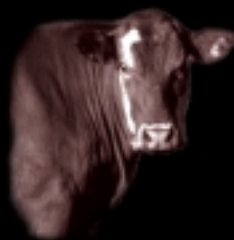
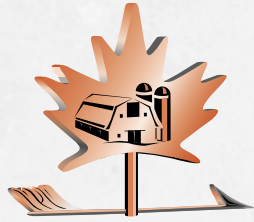


NATIONAL
FARM
PRODUCTS
COUNCIL



2000 ANNUAL REVIEW

Canada



MISSION:

To ensure that the national orderly marketing of farm products works in the balanced interests of all stakeholders — from producers to consumers.

MANDATE:

To advise the Minister of Agriculture and Agri-Food on all matters relating to the agencies established under the Act, with a view to maintaining and promoting an efficient and competitive agriculture industry.

To review the operations of the marketing agencies to ensure that they meet their objectives as set out in the legislation.

To work with the agencies in promoting more effective marketing of farm products in interprovincial and export trade.

To work with promotion-research agencies in connection with primary production research and the promotion of regulated farm products.

For more information about where the Council fits and under which authority it operates, please visit the Council website at www.nfpc-cnpa.gc.ca or contact the Council at (613) 995-6752.

LETTER TO THE MINISTER

The Honourable Lyle Vanclief, P.C., M.P.
Minister of Agriculture and Agri-Food
Ottawa, Ontario

DEAR MINISTER:

This has been an eventful year, filled with opportunities to continue doing what we as a federal government agency always must do and what, at any rate, we feel we do best — provide service to Canadians and bring added value to the industries with which we work.

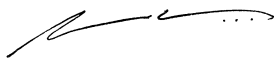
We challenged ourselves to develop a progressive strategic vision. We accomplished this. The Strategic Vision 2000-2003 charts the way for the next few years.

We challenged the poultry and egg industries to find solutions themselves to long-standing problems. They have done so. We played the supportive role to help them, but took the tough decisions that kept them on track.

In 2000, we charted new territory by conducting public hearings into determining the merits of establishing the first ever promotion-research agency for the beef industry. We ended the year by recommending to you that this agency be established.

This, our Annual Review for 2000, captures some of the main events for us and for those with whom we worked.

Sincerely,



Cynthia Currie
Chairperson,

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National Farm Products
Council

Conseil national des
produits agricoles

Canada

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CHAIRPERSON'S MESSAGE



2000 has been a busy year at the National Farm Products Council in all of our roles.

It has meant lots of hard work for the Council members and the NFPC staff — as it has for the poultry and egg agencies, with which we have always worked, and for the beef industry, a new partner for us at the NFPC.

THE NFPC'S ROLE:

Reviewing Operations Under our Legal Mandate

The NFPC's mandate comes from the Farm Products Agencies Act, and the NFPC also administers the Agricultural Products Marketing Act.

The **Farm Products Agencies Act** sets out the authority for an agricultural industry to establish a national orderly marketing system or a national research-promotion agency.

This Act also charges the Council with reviewing how these agencies are set up and how they operate.

During 2000, the NFPC played a very active role to help the four orderly marketing systems in the feather industries work better, more effectively and more efficiently. You'll see later in this Review how we worked with the feather industries, with their national agencies and with other players in the systems, such as provincial and territorial governments, processors and downstream users. You'll also see where we tackled specific issues in 2000, conducting an egg complaint hearing and helping to advance renewal by all four national agencies of their Federal-Provincial Agreements.

During 2000, we also had the excitement of receiving a proposal to create the first ever promotion-research agency under the Act. This came from the beef industry, with the Canadian Cattlemen's Association ('CCA') taking the lead on preparing, presenting and working through the evaluation and approvals process. You'll read later in this Review, of the work the NFPC did to investigate the merits of creating this agency, including holding public hearings and preparing a report and recommendations to the Minister of Agriculture and Agri-Food.

The **Agriculture Products Marketing Act (APMA)** allows the federal government to grant a farm product group the same powers over marketing of that product *across* provincial or national borders that a provincial government has granted over marketing of the product *within* a province.



This Annual Review describes the APMA work the NFPC has done with many farm products groups from many parts of Canada. It describes how we're working to simplify the process and improve how we guide the farm product groups through the process.

**THE NFPC'S ROLE:
Strengthening the Industries**

Flowing from our mandate to make sure that industries operate well under these legislative tools and delegated authorities, the NFPC has taken as its role the job of promoting the strength of the industries with which we work.

This Review describes what we have been doing to bring attention to best practices, such as useful Cost of Production calculations, to build awareness for international trends and to draw interest in export opportunities.

During 2000, the NFPC has been following up on the Poultry Meat Export Awareness Mission to Asia in the autumn of 1999. This Review describes the NFPC's convening of a Poultry Meat Export Working Group, joint work with fellow Team Canada Inc. member organizations, plans for further export action and missions in 2001, briefings for the feather industries on the implications of WTO decisions and negotiations, and how the NFPC has sought to keep up-to-date on international developments by attending international conferences.

**THE NFPC'S ROLE:
Improving How We Carry Out Our Role**

There have been many changes to the context in which the four national systems operate. In the last years, it's been moving from the traditional 'supply management' within the context of the old international GATT regime to today's 'orderly marketing' within the context of an expanding international FTA and WTO regime.

There have been many changes within the four national systems and the agencies. In the last years, they've been moving from a tight focus on how to produce within Canada to a more market-responsive focus on how to meet differing user and consumer needs at home and abroad.

There have been many changes at the NFPC. We've had new Council members, new initiatives, new projects, new industry partners using new legislative tools. In the last years, we've been moving from a review function alone to a more proactive, far-looking role.

This Review describes the ways we improved our ability in 2000 to be proactive and to look ahead.

It describes our long and thorough look ahead, resulting in a Strategic Vision document for 2000-2003. This document was created in consultation with our main partners in the sector and in the industries, and was widely circulated.

In the Strategic Vision, we took a close look at how we could improve our existing work. How could we streamline procedures for the feather industries as part of our review work? How could we streamline processes for agriculture sectors as part of our APMA work? How could we coordinate better with our federal and provincial government partners in the services we provide farm industries? How could we attract the industries better to tools and approaches that can be useful to them? How could we explain better how these tools work and what the NFPC's role is, through our outreach, through our website and through our presentations?

