



FOCUS

Newsletter

December
2005

National Farm Products Council



Holiday Greetings

As 2005 draws to an end, members and staff of the National Farm Products Council would like to take this opportunity to wish all of our readers, government colleagues and industry partners, their staff and families, a happy and festive holiday season and a prosperous New Year.

We have enjoyed working with you over this past year and we look forward to a new dynamic and exciting New Year.


Cynthia Currie
Chairperson



Conference Call

The Council met by teleconference on November 14th. Council approved the chicken quota allocation for period A-69 (December 11, 2005 to February 4, 2006).

December Council Meeting

Council had a busy schedule during its meeting of December 7-8, 2005. Every December, Council meets with the Executives of the four national marketing agencies to review their budgets for the coming year and to get an update on agency issues and strategic directions.

Chicken Farmers of Canada (CFC)

Council prior-approved the amendment to the Canadian Chicken Marketing Levies Order extending the expiry date of the Order to

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COMMENTS or QUESTIONS

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December 31, 2006. Members also approved changes to the Agency's meal allowance and travel fees. CFC's new Manager of Finance, **Michael Laliberté**, presented the Agency's 2006 budget. Council was then briefed on

their 2005-2006 strategic plan.

Topping the critical priority issues are improving the allocation setting and marketing information process, the upcoming WTO agriculture negotiations, the mandatory on-farm food safety assurance program and the development of a strategy on animal disease control.

Canadian Turkey Marketing Agency (CTMA)



Council prior-approved the amendment to the Canada Turkey Marketing Producers Levy Order extending the expiry date of the Order to December 31, 2006. Members were presented the 2006 budget and briefed on the Agency's priorities and challenges.

This year (November 1, 2004 to October 31, 2005) was positive for their industry with an increase in production of 13.8 Mkg or 9.9 per cent and judging by the storage stocks levels this product has found a market.

Directors continue to work on their allocation policy, participating in several meetings with the aid of a mediator. They are hopeful that a resolution may be reached by end of January 2006.

Canadian Egg Marketing Agency (CEMA)

Council was presented with the Agency's 2006 budget. Members were briefed on priorities, challenges and opportunities facing CEMA in 2006. The Council initiated consideration for prior approval



purposes of the amendments to the Agency's levies order as well as amendments to their quota regulations. Pending receipt of additional information from the Agency, the Council will reconvene to continue its consideration of

the Agency's levies order and quota regulations.

An example of priorities, challenges and opportunities mentioned by the Agency include the negotiations with the egg processors on a long-term price and supply contract, the current round of trade talks at the WTO, increasing egg consumption, investigating the idea of a Lion Brand concept of marketing eggs in Canada and to review the efficiency of the industrial product removal program.

Canadian Broiler Hatching Egg Marketing Agency (CBHEMA)



Council approved the requested changes to the Agency's travel policy. Members were presented with CBHEMA priorities and issues. The Agency informed members that 4 per cent of their membership is certified in the HACCP "Check

Program". They added Alberta is interested in taking part in this program. CBHEMA expressed concern on the compensation package offered by the federal government regarding reimbursement for the avian influenza crisis in 2004.

They are planning a strategic planning session in January where discussions will be focused on their renewed FPA, AI compensation and the next steps after the WTO meeting in Hong Kong.

Canadian Beef Cattle Research, Market Development and Promotion Agency

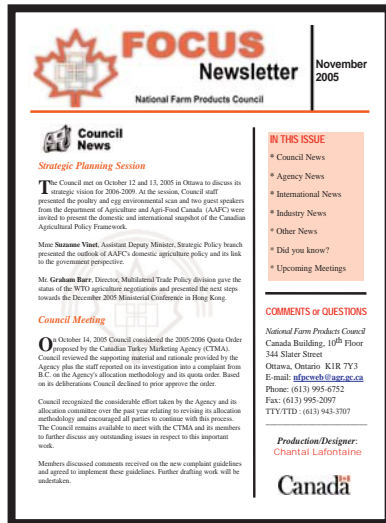
Staff updated the members on the National Check Off Agency. Progress continues as the Agency works with

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its provincial cattlemen organizations to complete the full implementation of the beef cattle levy.

Focus 2006 Schedule

Council would like to thank readers for providing comments and feedback on our newsletter. It is Council's objective to continue to keep our readers well informed on Council and industry activities through the Focus newsletter, available by e-mail, by fax or on our website.



