

A blue-tinted photograph of a farm scene. In the upper right, a large hen stands facing left. In the lower left, a duck is visible. At the bottom center, three small chicks are huddled together. The background is a cracked and peeling concrete surface. The text 'PROMOTING THE STRENGTH OF THE SECTOR' is overlaid in white, with 'STRENGTH' being the largest word.

PROMOTING THE
STRENGTH
OF THE SECTOR

INFORMING

& ADVISING OUR INDUSTRY & GOVERNMENT PARTNERS

Throughout the year, Council enhanced its role as a source of information and advice to both industry and government stakeholders.

Because it works daily with the poultry and egg industry, Council is in a unique position to provide the Minister and Department of Agriculture and Agri-Food with timely and relevant insights into the sector and its concerns. Conversely, Council provides a window into the federal government for poultry and egg industry stakeholders.

Council members and staff maintain regular liaison with a wide network of contacts and keep them updated on a wide range of subjects. Several times this year, Council briefed the Minister on industry developments and sought formal Ministerial guidance on certain points. Council contributed to federal deliberations on multilateral rules for investment and competition policy, and on new AAFC policies to support aboriginal agriculture. Through its newsletter and website, Council kept industry stakeholders regularly informed of interesting developments, notably in the US poultry and egg industries.

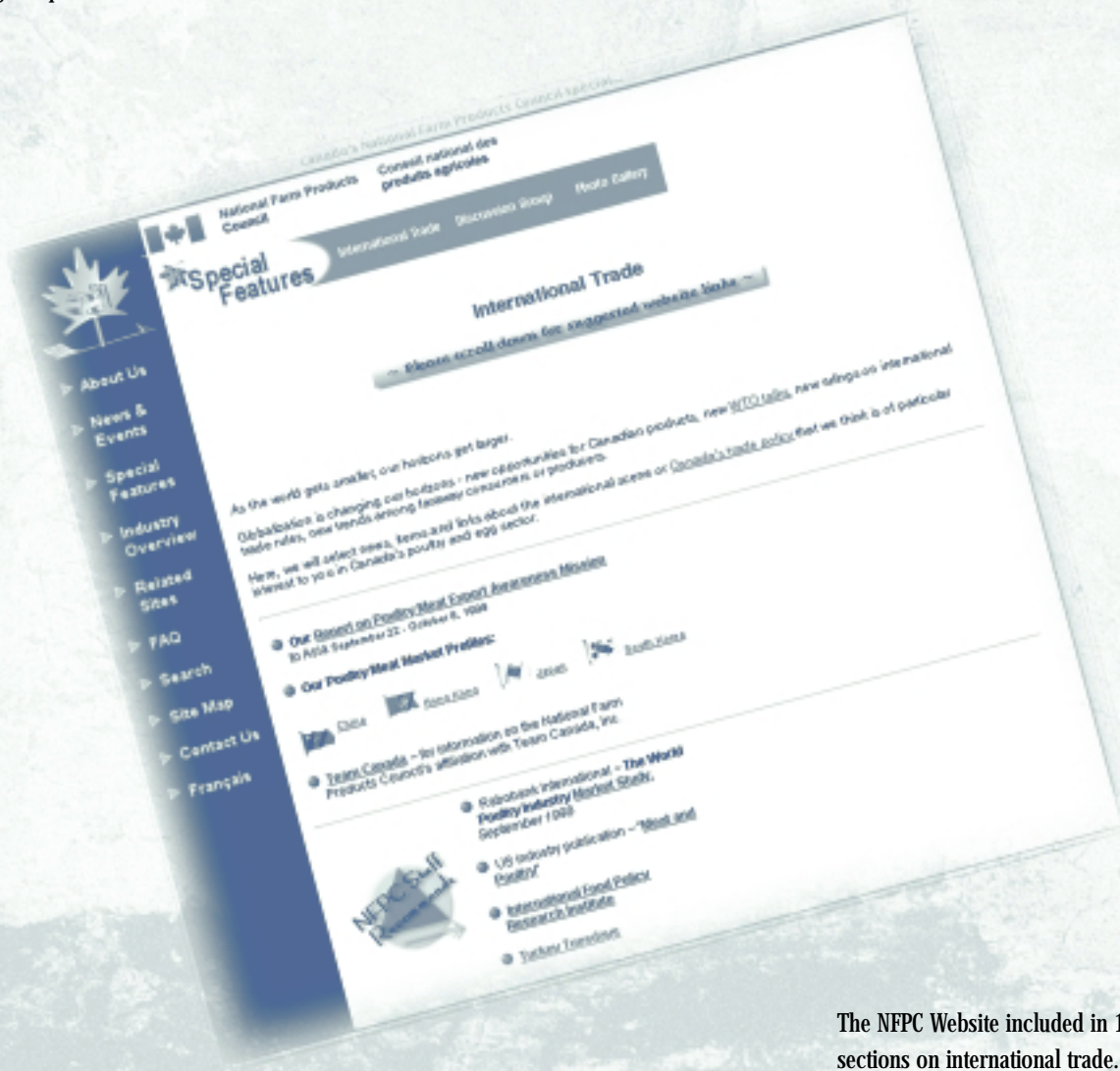
Trade policy issues were high on the Council's agenda. Trade policy issues were discussed at every regular Council meeting and in much of Council's outreach to industry and government during the year.

