

National Farm Products Council

FOCUS Newsletter



New Deputy Minister Appointed to AAFC

In May 2004, Prime Minister **Paul Martin** appointed Mr. **Leonard J. Edwards** Deputy Minister of Agriculture and Agri-Food Canada, effective May 10, 2004.

Mr. Edwards was Deputy Minister for International Trade from June 2001 to May 2004. In this role, Mr. Edwards was also a Director of Export Development Canada and the Commissioner of the Northern Pipeline Agency. Mr. Edwards joined the Department of External Affairs in 1969.

From 1998 to 2001, Mr. Edwards was Canada's Ambassador to Japan. He also served as Ambassador to the Republic of Korea from 1991-1994. Within the Department of Foreign Affairs and International Trade, Mr. Edwards has held the positions of Assistant Deputy Minister for Trade and Economic Policy and Assistant Deputy Minister, Asia Pacific. He also served as Executive Director, Summits Management Office, with responsibility for the organization of the 1988 and 1995 Economic Summits and the 1987 Commonwealth Heads of Government Meeting.

His overseas assignments have included Saigon (now Ho Chi Minh City), Hanoi, Ankara, Brussels/NATO and the Canadian Mission to the United Nations at Geneva.

Council Business

Michel Veillette Re-appointed as Council Member

Minister **Bob Speller** has re-appointed **Michel Veillette** as a Member of the Council until 2008. Mr. Veillette, of Cap-de-la-Madeleine, Quebec, has been a Council member since 1998. His hard work and experience in the dairy manufacturing and distribution business brings a wealth of expertise to the Council table. Chair **Cynthia Currie** said: "We are pleased to have Michel back on board, he is a great contributor and I am very pleased with his re-appointment."

IN THIS ISSUE

- * New Deputy Minister
- * Council Business
- * Agency News
- * Industry News
- * Upcoming Meetings

COMMENTS or QUESTIONS

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FOCUS *Newsletter*

Council Meeting of May 10, 2004

Council met in Ottawa on May 10, 2004. The agenda included discussion of current business of the four poultry and egg marketing agencies and the beef promotion research agency, an update on the Avian Influenza situation, a review of the Egg Complaint Hearing Report, and a review of quota orders submitted by the chicken and turkey agencies. More details on the last three items follow:

Egg Complaint Report Made Public

At the Council meeting on May 10, 2004, the Complaints Committee, made up of Council Chair **Cynthia Currie**, and Members **Anne Chong Hill** and **Maurice Giguère**, presented its final report to the Council. Council has received and discussed the report of the Complaints Committee and fully supports the Committee's findings and recommendations.

All Council members were provided with copies of the submissions by the participants and interveners. Transcripts of the Complaint Hearings were made available to those Council members who were not part of the Committee. The report has been mailed to all signatories to the Egg Plan, and will be available on the Council's web site in the near future. For further information, please contact **Carola McWade** at (613) 995-6752.

Chicken Quota Order

The Council concluded it was not satisfied that the proposed A-59 provincial allocations and the supporting rationale adequately reflected the impact of AI on the Canadian industry. Therefore, Council was unable to prior-approve this order.

Council asked that CFC provide a quota order for A-59 with updated provincial allocations that reflect what other provinces have agreed to grow to meet BC market requirements. In addition, Council asked that an action plan be provided demonstrating how chicken supply will be managed during this and future periods.

Turkey Quota Order

The BC signatories recently confirmed that, while discussions are ongoing at CTMA with regard to revisions to the allocation methodology, their complaint, filed on December 17, 2003, is still active. As there is still a complaint before Council, Council was unable to consider the prior approval of the Amendment to the Canadian Turkey Marketing Regulations - 1990 - Preliminary 2004-2005. Council has offered to meet with BC representatives to discuss the matter and to assist them in determining what steps might next be taken to help resolve the issues.

Forum on Grocery and Food Service Trends a Great Success

Participants at the *Forum on Grocery and Food Service Trends* were treated to an interesting and educational event. Many expressed their satisfaction with the program and their appreciation to Council for convening it.



At a breakfast on May 11, **Gordon Butland** of Rabobank International presented a global poultry industry update. He described how the poultry industry must work together from inputs through to retailers and food service outlets to ensure that consumers are confident in the safety and

FOCUS *Newsletter*

healthiness of poultry products. He noted the impact of changes in world population and income levels on future trade.

That evening, the *Forum on Grocery and Food Service Trends* began with a dinner reception. **Allan Gregg**, Chairman of The Strategic Counsel, was the keynote speaker. The Strategic Counsel is one of the fastest-growing research firms in North America. The firm has gained a reputation for accurate, innovative, client-focused market research that gets results. Mr. Gregg gave an interesting and informative presentation on trends in Canadian public opinion and their implications for the future. He noted that the concerns preoccupying the public today are more multi-layered, less focused and more difficult to manage than in the past. He introduced the concept of "joyless prosperity" – noting that while the economic situation has been positive in recent years, the public continues to have a generally pessimistic attitude about the future.

On the morning of May 12, the Forum reconvened with a panel discussion. Panel members were Mr. **Nick Jennery**, Canadian Council of Grocery Distributors, Mr. **Craig Watson**, Sysco Corporation, and Mrs. **Cora Mussely Tsouflidou**, Franchises Cora. The panelists discussed trends in the grocery, food service distribution and restaurant businesses.