NFPC'S ROLE:

Proud to Provide Value

The nine members of the National Farm Products Council come from a range of backgrounds and parts of the country. We bring a range of expertise and a thoughtfulness to the decisions we take and to learning as much as we can so that our decisions are based on reality. We meet regularly — thirteen times during 2000 — and we aren't confined to the boardroom. Of the thirteen meetings, seven were by teleconference. Council members made on-site visits around the time of the September Council meeting to Vanderpol Eggs in Abbotsford, the Pacific Agriculture Research Centre in Agassiz, chicken further processor Hampton House in Langley (a major supplier to fast food chains), and to the members and staff of the B.C. Marketing Board (the NFPC's provincial counterpart).

Throughout, we sought to play a role that would be truly useful: useful to the orderly marketing systems, useful to the industries with which we work, useful to other government players as a good partner on joint projects and on policy, useful to the Minister in our expertise and advice...

... and, ultimately, useful to Canada's economy and Canadians.

I believe the National Farm Products Council succeeded in bringing much useful value during the year and for the years to come — for *all* of the different farm product industries with which we worked in 2000.



THE COUNCIL MEMBERS

The members are appointed by the Governor-in-Council (that is to say, recommended by the Minister of Agriculture and Agri-Food and appointed by the Prime Minister). They are chosen so that together they bring knowledge and viewpoints from across the poultry and egg sector, across the different parts of the agri-food industry, and from across the country.



Cynthia Currie, Chairperson

Tenure: March 1997 – May 2002

Cynthia Currie is a native of Georgetown, Guyana. Prior to her appointment as Council Chairperson, she was General Manager of the Canadian Chicken Marketing Agency (now known as the Chicken Farmers of Canada). She also served as a member of the Canadian Agrifood Marketing Council and the Agriculture, Food and Beverage Sectoral Advisory Group on International Trade.



Ron O'Connor, Vice-Chairperson

Tenure: January 1998 – January 2004

Ron O'Connor is from Shelburne, Ontario, and is the owner/operator of Irm-Ron Farms Ltd. He is a former Director on the Board of Chicken Farmers of Ontario since 1988, serving as its Chairman in 1996-97.



Lorraine Arnett, Member

Tenure: October 1999 – October 2001

Lorraine Arnett is from Durham, Ontario. She and her family partners own and operate a small mixed farm, including a 10,000 ft² broiler barn. She is the comptroller of Bert Fisher Farms Ltd., Fisher Feeds Ltd. and associated companies, of Listowel, Ontario.



Anne Chong Hill, Member

Tenure: June 1998 – June 2001

Anne Chong Hill is the President and Chairwoman of Global Commerce Development Inc., a publicly traded company with subsidiary food companies Global Gourmet Foods Inc. (B.C.) and Premier Meats International Inc. (Alberta). A tireless promoter of the Canadian agri-food industry and Canadian agri-food exports, Mrs. Hill is also a member of the Canadian Agri-Food Marketing Council.



Raymond Cloutier, Member

Tenure: June 1998 – June 2001

Raymond Cloutier is from Ste-Foy, Québec, and served for many years as Director of Trade Policy for the Québec Ministry of Agriculture, Fisheries and Food. In 1997, he was decorated as Commandeur de l'Ordre du mérite agricole, with mention of Très grand mérite spécial.



David Coburn, Member

Tenure: January 1998 – January 2001

David Coburn is a native and resident of Keswick, New Brunswick. He is manager of W.B. Coburn & Sons, a sixth-generation family farm. A past-president of the New Brunswick Federation of Agriculture, he received the 1995 Outstanding Young Farmers of Atlantic Canada award and was named an Honorary Associate of the Nova Scotia Agricultural College in 1999.



John A. (Sandy) McCurrach, Member

Tenure: June 1998 – June 2001

Sandy McCurrach, from Kamloops, B.C., is owner and President of Purity Feed Co. Ltd., and owner and manager of Jamieson Creek Ranch. He is a former turkey producer and past executive member of several agri-food organizations.



Paul Ouellette, Member

Tenure: January 1997 – January 2001

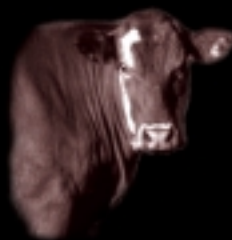
Paul Ouellette, a native of Mariville, Québec, is founder and partner of several poultry distribution businesses. He is past-president of the Canadian Poultry and Egg Processors Council and a past-president and long-serving former member of the Association des abattoirs avicoles du Québec.



Michel Veillette, Member

Tenure: January 1997 – January 2003

Michel Veillette, a native of St. Maurice, Québec, is the President of the Québec Dairy Council and also National Director for the Crémierie des Trois-Rivières limitée. He served as a Member of Parliament from May 1979 to September 1984, and was also Parliamentary Secretary to the Minister of Consumer and Corporate Affairs.

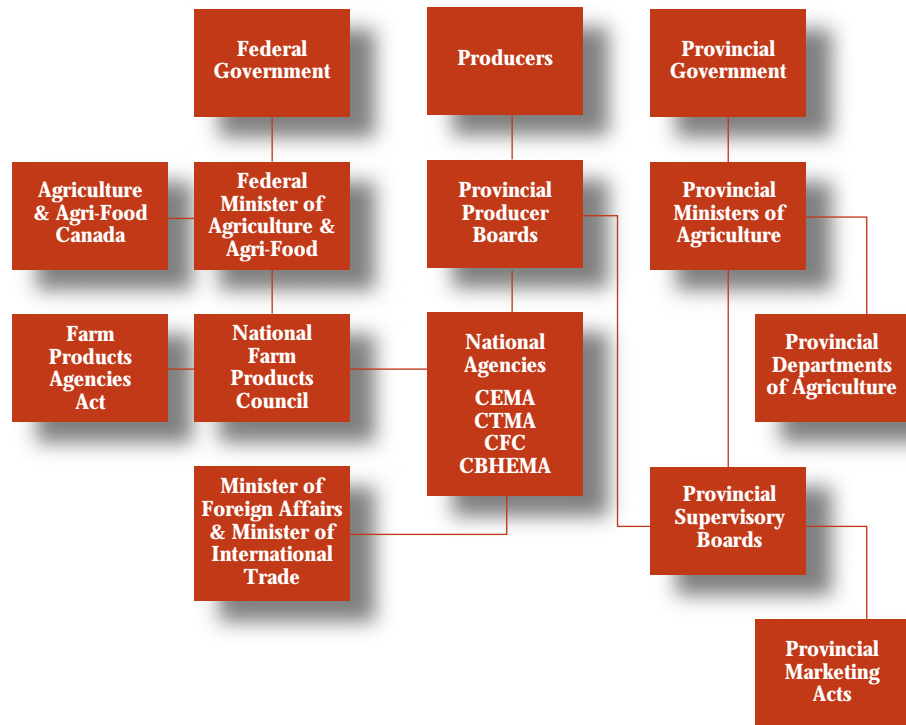


Reviewing
the Operation
of Orderly
Marketing
Systems

WORKING WITH THE INDUSTRY

The NFPC reviews the operations of the national orderly marketing agencies for turkey, eggs, chicken, and hatching eggs for broiler chickens.