Ms. O'Hara has an Advanced Graduate Certificate in Management and a Masters Degree in Business Administration from Athabasca University.

Margaret will be in charge of Council's modern comptrollership initiative and lead Council's human resources, finance and other corporate services.

Ms. O'Hara has worked in a number of federal departments and agencies, the most recent being the Canada Revenue Agency (CRA). She held numerous positions with CRA such as Regional Manager Client Relations in the prairie region, Manager Corporate EFile and Manager of the national T3 Estate and Trusts program.

Please join the Council in welcoming Margaret to our staff.



Canadian Turkey Marketing Agency (CTMA)

Council Member **Stuart Affleck** addressed the CTMA Board of Directors at their 203rd meeting on November 30, 2005 where he commended them on the process they put in place to assist the Agency in the development of a revised allocation methodology. "The Council is confident that you as dedicated Directors will work in the best interest of your industry towards an agreement that is satisfactory to all," said Mr. Affleck.

There was an air of optimism at the November 30, 2005, CTMA meeting in Toronto. Directors heard that the long-standing pattern of static consumption appears to be broken given the significant growth in further processed turkey products, leading some to conclude that the nutritional value of turkey is finally getting through to Canadians.

Please find below the 2006 publication schedule for FOCUS

February 15	April 5	May 24
June 28	August 2	October 11
November 8	December 20	

If you have any comments or suggestions for improvement, please contact our Communications Coordinator, **Chantal Lafontaine** at lafontaine@agr.gc.ca, or by phone at (613) 995-9148.

Council Staff

Terry Hayward, Executive Director is pleased to announce the appointment of **Margaret O'Hara** as Director, Corporate Services, effective November 14, 2005.

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In part, this optimism led the Board of Directors to accept the Turkey Market Advisory Committee (TMAC) - recommendation for the preliminary commercial global allocations of 140 Mkg. The TMAC members were of the view that this would be sufficient to supply the market for the 2006/07 control period starting May 1, 2006. This represents an increase of 3 Mkg over the estimated amount being produced in the current control period.

Increased demand has led to a major increase in imports over the last year (Nov. to Oct.). Imports increased from 3.9 Mkg in 2003/04 to 6.1 Mkg in 2004/05. These imports have mostly been for the higher-valued parts (boneless/skinless breast meat).

As of November 25th, 2.6 Mkg of supplementary imports permits have been issued by International Trade Canada. Directors discussed and approved changes to Section 1.2 of the Agency's Export Policy and Primary Breeder Policy.

Chicken Farmers of Canada (CFC)

On November 2, 2005, CFC Directors unanimously agreed to a domestic allocation of 143.4 Mkg for period A-70 or 0% over base, with the understanding that it would be reviewed at the November 22-23 Board of Directors meeting. A review of the A-70 allocation was conducted at the CFC's November 22, 2005, Board of Directors meeting in Ottawa.

Despite a strong recommendation from the Canadian Poultry and Egg Processors Council (CPEPC) and the Further Poultry Processors Association of Canada (FPPAC) to reduce the allocation to 140.0 Mkg given recent market indicators, Directors decided to leave it unchanged.

On November 29, 2005, the CPEPC filed a complaint against the CFC with the Council related to the allocation for period A-70 as well as the allocation setting process.

On December 6, 2005 the Council Chair and Vice Chair held a preliminary meeting with the parties where issues surrounding the complaint and possible solutions were discussed. Both organizations will be briefing their members on the meeting and possible next steps.

Bob Burden, the SM-4 Industry Avian Influenza Coordinator, gave the board an update on the Foreign Animal Disease preparedness project. Given the discovery of low path H5 on a duck farm in British Columbia the timing of this update was welcomed by Directors.

With Avian Influenza so much in the news this fall the Agency commissioned a survey to gauge Canadian's concern with AI and its impact on chicken consumption. The survey confirmed that while Canadian's awareness of AI has increased; it has not affected their consumption patterns.

Directors were also updated on a proposed education/marketing plan and progress on getting operating agreement amendments signed off by four remaining signatories.

Canadian Egg Marketing Agency (CEMA)

At their November meeting the Agency's Directors approved the 2006 budget. The Agency budgeted total expenditures of \$197.4 million in 2006, a decrease of \$8.9 million from 2005.

