



Farm Products Council
of Canada

Conseil des produits agricoles
du Canada



2020-2021

ANNUAL REPORT

FARM PRODUCTS COUNCIL OF CANADA

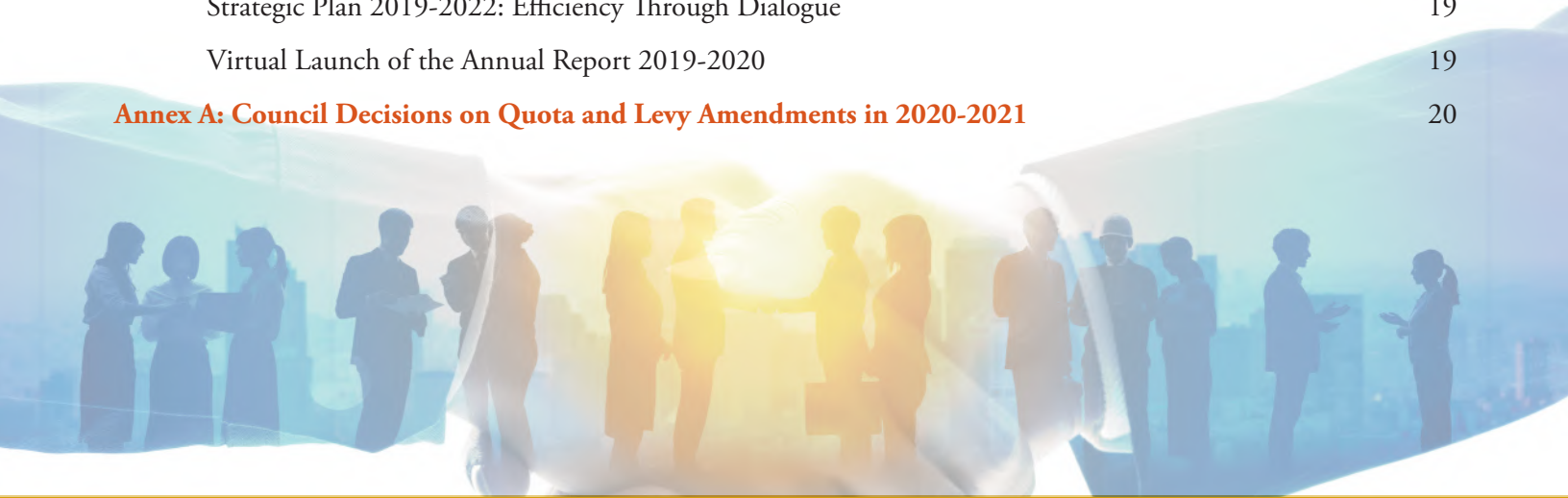
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Table of Contents

Message from the Chairman	2
Members	4
About the Council	6
<i>Farm Products Agencies Act</i>	6
<i>Agricultural Products Marketing Act</i>	7
National Marketing Agencies	8
Egg Farmers of Canada	8
Turkey Farmers of Canada	10
Chicken Farmers of Canada	12
Canadian Hatching Egg Producers	14
Promotion and Research Agencies	16
Canadian Beef Check-Off Agency	16
Canadian Pork Promotion-Research Agency	17
Request for Agency Status	17
Other Activities	18
International Trade Issues	18
New Complaint By-Law	18
<i>Agricultural Products Marketing Act</i>	18
National Association of Agri-Food Supervisory Agencies	18
Strategic Plan 2019-2022: Efficiency Through Dialogue	19
Virtual Launch of the Annual Report 2019-2020	19
Annex A: Council Decisions on Quota and Levy Amendments in 2020-2021	20



Message from the Chairman



On behalf of the Farm Products Council of Canada (Council) members and staff, I am pleased to present our Annual Report for fiscal year 2020–2021. This was a year of disruption in the agri-food sectors, but also a year of accomplishments for the Council.

Indeed, this was a year marked by the COVID-19 pandemic, whose impact was felt by all players in the food industry who had to deal with the market disruptions caused by this crisis. Particularly, producers were affected by stoppages at processing facilities and constant changes in demand in food service and retail markets.

To capture market changes more rapidly, the Council now meets more regularly to consider current trends and to get a clearer picture of the markets. This

provides greater flexibility in reviewing and approving allocation proposals and making sure that the Supply Management system continues to work for Canadians across the country. By the end of this fiscal year, markets had somewhat stabilized, but uncertainty remains.

The Council's role and responsibilities extend beyond overseeing the operations and regulations of agencies. Our objective is to ensure that processes function smoothly and that agency representatives, as well as all stakeholders, are engaged. To achieve this, we reviewed our *modus operandi* as part of our daily work and we strived to continuously create efficiency through open dialogue – the motto of our Strategic Plan. We met regularly with agencies and provincial boards to listen to their concerns and to create an enabling environment for finding solutions to problems. In addition, several special team projects were undertaken by staff for the Strategic Plan to enhance our internal efficiency and relationships, which have been absorbed into our regular work.

The Council has the benefit of being a small organization that can adapt to changing circumstances. With a quick turnaround, the Council approved allocations and levies with service delivery that has been seamless. Virtual meetings have changed the dynamics and the pandemic has increased our ability to work together. Without the costs and logistics of travel, more people were included in discussions for an enhanced exchange of information. While the fullness of in-person meetings was missed, virtual meetings will remain going forward, most likely with a blend of communication methods and approaches.

