



National Farm Products
Council

Conseil national des
produits agricoles



National Farm Products Council **2001 ANNUAL REVIEW**



Canada 



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Message from the Chairperson

In my five years at the National Farm Products Council, I have come to realize even more the importance of stability and change. These two concepts, united in their opposition, capture the world in which the Council operates.

Stability is at the heart of our orderly marketing system. It takes hold in the decisions by marketing agencies and this Council. It benefits all stakeholders, by ensuring that consumers will find safe, high-quality, nutritious foods that are reasonably priced, and by bringing marketplace predictability to producers, processors and further processors.

Numerous forces of change affect our system as well, such as evolving consumer preferences, advancing technology, and the steadily growing interchange between nations. In response to these pressures, the orderly marketing system adapts and improves. This approach has served us well in the past, and will prove useful as we work with all stakeholders in developing and implementing the new Agricultural Policy Framework.

Canada works best when the public and private sectors work together. We are doing this, guided by the leadership of the marketing agencies, the industry associations, the provincial supervisory boards, and the other stakeholders in our orderly marketing system. The Council is fulfilling its role through its review functions, through facilitating industry discussions about the future, and through identifying initiatives that help the industry to grow. The Council is also working with new partners beyond the orderly marketing system, as we see in the creation of a national beef cattle promotion and research agency.

Council members appreciated the continued support of the Minister of Agriculture and Agri-Food, and the contributions of our highly dedicated and competent staff. These enabled the Council to meet its objectives and to deliver value on behalf of Canadians.

The success of the orderly marketing system rests on a simple concept – market responsiveness. By supplying what consumers want, and by remaining strong, competitive, efficient, and forward-looking, Canadian agriculture has an excellent future.





The Council Members



Cynthia Currie, Chairperson (1997-2002)

Cynthia Currie has chaired the National Farm Products Council since 1997 and is its only full-time member. Previously she was General Manager of the Canadian Chicken Marketing Agency, now known as the Chicken Farmers of Canada. She is a past member of the Canadian Agrifood Marketing Council and the Agrifood and Beverage Sectoral Advisory Group on International Trade. She resides in Ottawa.



Ron O'Connor, Vice-Chairperson (1998-2004)

Ron O'Connor was appointed to the National Farm Products Council in 1998, and became Vice-Chairperson in 1999. A resident of Shelburne, Ontario, Mr. O'Connor owns and operates Irm-Ron Farms Limited. He is a former Chairman of the Chicken Farmers of Ontario, and has served on numerous egg and chicken industry committees in Ontario.



Lorraine Arnett, Member (1999-2003)

With her family partners, Lorraine Arnett owns and operates a 345 acre mixed farm near Durham, Ontario with a 10,000 ft² broiler barn, a beef cow-calf operation, and cash crops. She is the comptroller of Bert Fisher Farms Ltd., Fisher Feeds Ltd., and associated companies in Listowel, Ontario.



Anne Chong Hill, Member (1998-2004)

Anne Chong Hill is the co-founder and President of Global Gourmet Foods Inc. of British Columbia, a supplier of food products to multi-unit chain accounts and institutions. She is a member of the Canadian Agri-Food Marketing Council, and a member of the Advisory Council to the Minister of Agriculture, Food and Fisheries of British Columbia. She resides in Vancouver.



David Coburn, Member (1998-2004)

David Coburn manages W.B. Coburn & Sons, a sixth-generation family farm in Keswick, New Brunswick. He is Past President of the New Brunswick Federation of Agriculture and an Honourary Associate of the Nova Scotia Agricultural College. In 1995 he and Karen Coburn, his wife, received the Outstanding Young Farmers of Atlantic Canada award.

