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**PRINCE EDWARD ISLAND  
MARKETING COUNCIL  
2003 ANNUAL REPORT**

**I Introduction**

Pursuant to section 2.(11) of the *Natural Products Marketing Act, R.S.P.E.I. 1988 Cap. N-2*, each year Marketing Council is required to present a report on Council's activities to the Minister responsible for the Act. The following report highlights Council's activities for the period from January 1, 2003 to December 31, 2003, important events that have occurred since that date, and Activity Reports of commodity boards, marketing commissions and commodity groups formed under the *Natural Products Marketing Act*.

One milestone Council would like to highlight is the Strategic and Action Plan that Council started late in 2003 and completed early in 2004. The Plan will be used as a roadmap to develop and implement governance changes that will strengthen Council and the commodity boards, marketing commissions and commodity groups over which Council has general supervision. During the planning process, Council developed the following Mission Statement and Vision.

**II Mission Statement**

**MISSION STATEMENT**

*Acting on behalf of the people of Prince Edward Island, Marketing Council supervises the creation and operation of producer boards, commissions and groups that regulate and control the production, sale, processing, marketing, transportation and pricing of natural products.*

**III Vision**

**VISION**

*The Prince Edward Island Marketing Council is a forward-thinking, pro-active, efficient and accountable public agency that oversees orderly systems for the production and marketing of natural products.*

**IV Corporate Governance**

**Authority** - The Prince Edward Island Marketing Council is a statutory body established pursuant to section 2 of the *Natural Products Marketing Act, R.S.P.E.I. 1988, Cap. N-3*. Under the Act, Council has very broad and far reaching powers, some of which include:

**General Powers** - Council may exercise such powers and perform such functions as are vested in it by the Lieutenant Governor in Council, and shall recommend to the Lieutenant Governor in Council the establishment, amendment and revocation of plans for the marketing of natural products and the constitution and powers of commodity boards or of marketing commissions to administer such plans.

**Supervisory Responsibilities** - Council is responsible for the general supervision of commodity boards, marketing commissions and commodity groups established under the Act.

**Specific Powers – Milk** - Council has also been granted additional powers with respect to the pricing of Class 1 milk. Under the Act, Council may establish the producer price and minimum wholesale and minimum home delivery prices of Class 1 milk and fix the bulk milk transportation rates.

**Composition** - The Prince Edward Island Marketing Council consists of the following members:

Kenneth MacLellan, Chair  
Ronald Myers, Member  
Murray Cook, Member  
Gordon Ching, Member

Rena Thompson, Member  
Edgar Dennis, Member  
Fred Dollar, Member  
Axel Irving, Member

**Staff** - Marketing Council staff consists of Murray Myles, Marketing Council Officer (Acting), and Eleanor Palmer, Administrative Assistant.

**Meetings/Focus** - Marketing Council held 23 meetings, including 8 conference call meetings, during calendar 2003. Council's main focus during the year was:

- Addressing concerns raised by a number of seed and tablestock potato producers that requested Council to hold a plebiscite to determine if seed and tablestock producers wished to establish seed and tablestock boards separate from the Potato Board.
- Investigation and mediation of a dispute between egg grading stations and the Egg Producers of Prince Edward Island Board with respect to the sourcing and pricing of nest run eggs.

- Investigation of concerns raised by several hog producers with respect to governance of the Hog Commodity Marketing Board, and with respect to Council's supervision of the Board.
- Reviewing and recommending to the Lieutenant Governor in Council Federal-Provincial Agreements with respect to eggs, poultry and milk.
- General supervision of all commodity boards and commodity groups.
- Late in the year, Council decided to undertake a review of its mandate and objectives, and to develop a Strategic and Action Plan for the future. Governance and mandate are seen as two critical areas where Council needs to focus.
- To assist Council in developing its Strategic and Action Plan, Council, with financial assistance from the Department of Agriculture, Fisheries, Aquaculture and Forestry, engaged the services of J.P. Arsenault, a partner in HRA, a professional consulting firm with an office in Charlottetown.

**Other Council Activities** – In addition to the activities listed above, Council was also actively involved in conducting milk utilization audits, milk pricing, establishing bulk milk transportation rates, and liaising with provincial and national boards and agencies with respect to Federal-Provincial Agreements.