Here's how the system looks:



So, how does the NFPC do its work?

At the core of its work, the NFPC reviews each national agency's proposed quota and levy orders and decides whether to authorize the agency to enact them within the system. These orders are the legal engines on which the national systems run.

In 2000, the NFPC assessed many orders from the four agencies, and approved 26. Sometimes, they returned an order to an agency, asking for more work or more supporting information.

Another part of the NFPC's work with the four agencies is to determine what modifications are needed in their Federal-Provincial Agreement Proclamations and Marketing Plans. During 2000, the NFPC gave much encouragement and advice to the agencies as they continued to work to renew their FPAs.

2000: Orders and Amendments

	Quota	Levies	Other
CFC	6	3	X
CEMA	2	3	X
CTMA	3	2	X
CBHEMA	4	2	1

Beyond the legalistic work, the NFPC also helps to strengthen the four industries for today and tomorrow. You'll read more about this kind of work under the section *Promoting the Strength of the Sector*.

Forwarding Federal-Provincial Agreement Renewal

A project for all four of the orderly marketing agencies was to renew their Federal-Provincial Agreements. A renewed FPA, with its appended Marketing Plan and Operating Agreement, is the document under which the parts of a national orderly marketing system come together and operate.

The systems, the industries and the markets for the four commodities have changed much in the past years. So, too, then, must change the FPAs. In 1998, ministers of agriculture charged the four industries to renew their FPAs.

Each FPA requires 19 or more signatories: from Ministers to provincial government supervisory agencies to provincial or territorial-level commodity boards, depending on the agency.

Serious differences in the chicken industry complicated progress towards a renewed Agreement on chicken. That said, at the end of 2000, the chicken FPA was the most advanced of the four. The Chicken Farmers of Canada led the drafting, with the NFPC lending strong advice on format, giving regular legal and language feedback, plus looking to see that the provincial government supervisory boards and provincial governments were being kept in the loop.

By 2000 year-end, the egg industry had reached accord on some of its serious disputes and it, too, would be turning attention to renewing the egg FPA in 2001.



The turkey and broiler hatching egg industries did preliminary FPA work in 2000, holding Working Group meetings in March. The Canadian Broiler Hatching Egg Marketing Agency's Working Group met on March 23, with an NFPC representative attending. NFPC Chairperson Cynthia Currie and another NAASA member rep sat in on the Canadian Turkey Marketing Agency's meeting on March 31.

Through 2000, both of these agencies looked to the chicken FPA renewal process as a model. By the end of 2000, with the chicken FPA renewal entering its final stages, CTMA and CBHEMA declared they too would be tackling their FPA renewal in 2001.

Turkey

The Canadian Turkey Marketing Agency (CTMA) was created in 1973 to manage the supply of turkey in Canada. Its Board of Directors has eight provincial producer members, two primary producer members and one further processor member.

The core work of the Council with any of the four orderly marketed agencies is to consider an agency's levy and quota orders.

During 2000, Council members assessed and approved three turkey quota orders and two levy orders.

Beyond quotas and levies, Council members and staff kept in steady contact with the CTMA through the year.

Our representatives were at CTMA's meetings in March, June, September and November, and gave updates on NFPC activities. We also heard the latest news on CTMA's projects, such as the completion of the study on benchmarking and results from the producer-processor 'Turkey Tuesday' marketing campaign.

The NFPC was especially interested to mark the difference made by CTMA's recent new quota allocation methodology to supply more flexibly the needs of the two types of market for turkey meat in Canada.

The CTMA came to the NFPC too, to the June and December Council meetings. In December, the CTMA reviewed its actions and issues in 2000, presented to the Council members the CTMA's action strategy and budget for 2001, and looked ahead to projects for the new year.

At the end of 2000, we were looking forward to working closely with CTMA on the renewal of its Federal-Provincial agreement. CTMA's technical committee of its FPA working group was to begin drafting in the new year and we were readying ourselves to work with them.

Eggs

The Canadian Egg Marketing Agency (CEMA) has managed the supply of eggs in Canada since its creation in 1972. Its Board of Directors includes representatives from the ten signatory provincial and the Northwest Territories (NWT) commodity boards, three representatives from the Canadian Poultry and Egg Processors' Council and one from the Consumers' Association of Canada.

The egg industry continued to face quota allocation problems in 2000, but by year end the NFPC was pleased by the industry's progress towards solving these problems, with more progress expected in 2001.

The national egg industry could not agree on how to allocate quota. This had been a problem for many years. Early in 2000, the NFPC agreed to a special extension of the CEMA's quota orders until the end of February 2000, holding the system in stasis at 1999 levels, to give CEMA more time to find agreement on the 2000 production year.

Agreement was long and tough in coming.

CEMA presented orders to the NFPC for prior-approval in February and March. The Council did not take decision on them, but asked CEMA for more supporting information.

On March 24, the Manitoba and Saskatchewan signatories to the national egg agreement lodged a formal complaint with the NFPC. As will be described later in this Review, the NFPC held hearings, heard arguments and ruled on the complaint. The Council approved the CEMA quota order to keep the egg system operating and give the industry an opportunity to develop an acceptable allocation methodology.

Council member and egg complaint hearing panel member
Raymond Cloutier:

“The egg producers proved yet again that seeking ‘win/win’ solutions is assuredly the way to arrive at long-lasting agreements among provinces.”