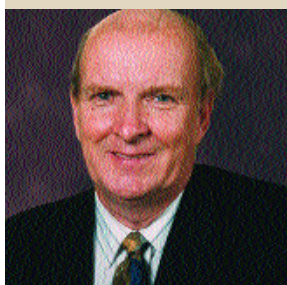
Félix Destrijker, Member (2001-2004)

Félix Destrijker is the former Chairperson of the Canadian Egg Marketing Agency, a former director of the Union des producteurs agricoles du Québec, and a former vice-president of the Fédération des Producteurs d'œufs de consommation du Québec. A resident of St-Ludger, Quebec, Mr. Destrijker co-owns four enterprises: Avibeau Inc. and La Ferme Hellebecq, poultry farms in St-Ludger; Les Oeufs Blais & Breton Enr., an egg and egg product distribution company in St-Bernard; and Vitoeuf Inc., an egg processing and further processing company in St-Hyacinthe.



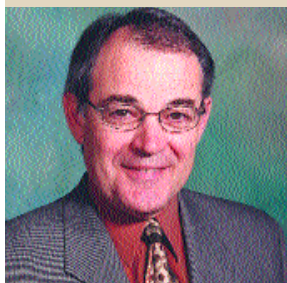
Michel Veillette, Member (1998-2003)

Michel Veillette, a resident of Cap-de-la Madeleine, Quebec, is the former President of Froma-Dar Inc. and André Frappier Inc., manufacturers and distributors of specialty cheeses. He was also vice-president of Les Produits Laitiers J.A. Baribeau Ltée. A former President of the Conseil de l'Industrie Laitière du Québec, Mr. Veillette is a former Member of Parliament and was Parliamentary Secretary to the Minister of Consumer and Corporate Affairs from 1981 to 1984.



John A. (Sandy) McCurrach, Member (1998-2004)

Sandy McCurrach owns and operates Purity Feed Co. Ltd. and Jamieson Creek Ranch, in Kamloops, British Columbia. He is a past executive member of the Canadian Turkey Marketing Agency, the B.C. Turkey Marketing Board, and the B.C. Feed Industry Association.



Maurice Giguère, Member (2001-2004)

Maurice Giguère, a resident of Mont St-Hilaire, Quebec, is Director General of the Centre de recherche et de transfert technologique en acériculture. A member of the Association des MBAs du Québec, he is the former president of the Association des abattoirs avicoles du Québec, and a former board member of the Canadian Turkey Marketing Agency, the Canadian Poultry & Egg Processors Council, and the Association des manufacturiers de produits alimentaires du Québec.

The Role of the NFPC

"The real value of our work comes from being an independent, unbiased body. We provide independent analysis and an unbiased view both to the agencies that we review and to the government. We also bring a long-term perspective, and encourage innovative approaches to current issues. This helps the orderly marketing system to work better, and it makes our industries as competitive as possible. Through us, the orderly marketing system remains accessible to all stakeholders, including consumers. All voices are heard."

RON O'CONNOR, VICE-CHAIRMAN

Mission

The NFPC's mission is to promote the strength and competitiveness of the Canadian agriculture and agri-food sectors for which it is responsible. The Council ensures that the orderly marketing system for poultry and eggs balances the interests of all stakeholders, including producers and consumers.

The Council also oversees the beef cattle promotion and research agency, created in December 2001, and will oversee national marketing and promotion-research agencies that may be established for other farm products.

Created in 1972, the Council is an agency within the Agriculture and Agri-Food Canada portfolio, and reports directly to Parliament through the Minister of Agriculture and Agri-Food.





Strategic Objectives

The NFPC works to overcome the challenges and seize the opportunities presented by the operating environment. This environment includes a number of sources of potentially significant change, such as market growth, technology, consumption patterns, public policy and international trade.

The NFPC pursues three strategic objectives.

First, the Council ensures that the national orderly marketing system works in the balanced interest of all stakeholders including producers, consumers, industry and government. It provides transparent and accountable supervision of the national marketing agencies for chicken, turkey, eggs, and broiler hatching eggs. It works co-operatively with its provincial and territorial government partners, and aims to bring about renewed agreements to strengthen the orderly marketing system.