Despite having been a year of turmoil and uncertainty, 2020–2021 has certainly not been without significant achievements. In November

2020, Minister Bibeau announced the creation of the Canadian Pork Promotion and Research Agency. We worked closely with the Canadian Pork Council on the public inquiry and regulatory process to establish this new agency. It will promote the pork industry by expanding markets for producers and importers, and by supporting research to solve problems and provide new products and credible information for consumers.

Within the *Agricultural Products Marketing Act* (APMA) modernization project, launched in 2018, the Council and Agriculture and Agri-Food Canada (AAFC) are collaborating to update over a hundred regulations dealing with a wide range of farm products across the country. On December 4, 2020, the Governor General approved amendments to the British Columbia Vegetable Order, the first of the delegation orders to have completed the regulatory process within the APMA modernization projects. The principal change allows for future amendments to levies orders to be made at the provincial level, which will considerably shorten and streamline this process.

The Council is proud to host the meetings of the National Association of Agri-Food Supervisory Agencies and witness its significant evolution. The Association has now become an efficient forum for communication and exchange of ideas at the national level among its members and a venue to discuss issues common to all provinces, with stronger collaboration on key regulated marketing issues.

Another key Council initiative during this year was the review of the Complaints By-Law. Council's By-Law was updated to ensure that all parties to a complaint have the fullest opportunity to participate and present their arguments, and that all proceedings are conducted as expeditiously as possible and in a fair, predictable, cost-effective manner.

This fiscal year would not have been as successful without my fellow Council members: Ron Bonnett, Yvon Cyr, Maryse Dubé, and Morgan Moore. Their guidance and insight have been essential as we navigated through these times of uncertainty. I wish to thank them for their exceptional teamwork and diligence in their work with the agencies that we oversee.

I want to salute the great work and acumen of the Council's staff. Throughout this period, the Council has maintained and expanded its capacity to respond to urgent requests. As an essential component of the Canadian agricultural organization, the Council is committed to always being alert and responsive when facing rapidly evolving circumstances.

I also want to express my sincere appreciation to the people at the agencies. Their balanced approach in confronting hard decisions during this difficult year has been central to their cooperation with the Council. I also want to express my thanks to those in government departments with whom we collaborate on a regular basis, notably AAFC, Global Affairs Canada, and Justice Canada.

For 2021–2022, my hope is for greater stability in the agri-food sector. I look forward to continuing our essential work for the benefit of Canadians, and to another year of achievement.

Brian Douglas
Chairman



Members



Brian Douglas (Chairman)

is a graduate of the University of Guelph. Mr. Douglas has enjoyed a public service career spanning over 37 years. This has provided him with an

appreciation and understanding of the opportunities and challenges facing Canadian producers. From 2015 to 2016, Mr. Douglas was Clerk of the Executive Council and Secretary to Cabinet for the Government of Prince Edward Island. Previously, he held other senior-level positions in the Prince Edward Island government, including Deputy Minister of Transportation and Infrastructure Renewal and Deputy Minister of Agriculture. Mr. Douglas spent many years at the province's Department of Agriculture, where he served as Director of the Agriculture Resource Division and Manager of Farm Extension Services. He also served as a member and representative for Prince Edward Island on various boards and committees related to agriculture, transportation, and infrastructure at the provincial and national levels. Mr. Douglas remains active in the agricultural community as the General Manager of the World Potato Congress Inc.



Ron Bonnett (Vice-Chair)

has had a long and varied career in agriculture. He was the President of the Canadian Federation of Agriculture (CFA). In the mid-1980s, Ron became

the founding president of the Algoma Federation of Agriculture, where he helped combat high interest rates. He also was engaged in municipal politics during this time. He served as councillor and reeve of the Township of Plummer, where he advocated for rural economic development, inter-municipal cooperation, and a strong agriculture sector. In 1997, Ron sat on the provincial Board of Directors for the Ontario Federation of Agriculture (OFA) and OFA executive. He was the OFA Vice-President for

two years and served as the OFA President for four years. During his time with OFA, Ron sat on the CFA National Council and CFA executive, before becoming 2nd Vice-President in February 2007.

As an advocate of agriculture at the international level, Ron sat on the Board of Directors for the World Farmers' Organization as the North American representative and played a lead role in the development of the organization, acting as interim President. In addition to his work at CFA, he was also the President of Beef Improvement Ontario and planning committee chair for Ontario's Agricultural Management Institute. In 1975, Ron and his wife, Cathy, bought a dairy farm in Bruce Mines, located in Northern Ontario, which they operated until 1995. Since then, they have operated a cow/calf farm.



Maryse Dubé (member)

received a Bachelor of Law degree from Université Laval in 1996 and was called to the Québec Bar in 1997. She has been a partner with Sylvestre & Associés since

2004. As a commercial lawyer, she has specialized in agri-food law, representing several agricultural producers in business transfers and acquisitions, as well as providing advice to financial institutions. She represents small- and medium-sized businesses in the fields of securities law, bankruptcy law, commercial litigation, and corporate law (manufacturing and agricultural sectors). Ms. Dubé is very active in her social and economic milieu and often has played the role of honorary chair on a few corporate and community boards. She has also spoken at various conferences and still teaches securities law at the Québec Bar, in the Montréal sector.