As described later in this Review, CEMA worked hard to find a solution that the CEMA members could agree to and which could be the starting point for work on the renewed FPA in 2001. The NFPC approved CEMA's 2001 quota order late in 2000, noting that the solution would indeed have to be enshrined in a new, negotiated FPA in 2001 which all the needed signatories to a national egg agreement could sign onto.

Another job CEMA took on in 2000 was to update its Cost Of Production formula. The NFPC has been encouraging work on 'COP' and had produced COP guidelines for the national agencies. In 2000, we challenged the egg agency to develop a defensible COP formula. At the end of 2000, Council was awaiting the outcome of this exercise.

Chicken

The Chicken Farmers of Canada (CFC) was created in 1978 to manage the supply of chicken in Canada. Its fourteen-member Board of Directors is made up of farmers appointed each year by provincial marketing boards, which are signatories to the federal-provincial agreement that created the CFC. Non-farmer directors (one from the restaurant industry, one from the further processing industry, two representing the processing industry) are appointed for two-year terms by their respective national associations.

In 2000, the NFPC approved six chicken quota orders and three levy orders.

Three other big topics held the NFPC's attention during 2000:

- 1 the industry's renewal of its Federal-Provincial Agreement (FPA),
- 2 the withdrawal of Alberta as a signatory to the chicken FPA on December 31, 2000, and the related Chicken Farmers of Canada discussions with Alberta and B.C., and
- 3 chicken imports, domestic supply and the government's policy on Import Controls.

By the end of 2000, the chicken FPA renewal was more advanced than the egg, turkey or broiler hatching egg FPAs. The Chicken Farmers of Canada had agreed on a draft new FPA and was next seeking approvals from federal legal counsel and from the provincial signatories. The CFC expected to get agreement from all in the first part of 2001.

During 2000, the NFPC worked intensely with the Chicken Farmers of Canada on its draft Federal-Provincial Agreement, lending expertise, drafting support and legal advice. The NFPC also pushed steadily to have the provincial government supervisory agencies kept connected to the drafting process. The NFPC had regular consultations and updates from the CFC throughout the year on its progress.

At the beginning of 2000, Alberta had served notice of its intent to withdraw from the chicken FPA, to take effect on December 31, 2000. This was prompted by uncertainty over whether B.C. would continue to participate in the national chicken system, the result of conflict between B.C. producers and processors, and a B.C. Supreme Court ruling. The province had the right to call back its notice of withdrawal at the end of February. It did not. At the end of 2000, the NFPC was remaining in discussions with the CFC on Alberta's withdrawal and on the agency's efforts to negotiate service contracts with Alberta and B.C.

During 2000, staff were part of a team advising the Department of Foreign Affairs & International Trade on the development of a domestic supply program to meet the needs of manufacturers of chicken products that are not included on the Import Control List (ICL). Under federal Import Controls policy, only a certain volume of chicken is permitted to come into the country under a lower tariff rate.

The CFC had been aiming to supply this need with domestic chicken instead of imports. The Ministers of Agriculture & Agri-Food and of Foreign Affairs agreed this was a good aim. They challenged the CFC to work with the industry to develop a domestic supply programme. The CFC charged its Market Development Committee to undertake the task. The Minister of Agriculture & Agri-Food charged the NFPC to act as an observer on this Committee, to monitor its progress and to report regularly to him. At the end of 2000, substantial progress had been made and the CFC was aiming to have a new programme in place by mid-year 2001.

The NFPC also worked with the chicken industry on projects such as the Poultry Meat Export Working Group, described later in this Review.

Broiler Hatching Eggs

Created in 1986, the Canadian Broiler Hatching Egg Marketing Agency (CBHEMA) manages the supply of broiler hatching eggs in Canada. The seven member Board of Directors includes representatives from the five provincial commodity boards (Quebec, Ontario, Manitoba, Alberta, and British Columbia), and two representatives appointed by the Governor-in-Council (positions vacant since 1996 and 1998 respectively).

The broiler hatching egg industry started the year 2000 without having quota, levies or orderly marketing orders in place. By the end of 2000, the Canadian Broiler Hatching Egg Marketing Agency had brought forward and gained NFPC approval for four quota orders, two levy orders and one orderly marketing regulation.



The industry could not agree how to account for imports when allocating production quota among the member provinces, while staying within the total national production quota. This was a problem. Without agreement, it couldn't settle on any orders, couldn't bring any forward to the NFPC, couldn't put any into effect.

The NFPC knew well the importance of getting orders in place to a national orderly marketing system for broiler hatching eggs, but knew the solution to the problem had to come from the industry itself.

The industry members, too, knew the importance of getting a solution, but hadn't been able to find one all through 1999.

The NFPC had worked steadily throughout 1999 to help CBHEMA keep at the search for a solution. The NFPC had conducted a complaint hearing about the methodology and then prepared a report on its findings. The Council had urged CBHEMA to adopt its report recommendation for professional mediation, which CBHEMA had done; mediation took place throughout autumn 1999. The NFPC had encouraged and facilitated meetings and discussions. And yet, by the end of 1999, the industry had still found no solution.

But the industry held firm into 2000. Knowing the value of a national orderly marketing system, the industry did not want to abandon it. And the NFPC held firm too, steadily pressing the industry to keep working to save the system.

Then, on January 14, 2000, all these efforts bore fruit. CBHEMA's Board of Directors alerted the Council that it now had agreement on the way to treat imports in its quota allocation.

At the February Council meeting, Council members prior-approved CBHEMA's preliminary 2000 quota regulation and 2000 levies order, reminding CBHEMA it had to amend its Marketing Plan to reflect the new allocation methodology. More orders followed, covering the 2000 final allocation and preliminary quota and levy orders for 2001.

CBHEMA was able to turn to its other tasks, such as amendments to its own orderly marketing regulation for the NFPC to prior-approve. One amendment allowed broiler hatching eggs to be sold from New Brunswick (which is not a party to the national orderly marketing system for broiler hatching eggs) into Québec (which is) under a special contract. Another amendment removed expiry dates from the regulation, allowing it to stay valid unless changed, without having to return every year to the NFPC for renewal.

Another task to which CBHEMA could now turn its attention was the renewal of the broiler hatching egg Federal-Provincial Agreement. During 2000, CBHEMA held one meeting in March of its FPA Working Group, with an



NFPC representative attending. CBHEMA decided it would watch progress by the chicken agency on its own FPA renewal first. At the end of 2000, with the chicken FPA renewal entering final stages, CBHEMA told the NFPC it was readying itself to tackle the broiler hatching egg FPA in 2001.