## V **Operational Responsibilities**

One of the most important responsibilities Marketing Council has is the general supervision of commodity boards, marketing commissions and commodity groups formed under the *Natural Products Marketing Act*.

**Supervision of Commodity Boards and Commodity Groups** – Council was responsible for supervision of the following five commodity boards and three commodity groups during the past year:

### **Commodity Boards**

Egg Producers of Prince Edward Island  
Prince Edward Island Hog Commodity Marketing Board  
Prince Edward Island Milk Marketing Board  
Prince Edward Island Potato Board  
Prince Edward Island Poultry Meat Commodity Marketing Board

### **Commodity Groups**

Prince Edward Island Cattlemen's Association Inc.  
Prince Edward Island Oyster Commodity Group  
Prince Edward Island Wild Blueberry Association

Council is also responsible for general supervision of the Turkey Marketing Commission, however, the Commission was inactive during the year.

**Governance Issues** - In monitoring activities of various commodity boards and commodity groups, Council has identified the need for all commodity boards and commodity groups to make governance improvements.

Council has also identified, as a priority, the need for educating new and continuing Council and commodity board members on their roles and responsibilities.

Council has already started work on a continuing education program and a series of directives and advisories that will assist boards in making governance improvements.

**PRINCE EDWARD ISLAND  
APPEALS TRIBUNAL**

**VI Appeals Tribunal**

The Natural Products Appeals Tribunal is a statutory body established pursuant to section 18 of the *Natural Products Marketing Act, R.S.P.E.I. 1988, Cap. N-3*.

The Tribunal is responsible for hearing appeals of orders, directions or decisions made by commodity boards and marketing commissions and any order, direction or regulation made by Council.

As of December 31, 2003, the Natural Products Appeals Tribunal consisted of the following members and staff:

Donald MacDonald, Chair  
Colbourne Clow, Member  
Belinda Rogers, Member

Dianne Bradley, Staff

During 2003, there were no appeals heard by the Appeals Tribunal.

**VII Commodity Board Activity Reports**

Commodity boards are established pursuant to Part II of the Natural Products Marketing Act, R.S.P.E.I. 1988, Cap. N-3.

There are five commodity boards organized under the Act, the same number as last year. The following paragraphs provide brief overviews of each of these boards.

***Egg Producers of Prince Edward Island***

**Mandate** – The mandate of the Egg Producers of Prince Edward Island is found in the Egg Commodity Marketing Regulations. Section 39 of the Regulations confers on the Board all the powers necessary to enable it effectively to promote, control and regulate the marketing of eggs within the province, including the power to prohibit any aspect of the marketing of eggs.

**Board of Directors** - The Board of Directors of the Egg Producers of Prince Edward Island are:

Leith Murray, Chair	Peter Vriends, Vice-Chair
Donald Drake, Secretary	John Dennis, Director
Peter Stavert, Director	

**General Manager** - Michael Cummiskey is the Board's General Manager

**Producer Numbers** - As of December 31, 2003, there were 12 registered egg producers marketing eggs from twelve production units. Producer numbers declined by three during the year as production units continued to consolidate. Provincial quota, however, remained constant at 125,404 regulated layers. Total provincial egg quota also includes a small amount of quota for production from unregulated producers that have less than 300 layers per unit.

**Farm Gate Receipts** - Farm Gate Receipts from regulated egg producers is estimated to be \$4.7 million during 2003 compared to \$4.3 million during 2002.

**Egg Markets** - Approximately 3.1 million dozen of eggs were marketed during 2003 compared to 3.0 million dozen during 2002. Approximately 52% (1.6 million dozen) of the egg production is consumed provincially as shell eggs, and the remaining 48% (1.5 million dozen) is exported to Quebec and Ontario for processing.

**On-Farm Food Safety** - Egg producers, for many years, have used its Start Clean-Stay Clean program as their on-farm HACCP based food safety program. Enrolment in the program is mandatory, and compensation to producers for losses where a flock must be destroyed due to human health risk is based on the producer's Start Clean-Stay Clean rating.