Revenue from all sources in 2006 is expected to be at \$200.8 million, an increase of \$3.9 million from 2005. Revenue over expenses is budgeted to be \$3.4 million in 2006.

For the Operations budget, revenue exceeds expenses by \$3.3 million. The Agency anticipates collecting \$184.4 million in levy and sales revenue as well as from interest and other income. This is up \$3.9 million from 2005.

Expenditure in the operations budget is expected to be \$181.2 million; this is \$10.1 million below 2005 expenses.

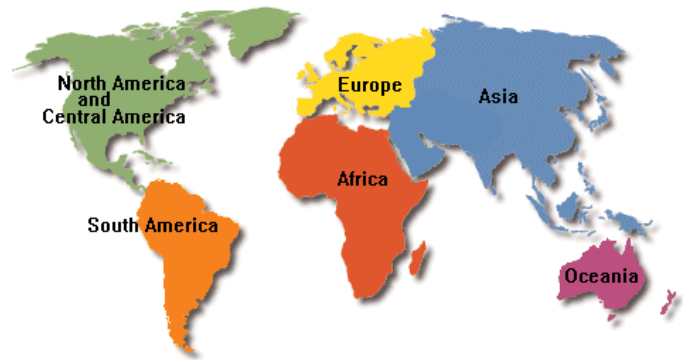
In the Agency's administration budget, 2006 revenue is forecasted to exceed expenses by \$112 thousand. Revenue is expected to be \$16.3 million, unchanged from 2005. Expenses are budgeted to be \$16.2 million, a \$1.2 million increase from 2005 levels.

Canadian Broiler Hatching Egg Marketing Agency (CBHEMA)

At their November meeting the Agency's Directors approved the 2006 budget. The Agency is forecasting \$1.311 million in revenue, with levy from the member provinces of \$1.280 million.

Expenditures in 2006 are budgeted to be \$1.307 million. The three largest expenditure items are staff remuneration (\$394.5 thousand), administrative expenses (\$268 thousand) and meeting expenses (\$190 thousand).

Revenue is budgeted to exceed expenses by \$3,261. The 2006 Reserve funds are budgeted at \$600 thousand.



A new charter agreement was adopted at the founding of IPC outlining the vision, the mission statement and a list of objectives. The list includes requirements to encourage uniform and science-based sanitary and marketing standards and to strengthen ties to international animal disease and food safety organizations.

The IPC's main focus will be on communication, cooperation and addressing issues relating to international trade and science and supporting the principles of free and open trade through improved international relationships. *Source: World Poultrymeat*



International News

International Poultry Council is created

The International Poultry Council (IPC) has been created to fight bird flu worldwide and help poultry industries to resolve issues affecting them.

The IPC is comprised of private sector organizations from the European Union, U.S., Brazil, China, Mexico, Argentina, Russia and Thailand.



Industry News

Newfoundland and Labrador Farm Industry Review Board Appointments

On December 5, 2005, Minister of Natural Resources, **Ed Byrne** announced the appointments to the Farm Industry Review Board (FIRB).

Martin J. Hammond of St. John's is the new Chairperson of the Board appointed for a three-year term. "Mr. Hammond brings a wealth of experience to the Board having previously been involved with the Dairy Farmers of Newfoundland

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and Labrador," said the Minister. "Mr. Hammond will provide solid leadership as the Board undertakes its role in support of the agriculture sector in the province."

Joining Mr. Hammond on the Board are: **Violet Parsons** of Bloomfield, Vice-Chair, three-year term; **Rita Legge** of Cartyville and **Connie Stewart** of Happy Valley-Goose Bay, both serving a three-year term; and serving two-year terms are **John Dinn** of Goulds and **Wayne Ruth** of Kippens, President of the Newfoundland and Labrador Federation of Municipalities.

In addition, the legislation calls for a representative to be nominated by the Newfoundland and Labrador Federation of Agriculture and named for a three-year term will be the Federation's President, **Mervin Wiseman**. The board will also be supported by **Reg King** acting as the board's manager.

The FIRB was established through legislation that passed in the House of Assembly in the spring of 2005. It replaces two previous boards, the Agriculture Products Marketing Board and the Farm Practices Review Board.

