 The quota rate shall be determined by the Board, on an annual basis on or about the month May of every term year, but may be at a different time as designated by the Board acting in its sole discretion.

## Section 19

### Quota Base for the Co-operative

The Quota Base policy has been implemented to establish a quota for the honey deliveries to the Co-operative. Deliveries will impact your quota base by increasing or decreasing the total quota base relative to the amount of honey shipped each year to the Co-operative.

19.1 The Quota Base policy will apply to all contracts:

- a. Full Contract Producer (Section 12)
- b. Truck Load Contracts (Section 13)
- c. '88 Contracts (Section 15)

## Section 19.2

### Establishment of Quota Base for a New Member

The phase-in to your new **Quota Base** will begin with your first year of shipments to the Co-operative and the following formula will apply. You must have obtained **Quota Base** from an existing Member and be **approved by the Board** as a new Member in order to start shipping to the Co-operative under this scenario.

**Year 1** The number of pounds of **Quota Base** you obtained multiplied by the **Quota Rate** will be the amount of honey received into Pool A. The remainder of the honey shipped to meet the obligation of the contract will be received into Pool B and marketed at Pool B price.

**Year 2** The number of pounds of **Quota Base** you obtained plus your first year shipments divided by two will be your year two **Quota Base**. This multiplied by the **Quota Rate** will be the number of pounds received into Pool A. The balance of your contractual obligations in deliveries will be received into Pool B and will be marketed at Pool B price.

**Year 3** The number of pounds of **Quota Base** you obtained plus your year one and year two shipments divided by three will be your year three **Quota Base**. This multiplied by the **Quota Rate** will be your shipments into Pool A. The balance of your contractual obligations in deliveries will be received into Pool B and will be marketed at Pool B price.

**Year 4** The number of pounds of **Quota Base** you obtained plus your deliveries for year one, two and three divided by four will be your **Quota Base** for year four. This multiplied by the **Quota Rate** will be your shipments into Pool A. The balance of your contractual obligations in deliveries will be received into Pool B and will be marketed at Pool B price.

**Year 5** The number of pounds of Quota Base you obtained plus your deliveries for year one, two, three and four divided by five will be your Quota Base for year five. This multiplied by the Quota Rate will be your shipments into Pool A. The balance of your contractual obligations in deliveries will be received into Pool B and will be marketed at Pool B price.

**Year 6** The number of pounds of Quota Base you obtained plus your deliveries for year one, two, three, four and five divided by six will be your Quota Base for year six. This multiplied by the Quota Rate will be your shipments into Pool A. The balance of your contractual obligations in deliveries will be received into Pool B and will be marketed at Pool B price.

**Year 7** and onward (Seven-year forward averaging with the highest and lowest removed.) Your highest and lowest shipments over the last seven years will be removed and the average of the remaining five-year total divided by five will be your Quota Base for each year that follows. This multiplied by the Quota Rate will be your shipment into Pool A. The balance of your contractual obligations in deliveries will be received into Pool B and will be marketed at Pool B price.

## Section 20

### Contract Term

20.01 The term of all contracts:

- a. Full Contract Producer
- b. Truck Load Contracts
- c. '88 Contracts

Shall be for a period of five (5) years from the date hereof and shall renew automatically for a further five (5) year period, provided however, either party may terminate this agreement by giving notice six months before the end of any contract period.

20.02 Termination of contracts shall then be effective on the 31<sup>st</sup> day of July following the giving of such notice.

20.03 The termination of a contract shall not relieve either party of liabilities, which may have previously been incurred to the other.

## **Section 21**

### **Assumption of Quota**

In the event a producer sells the producer's business in whole or in part, the Co-operative agrees that the purchaser may assume the Quota subject to approval by the Board. The purchaser is required to apply for membership in the Co-operative.

## **Section 22**

### **Transfer of Quota**

Members may transfer quota to other Members. The transfer shall be complete when an authorization signed by both Members is received by AHP. All transfers become effective the first day of August, following receipt of authorization.

## **Section 23**

### **Transfer of Membership**

Members in good standing may apply to transfer membership between Alberta Honey Producers Co-operative, and Manitoba Cooperative Honey Producers Ltd. The transfer of membership is to be approved by the Bee Maid Board of Directors. Transferring Members will be treated as new Members, and cannot transfer quota with membership. Equity payments will continue as per the existing Co-operative schedule, and equity is not transferable. A transferring Member, who has changed geographical locations, may be allowed to transfer quota.