Ms. Dubé sat on the Board of Directors of the "Association professionnelle des avocates et avocats du Québec" and served as President of the Richelieu section in 2014. Until May 2016, she served on the

Executive Committee of the Québec Bar. She actively took part in the General Council's work, which led to a new governance structure for the Québec Bar and was elected by acclamation to the Board of Directors as the representative for the Richelieu, Longueuil, and Athabasca sections. She is known for her dynamic personality and her passion for singing with her band Rock in Time, whose members come from the Maskoutain business community and volunteer their time to perform benefit shows for charities in the Maskoutain region of southwestern Québec.



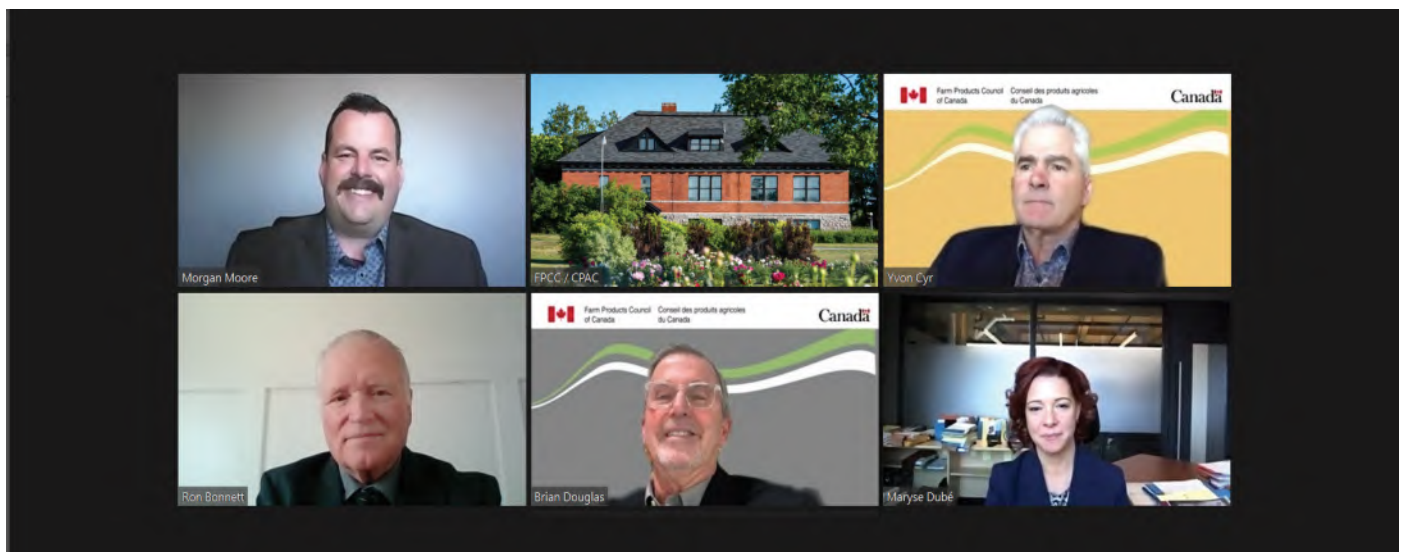
Yvon Cyr (member) has a strong background in agriculture. A poultry producer from Saint-François-de-Madawaska, New Brunswick, Mr. Cyr is a manager and founding

shareholder with the Groupe Westco Inc., one of the largest poultry businesses in Atlantic Canada. He is very active in his community and the poultry industry, serving on the boards of both the Chicken Farmers of New Brunswick and the Chicken Farmers of Canada. He is also a past chair of the local chamber of commerce.



Morgan Moore (member) farms with his wife Amber and their three children near Brandon, Manitoba in a mixed background beef, cow/calf, and commercial sheep production. Morgan

holds a Professional Agrologist designation with the Manitoba Institute of Agrologists and is an alumnus of the University of Guelph, where he received his Bachelor of Science in Agriculture. He has been previously employed as a Livestock Specialist with Manitoba Agriculture. Morgan is currently the Vice-Chairman of the Canadian Sheep Federation and the Chairman of the Manitoba Sheep Association. Morgan is a lifelong Agriculture Industry promoter and advocate.



About the Council

Governance

The Council consists of three to seven members, including the Chairperson. At least half of the members must be primary producers at the time of their appointment. All members are appointed by the Governor in Council and serve terms of varying length.

Efficiency through Dialogue

The Council is a public interest oversight body that reports to the Parliament of Canada through the Minister of Agriculture and Agri-Food. It oversees the national marketing systems for poultry/eggs and supervises the activities of national promotion and research agencies (PRAs) for farm products. The Council provides the Minister with advice and recommendations, collaborates with provincial supervisory boards, and works with other federal organizations.

The Council administers two federal laws:

- The [*Farm Products Agencies Act*](#) provides for the creation and oversight of national marketing agencies as well as PRAs.
- The [*Agricultural Products Marketing Act*](#) allows for the delegation of federal authority over interprovincial and export trade in the marketing of farm products to provincial commodity boards. The Council administers this legislation through an agreement with AAFC.

Farm Products Agencies Act

The *Farm Products Agencies Act* (FPAA) is the federal law that created the Council, which authorizes the establishment of marketing agencies and PRAs for farm products.

The Council's duties and powers include supervising the operations of the agencies, holding public hearings, inquiring into the merits of creating new agencies, and hearing complaints lodged by parties that deem themselves unfairly affected by an agency's operations.

