



# FOCUS Newsletter



National Farm Products  
Council

Conseil national des  
produits agricoles



July  
2009

## *Decision on Quota Allocation A-93*

NFPC's Council Members met via teleconference call on July 10, 2009 where consideration was given to Chicken Farmers of Canada's (CFC) request for prior-approval of the amendments to the Canadian Chicken Marketing Quota Regulations for period A-93. As well, consideration was given for the three complaints filed by the Canadian Poultry and Egg Processors Council (CPEPC), the Further Poultry Processors Association of Canada (FPPAC) and the Canadian Restaurant and Foodservices Association (CRFA).

Council found merit in the downstream player's complaints based on the review of the information available at that time. Downstream stakeholders' margins, even if they have improved since the fall, are still being negatively pressured and they face difficult market conditions. Also, anticipated broad economic indicators for A-93 period further show that overall market conditions for the Canadian chicken industry are unlikely to be positive.

Given the situation at that time and anticipated economic conditions for the fall, pressures on processor margins as well as observed market dynamics, Council felt that an allocation at 1.0% above base is unlikely to be conducive to a strong, efficient and competitive marketing

industry for chicken in Canada. Correcting market conditions and improving processor margins would require a more conservative allocation.

While Council is of the view that the allocation setting process should have led to an allocation lower than 1.0% above base, it is not currently in a position to determine exactly what this allocation should have been, despite the additional information requested from CFC, CPEPC, FPPAC and CRFA in order to understand their respective recommendations for A-93.

In this context, Council decided to decline to prior-approve CFC's A-93 quota allocation and encourages CFC's Board of Directors to come up, if possible, with a new recommendation for A-93.

The complaints regarding A-93 are reflective of systemic problems within the allocation setting process and echo previous complaints filed by downstream stakeholders. Council believes that the Oversight Committee is the best vehicle to address the issues raised by complainants regarding the allocation setting process and also to ensure that the supply management system works in the balanced interest of stakeholders, from producers to consumers.

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## COMMENTS or QUESTIONS

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## Council Business (Activities)

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### *CPEPC Summer Convention*



On June 8 Council Members held a meeting in Moncton, N.B. in conjunction with the CPEPC Summer Convention. As well, our Chairperson, **Bill Smirle**,

spoke at the conference providing information on the role and responsibility of the National Farm Products Council (NFPC), its strategic direction and priorities for 2009-2012 as well as a progress report on the Oversight Committee's latest activities.

In addition of attending the CPEPC Convention, Members visited some NB farming operations and met with the Members of the New Brunswick Farm Products Commission.

### *Update on Oversight Committee (chicken)*

Since its creation, the Oversight Committee has held eight meetings. The work of the Committee is progressing, timelines are being established for key deliverables and other related issues are being discussed and analyzed.

The issue of differential growth is a very important one for the committee and the Chicken Farmers of Canada (CFC) organized a full day session on May 14th. All stakeholders took part in the roundtable discussions to further explore the concept in greater detail and discussed potential options for consideration. CFC is leading this process and this subject will be discussed again in the future. It is expected that a final decision will be made by this fall.

As for the Tariff Rate Quota (TRQ) and Import for Re-Export Program (IREP) issues, a full day information session has been scheduled for September 10 in Ottawa. 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.

Items on the agenda will include information on TRQ and Import Permit Administration, Non Import Control List Quota and the use of Supplementary Imports. In addition, and also on September 10, a meeting has been scheduled with NAASA, CFC, CPEPC and FPPAC to discuss interprovincial movement of chicken.

Furthermore, work is underway with CFC's Production Policy Committee (PPC) with regards to Processor Margins and the Report Card. The work will allow partners to develop better insight on current and future market conditions as well as more in depth understanding of the medium and long term perspectives for the industry, to help facilitate the establishment of allocations and the working relations between partners and stakeholders.



## Portfolio News

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### *FCC publication explores shifting food landscape*

In its 2009 summer edition *Knowledge Insider*, the Farm Credit Canada focuses on consumer trends. Consumers are asking for healthier and more convenient food that is safe to eat.

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Rapid changes in food markets will in turn have an impact on food production, processing, packaging and purchasing, affecting all players along the food supply chain - producers, agribusiness operators and entrepreneurs.

The *Knowledge Insider* brings together information and research from leading-edge companies and experts in Canada and around the world. As well as some tools that business operators and producers might want to use to do their own planning.