Other Parts of the Industries

The NFPC keeps in regular contact with other organizations in the poultry and egg industry.

Council members invited representatives of the Canadian Poultry and Egg Processors Council and of the Further Poultry Processors Association of Canada to meet with them at the Council meeting of February 2–3, 2000.

In turn, NFPC representatives attend meetings of the CPEPC and FPPAC. Representatives attended the CPEPC’s special 50th Anniversary Annual General Meeting in Ottawa in June. The FPPAC invited the NFPC’s Executive Director to its February meeting to give a presentation on the 1999 Poultry Meat Export Awareness Mission to Asia.

The NFPC also was working jointly with both organizations on projects such as following-up on the Asia poultry mission and the resulting Export Working Group, or work on a new poultry database.

The NFPC was connected to other related organizations too, and kept informed of their activities. Council member Anne Chong Hill, for instance, is also a member of the Canadian Agri-Food Marketing Council and brought updates on CAMC developments. The Council members continued to invite guests from various parts of the agriculture industry to speak to them at Council meetings — as with the Canadian 4H Council representative at the December Council meeting.

As mentioned in the Chairperson’s Message, Council members made on-site visits to a producer, a research centre, a further processor, and its provincial regulatory agency counterpart in British Columbia on the occasion of their September Council meeting.



WORKING WITH THE PROVINCES AND TERRITORIES

The NFPC, as always, kept in touch with players at the provincial and territorial level, whether to share ideas or to consult over specific issues as to how the orderly marketing systems are running.

One of the more structured ways the NFPC does this is through membership in the National Association of Agri-Food Supervisory Agencies. The NAASA links the federal NFPC and its counterparts in the provincial and territorial governments.

Consulting and Sharing Information

The NAASA meetings were a good venue for government representatives to alert each other on upcoming developments, to get a feeling for the atmosphere in the different regions during disputes within the orderly marketing systems, or to get feedback on things such as the NFPC's Strategic Vision for 2000-2003.



The NFPC participated in the many NAASA meetings: the teleconferences in January, April, two in May, June, October and December, plus the face-to-face meetings in Ottawa in March and in September (before the NAASA meeting with the Chicken Farmers of Canada on the draft chicken FPA).

FPA

The renewal by the four agencies of their Federal-Provincial Agreements was the biggest issue NAASA members dealt with in 2000.



As mentioned earlier, the Chicken Farmers of Canada was tackling renewal of its chicken FPA and this was a strong focus for the NFPC and its fellow NAASA members. NFPC worked intensely with the CFC on the draft. The NFPC kept an especially close eye on how the provincial supervisory agencies and governments were being kept in the loop and led several of the NAASA discussions on the chicken FPA.



The NFPC was also able to update the other NAASA members on the status of work by the other three national orderly marketing agencies on their FPA renewal.



RULING ON AN EGG COMPLAINT HEARING

The Hearings

In 2000, the NFPC conducted an inquiry into a complaint received against the national egg agency's decision on quota allocation.

The complaint arrived at the NFPC's office on March 24th. It came from Manitoba and Saskatchewan signatories to the national egg agreement. The complainants were the two provincial agricultural ministers, the two provincial government supervisory agencies and the two provincial egg boards. They complained against the Canadian Egg Marketing Agency's proposed 2000 quota allocation among the member provinces and territory.

The Chairperson of the NFPC, upon receiving the complaint, appointed Vice Chairperson Ron O'Connor to chair a three-member Committee to inquire into it.

The Committee held hearings in Ottawa on May 3rd and 4th. It heard economic, policy and legal arguments from the two complainants, from CEMA, and from others in the industry who were involved in setting the quota allocation, or who would be affected by it.

Council member Lorraine Arnett:

“As the new member in 2000, I was impressed by the complexity of balancing interprovincialism versus the national benefits across Canada.”

The Findings

Following the hearings, the Committee made its report. The report presented its conclusions on the arguments raised, presented observations on the scope of the discretion with which the agencies applied their criteria, noted the limits to this discretion, and acknowledged that the complainants had several strong and valid points that needed to be addressed so that the egg system could continue strong into the future.



The Committee concluded by dismissing the complaint. Council then approved CEMA's proposed quota allocation order. However, in transmitting this approval, the NFPC made clear to CEMA and the egg system members its serious concerns on how CEMA was applying its criteria and the methodology by which it set its quota allocation.

The Results

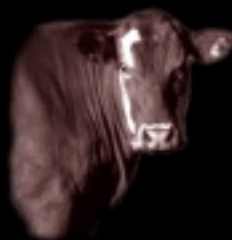
CEMA and the egg industry took this issue seriously and instructed its Quota Allocation Committee to work out a new quota allocation methodology acceptable to all signatories of the National Agreement.

A new methodology was hammered out and agreed to by the CEMA's Board of Directors in the autumn of 2000. Late in 2000 CEMA presented for NFPC approval new quota and levy orders covering the 2001 production year based on this new methodology.

The NFPC prior-approved CEMA's 2001 quota order based on the positive direction of work completed to date.

“I trust that progress will be made by CEMA’s quota allocation committee with respect to developing a new quota allocation methodology and related levy structure.... In Council’s view, it is very important that the agency have [this] in place for CEMA’s 2001 quota allocation.... We have made our concerns known with work to date on this file and anticipate positive developments.”

Letter from the NFPC Chairperson to CEMA, July 19, 2000



Promoting
the Strength
of the
Industries

RECOMMENDING A PROPOSED NEW BEEF AGENCY

For many years, beef cattle producers had been working on a proposal to create a new type of national agency: a promotion-research agency. In January 2000, their proposal arrived at the NFPC.

The beef producers had been finalizing their proposal during 1999, consulting the various parts of the beef industry across the country. The Canadian Cattlemen's Association had the lead on drafting and taking expert advice from the Department of Agriculture and Agri-Food.

This special type of national research-promotion agency was allowed for under Section III of the Farm Products Agencies Act. The Act permitted this type of agency to be funded by a levy on product sales across provincial and Canadian borders, and it could permit this levy to be mandatory.

The Act also named the NFPC as the federal body that would review the creation and operation of any such agency.