An agency can be established under the FPAA by proclamation of the Governor General, if a majority of producers of a particular farm product in Canada favour such action. In certain cases, the support of importers of the farm product could also be required for establishing a PRA. The proclamation establishing an agency is a federal regulation that outlines how the agency is to be constituted – for example, the number

What is ... Supply Management?

The Council oversees a system that is known as supply management for the farm production of eggs, turkey, chicken, and broiler hatching eggs. This system ensures that the Canadian demand for these farm products is matched with Canadian production, while considering imports and exports, to make sure that farms produce the right amount of food to supply what Canadians consume. The benefits are numerous and include a steady supply for consumers, fair prices to farmers for their products, and protection from market ups and downs in the Canadian farming industry. Dairy products are also under supply management in Canada but are regulated separately.

Agricultural Products Marketing Act

of members an agency can have and how its members are appointed. The proclamation authorizes the agency to carry out a plan. In the case of a marketing agency, the plan typically describes how to implement quotas, licensing, and a levy system. For a PRA, the plan authorizes only the implementation of a levy system. The proclamation also includes provisions for reviewing the plan and other items specific to the regulated farm product.

Under the FPAA, the Minister of Agriculture and Agri-Food, with approval from the Governor in Council, can enter into an accord with any provincial or territorial government, enabling an agency to perform functions on behalf of that government. The accord is known as a Federal-Provincial Agreement (FPA). The Council is a signatory to many of these agreements. In most provinces, such an agreement is required by statute to delegate authority from a national agency to a provincial commodity board. As of the end of fiscal year 2020–2021, there were four marketing agencies established under the FPAA (mentioned above), as well as two PRAs: the Canadian Beef Check-Off Agency and the Canadian Pork PRA. The Council's approval is required for all amendments to the quotas and levies of marketing agencies, as well as amendments to the levies of promotion and research agencies.

The *Agricultural Products Marketing Act* (APMA) provides for the Governor in Council to delegate its federal authority to provincial organizations, allowing them to regulate the marketing of agricultural products in interprovincial and export trade markets to the same extent that they regulate marketing within the province in which they operate. This delegation allows provincial organizations to establish and collect levies and charges for interprovincial and export sales of their agricultural products. Levies collected by a provincial organization are mainly used for its promotion and research activities.

The Council and Agriculture and Agri-Food Canada share responsibility for the APMA. The Council administers the APMA and prepares the required regulatory documentation for review and approval by the Treasury Board and Justice Canada. AAFC is responsible for obtaining ministerial approval for new Delegation Orders and provides policy oversight.

The Council works closely with provincial supervisory boards and provincial commodity boards to process new Delegation Orders as well as amendments to existing orders. The Council reports on activities and discusses issues on these files at the biannual meetings of the National Association of Agri-Food Supervisory Agencies, which has members from all provinces.

NATIONAL MARKETING AGENCIES



The Egg Farmers of Canada

Egg Farmers of Canada (EFC) is the agency responsible for the orderly marketing of eggs in Canada. EFC was established as the Canadian Egg Marketing Agency in 1972, further to the conclusion of the FPA for eggs – an agreement between the federal government, provincial agriculture ministers, the Council, provincial supervisory boards, and table egg producers in member provinces.

The Council's Work with EFC

During the 2020–2021 fiscal year, Brian Douglas (Chairman), Yvon Cyr (Council member), and Council staff attended all of EFC's Open Board meetings by videoconference, including its Annual General Meeting. Mr. Cyr also attended virtual meetings and teleconferences of EFC's Cost of Production Committee and the Natural Overrun Project Team, as well as several provincial meetings.

Levies Order

In December 2020, the Council approved an amendment to the *Canadian Egg Marketing Levies Order* to increase the national levy from \$0.3695 to \$0.4195 per dozen eggs, effective February 21, 2021 to March 26, 2022. EFC justified the increase in the levy in view of an additional volume of industrial product to be sold into the industrial product program, and the slight decrease in the reference price of eggs in the United States in early 2020. This caused a drop in the planned revenue of the Agency, and an increase in feed prices that will result in an increase to EFC's buyback price for eggs sold into the industrial product program.

During the 2020–2021 fiscal year, the provincial commodity boards of New Brunswick and Québec amended their respective levy rates, which were approved by the Council via its Levy Committee.

Quota Allocation

Under the *Canadian Egg Marketing Agency Quota Regulations, 1986*, EFC allocates production quotas for a 12-month period. EFC administers four quota categories:

1. **The Federal Allocation** sets quotas for shell eggs to be produced for the table market. During the past fiscal year, other than an extension of the expiry date, there were no other amendments.
2. **The Eggs for Processing Allocation** sets quotas for shell eggs to be produced for the egg processing market at the provincial level. During the past fiscal year, other than an extension of the expiry date, there were no other amendments.

3. **The Vaccine Egg Allocation** sets quotas for fertilized eggs to be produced and sold to pharmaceutical companies for the purpose of producing vaccines, such as the annual flu vaccine. During the past fiscal year, the Council approved the quota, which has remained at 13,335,840 dozen eggs since 2011.
4. **The Special Temporary Market Requirement Quota** was introduced by EFC to help Canadian egg processors cope with higher import prices caused by the 2015 avian influenza crisis in the United States. This quota has remained at zero since September 2017.