#### ***Trends include:***

- While growth is somewhat stagnant in Canada, the U.S. and Europe populations are becoming more ethnically diverse. Some markets are aging rapidly and others have many young people.
- The George Morris Centre forecasts that by 2017, more than half of the Greater Toronto

population will be non-European in origin.

- Despite the impact of recent global economic events, many experts believe that China will be the world's largest economy within the next three decades and that the demand for protein and higher quality, processed food will increase.

Interestingly, while changes in consumer demand are reshaping the reality for Canadian agriculture, many farmers and agribusiness operators are not yet factoring these shifts into their decision-making.

As reported recently in our Focus newsletter, in a recent FCC survey, consumer demand was the least-given response when producers and agribusiness operators were asked what factors were driving changes they were planning to make to their operations in 2009. By contrast, business and succession planning, and the global economy topped the list.

For more information please visit the FCC's website at: [www.fcc-fac.ca](http://www.fcc-fac.ca)



## **Government News**

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### ***FPT Ministers take action to strengthen sector***

On July 10, 2009, Canada's federal, provincial and territorial Ministers of Agriculture held their annual meeting in Niagara-on-the-Lake to discuss issues affecting the sector and their ongoing support for farmers and the agricultural

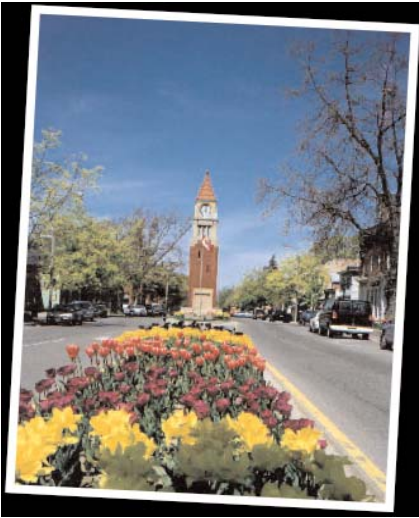
and agri-food sector across the country.

Ministers discussed developments in agricultural policy and global economic challenges, as well as domestic factors such as adverse climate conditions, and

how these factors are affecting farmers' sustainability and profitability. They stressed the importance of ongoing collaboration to ensure that agriculture policies and programs

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continue to respond and support the sector in addressing challenges and seizing opportunities.

Ministers discussed the steps taken by governments to strengthen the Canadian food

safety system to protect and enhance public health, maintain consumer confidence at home and ensure international competitiveness. They agreed to take a national, science-based approach on food safety and directed officials to advance work in three key areas: enhanced surveillance, pathogen reduction in meat and poultry, and common meat hygiene standards.

They are committed to moving forward on a comprehensive national traceability system for livestock and poultry, which is critical for managing animal health and food safety issues, as well as expanding market access and driving efficiencies. They agreed that a mandatory

comprehensive national system for livestock will be in place by 2011 and that implementation will be supported by national funding and regulatory framework.

Ministers also reiterated support for advancing Canada's trade interests at the World Trade Organization (WTO) and in bilateral Free Trade Agreement negotiations with the European Union, to benefit Canada's entire agricultural sector, including export-oriented and supply-managed industries.

The next annual meeting will be held in Saskatoon in July 2010.

*Source:* [www.agr.gc.ca](http://www.agr.gc.ca)

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## *New AAFC Chief Agriculture Negotiator and Director General, Regional and Multilateral Trade Policy*

At the beginning of June, **Steve Tierney**, Assistant Deputy Minister (ADM) of Market Industry and Services Branch (MISB) announced the arrival of Mr. **Gilles Gauthier** to the MISB team, as the Chief Agriculture Negotiator and Director General, Regional and Multilateral Trade Policy.

Mr. Gauthier was recently the Director General of Multilateral Trade Policy, at the Department of Foreign Affairs and International Trade (DFAIT). His responsibilities then included the management of all WTO related matters, as well as lead negotiator for non-agriculture market access negotiations at the WTO.

Prior to joining DFAIT in 2006, Mr. Gauthier was Director of Corporate and Insolvency Law Policy at

Industry Canada and held numerous positions in Industry Canada and in the International Branch at Finance Canada. He has also served for four years at the Canadian Mission to the WTO in Geneva during the mid 1990's.