No agency of this type had ever yet been created.

But now, beef cattle producers were ready for one.

The CCA presented a proposal to the NFPC, acting on behalf of ten other beef cattle associations across Canada.

Then it was over to the NFPC.

The Farm Products Agencies Act sets out the course of action for the NFPC. The NFPC must conduct an inquiry into the merits of establishing a research-promotion agency, see what benefits it might have, see what negative impacts it might have, gauge what support it has from the industry itself, and look at how it might realistically function. It must conduct at least one public hearing and call for submissions and comments.

The Council Chairperson appointed three Council members to conduct public hearings into the merits of establishing a research, market development and promotion agency. These hearings were held in May and June in Calgary, Alberta, Etobicoke, Ontario and Pointe-Claire, Québec. The NFPC received and considered many comments and submissions. It carried out its own research and thinking. It wrapped together its findings in a Report on the Inquiry.

The Report was formally adopted by the Council at its December meeting.



Council member and beef hearing panel member Sandy McCurrach:

“An interesting exercise this year has been the beef proposal. It was certainly a good initiative. It was a progressive step and it’s the start of more to come.”

The National Farm Products Council concluded that there was merit in creating this agency. The Council sent its recommendations to the Minister of Agriculture and Agri-Food, namely that:

- the public interest would be well-served by a vehicle that could generate funding needed for good research, market development and promotion for beef cattle, beef and beef products
- there was ample evidence of majority support from the aggregate of producers and importers in Canada
- a national beef cattle research, market development and promotion agency be created, according to the Farm Products Agencies Act
- the agency be headquartered in Calgary (as the industry proposed)
- the agency be authorized powers over product sales across a provincial border, over exports and also over imports (whether or not the industry actually chooses to exercise those powers immediately, or ever)
- that the agency ought to have representation from the Canadian Meat Council and from the Canadian Association of Importers and Exporters, as well as from the different provincial producer boards
- the promotion and research plan in a draft agency Proclamation be adopted and implemented
- more work be done to flesh out the levying system and how it could dovetail with existing provincial levy systems
- levying be phased in, since not all provinces had in place legal arrangements that allowed them to impose a mandatory, non-refundable levy on trade within the province
- imports not be levied unless and until all domestic trade was being levied.

At the end of 2000, the NFPC was readying itself to work with the industry to build the operating details and legal requirements needed to make this agency a reality.



LOOKING AT INTERNATIONAL DEVELOPMENTS

If you know what's over the horizon, then you can move towards potential opportunities or prepare a strong defence against potential problems.

The NFPC aims to strengthen the industries with which it works, and part of that is keeping aware of what might be over the horizon that could affect the industries, and sharing that information with them. Council members and staff attend international conferences, such as the U.S. Department of Agriculture Outlook Conference in February 2000 and the U.S. National Chicken Council meeting in Washington in October.

During 2000, our work fell into two main areas:

- 1 tracking WTO developments,
- 2 increasing export awareness and readiness in the poultry and egg industries.

We closely watched the WTO negotiations during 2000. We were included in de-briefings from Canada's negotiators and kept contact with the agricultural team based out of the International Trade Policy Division at Agriculture and Agri-Food Canada (AAFC). Council members had regular updates on developments.

We also carefully watched developments following the WTO decision on Canada's dairy export policies, with attention to possible implications for the poultry and egg orderly marketing systems and their programmes. We discussed the implementation of the decision with the Canadian Dairy Commission, the Department of Foreign Affairs & International Trade (DFAIT) and AAFC. On June 12, the Chairperson and Executive Director took part in a meeting at AAFC with DFAIT, the national egg agency and the national chicken agency to discuss the WTO dairy ruling and Canada's poultry and egg programmes.

On the export awareness and readiness side, we followed up on the Poultry Meat Export Awareness Mission to Asia in 1999, which we had initiated and coordinated, and on the decision late in 1999 to form a Poultry and Egg Export Working Group.

The Poultry Meat Export Working Group had its first meeting on January 31, 2000, bringing together chicken and turkey producers, processors, further processors, traders, the NFPC and officials from AAFC's Market Information and Services Branch.

As mentioned earlier in this Review, our Executive Director was invited to the February 18 meeting of the Further Poultry Processors Association of Canada

to give a presentation on the mission and seek FPPAC participation in the working group.

On May 25, the NFPC and the Canadian Poultry & Egg Processors Council (CPEPC) co-hosted a meeting in Toronto to bring together poultry processors once again for a look at the approach to exporting. At that meeting, Council outlined the actions taken in the beef industry through the Canada Beef Export Federation as it moved into an export orientation that has resulted in positive increases in Canada's beef trade.

On October 30, the NFPC invited some 20 industry leaders to a meeting of an expanded Export Working Group. Some successful poultry meat exporters shared their experiences. The participants talked over different perspectives on developing export markets. The Canada Beef Export Federation spoke about the beef industry's success in increasing the quantity and value of its exports, and offered to work cooperatively with the poultry industry in export markets. Information on this meeting was circulated in the NFPC and CPEPC newsletters.

Following this meeting, we began to develop an action plan with industry input to effect the next steps in export marketing of poultry and egg products.

One of the tasks was to research appropriate international food shows. One popped out from the rest: Tokyo's Foodex 2001, March 13–16. At the end of 2000, the NFPC had begun work on organizing poultry representation at the show at the Canadian government pavilion.

The NFPC is part of Team Canada Inc., the 'virtual' trade agency that coordinates export development programmes, exporter information and other services to exporters offered by the government members and private sector partners. Our representatives attend the regular TCI Management Board meetings, where the members update each other and review progress on joint TCI activities. As a member organization, we took part in a consultant's survey on TCI governance.

Another project in 2000 aimed to strengthen the industry by increasing export readiness and by opening export opportunities. This was to update poultry and egg listings on the federal SourceCAN directory. SourceCAN is a free e-business network operated by Industry Canada, where foreign and domestic buyers can directly find companies that provide Canadian products and services. We began a cooperative campaign with Industry Canada and the poultry and egg industry to make all industry companies aware of the directory and make sure that any company who wants to be listed has an up-to-date and complete profile.



GUIDING FARM PRODUCT GROUPS THROUGH THE APMA

It's not just about poultry and eggs, or even beef for us...

... the NFPC's work touches on other farm products as well.