EFC introduced an Early Fowl Removal Program (EFRP) in response to the pandemic and the resulting decrease in demand for eggs for processing as food service operators, and some food manufacturers, closed or reduced their business. Through this program, EFC compensates farmers to remove a limited number of layers from production in areas of Canada where the egg supply exceeds table and processing egg demand.

Redrafting the Federal-Provincial Agreement

During the 2020–2021 fiscal year, EFC continued to work on a draft of a principles-based FPA. Several virtual meetings were held during the year and progress has been made on a final version. In due course, it will be presented to the 38 parties that will need to sign the new agreement.

For details on the Council's decisions on levy and quota amendments concerning this agency in 2020–2021, see Annex A.



What is the Industrial Product Program

This program is for shell eggs that cannot be sold to the table egg market due to their size, grade, or retail demand fluctuations. The program allows EFC to purchase these eggs and sell them in another province or to egg processing and food manufacturing companies to produce processed egg products used as ingredients in further processed products, such as mayonnaise and baked goods, or for hotels, hospitals, and other institutions.

NATIONAL MARKETING AGENCIES



The Turkey Farmers of Canada

Turkey Farmers of Canada (TFC) is the agency responsible for the orderly marketing of turkeys and turkey meat in Canada. TFC was established as the Canadian Turkey Marketing Agency in 1974, further to the conclusion of the FPA for turkeys – an agreement between the Government of Canada, provincial agriculture ministers, the Council, provincial supervisory boards, and turkey producers in member provinces.

The Council's Work with TFC

During the 2020–2021 fiscal year, Brian Douglas (Chairman), Ron Bonnett (Vice-Chairman), and Council staff attended several TFC Board of Directors meetings by videoconference, including its Annual General Meeting. Mr. Bonnett also attended several provincial board meetings. During the past fiscal year, the agency had frequent discussions to adjust its

allocation to the lower market demand for turkey, and the impact of the COVID-19 pandemic on the sector.

Levies Order

In March 2021, the Council approved an amendment to the *Canada Turkey Marketing Levies Order 2019* to extend the expiration date of the national levy to March 31, 2022, and to maintain its level at \$0.018 per kilogram (live weight) of turkey. The purpose of the amendment was to support the Agency's projected 2021 budget. During the 2020–2021 fiscal year, the Council received no requests for changes to provincial levy rates.

Quota Allocation

Under the *Canadian Turkey Marketing Quota Regulations, 1990*, TFC allocated new production quotas for a 12-month control period 2021–2022. During this period, the quota was amended twice, principally due to two factors: the decline in demand for whole birds and the closure of the food service sector due to COVID-19 restrictions. TFC administers four quota policies, which make up the global turkey quota reviewed and approved by the Council:

1. Under **the National Commercial Allocation Policy**, TFC traditionally allocates a quota for the production of whole birds, and another quota for birds produced for cuts or further processing. In May 2020, TFC suspended allocating under this category until a new allocation policy is implemented. TFC reduced this quota early in the fiscal year to account for the impact of COVID-19 and the changing market demand, but after observing more positive market trends, the quota equivalent to this quota category increased by 6.3 per cent by the end of the fiscal period.

2. Under **the Export Policy**, TFC allocates quotas to replace birds that are exported and to allow for sufficient production for the planned exports of processed, further processed, or live turkey. During the past fiscal year, this quota category decreased by 20.8 per cent.
3. Under **the Multiplier Breeder Policy**, TFC allocates quotas for birds that are used to produce turkey eggs and poults. During the past fiscal year, this quota category decreased by 4.2 per cent.

4. Under **the Primary Breeder Policy**, TFC allocates quotas for birds to be used as primary breeding stock. During the past fiscal year, this quota category remained at 2 million kilograms, the same level as in the previous period.

The Council approved several allocations throughout the 2020–2021 fiscal year, resulting in a cumulative allocation growth of 0.3 per cent over the year.

For details on the Council's decisions on levy and quota amendments concerning this agency in 2020–2021, see Annex A.



NATIONAL MARKETING AGENCIES



The Chicken Farmers of Canada

Chicken Farmers of Canada (CFC) is the agency responsible for the orderly marketing of chicken in Canada. CFC was established as the Canadian Chicken Marketing Agency in 1978, further to the conclusion of the FPA for chicken – an agreement between the federal government, provincial agriculture ministers, the Council, provincial supervisory boards, and chicken producers in member provinces. The FPA was updated and signed in July 2001.

The Council's Work with CFC

During the 2020–2021 fiscal year, Brian Douglas (Chairman), Maryse Dubé (Council member), along with Council staff attended all of CFC's Board of Directors allocation and industry meetings by videoconference. In addition, Council members participated in several provincial board meetings as well as CFC's Annual General Meeting.

Normally, CFC sets its allocation for two periods of eight weeks at once. However, in 2020–2021, due to the unpredictable market disruptions that the COVID-19 pandemic brought upon the chicken industry, the CFC Board began setting the allocation for each individual period and had frequent discussions to adjust its allocation to the lower market demand.

Levies Order

In April 2020, Council approved an amendment to the *Canadian Chicken Marketing Levies Order* to increase the levy by 0.02 cents to 0.57 cents per kilogram (live weight). The levy increase is to be used for funding CFC's branding and promotion programs. In January 2021, the Council approved an amendment to extend the expiration date to March 31, 2022. During the past fiscal year, the provincial Commodity Board of Québec amended its levy rate which was approved by the Council via its Levy Committee.

