



FOCUS Newsletter



National Farm Products
Council

Conseil national des
produits agricoles

May 2009

New Member at Council

At the end of March, Federal Agriculture Minister **Gerry Ritz** announced the appointment of **Phil Klassen** as a member of the National Farm Products Council (NFPC). Mr. Klassen will be with the Council for two years.

Mr. Klassen operates a dairy, cow-calf, grain and hay farm near Herbert, Saskatchewan. He has operated the farm in partnership with his two brothers since 1976.

In 1998, he served as a delegate to Agrifoods International Co-operative Ltd. Shortly after that, he was elected a director of the Saskatchewan Dairy Foundation.

As elected director of the Dairy Farmers of Saskatchewan over the past seven years, Mr. Klassen served on many of the organization's committees and as its Vice-president.



In addition, he has been a representative to the Western Milk Pool, the Canadian Milk Supply Management Committee, as well as serving as a delegate to the Dairy Farmers of Canada and the Saskatchewan BSE Advisory Committee.

Active in his community, Mr. Klassen and his wife have raised six daughters and one son with a strong appreciation for farming.

Mr. Klassen has already attended a three day orientation session and participated in two Council meetings.

Please join us in welcoming him to our Council.



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COMMENTS or QUESTIONS

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Council Business (Decisions)

Council Meetings May 1 and May 19-20

During Council's two meetings held in May, the following items were discussed.



Egg Farmers of Canada *Amendment to Canadian Egg Marketing Agency Quota Regulations*

Council members met on May 1st to discuss and consider an amendment to EFC's Quota Regulation which accommodates the terms of the recent agreement and MOU between EFC and Saskatchewan.

As were other stakeholders, Council members were very pleased with the settlement of the long lasting dispute between Saskatchewan Signatories and EFC on the allocation of the overbase quota. With this settlement, EFC will now be able to work towards the renewal of the Federal-Provincial-Territorial Agreement (FPTA).

After an exhaustive review of the rationale and information presented by EFC and NFPC's staff, Council approved the new Quota Regulation which will increase the national allocation by 378,392 layers.

First, Council members considered that the increase of egg production was warranted as reflected by recent trends and data on egg table disappearance and imports. Council saw the need to act quickly to ensure that new layers would be in production in time for the peak period before Christmas.

Second, Council members felt concerns raised with regards to the consistency of the Saskatchewan/EFC agreement with the current FPTA and the FPAA can be resolved and could ultimately best be addressed in the development of the new FPTA.

Council members believe that all parties consider this agreement and the subsequent renewal of the FPTA as an opportunity to develop a more robust and rigorous overbase allocation methodology that will be consistent with section 23 (2) of the FPAA and allow the industry to be flexible enough to respond to regional and provincial requirements, when necessary.

This represents a crucial task in order to secure the system against any future challenges and therefore ensure stability and continued prosperity in the egg industry. In this regard, as per our new strategic directions, NFPC remains committed to being proactive playing a coordinating role to assist the Agency and all parties in this task.

In this context, Council plans to finalize its review process, started in 2008, to assess proposed methodologies developed by Saskatchewan and by EFC. As you know, Council undertook independent reviews of Saskatchewan's proposed methodology on how to implement comparative advantage of production which was distributed to all stakeholders.

Council also undertook independent reviews of Doyon's Indicators Approach in evaluating the 5 overbase factors.

Further, as suggested by one of the authors, Council has initiated some additional research on the possibility of using the DRC (Domestic Resource Cost) method for measuring comparative advantage in a context of the supply management system.

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Provincial Distribution of March 2009 Overbase Allocation – in Layers

	No. from Hen to Population	No. from Market Share	SEP/EFC Agreement	Total Increase in Layers	% of Total
BC	18,124	22,855		40,979	10.83
AB	39,265	16,016		55,281	14.61
NT		1,070		1,070	0.28
SK		-	18,011	18,011	4.76
MB		20,747		20,747	5.48
ON	28,363	70,188		98,551	26.04
QC	92,348	33,800		126,148	33.34
NB	2,090	4,008		6,098	1.61
NS		7,060		7,060	1.87
PE		1,186		1,186	0.31
NF		3,261		3,261	0.86
CN	180,190	180,191	18,011	378,392	100.00

These reviews will soon be made available to all parties and can provide a good research foundation for the Egg Signatories to modernize and upgrade the current approach.