# INDEX

|   |                                 |
|---|---------------------------------|
| '88 Contracts.....                                  | 6, 19-20, 23, 25                |
| Active Members .....                                | 6-8                             |
| Adjustment of Quota Base.....                       | 20, 23-24                       |
| Advance against future .....                        | 13                              |
| Advertising .....                                   | 4                               |
| Agriculture Marketing Programs Act .....            | 13, 15                          |
| Alberta Community and Cooperative Association ..... | 16                              |
| AHP .....   | 5-7, 12-16, 20, 26-27           |
| Alberta Honey Producers.....                        | 3-4, 8-9, 11, 13, 16, 18, 26-27 |
| Annual General Meeting.....                         | 5-6                             |
| Antibiotics .....                                   | 12                              |
| Assumption of Quota.....                            | 26                              |
| Barrels – See Drums                                 |                                 |
| Bee Maid Honey Limited .....                        | 4, 9-10, 14-16, 20, 26          |
| Bee repellents .....                                | 12                              |
| Beekeeping supplies .....                           | 16                              |
| Bees and queens.....                                | 16                              |
| Beeswax.....  | 16                              |
| British Columbia.....                               | 6, 18                           |
| Bulk honey.....                                     | 4                               |
| Buyer .....   | 8                               |
| Canadian Honey Council.....                         | 16                              |
| Commercial Trade .....                              | 19                              |
| Commissions .....                                   | 4                               |
| Containers.....                                     | 4, 16                           |
| Contaminants .....                                  | 12                              |
| Continuing Membership .....                         | 7                               |
| Contract .....                                      | 6, 8, 17-20, 23-25              |
| Crop failure.....                                   | 6                               |
| Death.....  | 8, 14                           |
| Deferred equity .....                               | 8                               |
| Directors .....                                     | 3-5, 12, 14, 18, 20, 26         |
| Drum count .....                                    | 9                               |
| Drums .....   | 9-11, 14-15, 18, 20             |
| Drums damaged.....                                  | 9                               |
| Election.....                                       | 5                               |
| Equipment.....                                      | 8, 16                           |
| Establishing quota.....                             | 17-18, 22-24                    |
| Freight adjustment .....                            | 11                              |
| Fire.....   | 6, 14                           |
| Goldeye Center.....                                 | 16                              |
| Governed .....                                      | 5                               |
| Graded .....  | 12, 22, 27                      |
| Home consumption.....                               | 21                              |
| Honey from non-members .....                        | 12                              |
| Initial payment.....                                | 13, 15                          |
| Insurance.....                                      | 14                              |
| Insured .....                                       | 14, 15                          |
| Interest .....                                      | 13, 16                          |
| Interim .....                                       | 13                              |
| Liability insurance .....                           | 14                              |
| Loss of membership.....                             | 6                               |
| Manitoba.....                                       | 4, 6, 26                        |
| Member's account .....                              | 6, 9, 13-16                     |
| Membership.....                                     | 6-9, 16-18, 20, 26-27           |

|                               |                          |
|-------------------------------|--------------------------|
| Minimum .....                 | 6, 18, 21                |
| Newsletter .....              | 13, 16                   |
| Non-Bee Maid drums .....      | 9, 20                    |
| Organization .....            | 5, 16-17                 |
| Partnership .....             | 14                       |
| Past patronage.....           | 8                        |
| Payments and accounts .....   | 13                       |
| Penalties.....                | 9, 12                    |
| Pool a .....                  | 7, 17-18, 22-24          |
| Pool B .....                  | 7, 17, 22-24             |
| Quota .....                   | 6-7, 17-18, 19-20, 22-26 |
| Quota '88 - See '88 Contract  |                          |
| Quota base .....              | 17-18, 22-24             |
| Quota rate .....              | 17, 20, 22-24            |
| Receiving and grading .....   | 12                       |
| Reduction of quota base.....  | 20                       |
| Refuse membership .....       | 6                        |
| Request for information.....  | 6                        |
| Retirement .....              | 8                        |
| Revenue .....                 | 4                        |
| Sales.....                    | 4, 22                    |
| Saskatchewan.....             | 6, 18, 21                |
| Serious illness .....         | 8                        |
| Shipping history.....         | 7, 20                    |
| Short crops.....              | 18                       |
| Spruce Grove .....            | 9, 11, 13                |
| Store.....                    | 9-10, 14-16              |
| Supplemental quota .....      | 20                       |
| Supplies .....                | 16                       |
| Termination of contract ..... | 6, 25                    |
| Transfer of quota.....        | 26                       |
| Transporting honey.....       | 11                       |
| Wax.....                      | 16                       |