Quota Allocation

Under the *Canadian Chicken Marketing Quota Regulations*, CFC allocates the quota for chicken production for successive eight-week periods. This time frame represents the growing cycle of the bird and allows CFC to quickly adjust the quota in response to market changes. CFC administers three quota categories:

1. **The Domestic Allocation** covers broiler chickens produced for the domestic chicken market. During the past fiscal year, the allocation in this category decreased by 4.6 per cent.

2. **The Market Development Allocation** aims to expand the use of Canadian chicken and chicken products, while balancing the domestic consumption of white and dark meat. During the past fiscal year, the allocation in this category decreased by 7.8 per cent.

3. **The Specialty Production Allocation** is intended to facilitate the planned production and marketing of specialty chicken breeds that do not compete directly with mainstream chicken production and marketing. During the past fiscal year, the allocation in this category decreased by 8.3 per cent.

The Council approved several allocations throughout the 2020–2021 fiscal year, resulting in a cumulative allocation reduction of 4.8 per cent over the year.

For details on Council decisions on levy and quota amendments concerning this agency in 2020–2021, see Annex A.

What are ... Marketing Agencies?

Farm products marketing agencies are regulatory organizations that operate under Canada's supply management policy. There are currently four marketing agencies established under the Farm Products Agencies Act: Egg Farmers of Canada, Turkey Farmers of Canada, Chicken Farmers of Canada, and Canadian Hatching Egg Producers. One of their principal roles is to maintain the balance between production and demand for regulated farm products. They achieve this by establishing quotas to regulate production and by collecting levies on production to cover their costs. Agencies also ensure the interests of producers and consumers are maintained.



NATIONAL MARKETING AGENCIES



The Canadian Hatching Egg Producers

Canadian Hatching Egg Producers (CHEP) is the agency responsible for the orderly marketing of broiler hatching eggs in Canada. CHEP was established as the Canadian Broiler Hatching Egg Marketing Agency in 1986, further to the conclusion of the FPA for broiler hatching eggs – an agreement between the federal government, provincial agriculture ministers, provincial supervisory boards and broiler hatching egg producers in member provinces.

The Council's Work with CHEP

During the 2020–2021 fiscal year, Brian Douglas (Chairman), Morgan Moore (Council member), and Council staff attended via videoconference all of CHEP's Board of Directors meetings, including its Annual General Meeting. These meetings allowed Council members and staff to follow the Board's

discussions and decision making, as well as monitor market fluctuations related to the COVID-19 pandemic.

During the past fiscal year, CHEP had to adjust its allocations to adapt to the market that had undergone drastic changes in the spring of 2020 due to the COVID-19 pandemic.

Broiler hatching egg production is closely impacted by the quota allocations that are set by CFC. Broiler hatching egg producers faced many challenges as they were vulnerable to the constantly changing chicken market during the COVID-19 pandemic. To help offset the unforeseen costs that were experienced since the start of the pandemic, CHEP made two significant financial contributions from its budget savings during this year, to provincial broiler hatching egg boards and their producers.

Levies Order

As the Council had approved in March 2021 that CHEP's national levy remain at 0.3 cents per broiler hatching egg until the expiration date of June 23, 2022, no further amendments were made during the past fiscal year. During that year, the Council received no requests for approval of changes to provincial levy rates.

What is a ... Levy or Levies Order?

Levy or levies orders are regulations that define the payments to be made to supply management agencies or promotion and research agencies by producers and, in some cases, processors and importers of farm products to support agency administration and activities. For example, a levy can be paid per dozen of eggs, or per kilogram of chicken marketed in interprovincial and export trade to the relevant agency.

Quota Allocation

Under the *Canadian Hatching Egg Producers Quota Regulations*, CHEP allocates production quotas for the calendar year. CHEP administers two quota categories:

1. the **Interprovincial and Intraprovincial Trade Quota**, which is used to supply the domestic market; and
2. the **Export Trade Quota**, which is not currently used.

During the past fiscal year, the Council approved a decrease of 2.8 per cent of the 2020 allocation to produce broiler hatching eggs. The Council also approved an initial increase of 4.9 per cent for the 2021 allocation, which was reduced later in the

year to 2.9 per cent. These quota reductions in broiler hatching egg production were in response to the reduced demand for chicks needed for broiler production because of the COVID-19 pandemic's impact on the chicken industry.

For details on the Council's decisions on levy and quota amendments concerning this agency in 2020–2021, see Annex A.



PROMOTION AND RESEARCH AGENCIES



The Canadian Beef Check-Off Agency

The Canadian Beef Check-Off Agency was established as the Canadian Beef Cattle Research Market Development and Promotion Agency in 2002.

The Agency has authority to promote the marketing and production of beef cattle, beef, and beef products for the purposes of interprovincial export and import trade. The Agency is also authorized to conduct and promote research activities related to beef and beef products. It uses the funds collected through levies for marketing and research activities to help beef producers expand their markets and increase sales. For consumers, it also provides better access to information on beef products like beef product quality and nutritional profiles.

Every seller of beef cattle in interprovincial trade must pay the Agency a levy on each head of beef cattle sold. Importers must pay the Agency a \$1.00 levy on each head of beef cattle imported, or the equivalent for imported beef and beef products.