*Source:* [www.agr.gc.ca](http://www.agr.gc.ca)



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## *Changes in the Senior Ranks*

Prime Minister **Stephen Harper** announced in mid-June changes in the senior ranks of the Public Service. **Yaprak Baltacioğlu** who was Deputy Minister of Agriculture and Agri-Food became Deputy Minister of Transport, Infrastructure and Communities, effective on July 1, 2009 and **John Knuble**, who was Deputy Minister (Intergovernmental Affairs) at the Privy Council Office since December 2008, became the new Deputy Minister of Agriculture and Agri-Food, also effective on July 1, 2009.

Mr. **John Knuble** has a vast experience within the federal public service and has held several positions with many different federal departments at the executive level.

Source: [www.gc.ca](http://www.gc.ca)

## *Canada's Economic Action Plan*

On June 7, 2009, Minister of Agriculture **Gerry Ritz** reported that the Harper Government's Economic Action Plan is delivering real results for Canadian farm businesses and farm families.

The Harper Government's Economic Action Plan will provide farmers with access to cutting-edge technology and research facilities by delivering a \$25.9 million investment to update eight laboratories across the country. These investments will support agricultural research, strengthen Canada's food safety system and create 270 jobs in our communities.

For more information visit [www.actionplan.gc.ca](http://www.actionplan.gc.ca) or visit NFPC's website [www.nfpc-cnpa.gc.ca](http://www.nfpc-cnpa.gc.ca).

## *Food Processing Value Chain*

On June 15, 2009 a food processing value chain roundtable was held to discuss issues and the future challenges of this important Canadian industry. The topics discussed included the economic growth of the industry, innovation, market access, regulatory reforms and government programming

available under Growing Forward federal-provincial-territorial framework agreements.

In addition, Minister Blackburn also reiterated that Canadian food processing companies can here and now benefit from a variety of government programs. Organized with the logistical and financial support of Agriculture and Agri-Food Canada, the value chain roundtables are initiatives led by Canadian agriculture and agri-food industries. Their goal is to enhance the competitiveness of Canadian food products on both domestic and international markets.

Source: [www.gc.ca](http://www.gc.ca)

## *New market access with Mongolia*

Canadian farmers and exporters now have new market opportunities in Mongolia for beef, cattle and swine and their products, as announced by Federal Agriculture Minister **Gerry Ritz** in mid-June after meeting with Mongolia's Minister for Food, Agriculture and Light Industry, the Honourable **Tunjin Badamjunai**.

"The Government's decision to open a new Embassy in Ulaanbataar last year is already paying dividends," said International Trade Minister **Stockwell Day**, who also met with Minister Badamjunai to discuss further trade cooperation. "We are the second largest foreign investor in Mongolia and our existing strong commercial relationship in the mining sector is broadening into real opportunities for Canada's agricultural producers."

The recent approval of several Canadian Food Inspection Agency export certificates demonstrates the appetite for our safe, high quality products on international markets. Canadian agriculture and food products that can be exported to Mongolia are: live cattle, live swine, ovine/caprines genetics (sheep/goats), bovine genetics, porcine semen, day old chicks and hatching eggs, and meat products, including all beef and beef products.

Source: [www.agr.gc.ca](http://www.agr.gc.ca)

## What do you know about Food Safety?

Food handling safety risks at home are more common than most people think. There are four easy lessons that can help prevent harmful bacteria from making you sick. Be Food Safe in Canada is a program of the Canadian Partnership for Consumer Food Safety Education.

### Clean:

Bacteria can spread throughout the kitchen and get on hands, cutting boards, knives, and counter tops. Frequent cleaning can keep that from happening. And always wash hands with warm water and soap for 20 seconds before and after handling food.

### Separate:

Cross-contamination is how harmful bacteria spread. Keep raw meat, poultry, and seafood and their juices away from foods that won't be cooked.

### Cook:

Even for experienced cooks, the improper heating and preparation of food means bacteria can survive. Use a food thermometer – you can't tell if food is cooked safely by how it looks.

### Chill:

Bacteria multiply fastest at temperatures between 4°C (40°F) and 60°C (140°F), so chilling food properly is one of the most effective ways to reduce the risk of food borne illness.



Sources: [www.chicken.ca](http://www.chicken.ca) and [www.befoodsafe.ca](http://www.befoodsafe.ca)

## Upcoming Meetings - 2009

### July 2009

July 30-31

National Farm Products Council

Ottawa

### August 2009

Aug. 10-13

Canadian Cattlemen's Association

Ottawa