Council set out to be well-informed and to provide informed input on trade policy issues. In February, Council members and staff attended the USDA's Outlook Conference in Washington. In April, all Council participated in the pre-WTO federal-provincial conference "Towards an Agricultural Trade Position: Dialogue with Canadian Industry". Throughout the year, Council provided the Minister with advice, as Canada developed its WTO negotiating position on agriculture, peaking with November preparations for the Seattle ministerial meeting. Despite the failure to launch a

new WTO round in Seattle, work will continue in 2000 and Council will have an active part.

Council also set out to share information on trade policy issues. In May, Council hosted a special meeting of poultry and egg industry stakeholders with James Schroeder, the Deputy Secretary of Farm and Foreign Agricultural Services at the U.S. Department of Agriculture. Twice Council briefed Chinese government delegations: in June, for a large group of Chinese officials interested in the

regulation of agricultural markets in Canada and again in October when a smaller group of Chinese agricultural officials came to Ottawa to learn about Canada's approach to implementing its WTO commitments. In November, Council organized a special meeting of poultry and egg industry stakeholders to hear trade officials discuss the WTO's decision on Canada's dairy export programs.



The NFPC Website included in 1999 new sections on international trade.

RAISING

EXPORT AWARENESS

The Council is a member of Team Canada Inc., the partnership of government agencies that is the starting point for guidance on export readiness, export market intelligence and export promotion programmes. Export awareness is a regular element of Council's outreach and information-sharing in the sector.

In 1999, the major project was the first-ever Canadian Poultry Meat Export Awareness Mission to Shanghai, Hong Kong, Seoul, Tokyo and Osaka, September 22 to October 8.

It was organized by the Council in cooperation with Agriculture and Agri-food Canada, the Canadian Poultry and Egg Processors Council, and Canada's Embassies and Consulates in the region. It was partially funded under the Agri-Food Trade 2000 program.

The mission aimed (1) to assess the potential of these Asian markets for expanded sales of Canadian poultry meat products (both chicken and turkey), and (2) to communicate the findings to the Canadian poultry meat industry.

Mission members represented a cross-section of producers, processors, traders, sectoral associations, as well as Council members and staff.

They met poultry processing companies, poultry meat importers and distributors, poultry industry associations, foodservice operators, government officials. They visited retail outlets and the traditional streetside "wet markets". They attended two food industry trade shows (*Food China 1999* in Shanghai and *Hoteres and Foodex Kansai 1999* in

Osaka). In many of their meetings, mission members made presentations on the Canadian poultry meat industry and its products. In Hong Kong, a formal presentation was given to an invited audience of local traders.

The mission fully met its first aim by gathering a considerable amount of information on poultry meat markets in China, Hong Kong, Korea and Japan. Many mission members were surprised by the sophistication and pace of change in the poultry meat industries and markets of these countries, both in terms of

production capacity and technological development and in terms of consumer trends.

As for the second aim, Council prepared a mission report with input from the mission members. The report was widely circulated to the industry and posted on the Council website, along with four detailed market studies of the countries. Council sought interest for the mission from sectoral media, and several mission members gave interviews. Council also developed an audio-visual presentation

on the mission's activities and findings for mission members to use in their presentations at industry meetings in the coming months. Council hosted a follow-up meeting of the mission members in December and a working group was formed to engage in the on-going work resulting from the mission.

Chairperson Cynthia Currie and Mr. Shizu Fukuda of Z. Kuroda Ltd., a satisfied Japanese importer of Canadian poultry.



Introductory booklets for the mission were prepared in Mandarin, Korean and Japanese, here with (from l. to r.) Liz Leckie, Analyst for Statistics and Special Projects, Lisette Walthier, Secretary, and Rory McAlpine, Executive Director.

The mission members helped the NFPC to produce this Report, which was widely circulated in the sector.

SHARING

BEST PRACTICES

Council gives importance to initiatives (by others or our own) that discover and share information useful to the industry. For example, Council was one of the sponsors of the Poultry Industry Council's October conference on animal health. Council also directed members of the sector towards other sources of support and financing for such initiatives, such as through AAFC programmes.