Wood, canola, flax, alfalfa, hogs, — all had APMA orders that the NFPC staff worked on in 2000.

Sheep, potatoes — these industries had advice from the NFPC on the APMA during 2000.

The 'APMA' is the Agricultural Products Marketing Act. It lets the federal government grant a farm product group certain powers over the marketings of a product across provincial or Canadian borders so long as a provincial government has already granted that group those powers over marketings within the province or territory.

A farm product group has to get the process started by making an application under the APMA to the NFPC. The NFPC then guides the order through the federal evaluation and approvals process, coordinating with the sectoral group, other federal agencies and often a provincial government or two.

The application has to provide the right kind and detail of information. The NFPC assesses the application's content and prepares it for legal review and approval, including evaluation of the client's legal powers under their provincial governments. At the same time, policy issues are evaluated by the Department of Agriculture and Agri-Food.

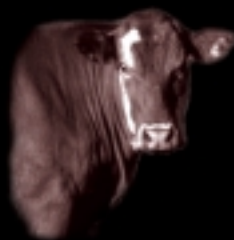
Once an order receives approval, the NFPC prepares it for publication in the Canada Gazette, which puts it into effect.

In 2000, the NFPC 'gazetted' six APMA orders, with another five in the works for 2001, as well as giving advice to other sectoral groups on the APMA, what it can do, what is needed for an application, and what the process is.

To help make the APMA process simpler for sector groups, the NFPC launched an initiative in 2000 to produce a better, more convenient guide to the APMA. It also continued discussions with the Departments of Agriculture & Agri-Food, and of Justice, on better APMA administration, notably on regulatory requirements for publishing orders and regulations.

The NFPC website, too, was turned to good use, with a new reference section on the APMA application process, so that sector groups could quickly get oriented no matter where they were in the country.





Improving
Council
Operations

VISIONING AND PLANNING

Where will the NFPC be in three years?

What will the industries be like? What will the orderly marketing systems be like? What about the other types of agencies within our mandate? What issues will be important for the industries with which we work? What will our work be like?

And where do we want to be in three years — and what can we do to get there?

These were the questions for our Strategic Vision exercise in 2000. It began with the Council members, widened through consultations with our partner groups in the government and in the agricultural sector, continued with full NFPC staff discussions and resulted in a Strategic Vision document. The Strategic Vision document was circulated throughout the industry and served as a good anchor point for our planning in the immediate and mid-term.

On January 31, the exercise began with a two-day retreat by the Council members. They brainstormed on such questions as: What more could the NFPC do to make dispute resolution mechanisms in the industry more effective? What were the impacts of globalization on the industry and the orderly marketing system, both pressures and opportunities? Did our perception of this differ from that of the industry? Was there a rise of regionalism in the national orderly marketing systems and, if so, how ought we to respond to it? Some of the answers were pulled together in an action plan.

This action plan, fused with the regular annual work planning, grew into our Strategic Vision document. The Strategic Vision set out the priorities for the NFPC for the following three years and the line of action we would take to address those priorities. The document was widely circulated through a mailing, publicized through our own outreach and industry newsletters, and was posted on our website in an updated Priorities section.

The Strategic Vision and the long-term action plan could then frame our annual planning and priority setting.

They would also help structure our accountability reporting. Every year, the NFPC makes two reports to Parliament — and 2000 was no different. The first, in early spring, is the Report on Plans and Priorities. It is based on the NFPC's annual strategic planning and it outlines plans, key target results and the needed associated resources for the following three-year period. The second is in the fall: a Performance Report on the previous year's accomplishments. The NFPC reports for 2000 appeared in the same publications as reporting from the Department of Agriculture & Agri-Food.



INTEGRATING EFFORTS WITH FEDERAL PARTNERS

The NFPC works within the federal agriculture portfolio with the other portfolio agencies, as well as with other federal agencies whose work coincides with our own. The idea is to coordinate, rather than duplicate or leave gaps in the value we bring to the public and the commodity groups Council deals with.

The National Farm Products Council is very conscious of its responsibility to fulfill the duties and role assigned to it by Parliament. There is also the recognition of a responsibility to serve the needs of citizens. The Council is an integral and active member in the government's agriculture and rural portfolio supporting the initiatives and programs of the Department of Agriculture and Agri-Food.

The NFPC has a close administrative relationship with Agriculture and Agri-Food Canada (AAFC). As mentioned in an earlier section of this Review, the NFPC reports to Parliament are included in the AAFC's reports.

The NFPC receives various administrative support from AAFC. The NFPC also relies on the technical staff at the AAFC to keep our website functioning, and functioning well, for our web visitors, plus two-way linking between the AAFC and the NFPC to direct visitors to the information and contact coordinates they need from either organization.

The Council's members and staff draw on their intimate knowledge of the operations of the four national agencies and developments in the various farm product industries to provide briefings, advice and analysis to other government departments and agencies as requested throughout the year.

The NFPC participates in planning and policy discussions connected to our mandate, providing the other portfolios with briefing notes and advice on policy or speeches. NFPC representatives take part in regular meetings with AAFC and other agriculture portfolio officials on management, administration, informatics and communication outreach.

Special to 2000, and mentioned earlier in this Review, the NFPC worked with the AAFC, along with Justice Canada, to streamline the APMA approvals process, to simplify and speed up the turnaround to the commodity groups.

The NFPC also explored with Justice Canada and the Privy Council Office ways to streamline the processing of orderly marketing agency orders and regulations. The result: a more convenient, less expensive process for the national agencies was to be put in place during 2001.



Tracking WTO and international agriculture developments is another area of joint effort. As mentioned earlier in this Review, AAFC and NFPC stayed close on the WTO negotiations, and both met with the Canadian Dairy Commission during 2000 on the WTO's ruling over the dairy export programmes.

The NFPC also contributes to the programmes of foreign agricultural delegations coordinated by AAFC. This year, delegations from Poland and Costa Rica had presentations from the NFPC on Canada's orderly marketing systems and government policy.

The NFPC joined the portfolio on specific project initiatives, such as the Youth Opportunities Programme, including publicizing the programme with the industries closest to us and joining in to produce a pamphlet and special website where young people could get more information about the programme. Another project linked the NFPC, AAFC and the broiler hatching egg agency to begin construction of a more accessible poultry database, which will help to ground decisions, and thinking, on a more common basis.