"We made the decision to combine the two previous boards to serve the best interests of farmers and the general public," said Minister Byrne. "This one board will now ensure a smoother and more efficient operation as the former boards were both involved in reviewing concerns associated with the agriculture sector."

McDonald focuses on labeling and quality assurance

McDonald's Corporation announced a new innovative and transparent approach to communicating nutrition information to its customers around the world. Nutritional facts will now be put on the majority of McDonald's

product packaging using an easy-to-understand symbol and bar chart format.

The new packaging is to begin in the first half of 2006 in restaurants in North America, Europe, Asia and Latin America. McDonald's goal is to have the featured packaging in more than 20,000 of its restaurants by the end of 2006.

The new format turns scientific information into a customer-friendly snapshot. The icons represent five elements experts agree are relevant to consumer understanding of nutrition: calories, protein, fat, carbohydrates and sodium.

Amount Per Serving	
Calories 30	Calories from Fat 15
% Daily Value*	
Total Fat 1.5g	2%
Saturated Fat 0g	0%
Trans Fat 0g	0%
Cholesterol 0mg	0%
Sodium 330mg	9%
Total Carbohydrate 4g	1%
Dietary Fiber less than 1g	4%
Sugars 2g	
Protein 1g	
Vitamin A 8%	Vitamin C 15%
Calcium 2%	Iron 4%

*Percent Daily Values based on a 2,000 calorie diet.

Also, last month, fast-food giant McDonald's brought together its key suppliers, industry experts and the media to discuss food quality. While the event focused primarily on the quality of food product McDonald serves, there was another message that also reflected on the quality of products agriculture is called on to produce.

McDonald's and its agricultural suppliers truly appear to be partners in producing quality food products. It was made clear that customers have come to demand and expect quality and are asking interesting questions on where and how the meat, apple or lettuce were produced.

With customers looking more and more for accountability, the company must address those concerns by disclosing "the details" which in turn benefits McDonald's but also reflects positively on agriculture.

For more information: www.mcdonalds.com

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Portfolio News

National Agriculture Science and Innovation Symposium

On November 22, 2005, the Honourable **Andy Mitchell**, Minister of Agriculture and Agri-Food Canada (AAFC), launched the first Agriculture Science and Innovation Symposium in Gatineau, Quebec to help identify the future of agriculture science in Canada.

This two-day symposium brought together over 100 representatives from the academic world, the agricultural sectors, the federal and provincial governments and decision-makers in the science and innovation industries. All through the workshops and discussion groups, participants provided comments and advice on AAFC research priorities.

Minister Mitchell said, "The regional consultations and the symposium will set the stage for a new strategy for Canadian agri-food science and research." He added, "Our ultimate goal is to ensure our science investments equip everyone involved in Canada's agri-food chain to remain globally competitive and arm them to continue the drive for improved food quality."

The consultations follow a commitment Minister Mitchell made on June 23, 2005 to engage the agri-food sector in a comprehensive examination of Canada's agri-food science priorities.

The results of this consultation process will be announced in the spring of 2006. Canadians can participate in the discussions until the end of December by filling out an on-line questionnaire posted on AAFC's Web site:

www.agr.gc.ca/science-consultations

Canadian Food Trends to 2020

In late October 2005, Agriculture and Agri-Food Canada (AAFC) published a study that looks ahead at Canada's food and beverage consumption to the year 2020.

This report presents long-term consumer trends and opportunities for the domestic agriculture and agri-food sector. It combines factors that are expected to drive consumer attitudes and perceptions using consumption forecasts based on historical Canadian statistics. The report also addresses food and related health and wellness issues.

As examples, advertising of "junk" food directed to children, mandatory nutritional and physical education in schools, more aggressive regulated labeling, food production certification programs, increased food inspection, and bans or mandated reductions of harmful food ingredients are discussed in the report.

Main sources of information and data presented in the report are from Statistic Canada, AAFC, Health Canada and CFIA.

For a copy of the full report please visit AAFC's website: www.agr.gc.ca.

Upcoming meetings - 2006

January

Jan. 17-18	National Association of Agri-Food Supervisory Agencies	Guelph
Jan. 25-26	National Farm Products Council	Ottawa

February

Feb. 1-2	Canadian Egg Marketing Agency	Ottawa
Feb. 6-7	Canadian Poultry and Egg Processors Council	Ottawa
Feb. 8-9	Chicken Farmers of Canada	Ottawa

