

National Farm Products Council
FOCUS Newsletter

Council Retreat of January 11- 13



Council members met in Ottawa on January 11 for a strategic planning session. Council's Governance Manual was reviewed and new members were briefed on the structure and activities of the egg, chicken, turkey and broiler hatching egg sectors.

On January 12 and 13, members discussed Council's 2003-2006 Strategic Vision and the direction Council should take for the next four years. The four poultry and egg agencies, CPEPC and FPPAC attended and updated Council on their plans, priorities and concerns. Council also received comments from these stakeholders on changes they would like to see made to the *Farm Products Agencies Act* and Council's Complaints Procedures.

Portfolio News

Meet Steve Verheul: Canada's Chief Agriculture Negotiator

Mr. Steve Verheul, Chief Agriculture Negotiator, is responsible for Canada's involvement in international agriculture negotiations with such groups as the World Trade Organization (WTO) and the Free Trade Area of the Americas (FTAA).

For the past 15 years, Mr. Verheul has been working at Agriculture and Agri-Food Canada (AAFC). He grew up in a farming community in southern Ontario where his family



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COMMENTS or QUESTIONS

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ran a farm-equipment business. After working in positions with the Ontario and federal governments, he accepted a job at AAFC in 1989 with the International Programs Branch (now the Markets and Trade Team). "I fell into it when the opportunity came up," says Mr. Verheul. "And I found the job quite interesting, so I just stuck with it."

A big part of his job has been taking part in negotiations at the WTO in Geneva, Switzerland, where an important milestone was reached at a July 2004 ministerial meeting. These negotiations involved the 148 member countries agreeing to a framework for agriculture that will serve as a roadmap for ongoing negotiations aimed at leveling the playing field by reducing the levels of trade-distorting domestic support, eliminating export subsidies, and improving market access for all products.

Mr. Verheul and his team of 30 trade specialists draft proposals that reflect the goals and objectives of the Government of Canada and of the various sectors of Canada's agricultural industries. They then work tirelessly to drum up support for the proposals, both internationally and domestically, with the assistance of Canada's industry representatives.

Council Business

FOCUS Release Date Change

The next issue of FOCUS originally scheduled to be released on March 30, 2005 has been re-scheduled to April 6, in order to allow better coverage of the Agencies' Annual General Meetings.

Receive FOCUS Electronically

As we reported last year, our FOCUS newsletter is now available electronically. You can now receive our bulletin by email. The format we are using is a PDF file. We also post our newsletter on

our website in HTML and PDF format. We offer a link to download a free version of PDF reader at www.nfpc-cnpa.gc.ca.

For those interested in receiving FOCUS electronically, please complete the form below and notify us by mail, fax or telephone.

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Agency News

Chicken and Turkey TQAC Meets

A meeting of the Tariff Rate Quota Advisory Committee (TQAC) for chicken and turkey, chaired by International Trade Canada (ITCan), was held on January 20, 2005 in Ottawa. The TQAC is made up of representatives of producers, processors, further processors, retailers, the restaurant and food service sector and importers.

The main issue discussed was the allocation of chicken Tariff Rate Quota (TRQ) for the 2005 calendar year. Based on last year's chicken production of 967,174,643 million kilograms (Mkg), the TRQ access level for 2005 will be 72,538,098 kg. The Committee was unable to reach a consensus on an allocation methodology. As a result, ITCan, in consultation with Agriculture and Agri-Food Canada, will review all stakeholder positions and propose a methodology to the Minister of ITCan for his consideration.

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Industry News

NAASA Membership Update

On December 21, 2004, the Government of Québec appointed a new chairperson to the *Régie des marchés agricoles et alimentaires du Québec*. He is Mr. **Marc A. Gagnon**, former Vice Chairman of *La Financière agricole du Québec*. His term began on January 24, 2005. Former Chair **Gaëtan Busque** continues as a member of the Régie.