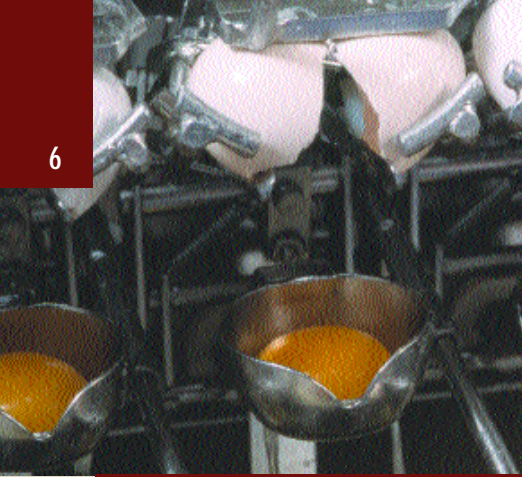
Second, the Council promotes the strength, competitiveness and profitability of the sectors and works with them to improve their market-responsive capacity. It promotes export market opportunities, higher food-safety standards, improved supply-chain management, and other measures that benefit Canadian agriculture and agri-food. It also provides guidance on the merits and process for creating promotion and research agencies.

Third, the Council strives to improve continuously the efficient, transparent and responsible management of its operations. It achieves this through improving its strategic planning, its management reporting, and its operating procedures.

“What strikes me the most about the Council’s work is the openness of discussion among the members. Each of us brings our own experience to the discussion. I contribute what I know about eggs, and I am learning a great deal from the other members about their sectors of expertise. Through our open discussions, and our diversity, we bring a variety of views to our discussions and produce decisions that are practical and useful for our stakeholders.”

FÉLIX DESTRIJKER, MEMBER

2001 – A Year of Accomplishments



"Our mediation role serves all stakeholders well. Through this, we help to resolve differences over allocations while preserving the balance between the needs of producers, processors and consumers. Balanced outcomes provide producers and processors with a fair return, and deliver products to consumers at reasonable prices.

"Our role is also to look forward to the challenges of tomorrow. The Forum on Global Awareness helped producers and processors to discuss what the future may bring for Canada's poultry and egg industries."

LORRAINE ARNETT, MEMBER

International Trade Negotiations

The agricultural negotiations at the World Trade Organization (WTO) remained the Council's top trade focus in 2001. The NFPC facilitated discussions between agency executives and government trade policy advisors on the WTO dairy decision in December, 2001. The Council monitored other international trade discussions as well.

Forum on Global Awareness

As part of its strategy of working collaboratively with the industries it oversees, the NFPC facilitated a series of meetings on trade, technology and other international trends that affect Canada's poultry and egg industries.

The Forum on Global Awareness, held in seven cities, helped 200 leaders to take stock of industry developments and to discuss their implications for Canada. The Forum included discussions with a dozen top-calibre presenters, including leading national and international thinkers in agriculture, biotechnology, and public affairs.



Participants gained insights into the strategies emerging in other countries, and raised a number of questions for the Canadian industries to consider. These include:

How do the global vectors of change affect Canada's orderly marketing system?

Given the trade aspirations of other poultry-producing countries and their cost structures, what is the optimal position for Canadian industry participants in their domestic marketplace?

How should industry participants respond to evolving consumer concerns for environmental sustainability and food safety?

Should Canadian industry participants pursue a more tightly integrated supply chain to achieve greater efficiencies?

How should the Canadian industry define and profit from its unique advantages?