The luncheon speaker was Dr. **David Bell**, the George Moffett Professor of Agriculture and Business at Harvard Business School. He spoke about Integrated Value Chain Management in Agribusiness. In the 21st century, there will be fewer distribution channels. Suppliers will work with retailers in a partnership. They will share information and profits. The supplier will enjoy more security, will be able to invest in specialized capabilities to serve the customer



better, will have reduced marketing costs, but greater customer loyalty, and will grow as their customer grows. The future will see competition between value chains, rather than between companies.

In the afternoon, group discussions allowed participants to bring together their impressions of all of the material presented and helped the group as a whole to synthesize an overall picture of the current situation and trends for the future.

A report will be prepared and distributed to Forum participants. Watch for further information in upcoming issues of FOCUS.

Release of NFPC Annual Review 2003

NFPC's 2003 Annual Review is now available. It describes Council's busy and challenging past year, reports on Year One of Council's Strategic Vision and offers a look ahead to 2004's challenges and objectives. It also provides an overview of the issues, activities and accomplishments of the four national agencies and the promotion research agency in 2003.

The Annual Review is being mailed to the national and provincial agencies, processor and further processor associations, federal and provincial governments and other industry stakeholders.

To request additional copies, please contact: **Chantal Lafontaine** at (613) 995-9148, by

FOCUS *Newsletter*

email at lafontaine@agr.gc.ca or by mail at: NFPC, 10th Floor, 344 Slater Street, Ottawa, Ontario, K1R 7Y3. The report is also available on our website at www.nfpc-cnpa.gc.ca.

Receiving FOCUS Electronically

Late last year we informed our readers that we would offer our FOCUS newsletter electronically. While we currently send out our newsletter via facsimile, we are pleased to offer it electronically to all of our readers. We will use a PDF file format. Our newsletter is also posted on our website in both HTML and PDF format.

On our web site we offer a link to download a free version of PDF reader. Visit our website at www.nfpc-cnpa.gc.ca. For those interested in receiving FOCUS by email, please complete the form below and send to:

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NAME: _____

TITLE: _____

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Agency News

Industry Response to Avian Influenza in BC

Since the announcement on April 5, 2004 of the total depopulation of all poultry farms in the Fraser Valley region of Southern BC, the industry has been meeting to discuss what producers and processors in the rest of Canada can do to help the BC industry. Several approaches have been identified, including ramping up production in other provinces in order to supply BC processors, producer-to-producer assistance, and working with the Department of International Trade to permit increased imports of US product. The industry is working together to supply consumers in BC as fully as possible in the present difficult situation.

CFC Sets A-60

On May 7, 2004 the Chicken Farmers of Canada set the domestic market requirements for Period A-60 at 140,501,452 kg eviscerated weight or 3.2% over base.

Promotion Research Agency

The Beef Agency met in Ottawa on March 23, 2004. Items discussed included the Agency's financial situation, the impact of BSE on the industry, and discussion on the implementation of the national check-off. Council Executive Director **Terry Hayward** addressed the Agency, and re-iterated the Council's willingness to assist the Agency in operationalising their program.

Industry News

Avian Influenza

On April 5, 2004, The Honourable **Bob Speller**, Minister of Agriculture and Agri-Food and Minister responsible for the Canadian Food Inspection Agency (CFIA), announced the

FOCUS *Newsletter*

depopulation of all commercial poultry flocks and other backyard birds in the Control Area established March 11 in British Columbia's Fraser Valley in an effort to eradicate avian influenza. The decision was based on the recommendation of the CFIA in consultation with the province of British Columbia and the poultry industry.

As of May 12, the confirmed number of infected commercial premises in the Control Area was 40. The number of infected smaller premises, commonly known as backyard flocks, was 10. There have been no new H7 infected premises identified since April 29, 2004. Testing continues in the Control Area. To date, more than 500 premises have tested negative for avian influenza.

Depopulation of all premises within 1 km of an infected premises has been completed and the depopulation of premises within 3 km of an infected premises is nearing completion. The depopulation of backyard flocks continues. A total of 296 backyard flocks have been depopulated.

Cleaning and disinfection has begun on 21 out of 40 infected commercial premises. Cleaning and disinfection was completed on the first premises on Friday May 7, 2004.

On May 13, CFIA announced that testing has revealed that geese on a Fraser Valley farm were not infected with either H5 or H7 avian influenza. There is strong evidence indicating the geese were exposed to the H6 avian influenza virus. The H6 virus is not associated with serious animal or human illness. The flock was located within three kilometers of three known infected premises and was targeted for depopulation as part of the CFIA's avian influenza response. The regional depopulation of animals in response to contagious diseases such as avian influenza reflects internationally accepted animal disease management strategies.

For up-to-date information, visit the CFIA web site at: www.inspection.gc.ca/english/anim/h/hasan/disemala/avflu/avflue.shtml.

Upcoming meetings - 2004

June

June 7	National Farm Products Council	(Mont Tremblant)
June 6-8	Canadian Poultry and Egg Processors Council	(Mont Tremblant)
June 21-23	Canadian Turkey Marketing Agency	(Winnipeg)

July

July 5-7	Canadian Egg Marketing Agency	(Quebec City)
July 13-15	Canadian Broiler Hatching Egg Marketing Agency	(Winnipeg)
July 19-22	Chicken Farmers of Canada	(Calgary)
July 27-28	National Farm Products Council	(Ottawa)

August

Aug. 17-20	Canadian Cattlemen's Association (<i>Semi-annual meeting</i>)	(Calgary)
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September

Sept. 8-9	Canadian Egg Marketing Agency	(Ottawa)
Sept. 21-23	Canadian Turkey Marketing Agency	(Toronto)
Sept. 28-29	Canadian Broiler Hatching Egg Marketing Agency	(TBC)