The renewal of the FPTA must be viewed as a very important

matter for all provincial and territorial supervisory boards, which, as they were asked by the Ministers in the mid 90s, should provide the leadership needed to minimize potential and repeated complaints on the allocation issue in the egg industry. As already discussed between the

Chairs of NFPC and EFC, Council encourages EFC to begin discussions as soon as possible so that a draft document can be circulated to all signatories and stakeholders by the fall of this year.

The new quota regulation includes an increase to the Federal quota on an annualized basis of 9,456,001 dozens (the equivalent of 378,392 layers) which is a result of an increase in the table disappearance in 2008 when compared to the average table disappearance for 2006, 2007 and 2008. The effective date is from April 19, 2009 and will expire on December 26, 2009.

The table above illustrates the 2009 EFC quota allocation.

Chicken Farmers of Canada Amendment to Chicken Quota Regulation for A-92

During the May 19-20 meeting, Council approved the amendment to the Canadian Chicken Marketing Quota Regulations establishing a domestic quota allocation of 201,236,831 kgs live weight (148,173,845 eviscerated) and the market development quota at 12,210,096 kgs live weight (8,988,910 eviscerated) for the period beginning June 21st, 2009 and ending on August 15th, 2009.

LIMITS FOR PRODUCTION AND MARKETING OF CHICKEN FOR THE PERIOD BEGINNING ON JUNE 21, 2009 AND ENDING ON AUGUST 15, 2009

Item	Column 1 Province	Column 2 Production Subject to Federal and Provincial Quotas (in live weight) (kg)	Column 3 Production Subject to Federal and Provincial Market Development Quotas (in live weight) (kg)
1.	Ont.	66,693,438	2,530,000
2.	Que.	54,426,713	5,185,000
3.	N.S.	7,260,937	0
4.	N.B.	5,769,531	0
5.	Man.	8,492,321	389,950
6.	B.C.	29,316,205	2,585,000
7.	P.E.I.	738,804	0
8.	Sask.	7,286,752	1,020,146
9.	Alta.	18,462,160	500,000
10.	Nfld. and Lab.	2,789,970	0
Total		201,236,831	12,210,096

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Turkey Farmers of Canada



Council approved amendments to the Canadian Turkey Marketing Quota Regulations for the 2009-2010 control period setting the allocation at 170,059,265 kgs (374,916,551 lbs) beginning April 26, 2009 and ending on April 24, 2010, during its May 19-20 meeting.

TFC revised the regulations in response to a request from the processing industry to reduce the further processing quota by 220,000 kgs and in light of the current market situation that dictates a 2 Mkg reduction of the whole bird quota.

The approved changes to the whole birds and the further processing quotas necessitate an increase to multiplier breeder allocations of 34,673 kgs. The net result is a reduction of 2,185,327 kgs of the global quota previously approved by Council.

The proposed revised quotas are an acknowledgment that the size of the markets for turkeys may have temporarily decreased as a result of the deterioration of the global economy and its impact on meat buying habits of Canadian consumers.

CONTROL PERIOD BEGINNING ON APRIL 26, 2009 AND ENDING ON APRIL 24, 2010		
Item	Column 1 Province	Column 2 Pounds of Turkey
1.	Ontario	162,524,709
2.	Quebec	75,854,774
3.	Nova Scotia	9,817,532
4.	New Brunswick	7,771,481
5.	Manitoba	26,829,432
6.	British Columbia	46,467,126
7.	Saskatchewan	12,467,240
8.	Alberta	<u>33,184,257</u>
TOTAL		374,916,551



Council Business (Activities)

May 14th NAASA Breakfast Meeting

During the morning of May 14th, our Chairperson, **Bill Smirle** along with Vice-Chair **Brent Montgomery** and Member **Ed de Jong**, participated in a NAASA breakfast meeting. The main discussions were on the EFC and Saskatchewan agreement as well as the concept on differential growth, in preparation for the CFC's differential growth consultation workshop held the same day.

NFPC Business Plan

As part of the Council's 2009-2012 strategic plan, NFPC staff participated in a two-day retreat to establish a working business plan that is aligned with the priorities of the three-year strategic objectives. The document will provide operational objectives, priorities, activities and expected results as well as timelines.

