TPQ Assignment Policy

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1. Purpose

To support the implementation of section 10 of the *Total Production Quota Regulations, which permits DFNS to consent to assignments of TPQ on terms and conditions that DFNS considers appropriate*. A recognized lending institution may require a producer to have an assignment on the saleable quota for financial support. DFNS will consent to assignments of quota as set out in this Policy. If there is any discrepancy between this Policy and section 10 of the *TPQ Regulations*, the *Regulations* take priority.

2. Definitions

A “recognized lending institution” means any of the following:

(a) A bank listed in Schedule I or Schedule II of the *Bank Act* (Canada);
(b) A credit union to which the *Credit Union Act* applies;
(c) The Nova Scotia Farm Loan Board;
(d) Farm Credit Canada;
(e) A lender approved by the Board.

3. Information Release Form

The TPQ Information Release Form is available on the DFNS website.

DFNS staff can only provide specific information on TPQ holdings and assignments upon receipt of an Information Release Form signed by the TPQ holder.

4. Consenting to Assignments

The TPQ Assignment Form is available on the DFNS website.

All documents should indicate the registered quota holder’s DFNS Registration Number (5-digit number ending in 2).

The registered TPQ holder must sign all assignment documents. In the case of a partnership all partners must sign, in the case of a corporate quota holder the designated signing officer(s) must sign.

Adequate unassigned Saleable TPQ holdings must be available before an assignment can be recorded.

Assignment information is entered into the producer portal under the Quota Assignment section. The financial institution assigned Kgs of quota, and date are required to be entered.

The TPQ Assignment Form must be approved, dated and signed by DFNS staff. A copy of the signed TPQ Assignment Form is saved electronically to the producer file and then returned to the lender via email, unless another method is requested.

5. Release of TPQ Assignment

The TPQ Assignment Release Form is available on the DFNS website.

Where a Producer has executed more than one assignment of their TPQ, assignments will be honored on a “last in, first out” basis, such that the TPQ most recently assigned will be deemed to be the first sold, and the most recent assignment will be the first honored. If a producer sells TPQ on the Quota Exchange and some or all the TPQ sold is assigned, the cheque will be issued as a joint cheque payable to the registered TPQ holder and the lender holding the most recent assignment.

When a loan is paid off, a TPQ Assignment Release Form signed by the lender must be forwarded to DFNS as soon as possible in order to release the assignment.

If a producer sells or otherwise transfers assigned TPQ in a transaction approved by DFNS that does not occur on the Quota Exchange:

(a) DFNS will require that all existing TPQ assignments be released before DFNS staff will process the transfer of the TPQ to the purchaser/recipient;

(a) Once existing TPQ assignments are released, DFNS staff will process the transfer of the TPQ to the purchaser/recipient;

(b) After DFNS staff have processed the transfer of the TPQ to the purchaser/recipient, DFNS will accept a new assignment for consent in accordance with this Policy and section 10 of the TPQ Regulations.

6. **Lender Calling the Assignment**

Under regulation and based on the assignment agreement, the lender can act as the producer in selling assigned quota. The following procedure covers a situation where a lender calls an assignment by offering the assigned TPQ for sale on the quota exchange. This procedure is recommended to clarify, not constrain, the eventualities of having a lender call a quota assignment and it applies to all existing and future quota assignment agreements.

DFNS requires five (5) business days' notice in advance of a quota exchange of a lender's intent to sell assigned TPQ on the quota exchange. This intent will be an exchange form as provided by the Board with the quantity and price of TPQ offered for sale, signed by the lender. Along with the exchange form, the lender must provide an affidavit or statutory declaration, sworn by an authorized representative of the lender, stating that the producer is in default of its obligations under the terms of the loan to which the assignment relates. Forms received less than five business days before an exchange deadline will be held over for inclusion on the subsequent exchange. Quota exchanges operate on the last business day before the 14th of each month.

Upon receipt of this notice, DFNS will provide written notification to the producer including the following information:

- Notice that ____ lender has submitted ___ kg assigned TPQ for sale on the exchange for the month _____,
- That DFNS has confirmed the assignment and intends to act on the lender's submission, and
- The producer should raise any questions or concerns over this action directly with their lender and / or discuss the issue with their lawyer.

The offer to sell from the lender will be processed, including all applicable administrative fees.

If the quota is successfully sold on the exchange, DFNS will issue the total sale amount solely payable to the lender.

If all a producer's TPQ is sold on the exchange, the producer's license will expire on the last day of the month the TPQ is sold.

If some unsold TPQ (assigned and/or unassigned) remains, the producer's license remains active, but the producer is subject to the minimum TPQ requirements in section 16 of the *TPQ Regulations*.

7. **Effective date** –August 1, 2026