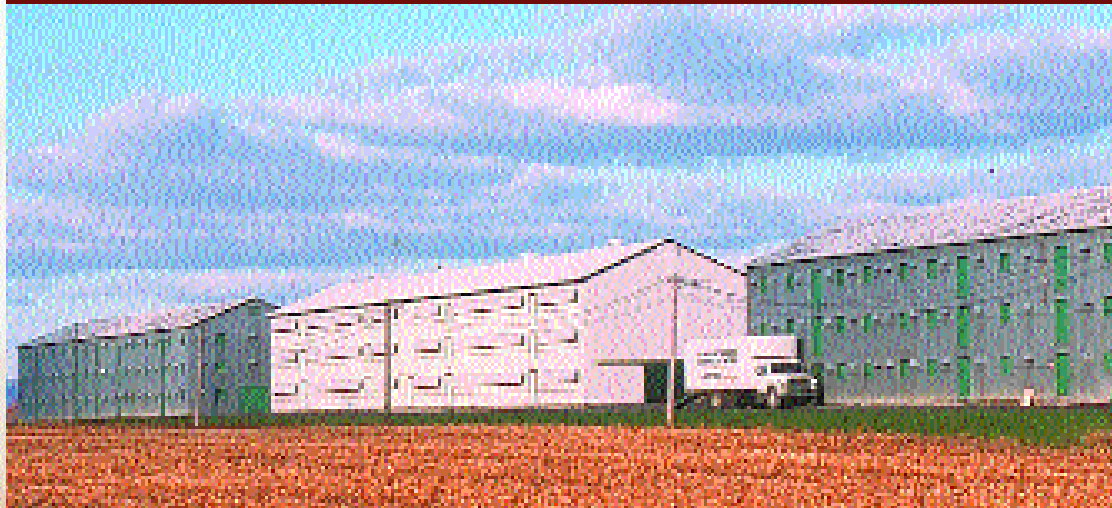
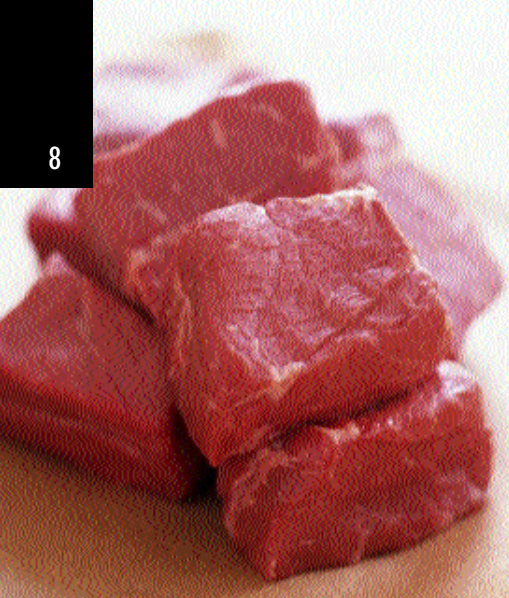
Throughout the Forum sessions, participants affirmed the need for industry leadership to address these issues. To facilitate further discussion, the Council has posted the Forum presentation materials on its Web site at www.nfpc-cnpa.gc.ca

Also, it will issue an informative report on the Forum and invite commentary. The Council looks forward with interest to the course of discussion.



"We succeed when we are able to bring industry participants together and find solutions that benefit both producers and consumers. We demonstrated the value of this approach last year particularly in helping to resolve contentious issues in the Saskatchewan egg industry. The Council was a source of positive influence in this matter, in part because of the breadth of expertise of our members and because of our balanced approach toward our stakeholders."

MAURICE GIGUÈRE, MEMBER



"Renewing the federal-provincial agreements remains our main challenge. We have made good progress so far, and I look forward to the successful conclusion of discussions. Agreements are at the heart of our work. They help to ensure an orderly market for poultry and eggs. The Council makes sure that all stakeholders are heard, and acts as a mediator when this role will help bring forward the means to resolving disputes."

MICHEL VEILLETTE, MEMBER



Federal-Provincial Agreement

The renewed agreement on chicken was a major achievement brought about through extensive discussions and close collaboration between the NFPC, the Chicken Farmers of Canada, and the provincial supervisory boards. Significantly, the agreement included British Columbia, which had withdrawn from the previous agreement ten years earlier.

Federal and provincial ministers of agriculture signed the agreement in Whitehorse in June, three years after they had challenged the four national agencies to modernize the agreements.

The agreement has also been taken up for consideration by the other three agencies as they develop their renewed agreements. These discussions have made progress and the NFPC looks forward to a successful conclusion.

Beef Cattle Promotion-Research Agency

The research, promotion and market development of Canadian beef cattle took a step forward in 2001 with the creation of a national promotion and research agency, announced in December.