The NFPC also joined in federal-wide meetings, and worked on wider federal issues and projects with other federal agencies. Some examples have been described earlier in this Review: how the NFPC brought its expertise to the team led by the Department of Foreign Affairs and International Trade on chicken imports. Or how the NFPC is an active member of Team Canada Inc. on export awareness and services to exporters. Or the NFPC's work with Industry Canada on the SourceCAN exporters' directory.

The NFPC joins, too, on government-wide initiatives, such as the Government On Line initiative to make more complete use of new technologies to deliver services, or the Common Look & Feel initiative to help web visitors navigate better through federal government web resources.



EXPLAINING OUR ROLE

“Does the National Farm Products Council look after all farm products?”

“What is orderly marketing?”

“How does the orderly marketing system work — and what does the NFPC have to do with it?”

“How will what’s going on internationally affect how these systems operate at home?”

“I’m looking to sell several tonnes of soybeans — are you buying?”

“I’m looking to buy pine nuts — can you sell me any?”

...and “Are there really such things as green eggs?”

These are only some of the questions that came to the NFPC during 2000! Some came through regular meetings and contacts by the Council members and staff. Some came by FAXed or mailed letter. And some came through the NFPC website.

The NFPC puts great importance on providing value-added information: information that is not being provided elsewhere, or direction to where to find the right information.

The NFPC uses many tools to explain what our role, who we are, what it does and what it all means. These include: the website; the biweekly FOCUS newsletter; the monthly updates to the Minister of Agriculture & Agri-Food and to the other agriculture portfolio members; media interviews; articles in industry press; guideline booklets; and presentations both at the NFPC headquarters and farther afield.

In 2000, the NFPC steadily improved its website, notably with new sections on the beef cattle agency proposal, on the legislation under which we work, on the APMA and application process, and on promotion-research agencies in general. In the autumn, Council also launched a quicker web report on the outcome of Council meetings. Work also began on planning and implementing the design and functional changes required under the new federal Common Look & Feel campaign for federal websites.

We also improved how web visitors were led to our website by improving how the Internet search engines found and featured our site. We made it easier up-front for visitors to understand what our site was about, and offered quick and easy links to redirect their questions to sites more likely to have the answers they were looking for. Thanks to these improvements, the number of lost web visitors or misdirected questions dropped dramatically. This freed up network resources, saved staff time redirecting visitors and saved lost info-seekers much frustration.



The website featured several documents that were also distributed and made available in paper format: the Strategic Vision document; notices and information about the beef agency hearings and evaluation process; and the Agrifacts info sheets that give an overview of the poultry and egg industries and good sources of data.

The website also featured our speeches and presentations through 2000, often with the accompanying visuals.

These presentations were a big part of the NFPC outreach in 2000. Council representatives went out to most of the provincial-level orderly marketing commodity annual meetings across the country. And several were invited to make presentations, including at the national agency annual general meetings in the spring.

As has been mentioned earlier in this Review, the NFPC organized special presentations to the industries on exporting, on the Poultry Meat Export Awareness Mission to Asia in 1999, and on WTO developments. We also made presentations on the orderly marketing system to foreign delegations to Canada.

One other large presentation was to the combined Canadian and U.S. bankers' associations at their conference on agriculture, held in Winnipeg at the end of September. This was at the request of the American bankers, who had heard much about this Canadian 'orderly marketing' and wanted to know more. It was also a good orientation for many of the Canadians there. After the presentation, several of the U.S. bankers wanted to know how they could get some orderly marketing systems in place in the U.S., too!

These were some of the ways the NFPC answered these questions of who the NFPC is, how the orderly marketing systems benefit Canadians, where to get information on buying and selling various farm products — and the whole range of questions put to us.

Including the fact that, yes, there really are green eggs...



OPERATING BETTER

As part of the NFPC's planning, and aim to provide value, we looked at ways to improve the effectiveness and value of its own operation.

Budgeting

2000 saw a better link to the financial planning services provided to us by the Department of Agriculture and Agri-Food, following an agreement in 1999. Corporate Services Branch now provides this service, giving the NFPC a direct link to the central budgeting branch and more direct access to central planning information.

Review of Vote Status

The NFPC completed its review begun in 1999 of the route by which the Council receives its budget from Parliament, otherwise known as its 'Vote Status'. The decision was to continue the existing arrangement, with the NFPC receiving its budget through AAFC rather than separately from Treasury Board.

NFPC-AAFC MOU

During 2000, we began work to develop a Memorandum of Understanding with AAFC to set out clearly what services and service levels AAFC provides to the NFPC. This work will continue in the next year.

NFPC-PSC MOU

Another MOU the NFPC was working on in 2000, was one with the Public Service Commission on issues of accountability during staff hiring. The PSC is entering into agreements with all departments and agencies with respect to accountability to PSC and Treasury Board of delegated staffing authorities. It was expected that the NFPC would enter into an MOU with the PSC in 2001.

Staffing Actions

For the first part of 2000, two NFPC staff members were finishing job exchanges with the AAFC to increase their knowledge and tighten working relations with the Department. One was with the AAFC's poultry policy division and the other with the AAFC's informatics team. Another staff position was regularized from a long-term acting status to a permanent basis. Throughout the year, several people were selected and brought in to keep the NFPC up to full contingent during temporary vacancies.



GLOSSARY OF ACRONYMS

AAFC	Agriculture and Agri-Food Canada
APMA	Agricultural Products Marketing Act
CAMC	Canadian Agri-Food Marketing Agency
CBHEMA	Canadian Broiler Hatching Egg Marketing Agency
CCA	Canadian Cattlemen's Association
CEMA	Canadian Egg Marketing Agency
CFC	Chicken Farmers of Canada
CFO	Chicken Farmers of Ontario
COP	Cost of Production
CPEPC	Canadian Poultry & Egg Processors Council
CTMA	Canadian Turkey Marketing Agency
DFAIT	Department of Foreign Affairs and International Trade
FPA	Federal Provincial Agreement
FPPAC	Further Poultry Processors Association of Canada
GATT	General Agreement on Tariffs and Trade
ICL	Import Control List
MOU	Memorandum of Understanding
NAASA	National Association of Agri-Food Supervisory Agencies
NFPC	National Farm Products Council
NWT	Northwest Territories
PSC	Public Service Commission
TCI	Team Canada Inc.
WTO	World Trade Organisation