**Office Administration** - The Egg Producers of Prince Edward Island purchases administrative support services from the Milk Marketing Board. The Egg and Milk Boards believe the synergies and efficiencies created by this arrangement are mutually beneficial.

***PEI Hog Commodity Marketing Board***

**Mandate** – The mandate of the Hog Commodity Marketing Board is found in the Hog Commodity Marketing Regulations. Section 40 of the Regulations vests in the Board the powers necessary to enable it effectively to promote, control and regulate the marketing of hogs within the province, including the power to prohibit any aspect of the marketing of hogs.

**Board of Directors** - At December 31, 2003, the Hog Commodity Marketing Board consisted of the following hog producer representatives:

Ian Mutch, Chair	Willem de Boer, Vice Chair
Guy Cudmore, Director	Anthony Nabuurs, Director
Mark Pridham, Director	Marc Schurman, Director

**Executive Director** - Robert Harding is the Board's Executive Director

**Producer Numbers** - As of December 31, 2003, there were approximately 150 registered hog producers.

**Farm Gate Receipts** – In its 2003 Annual Report, the Board reported that over 200 hog producers marketed 215,000 hogs during the year with a farm gate receipt value of approximately \$28 million. The forecast for 2004 is for 215,000 hogs to be marketed with a farm gate receipts value of \$28 million.

**Pricing** - The Board establishes a weekly market price for all hogs marketed in Prince Edward Island, and calculates a “suggested” price for weanling pigs based on this market price.

**Licensing** - The Board issues licenses to existing and new producers, and licenses processors as well. The Board has the additional authority to license assemblers, shippers and transporters of hogs within the province.

**Promotion** - The Board administers and actively participates in pork promotion and educational programs with consumers, retailers, foodservice and health professionals on a provincial, regional and national basis.

**On-Farm Food Safety** – The Board administers the Canadian Quality Assurance (CQA®) program, the hog industry's On-Farm HACCP based food safety program. This program has been taken up by almost all hog producers.



As of the end of 2003, virtually all of PEI production was enrolled in the program and approximately 60% of producers have been validated.

**Research** – In partnership with New Brunswick and Nova Scotia, the Board is a member of the Atlantic Swine Research Partnership (ASRP), and is actively involved in the ASRP activities. The ASRP was formed in 2002, as a Maritime expansion of PEI's successful Industry Chair for Swine Research program, at the request of producers.

**Marketing** – Virtually all hogs are marketed to Garden Province Meats (GPM). The Board administers the hog grading service at GPM, and operates the Animal Productivity and Health Information Network (APHIN) on behalf of producers. The Board works with GPM in pursuing niche markets and value added opportunities, and to that end, the Board has established PEI Pork Plus with a pork marketing focus. The Board is also an active member of Canada Pork International, Canada's export marketing arm.

#### ***PEI Milk Marketing Board***

**Mandate** – The mandate of the Milk Marketing Board is found in the Milk Marketing Regulations. Section 3 of the Regulations vests in the Board the necessary powers for it to effectively promote, control and regulate the marketing of milk within the province, including the power to prohibit any aspect of the marketing of milk.

**Board of Directors** – At December 31, 2003, the Milk Marketing Board consisted of the following directors:

Harold MacNevin – Chair	Ian McIsaac, Vice-Chair
Ronald Maynard, Secretary	Randall Affleck
Gordon Furness	Eric Phillips
Exton MacPherson	Casey VanDiepen

There was one vacancy on the Board created by the resignation of the producer representing the cream sector.

**General Manager** – Douglas Thompson is the General Manager of the Board.

**Producer Numbers** – At December 31, 2003, there were 272 milk and cream producers holding quota, a decrease of 18 producers or –6.2% compared to the same date a year earlier.

**Ongoing Initiatives** – The Board reported on the following ongoing initiatives:

- Revised Dairy Farmers of Prince Edward Island Regulations
- Milk Purchasing, Allocation, Transportation and Quality
- Producer Profile

- Cost of Bulk Milk Transportation
- Milk Pricing
- National and Regional Agreements
- Interprovincial Milk Movement

**Farm Gate Receipts** – The Board reported Farm Gate Receipts of \$57 million from milk sales during the period from August 1, 2002 to July 31, 2003, an increase of \$1.0 million or 1.8% compared to the same period a year earlier.