The Council's Work with the Canadian Beef Check-Off Agency

During the 2020–2021 fiscal year, Brian Douglas (Chairman) and Council staff attended all of the Agency's Board of Directors meetings and its Annual General Meeting by videoconference. These provided opportunities for Council members and staff to follow the Board's discussions and decision making and track the impacts of the COVID-19 pandemic on that industry.

Levies Order

In June 2020, the Council approved an amendment to the *Beef Cattle Research Market Development and Promotion Levies Order* to extend the expiration date of the national levy amount of \$1.00 per head to June 30, 2021. During the 2020–2021 fiscal year, the provincial cattle association of Québec amended the levy rates for cull cows, bob calves and fed cattle which were approved by the Council via its Levy Committee.

For details on Council decisions on levy amendments concerning this agency in 2020–2021, see Annex A.

What are ... Promotion and Research Agencies?

Promotion and Research Agencies (PRAs) seek to promote a strong, efficient, and competitive industry for specific regulated farm products by supporting the promotion and research activities relating to those products. PRAs always consider the interests of producers and consumers and, in certain cases, importers of the regulated products. PRAs have the authority to collect levies on trade between provinces and exports. They can also be authorized to collect a levy on imports of the regulated farm products.



Request for Agency Status

At the end of the fiscal year, the Council was processing an application to establish an industrial hemp PRA. In December 2020, Council considered the findings of its Panel's inquiry into the merits of the application and analysis of the evidence presented in the public hearing on the proposed agency and more recent information provided by the proponent industrial hemp producers group. The Council made its recommendation to the Minister as required under the FPAA, which is currently under consideration.

Information about the application and public hearing on the Hemp PRA is available on Council's [website](#).

Canadian Pork Promotion and Research Agency

In November 2020, Minister Marie-Claude Bibeau announced the creation of the Canadian Pork Promotion-Research Agency (PRA). The Council worked closely with the Canadian Pork Council through the rigorous process to establish the pork agency. This new agency promotes the industry by developing and expanding markets for producers and importers, and by supporting research activities that increase production, solve problems, and develop new products for consumers. The Council is now working with the Pork PRA in its oversight role and assisting it in setting up its levy Order.



OTHER ACTIVITIES

International Trade Issues

On May 10, 2019, Global Affairs Canada (GAC) launched its first round of consultations on the allocation and administration of tariff rate quotas for dairy, poultry and egg products. The second phase of the consultations were temporarily suspended in May 2020, due to COVID-19, but resumed in early 2021. The agencies, as well as many stakeholders, submitted their recommendations to GAC in the spring of 2021.

New Complaints By-Law

Council members and staff have been working on an extensive review of the by-law governing the administration of complaints. Some important updates include the clarification of the roles of the main participants and new opportunities for dialogue throughout the process. Further, to facilitate understanding, guidelines summarizing the main steps of the complaint process were developed. Stakeholders appreciated the information sessions and presentations that were offered to them. The documents are available on the website and upon request.

Agricultural Products Marketing Act

The most significant achievement on this file was the Governor General's approval of the amendments to the British Columbia Vegetable Order on December 4, 2020. This is the first of 90 delegation orders to have completed the regulatory process under the APMA Modernization Project in which the Council is collaborating with Agriculture and Agri-Food Canada.

National Association of Agri-Food Supervisory Agencies

The Council provides the Secretariat and hosts the meetings for the National Association of Agri-Food Supervisory Agencies (NAASA), which was established in 1997. It is composed of all provincial supervisory boards together with their national counterparts, the FPCC and the Canadian Dairy Commission. Due to restrictions on travel during the pandemic in the 2020–2021 fiscal year, NAASA held its first meeting, by videoconference in October 2020.

This meeting covered a broad agenda with a roundtable discussion of members on how COVID-19 had impacted each province's markets and producer groups and the actions taken; how the turkey sector is responding to a long-term decline in demand; a primer on the APMA and its application in the provinces; and a presentation from the British Columbia Farm Industry Review Board on chicken pricing and the potential role of NAASA in defining a national cost of production that respects provincial jurisdiction. A new Chair and Vice-Chair were elected from the British Columbia and Québec supervisory boards, respectively.

NAASA held its spring meeting in March 2021, also by videoconference, with a focus on how the second wave of COVID-19 had impacted the provinces and the agri-food industry. Speakers from AAFC, the University of Guelph, and processors from the egg and poultry sector provided different perspectives from an update on the federal government responses to deal with the needs of the agri-food sector; a comparison of the impacts in the meat and egg sectors in the US and Canada; and the real-life experiences of two processing companies not only with market disruptions, supply adjustments and

relationships with producers, but also on actions to provide protection for their personnel and deal with reductions in their workforce.

The roundtable discussion among members that followed highlighted the value of these presentations in providing a deeper understanding of the impact of the pandemic in Canada from the micro-level of the processing plant to the macro-level of national agri-food sectors, where the resilience of the supply managed sectors in Canada was demonstrated. NAASA has now evolved to become a more efficient forum for communication and exchange of ideas and discussion of issues common to all provinces at the national level among its members, with stronger collaboration on key regulated marketing issues.

Strategic Plan 2019–22: Efficiency through Dialogue

Council launched its new three-year Strategic Plan in September 2019, with three goals:

- promote awareness of the Council's roles and responsibilities;
- strengthen stakeholder relationships; and
- foster organizational sustainability.