The NAASA Chairs and General Managers are as follows:

National Farm Products Council

Chair: **Cynthia Currie**
Executive Director: Terry Hayward

British Columbia Farm Industry Review Board

Chair: **Richard Bullock**
GM: Jim Collins

Alberta Agricultural Products Marketing Council

Chair: **Don Macyk**
GM: Brent McEwan

Saskatchewan Agri-Food Council

Chair: **Garf Stevenson**
GM: Joy A. Smith

Manitoba Farm Products Marketing Council

Chair: **David Gislason**
GM: Gordon MacKenzie

Ontario Farm Products Marketing Commission

Chair: **Dave Hope**
GM: Arva Machan

Régie des marchés agricoles et alimentaires du Québec

Chair: **Marc Gagnon**

New Brunswick Farm Products Marketing Commission

Chair: **Hazen Myers**
GM: Bob Goggin

Nova Scotia Natural Products Marketing Council

Chair: **Rollie Hayman**
GM: George Burris

Prince Edward Island Marketing Council

Chair: **Allison Ellis**
GM: Murray Myles

Newfoundland Agricultural Products Marketing Board

Chair: **Vacant**
GM: Reg King

Northwest Territories Agricultural Products Marketing Council

Chair: **Robert Bailey**
GM: John Colford

NAASA is comprised of the national and provincial and territorial supervisory boards. These supervisory boards have regulatory responsibility for marketing boards and agencies for supply-managed and other products within their jurisdictions.

OMAF Hosts Agriculture Policy Conference

On December 6 and 7, 2004, the Ontario Ministry of Agriculture and Food (OMAF) hosted a conference in Toronto on the WTO agriculture negotiations. The conference was titled "*Agriculture Policy Considerations raised by the WTO Doha Round of Negotiations*". This event, supported by Agriculture and Agri-Food Canada (AAFC) and the Ontario Federation of Agriculture (OFA), involved a number of trade experts from around the world, representatives of industry associations and government officials.

As part of a national consultation between government, industry and subject matter experts, this conference was an opportunity to understand and share information on agricultural trade issues, their complexities and the varied interests of the parties involved in the negotiations.

Presentations and debates provided the audience with useful knowledge and perspective regarding the future round of negotiations.

Agriculture and Agri-Food Minister **Andy Mitchell** highlighted the importance of such events, which draw together Canadians from all parts of the industry and governments to work in a "collective and collaborative way" to ensure a successful outcome of these negotiations for the whole agri-food sector and all Canadians.

In July 2004, all WTO members agreed on the framework on agriculture. This conference was part of Canadian agriculture negotiators' preparation for the next WTO ministerial conference, to take place in Hong Kong in December 2005. In the meantime, more discussions on developing rules for "technical issues" and "substantive issues" will take place in the coming months at all negotiating levels.

The Council is closely following the negotiations and will continue to keep you informed of new developments.

Chicken Processing Facility to Locate in Saskatoon

In late 2004, Prairie Pride Natural Foods Ltd. announced plans to build a \$15 million chicken processing facility in Saskatoon. The 115,000 square foot state-of-the-art processing plant will be built on a 20 acre site in the north industrial area of the city and will be capable of handling over 600,000 birds per week. In addition, there will be a hatchery located in the Saskatoon area. The two facilities will have several hundred full-time employees. "This new

plant will enable us to supply fresh and frozen poultry products to our customers in Saskatchewan and throughout Canada," said **Barry Schneider**, Manager, Prairie Pride. "We will break ground in early 2005 to be operational by fall of next year."

Bruce Arabsky, Director of Operations for Prairie Pride, said "We chose Saskatoon after reviewing many other locations throughout western Canada. We were impressed with the location, the infrastructure and the city in general. Saskatoon is a great location for servicing the growing needs of both local and national customers." He added, "This is a major investment and a great opportunity to significantly enhance and expand the poultry industry in Saskatchewan."

Olymel and Supraliment Join Forces

Olymel s.e.c., a subsidiary of *La Coop fédérée* and *Supraliment*, a division of *Group Brochu*, have signed a partnership agreement amalgamating all of their assets and operations in the slaughtering, cutting, boning, processing and marketing of pork and poultry meats. This venture has been approved by shareholders of both companies and is subject to approval by the Competition Bureau. Until the transaction is approved, both companies will continue to operate independently.

Supraliment and *Olymel* market an extensive line of products mainly under the *Olymel*, *Lafleur* and *Flamingo* brands. The new company, as yet unnamed, will operate plants and distribution centres in Quebec, Ontario and Alberta, is expected to generate sales of \$2.5 billion and will employ 12,000 workers.

Réjean Nadeau, president of *Olymel*, says this project has indisputable advantages. "We are focusing on the positive aspects of our differences while eliminating the roadblocks to our respective growth."