Update on Oversight Committee

At its April 7th and May 21st meetings members provided progress reports on the issues of price setting, processor margins, a review of the market development program, interprovincial movement, differential growth and the development of analytical tools.

Details of the upcoming session on chicken Tariff Rate Quota (TRQ) were discussed. The objective of this session is to provide stakeholders with a better understanding of the TRQ/Supplementary Imports systems for chicken in relation to the allocation setting process in the Canadian chicken industry.

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Items on the agenda will include information on TRQ and Import Permit Administration, Non Import Control List Quota and the use of Supplementary Imports.

The meeting is tentatively set for the beginning of September and additional information will be provided in the coming weeks.

Report on USDA Conference

Chairperson, **Bill Smirle** attended the 85th edition of the USDA conference with this year's theme "*Global Agriculture and Rural America in Transition*".



The keynote address was given by the US Secretary of Agriculture **Tom Vilsack** and a plenary session included guest speakers USDA Chief of Staff **John Norris** and **Lawrence H. Summers**, Director of the National Economic Council.

Other presentations included Global & Domestic Perspectives on Food Security, Impact of Volatile Prices on World Food Prices, Imported Food Safety and Food Defense, Trade Talks – What's next for the Multi-lateral Trading System and more.

Clément Côté moves on



The NFPC is losing a member of its staff team. After three years as a Senior Policy Advisor **Clément Côté** has accepted a position with AAFC as Chief, Rural Development Network with the Rural Secretariat. Please join us in wishing Clément success in his new position. Actions will be undertaken to fill

the vacant position over the coming weeks.

Next Council Meeting on June 8th

The next Council meeting will be held in Moncton, N.B. on June 8, 2009 in conjunction with the CPEPC summer convention.



As well, our Chairperson, **Bill Smirle** will speak at the conference to provide information on the NFPC's role, strategic objectives and present details and a progress report on the Industry Oversight Committee.



Government News

GOC supports the agriculture industry in international markets

In April, the Government of Canada launched a new program to help Canadian farmers and exporters sell more products to more international customers. This new Trade and Market Development Program is part of the new Growing Forward agricultural framework.

"You have to create opportunities in international markets to have a competitive farm gate here in Canada," said Federal Agriculture Minister **Gerry Ritz**. "By supporting Canadian exporters, we are increasing opportunities for everyone all along the value chain, from farm gate to fork."

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The program will ensure that exporters have the information and support they need to sell more products in new markets.

It includes initiatives to bring industry success in global and domestic markets and it will equip the sector to seize market opportunities and address emerging challenges.

For additional information about the Trade and Market Development Program, please visit www.agr.gc.ca.

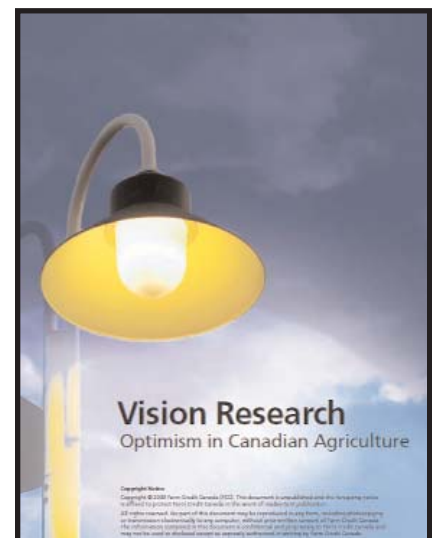


Farm Credit Canada Survey Results

Farm Credit Canada's (FCC) recently released survey has found that regardless of the recession and the global economy, Canadian agricultural producers and business leaders are maintaining a positive outlook on farming.

The survey is the second annual research study on the state of agriculture in Canada. FCC's research team invited over 9,000 active members of the FCC Vision panel to take part in the study, which was conducted during September and October 2008. Vision members include producers and non-producers, FCC customers and non-customers, and represent all provinces and agricultural sectors.

To see the complete FCC Vision panel survey results, please visit www.fccvision.ca.



WTO Consultations on U.S. COOL

The Honourable **Gerry Ritz**, Minister of Agriculture and Agri-Food and the Honourable **Stockwell Day** Minister of International Trade and Minister for the Asia-Pacific Gateway have announced that the GOC is taking action on behalf of Canadian farmers in the dispute over U.S. country-of-origin labelling (COOL) measures. Canada has taken the next step in the World Trade Organization dispute settlement process by formally seeking further consultations with the United States.

