

FARM PRODUCT INDUSTRY ACT
[RSBC 1996] CHAPTER 132

Definitions

1 In this Act:

"agricultural enterprise" means a person, association, partnership, corporation, marketing board, marketing commission, institute, producer or consumer cooperative or other enterprise or undertaking that

(a) is engaged in production, processing or distribution of food or other agricultural products or in providing services to the agricultural industry,

(b) qualifies as an agricultural enterprise under this Act and regulations, and

(c) is approved by the minister;

"agricultural industry" includes all aspects of the production, processing and distribution of agricultural products and related services.

Purposes

2 The minister may make grants and loans, guarantee the repayment of loans, including the cost of securing the loans and any interest, bonus, premium or discount on them, and exercise any further powers provided in this Act to encourage and assist continued development and expansion of the agricultural industry in British Columbia.

Specific purposes

3 Section 2 includes assistance to enable an agricultural enterprise to do one or more of the following:

(a) establish, maintain or expand its facilities;

(b) provide services to the agricultural industry;

(c) acquire land, buildings, machinery, equipment, livestock, materials and supplies;

(d) construct or improve buildings owned or being acquired by the agricultural enterprise;

(e) maintain its operating capital;

(f) consolidate its debts and outstanding liabilities;

(g) carry out a feasibility study or market development program;

(h) undertake research on a food or other agricultural product.

Technical and other advice

4 If the minister considers that financial, engineering or technical advice is necessary to examine an agricultural enterprise's proposal or to review or monitor an assisted agricultural enterprise, the minister may pay for the advice from the consolidated revenue fund.

Investment by producers

5 (1) Section 2 includes grants, loans and guarantees to an organization owned by producers to enable it to invest in an enterprise or undertaking outside of British Columbia that processes the producers' agricultural products on the terms the minister specifies.

(2) The government may own an interest in an organization.

(3) A producer owned organization to which subsection (1) applies is an agricultural enterprise for sections 6 to 13.

Grants, loans and guarantees, etc.

6 For the purposes of sections 2, 3 and 5 and on the terms the minister specifies, the minister may do one or more of the following:

(a) make incentive grants to an agricultural enterprise;

- (b) invest in securities of a corporate agricultural enterprise;
- (c) acquire an interest in other agricultural enterprises;
- (d) lend money, with or without the cooperation or participation of Canada, or an agency of Canada, to an agricultural enterprise;
- (e) guarantee repayment of the loans for which security is approved by the minister, including the cost of securing the loans and any interest, bonus, premium or discount on them;
- (f) grant money to an agricultural enterprise to enable it to repay a loan, and costs outlined in paragraph (e);
- (g) cancel all or part of the outstanding balance repayable by an agricultural enterprise on a loan under this Act;
- (h) cancel all or part of the outstanding interest payable on a loan under this Act.

Savings institution to process loans

7 The minister may authorize a savings institution to receive and process applications for grants, loans or guarantees under this Act.

Security for loans and guarantees

8 To secure repayment of money lent to or guaranteed for an agricultural enterprise, or to realize on a security for a loan or guarantee, the minister may do one or more of the following, subject to any regulations:

- (a) take the security the minister considers advisable by way of mortgage, charge on, or assignment of, property and dispose of the security in the manner the minister considers advisable;
- (b) acquire, dispose of or deal in, absolutely, as security or otherwise, commercial paper and securities, obligations, agreements and any other evidence of debt;
- (c) develop, maintain, operate or dispose of an agricultural enterprise, and any land, buildings, machinery, equipment, livestock or supplies acquired as security.

Supervision of loans or guarantees

- 9 (1) The minister must supervise the expenditure by an agricultural enterprise of money lent or granted to it, invested in it, or for which a guarantee of repayment has been given to ensure that the money is used for the purpose intended.
- (2) If the minister believes that money lent under this Act has not been or is not being applied for the purposes for which it was advanced or is not being carefully and economically expended, or if the security depreciates in value, the minister may refuse to make further advances, and may call for payment of the whole amount then advanced and interest.
- (3) In default of payment, the minister has the same remedies for recovery of the money as if the time for repayment had arrived.
- (4) If, under this Act, money has been lent or granted to an agricultural enterprise, money has been invested in an agricultural enterprise, or a guarantee has been given for an agricultural enterprise, the agricultural enterprise must provide the minister with the reports and statements of its financial condition and progress the minister requires.

Conditions

- 10 (1) It is a condition of each loan, grant, investment or guarantee that the required reports and statements be provided and that the minister may inspect and audit the accounts and records of the agricultural enterprise at any time during the term of the loan, investment or guarantee, or in the case of a grant, during the 5 years following the grant.
- (2) If security for a loan under this Act is a fixed or floating charge on property, it is a condition of the loan that it becomes immediately due and payable if all or part of the property charged by the security is disposed of without the minister's prior written consent.

Payments to protect security

11 The minister may make advances or payments to pay insurance premiums, taxes or other encumbrances, or otherwise to protect security held for a loan.

Government representation in corporation

12 (1) If the minister invests in corporate securities, the minister may appoint a person to represent the government

(a) at any meeting of the corporation's shareholders, debentureholders or bondholders, or
(b) as a director of the corporation.

(2) A person appointed under subsection (1) is entitled to vote and exercise, on behalf of the government, those powers that it could exercise as a member, shareholder, debentureholder or bondholder of the corporation.

Limitations on loans, guarantees, etc.

13 (1) The minister must not make a loan or investment or give a guarantee under section 6 (b) to (e) at any time that the total amount of outstanding loans, investments and guarantees exceeds \$50 million.

(2) The minister must not, without the prior approval of the Lieutenant Governor in Council,
(a) lend, invest or guarantee under section 6 (b) to (e), or
(b) grant or cancel under section 6 (a), (f), (g) or (h),
more than \$100 000 for any one agricultural enterprise.

(3) In a fiscal year, the minister must not at any time that the total amount of grants in that fiscal year exceeds \$3 million,

(a) make a grant under section 6 (a) or (f), or
(b) cancel indebtedness under section 6 (g) or (h).

(4) The minister must not exercise powers under section 6 (b) and (c) without the prior approval of the Lieutenant Governor in Council.

Agreements with Canada and provinces

14 If authorized by the Lieutenant Governor in Council, the minister may on behalf of the government enter into, execute and carry out agreements with Canada, another province or with a department or agency of Canada or another province, about assistance to agricultural enterprises in British Columbia, under the terms in the authorization.

Power to make regulations

15 (1) The Lieutenant Governor in Council may make regulations referred to in section 41 of the Interpretation Act.

(2) Without limiting subsection (1), the Lieutenant Governor in Council may make regulations as follows:

- (a) prescribing the methods to be used to collect money owing by an agricultural enterprise;
- (b) subject to the Financial Administration Act, directing the Minister of Finance and Corporate Relations to guarantee, on terms fixed by the minister, repayment of money by an agricultural enterprise;
- (c) prescribing fees to be paid to a savings institution for processing applications under section 7;
- (d) establishing and maintaining or authorizing the minister to establish and maintain a corporation, branch or agency and prescribing its powers and duties.