Among our own initiatives is on-going work on Cost of Production Guidelines (COP). The Council's Cost of Production Guidelines (produced late in the autumn of 1998) were further disseminated in the sector and made available via the Council website.

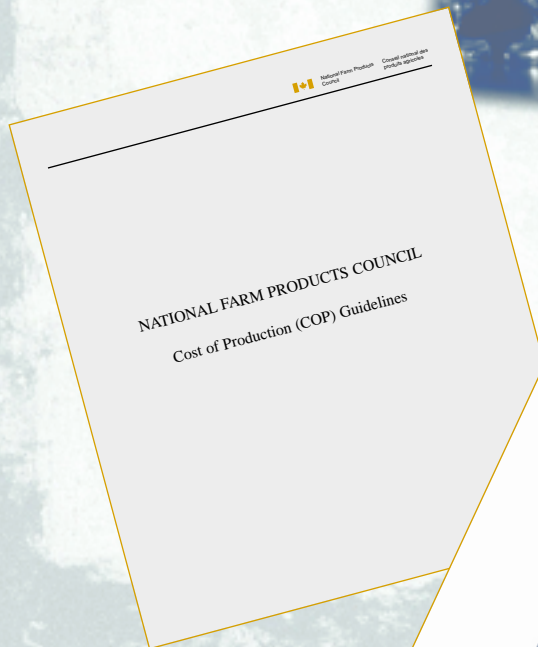
CEMA decided that its Cost of Production Committee will work with the Council on COP Guidelines. While some issues of cost and resources were still to be settled, CEMA intended that this be the base from which it would conduct its national COP survey of its members in 2000.

Council is interested in this field as part of its mandate both to strengthen the efficiency and competitiveness of the industry and to have due regard for the interests of producers, industry stakeholders and consumers. Council first developed COP Guidelines in 1984 and has amended them over the years to reflect changing business practices and estimation techniques.

Benchmarking is another area of interest to Council. At the Council's "Growing the Industry Profitably" workshop in autumn 1998, the four commodity sectors all identified the need for benchmarking at both the producer and processor levels. In the spring

of 1999, Council produced a paper on benchmarking. The paper discussed current concepts, advantages and disadvantages and identified sources of funding that help industries to introduce benchmarking. The broiler hatching sector completed their look at benchmarking

in 1998. The turkey sector made good use of this focus on benchmarking for its own work during 1999, and the chicken sector has benchmarking in its strategic plan.



Executive Director Rory McAlpine and Commodity Advisor Robert Botsford with the NFPC's paper on Benchmarking.

POSSIBLE APPLICATION FOR FIRST PROMOTION/RESEARCH AGENCY

It is the Council's mandate to look into the benefits of establishing a promotion and research agency at the written request of one or more associations representing a significant number of primary producers. In 1999, the Canadian Cattlemen's Association (CCA) was preparing such a request and the Council was preparing to receive it.

The Farm Products Agencies Act provides for the establishment of both marketing and promotion-research agencies for farm products. Originally, the legislation had not allowed for the latter, but that was changed in 1993.

A promotion-research agency, as defined under the Act, can conduct primary production research, new product development, advertising and promotion, nutritional research and consumer education. To do this, it is funded by levies (or "check-offs") paid by domestic producers and, perhaps, levies on imports. Levies can be mandatory or

NFPC prepares to receive an application for a new beef promotion/research agency: here (l. to r.): Carola McWade, Louise Séguin, Pierre Bigras and Carole Hotte.



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refundable. All farm products are eligible to have such an agency, including wheat and barley regulated under the Canadian Wheat Board Act.

If the Council receives a formal request or application, it must conduct at least one public hearing to examine the validity of a proposal, to determine the level of producer support, and to determine whether the establishment of such an agency would be in the public interest. The Council then would make its recommendations to the Minister of Agriculture and Agri-Food. The Council might suggest the terms of a promotion and research plan that an agency would be authorized to implement, or the powers that an agency could hold under the Act.

Since 1993, various commodity groups have explored the possibility of creating a national promotion/research agency, but none has yet been established.

In July of 1999, the Council was notified by the Canadian Cattlemen's Association (CCA) to expect a proposal for a Canadian Beef Cattle Research, Market Development and Promotion Agency. The CCA was working closely with Agriculture and Agri-Food Canada to develop a complete proposal.

In anticipation, Council staff began preparations for public hearings. Council staff also met with the CCA Executive to explain the hearing process and requirements of the Farm Products Agencies Act.

In 1999, Council staff also began work with Markets and Industry Services Branch of AAFC to produce a user-friendly information kit on promotion-research agencies, to be available early in the year 2000.