Final Ruling to implement COOL was published in the U.S. Federal Register on January 15, 2009.

However, on February 20, 2009, the U.S. Secretary of Agriculture issued an open letter to the industry, encouraging them to use stricter and broader labelling practices.

Canadian industry representatives believe those proposals will only add to the challenges they are already experiencing. They have observed that, since COOL came into effect, some U.S. processors are choosing not to buy Canadian animals or are trying to buy them at a reduced price.

Source: www.agr.gc.ca

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Prime Minister announces plan to help farmers access credit

Prime Minister **Stephen Harper** has announced a new legislation that guarantees an estimated \$1 billion in loans over the next five years to Canadian farm families and cooperatives.

The intent is to introduce legislation that will expand the scope of the *Farm Improvement and Marketing Cooperative Loans Act*, thus delivering on a key component of Canada's Economic Action Plan.

Here are some of the key points and highlights:

- The proposed changes contained in Canada's Economic Action Plan include increasing the amount of guaranteed credit available to farmers.
- The plan also calls for expanding the criteria for the program so that new farmers, who are excluded from receiving loans under the existing Act, will also be able to access this credit.
- The eligibility criteria for agricultural co-operatives will also be expanded so that more co-ops can also receive funding.
- Finally, Canada's Economic Action Plan supports intergenerational farm transfers so that young farmers can more easily take over the family farm.

Source: www.gc.ca



Industry News

Turkey Farmers of Canada new name

After more than 35 years representing Canada's registered turkey farmers, the CTMA announced a name change to "*Turkey Farmers of Canada / Les Éleveurs de dindon du Canada*".

Along with their new business name, Turkey Farmers of Canada is also pleased to announce the launch of an improved website :

www.turkeyfarmersofcanada.ca
www.leseleveursdedindonducanada.ca.

It combines the organization's previously distinct corporate and consumer sites and includes new resources on the turkey farming in Canada.



TURKEY FARMERS
OF CANADA
LES ÉLEVEURS DE DINDON
DU CANADA

Province of BC trans fat free

British Columbia is the first Canadian province to impose limits on the levels of trans fats in prepared and served foods in restaurants. Trans fat is known to increase a person's risk of heart disease and clogged arteries by raising the "bad" cholesterol and lowering the "good" cholesterol.



"By the time we hold the Olympics in 2010, we want every British Columbian and every visitor to our province to know the food they order in restaurants or eat at schools is trans fat-free," said, Healthy Living Minister **Mary Polak**.

All food service establishments that require a permit to operate a food service in B.C. must comply with the new regulation by September 30, 2009.

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That means restaurants, delis, cafeterias, educational institutions, health care institutions, schools and bakeries as well as "special events."



"We applaud the objective of the B.C. trans fat regulation announcement, but the process is fundamentally flawed," said, **Ron Reaman**, federal vice-president of the Canadian Restaurant and Foodservices Association (CRFA).

"Trans fat reduction needs to happen at the national level and at the source, which is food production and manufacturing." Specifically, the CRFA said, Canadians source 84 per cent of their meals from grocery stores, according to market research firm, but grocery purchases are not covered by the B.C. regulations.

CRFA has also previously called for the federal government to regulate trans fat levels, thus sending a "strong signal" to food producers, processors and manufacturers to further invest in healthy alternatives to trans fat.



"Health Canada's trans fat data monitoring program shows the restaurant sector has made significant progress in reducing or eliminating trans fat," Reaman said.

"We recognize that as an industry we need to do even more to meet the targets recommended by (Health Canada's) trans fat task force, but it's going to take a coordinated effort by the entire food chain."

Source: Canadian Cattlemen's Association



International News

Global poultrymeat trade shrinking

For the first time in over a decade, global imports of pork, beef, and broiler meats are forecasted to decline this year, according to the latest World Markets and Trade report from the US Department of Agriculture (USDA).

Deterioration in the global economic situation, restrictive trade policies, a strong US dollar and changing market conditions, are some of the reasons for the falling demand in some major importing countries.

After a surge of nearly 30% over the past three years, global imports of broiler meat are down mainly because of Russia, which accounted for 15% of world imports in 2008. Russia's restrictive import quotas and cost prohibitive out-of-quota tariffs are restricting trade, while its output is expanding with newer facilities as the government is committed to becoming a net exporter in the near future.