Despite the challenges of dealing with the COVID-19 pandemic and with all staff working remotely, during 2020–2021, considerable progress was made towards the goals through fifteen projects that were carried out by teams of staff, including one in which Council members participated. Ten of these projects were completed, with the results incorporated into the Council's ongoing work to enhance its communications and engagement with stakeholders as well as its internal work processes, including

knowledge and information exchange for staff and Council members. Projects are ongoing on topics such as implementing a revised communications strategy, developing ongoing training for Council members, and planning for the fiftieth anniversary of the Council in 2022.

Virtual Launch of the Annual Report 2019–2020

The Council organized a special event for the virtual launch via videoconference of the 2019–20 Annual Report. This event was a success, with representatives from all Agencies and from the processing sector industries attending. It was an opportunity for the Council to highlight the work that was completed, with a special emphasis on efforts to foster transparent and strong communications with all of our stakeholders. Building durable relationships requires constant dedication from all parties involved, and the Council wanted to thank all of the stakeholders on this occasion for their appreciated contribution in that regard.



Annex A: Council Decisions on Quota and Levy Amendments in 2020-2021

Decisions on Quota Amendments

Agency	Date of Decision	Status	Type of Quota	Applicable Time Frame	New Quota Amount
EFC	December 2020	Approved	Federal Quota	December 27, 2020, to December 25, 2021	762,316,007 (dozen)
		Approved	Special Temporary Market Requirement Quota	December 27, 2020, to December 25, 2021	–
		Approved	Eggs for Processing Quota	December 27, 2020, to December 25, 2021	40,273,176 (dozen)
		Approved	Vaccine Quota	December 27, 2020, to December 25, 2021	13,335,840 (dozen)
TFC	April 2020	Approved	Amendment to Federal Quota	2020-2021 Control Period	170,071,480 (kg, evis. weight)
	June 2020	Approved	Amendment to Federal Quota	2020-2021 Control Period	160,216,948 (kg, evis. weight)
	August 2020	Approved	Amendment to Federal Quota	2020-2021 Control Period	164,187,626 (kg, evis. weight)
	February 2021	Approved	Amendment to Federal Quota	2020-2021 Control Period	166,494,334 (kg, evis. weight)
		Postponed	Amendment to Federal Quota	2021-22 Control Period	155,398,402 (kg, evis. weight)
	March 2021	Approved	Amendment to Federal Quota	2021-22 Control Period	167,045,643 (kg, evis. weight)
CFC	April 2020	Declined	A-163 (Total Allocation)	May 10, 2020, to July 4, 2020	284,879,248 (kg, live weight)
		Declined	A-164 (Total Allocation)	July 5, 2020, to August 29, 2020	284,098,181 (kg, live weight)
		Approved	A-163 (Total Allocation)	May 10, 2020, to July 4, 2020	249,239,132 (kg, live weight)
	June 2020	Approved	A-164 (Total Allocation)	July 5, 2020, to August 29, 2020	250,387,395 (kg, live weight)
	August 2020	Approved	A-165 (Total Allocation)	August 30, 2020, to October 24, 2020	266,724,403 (kg, live weight)
	September 2020	Approved	A-166 (Total Allocation)	October 25, 2020, to December 19, 2020	271,549,295 (kg, live weight)
	November 2020	Postponed	A-167 (Total Allocation)	December 20, 2020, to February 13, 2021	266,101,110 (kg, live weight)
		Approved	A-167 (Total Allocation)	December 20, 2020, to February 13, 2021	266,101,110 (kg, live weight)
	February 2021	Approved	A-168 (Total Allocation)	February 14, 2021, to April 10, 2021	258,925,682 (kg, live weight)
	March 2021	Approved	A-169 (Total Allocation)	April 11, 2021, to June 5, 2021	267,837,391 (kg, live weight)
CHEP	August 2020	Approved	2020 Final Allocation	January 1, 2020, to December 31, 2020	782,480,729 (broiler hatching eggs)
		Approved	2021 Revised Allocation	January 1, 2021, to December 31, 2021	820,740,828 (broiler hatching eggs)
	January 2021	Approved	2021 Revised Allocation	January 1, 2021, to December 31, 2021	797,276,567 (broiler hatching eggs)

Decisions on Levy Amendments

Agency	Date of Decision	Status	Applicable Time Frame	Change in Levy Amount	New National Levy Amount	Comments/Details
EFC	December 2020	Approved	February 21, 2021, to March 26, 2022	\$0.05/dozen	\$0.4195/dozen	Increase in levy for Pooled Income Fund
TFC	March 2021	Approved	Date of Registration to March 31, 2022	—	\$0.018/kg, live weight	Amendment to the expiry date
CFC	April 2020	Approved	May 10, 2020, to March 31, 2021	\$0.0002/kg, live weight	\$0.0057/kg, live weight	Increase in national levy
	January 2021	Approved	April 1, 2021, to March 31, 2022	—	\$0.0057/kg, live weight	Amendment to the expiry date
CHEP	May 2021	Approved	June 19, 2021, to June 23 2022	—	\$0.003/broiler hatching egg	Maintenance of the national levy
BEEF	June 2020	Approved	Date of Registration to June 30, 2021	—	—	Includes Veal Farmers of Ontario as a collector of levy and amendment to the expiry date