The agency, the first such national agency of its kind, may conduct primary marketing and nutritional research, develop new products and conduct advertising and promotion. These initiatives will be financed through a levy on domestic and imported beef marketed in Canada.

The NFPC received a proposal from the Canadian Cattlemen's Association in 2000 to create this agency. Following public hearings, it recommended to the Minister of Agriculture and Agri-Food that the agency be established.

The new agency will put promotion and research funding on a national footing.



"The role of the Council is to provide a framework for the operation of orderly marketing. We have a unique system in Canada, one that takes care of the concerns of growers and ensures that they are on a level playing field. Anything that Council can do to maintain this system is beneficial both to producers and consumers."

JOHN A. (SANDY) MCCURRACH, MEMBER



Poultry Export Working Group

The Poultry Export Working Group defined its terms of reference in 2001 and got down to the business of encouraging and facilitating exports of chicken and turkey. The group, chaired by the Council, has been working to identify the benefits of a more focused approach to exporting poultry meat, and to establish what the industry will require to succeed. The working group has also discussed how the Canadian government should best play its role.



The NFPC has been working with processors to build up their presence on SourceCAN, the e-business network operated by Industry Canada. The Council has also helped to develop a directory of Canadian poultry and egg processors for distribution through our embassies and missions, and for use at trade shows.

In addition, the NFPC has encouraged the industry to attend trade shows to develop market intelligence and establish contacts with potential buyers. The Council, together with the Canadian Beef Export Federation, set up a booth last March at FoodEx 2001 in Tokyo. Promotional information on the Canadian poultry industry was distributed to some of the 93,000 visitors at FoodEx.

The Council has also provided export-minded processors with recommendations for market development opportunities at trade shows in the United States, Germany and Argentina.

In addition, the working group identified the growing international halal market as an opportunity for the Canadian industry. Halal poultry meat is prepared according to Islamic practices. In the United States alone, a growing Muslim population represents an attractive niche market. The Council, aided by Agriculture and Agri-Food Canada, developed a Middle East Workshop to bring Canadian producers and processors together with domestic and foreign buyers to discuss potential opportunities.



Looking Forward

“Our challenge is to facilitate change within the poultry industry while retaining the framework for orderly marketing. The system is one of the best systems in the world, with benefits for consumers as well as the poultry and egg industry. Yet it does not shield us from the need to keep up with change, including evolving consumer preferences. The Forum on Global Awareness served this need well. Many producers are now evaluating where their agribusiness fits in to the scenarios we discussed. The Council will work with all stakeholders to strengthen the Canadian poultry and egg industries.”

DAVID COBURN, MEMBER

Agricultural Policy Framework

The Council will work with all stakeholders to strengthen the Canadian agriculture and agri-food sector through the new Agricultural Policy Framework. Federal, provincial and territorial ministers agreed in 2001 that the framework should make Canada the world leader in agriculture.

The framework embraces five principles: risk management, food safety, environmental protection, innovation, and sectoral renewal. Through them, the framework will build a stronger partnership between governments, the sector and Canadians.

Opportunities for Promotion-Research Agencies

The beef cattle promotion-research agency is the first such agency to be created under the Farm Products Agencies Act. The Council believes that such an agency may be useful for other commodity groups as well and looks forward to exploring this concept with interested organizations.

Such agencies will help to build strong, efficient and competitive industries by contributing to the research and promotion of farm products. Through them, producers and importers gain useful information about the dynamic Canadian marketplace. Agencies that operate nationally receive their funding from levies collected on all domestic and imported sales.

Improving Business Practices

In addition to carrying out its legislated duties, the Council is always looking for ways to help Canada's orderly marketing system to evolve in step with a sound regulatory framework.

One aspect of this work is the Council's internal review of its governance structure and mechanisms. In order to manage its operations efficiently, transparently and responsibly, the Council aims to improve its strategic planning, reporting and accountability.





The National Farm Products Council oversees marketing agencies for farm products, and reports directly to Parliament through the Minister of Agriculture and Agri-Food.