The same impact will be seen in Ukraine, while Japan is reacting to oversupply and on the contrary, Chinese, Mexican and EU imports are moving upwards as more broiler meat is expected to be consumed in these markets.

For more information, please visit the world poultrymeat website.



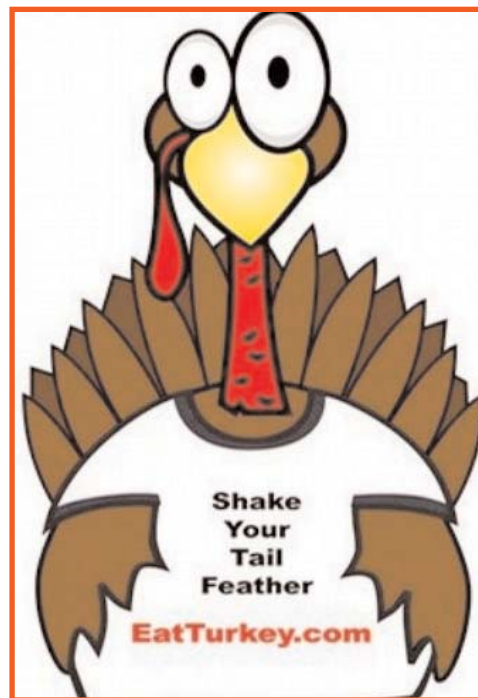
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US turkey principles released

The National Turkey Federation (NTF) has released “Turkey Industry Principles” which are commitments to responsible business practices from the farm to the consumer.

For years the NTF has worked to prepare guidelines and best management practices that cover a range of issues important to the industry. Now they have developed a comprehensive document that communicates the turkey industry’s commitments to animal care, food safety, the environment, industry employees, customers and consumers.

The Turkey Industry Principles includes a Code of Ethics and Standards of Conduct. For more information please visit the NTF’s press room at:
www.eatturkey.com



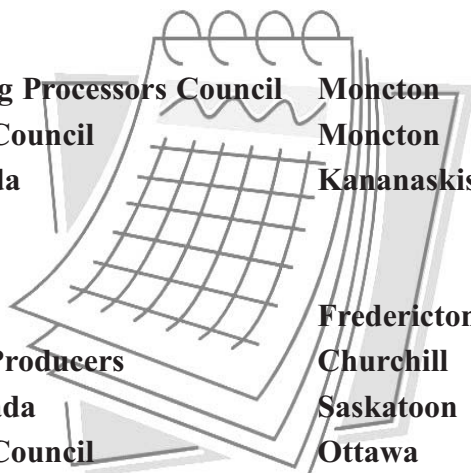
Upcoming Meetings - 2009

June 2009

June 7-9	Canadian Poultry and Egg Processors Council	Moncton
June 8	National Farm Products Council	Moncton
June 17-18	Turkey Farmers of Canada	Kananaskis

July 2009

July 5-7	Egg Farmers of Canada	Fredericton
July 6-8	Canadian Hatching Egg Producers	Churchill
July 13-15	Chicken Farmers of Canada	Saskatoon
July 21-22	National Farm Products Council	Ottawa



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What do you know about the Canadian Tulip Festival?

The Canadian Tulip Festival has grown into the largest Tulip Festival in the world from a gift of International Friendship given six decades ago. In the fall of 1945, Princess Juliana of the Netherlands presented Ottawa with 100,000 tulip bulbs.

The gift was given in appreciation of the safe haven that members of Holland's exiled royal family received during the Second World War in Ottawa and in recognition of the role which Canadian troops played in the liberation of the Netherlands.



The first Canadian Tulip Festival was held in 1953.



The Festival has grown into the largest Tulip Festival in the world.



The tulips have become an important symbol of international friendship and the beauty of spring.



Over the decades the Festival has been opened by Governors General, Prime Ministers and Royalty, including several return visits by Queen Juliana and Princess Margriet.



In 2002, the Festival celebrated its 50th Anniversary showcasing over 3 million tulips throughout Canada's Capital Region.



Each spring over 600,000 people from all over North America, Europe and Asia make over a million visits to the Festival.



Source : www.tulipfestival.ca