We are combining within a single structure, with all the necessary elements to become a leader in national and international markets."

International News

International Poultry Exposition in Atlanta, Georgia



The **International Poultry Exposition** is coming to the Georgia World Congress Center in Atlanta, Georgia on January 26 - 28, 2005. This year's theme is: "*Changes and Challenges*."

The exposition is sponsored by the U.S. Poultry & Egg Association. Every sector of the industry is represented at the show: feed mills, hatcheries, live production, processing, further processing, marketing, and all other support activities.

Last year's expo saw 863 exhibitors and nearly 18,000 visitors filled more than 16 acres of display area in the World Congress Center with every conceivable product and service imaginable.

For those interested in attending this year's event, Atlanta offers a variety of hotels, all within a short distance of the Congress Center. For reservations call 1-800-480-4364 or visit www.internationalpoultryexposition.org for more details.

Nominations for Director-General of WTO

Four candidates have been nominated by their respective governments to replace Dr. **Supachai Panitchpakdi**, whose term expires on August 31, 2005, as WTO Director-General. They

are: **Carlos Pérez del Castillo** of Uruguay, **Jaya Krishna Cuttaree** of Mauritius, **Luiz Felipe de Seixas Corrêa** of Brazil and **Pascal Lamy** of France.

The procedures for the appointment of the Director-General, adopted by the General Council on December 10, 2002, stipulate that the appointment process must start nine months prior to the expiry of the term of the incumbent Director-General.

December 1-31, 2004: One month for Member Governments to nominate candidates.

January 1 - March 31, 2005: Three months for the nominated candidates to make themselves known to Members, to engage in discussions on the pertinent issues facing the WTO, and to be invited to meet with Members at a formal General Council meeting.

April 1, 2005 - May 31, 2005: Two months for the Members to select and appoint one of the candidates. The process shall conclude with a meeting of the General Council convened not later than three months prior to the expiry of the incumbent's term (i.e. by May 31, 2005), at which time a decision to appoint a new Director-General shall be taken.

Brazil's Poultry Industry Outshines Other Sectors in 2004



Of the three major sectors in the Brazilian meat industry, poultry had the strongest performance in 2004, according to the latest South American meat market report.

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With production growth of 9.2% in 2004, there was an opportunity to increase prices and profitability in the sector, as a result of new records achieved in exports, international prices and domestic demand.

The report says that chicken exports should finish 2004 at a level of 2.38 million tonnes, up 24% from 2003. The Safras e Mercado market analyst added, "reduced production costs and strong world prices also combined to offset the higher exchange rate."

The high production levels and good profitability of 2004 are already defining the production trend for 2005. Chicken production may hit 8.65 million tonnes, a 3.6% increase from 2004. Exports are estimated at 2.4 million tonnes.

The sector would need a better exchange rate as well as stable order levels in order to outpace 2004's record.

Upcoming meetings - 2005

January

Jan. 26-27	Chicken Farmers of Canada Meeting	(Ottawa)
Jan. 26-28	International Poultry Exhibition	(Atlanta)

February

Feb. 1-4	Canadian Meat Council - <i>Annual Conference</i>	(Gatineau)
Feb. 2-3	Canadian Egg Marketing Agency Meeting	(Ottawa)
Feb. 7-8	Canadian Poultry and Egg Processors Council Meeting	(Ottawa)
Feb. 24-25	USDA Agricultural Outlook Forum	(Arlington)
Feb. 24-25	Canadian Federation of Agriculture - <i>Annual Meeting</i>	(Ottawa)

March

Mar. 21-24	Canadian Cattlemen's Association - <i>Annual Meeting</i>	(Ottawa)
Mar. 22-24 Mar. 23	Canadian Egg Marketing Agency Meeting <i>Annual Meeting</i>	(Ottawa)
Mar. 22-24 Mar. 22	Chicken Farmers of Canada Meeting <i>Annual Meeting</i>	(Ottawa)
Mar. 22-24 Mar. 24	Canadian Turkey Marketing Agency Meeting <i>Annual Meeting</i>	(Ottawa)
Mar. 22-24 Mar. 23	Canadian Broiler Hatching Egg Marketing Agency Meeting <i>Annual Meeting</i>	(Ottawa)

April

Apr. 13-14	Poultry Industry Conference and Exhibition	(London)
Apr. 14	National Farm Products Council	(London)