The Council ensures that the marketing agencies for chicken, eggs, broiler-hatching eggs, and turkey balance the interests of their stakeholders, including producers and consumers. It approves agency orders and regulations, hears complaints about agency decisions, and inquires into the creation of new agencies. It also promotes the strength and competitiveness of the sectors that it oversees, and provides advice to the Minister of Agriculture and Agri-Food.

In addition, the NFPC works with industry to promote more effective farm-product marketing between provinces as well as in export and import trade.

In 1972, the Farm Products Marketing Agencies Act created the Council in order to maintain and promote an efficient, competitive industry and to ensure that agencies act in accordance with their objectives.

Before the creation of an orderly marketing system, Canadians faced fluctuating poultry and egg supplies and unstable prices. Although provincial marketing boards provided some stability, they lacked authority beyond their borders. The Farm Products Marketing Agencies Act enabled poultry and egg producers to set up national agencies to control supply and to exercise federal marketing authority.

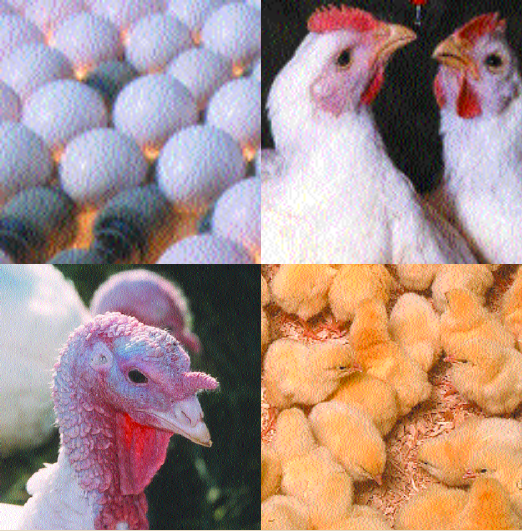
In 1995, the Council also became responsible for the administration of the Agricultural Products Marketing Act. Provincial commodity groups regulate exports and trade between provinces using federal authority delegated by this legislation.

"The Council's major contribution has been its success in bringing producers, processors and further processors together to look forward and to focus on the issues that concern us all. We have been able to open up discussions among stakeholders at all levels. Working together is the best way for us to face our challenges and to determine how we can best adapt to changes in the global economy."

ANNE CHONG HILL, MEMBER

The Marketing Agencies in 2001

The NFPC reviews proposed quota and levy orders from national marketing agencies, and works with them to strengthen Canadian agriculture. In this section we discuss a few aspects of the agencies' performance in 2001.



Chicken Farmers of Canada

The Chicken Farmers of Canada (CFC) established a Market Development Policy that alleviates the need for supplementary import permits. The new policy is intended to contribute to the continued stability of the domestic marketplace.

CFC also developed an on-farm food safety program for chicken producers. The CFC has requested the Canadian Food Inspection Agency, which regulates food safety matters, to review and endorse the program.

More information about the CFC can be found at www.chicken.ca

Canadian Egg Marketing Agency

The Canadian Egg Marketing Agency (CEMA) made progress in 2001 on its on-farm food safety program, and further developed its marketing and nutrition programs. The agency also won the International Egg Commission's first prize for its advertising campaign.

In addition, CEMA pursued a long-term price and supply agreement with processors.

More information about CEMA can be found at www.canadaegg.ca

Canadian Turkey Marketing Agency

The Canadian Turkey Marketing Agency (CTMA) has been developing its national generic marketing program, funded jointly by producers and processors. The program, known as "Turkey Tuesdays," aims to increase turkey consumption by promoting the weekly use of turkey in family meal planning.

Further information is available through www.canadianturkey.ca

Canadian Broiler Hatching Egg Marketing Agency

The Canadian Broiler Hatching Egg Marketing Agency (CBHEMA) made a significant advance in establishing a data retrieval system that will provide the capability to analyze production from a variety of perspectives. The Council assisted in the initiative.

For additional information, visit www.cbhema.com