***PEI Potato Board***

**Mandate** – General and specific authority for the Board to regulate and control the production and marketing of potatoes in Prince Edward Island is found at section 45 of the Potato Marketing Plan Regulations.

**Board of Directors** – At December 31, 2003, the Board of Directors consisted of the following:

Dwight Gardiner, Chair	Morley Wood, Vice-Chair
Barry Gallant – Sect.-Treasurer	Stuart Affleck
Harris Callaghan	Wayne Diamond
Rodney Dingwell	David Harris
Boyd Rose	

**General Manager** – Ivan Noonan is General Manager of the Board.

**Producer Numbers** – Approximately 500 farmers grow potatoes on Prince Edward Island.

**Farm Gate Receipts** – Farm Gate Receipts in calendar 2003 totalled approximately \$185.5 million, down 2.8% from the previous year's total of \$190.9 million.

According to Statistics Canada, Island potato farmers harvested 29.0 million hundredweight of potatoes from 105,500 acres in 2003, compared to 109,000 acres which produced 30.1 million hundredweight of potatoes in 2002.

**Accomplishments** – The Board lists the following positive accomplishments by the Board and producers in its 2002-2003 Annual Report:

- Development of a New Strategic Plan
- Working to Address Market Changes and Challenges
- Major Improvements in Seed Potato Quality
- Progress in Developing an Integrated Pest Management Protocol and Strategy for Potato Production
- Strong Commitment by Island Potato Farmers to the Environment

**Other Issues** – The Board identified other on-going work relating to the Potato Wart Monitoring Program, concerns regarding the identification of Potato Mop Top Virus in North America, and export and domestic market challenges.

Low returns for fresh potatoes, and adverse weather, also caused problems for growers. The Board also noted that it had spent a great deal of time and effort trying to deal with a small group of producers that wanted to form separate seed and tablestock boards.

***PEI Poultry Meat Commodity Marketing Board***

**Mandate** – The powers of the Board to regulate and control the marketing of poultry in Prince Edward Island are found at section 38 of the Poultry Meat Commodity Marketing Regulations.

**Board of Directors** – At December 31, 2003, the Board of Directors was comprised of the following producers:

Leonard Carver, Chair  
Dean Good  
Kevin Carver

David MacKenzie, Secretary  
Adrian Uytterlinde

**General Manager** – Janet Hilliard-Murphy is General Manager of the Board.

**Producer Numbers** – In 2003, seven farmers marketed in excess of 3.3 million kilograms of chicken meat.

**Farm Gate Receipts** – Poultry producers Farm Gate Receipts during calendar 2003 was approximately \$5.3 million.

**VIII *Marketing Commission Activity Reports***

The Turkey Marketing Commission is the only Marketing Commission currently established pursuant to the Natural Products Marketing Act, R.S.P.E.I. 1988, Cap. N-3.

***PEI Turkey Marketing Commission***

The Turkey Marketing Commission remains inactive.

**IX Commodity Group Activity Reports**

**Formation** - Commodity groups are established by Order of the Minister of Agriculture, Fisheries, Aquaculture and Forestry pursuant to Part III of the *Natural Products Marketing Act, R.S.P.E.I. 1988, Cap. N-3*.

**Powers** - The powers of a commodity group are restricted to collecting a refundable levy from producers, with the objectives of facilitating the interchange of information among producers, promoting better means of commodity production and marketing and promoting the use of the commodity.

**Groups Formed**– There are currently three commodity groups designated under the Act; the Prince Edward Island Cattlemen’s Association Inc, the Prince Edward Island Oyster Commodity Group and the Prince Edward Island Wild Blueberry Growers Association.

***Prince Edward Island Cattlemen’s Association Inc.***

**Mandate** – The Prince Edward Island Cattlemen’s Association was first designated a commodity group under Part III the Act on August 18, 1982. On June 26, 1991, because the Association became incorporated under the Companies Act, the Association was again designated a commodity group under the Act.

The special objects of the group are to facilitate the interchange of information among cattle producers, to promote better means of cattle production and marketing, and to encourage and promote the use of beef.

**Board of Directors** – The Board of Directors of the Association at December 31, 2003 consisted of the following:

Darlene Sanford, President	Duane MacDonald, Vice-President
Glenn Campbell, Sect-Treasurer	Gerry Richard
Daniel McLure	Cameron MacDonald

**Staff:** Rinnie Bradley provides support services to the Board.

**Levy Collected/Refunded** – The Association collects a total levy of \$4.00 per head on animals at the time of slaughter. Producers that do not want to pay the levy may request a refund from the Board. During the past year, only 2 producers requested that the Board return the levy deducted.

**Principal Activities/Issues** – The Board identified the following provincial and national activities and issues in its 2003 Annual Report:

- Construction of a Beef Processing Facility in Albany
- Dealing with the Impact of BSE
- Agriculture Policy Framework

- Development of a Cull Cow Strategy
- Radio Frequency Identification Tags

***Prince Edward Island Oyster Commodity Group***

**Mandate** - On May 8, 2002, the Minister of Agriculture, Fisheries, Aquaculture and Forestry ordered that the Prince Edward Island Oyster Commodity Group be designated a commodity group under Part III of the Act.

The special objects of the group are to facilitate the interchange of information among oyster fishers, to promote better means of oyster production and marketing, and to encourage and promote the use of oysters.

**Board of Directors** – At December 31, 2003, the Board of Directors was comprised of:

Dennis Enman, Chair	Clifford Bernard
Dennis Barriault	Manny Gallant
John McInnis	Bill Murley
Murray Perry	Blair Smith
Henry MacKay	

**Staff:** Susan Milligan provides support services to the Board.

**Levies Collected** – An annual levy of \$50 is collected from each licensed oyster fisher. During the year, a total of 367 fees were collected, valued at \$18,350.

Pursuant to the Act, a member of the group that does not wish to pay the levy may serve notice on the group that the levy not be deducted. A member of the group may also apply to the group for a refund if the levy has been deducted.

Of the fees collected, 28 oyster fishers requested that their fees be returned. An additional 7 fees were returned because the oyster fishers were not licensed or they sold their oysters to more than one buyer.

**Principal Activities** – Mortality of oysters during the spring season was a major problem during the past year. The group, together with the Atlantic Veterinary College and the Department of Fisheries and Oceans, developed a two year research program to monitor and identify mortality causes. Results of the project for the first year are expected in March 2004.

Relays (moving oysters from one location to another), and shell cultivation (forming new oyster beds) were other major activities of the group during the year. Both projects are designed to enhance oyster production.

A full time coordinator was hired to work with the industry during the next two years. The objective of this project is to improve communication and cooperation between the group and industry stakeholders.

**Prince Edward Island Wild Blueberry Growers Association**

**Mandate** – The Prince Edward Island Wild Blueberry Growers Association was designated a commodity group under Part III of the Act on August 10, 2001.

The special objects of the group are to facilitate the interchange of information among blueberry growers, to promote better means of blueberry production and marketing, and to encourage and promote the use of blueberries.

**Board of Directors** – At December 31, 2003, the Board of Directors consisted of:

John MacDonald, President	Leigh Jenkins, Treasurer
Tom Matheson, Secretary	Reginald Trainor
Elwood Lawton	John Handrahan
Glen Sanders	Eugene McInnes
Daniel Cormier	

**Levies Collected** – An annual levy of 1/3 of one cent per pound (approximately \$25,000) is collected on all wild blueberry production. In excess of 7.4 million pounds of wild blueberries were harvested during 2003.

Similar to other commodity groups, under the Act the Association is required to refund levies collected from producers that object to the collection of the levies. Only a very small number of producers request refund of levies collected.

**Principal Activities** – The Association represents Island blueberry industry stakeholders on provincial issues, and has representation on the Wild Blueberry Association of North America (WBANA).

A major activity of the Association is with respect to blueberry research projects. Some of the projects conducted the past year included; *Monilinia* Blight Monitoring Service, Pollination Demonstrations, *Godronia* Canker Survey and a Tissue Sampling Project. The Association also participated in a Native Bee and Beneficial Insect Survey in cooperation with the Kentville Research Station.

The Association holds producer information sessions, demonstrations and tours in cooperation with Chris Jordan , Farm Extension Services.