

April 20, 2020

By e-mail : aafc.fpcccomplaints-plaintescpac.aac@canada.ca

Mr. Brian Douglas
President
Farm Products Council of Canada
960, Carling Avenue
Building 59
Ottawa, Ontario K1A 0C6

Subject: Complaint regarding Turkey Farmers of Canada 2020/21 allocation

Mr. Douglas,

This is a formal complaint pursuant to subsection 7(1)(f) of the Farm Products Boards Act (FPAA) and pursuant to the Turkey Farmers of Canada (TFC) Directors Conference Call from April 13th at which the allocation for 2020/21 was decided by the directors.

At the conclusion of this conference, it was decided by TFC to implement a 10,606,395 kg reduction in the 2020/21 allocation over the current year and to share this reduction among the provinces, according to a proposal that protects the allocation level of certain provinces by introducing a minimum allocation threshold (floor), which does not take into account a distribution of the allocation between the two segments (whole birds and further processed) as provided for in the current policy.

In doing so, TFC derogates from the Canadian Turkey Marketing Agency Proclamation (the "Proclamation") and the National Trade Allowance Policy established by the members. This decision also penalizes the provinces that have adapted to the market, in particular the province of Québec, which was allocated 24.5% of the national decrease.

The parties involved

Turkey Farmers of Canada (TFC) is the Canadian Turkey Marketing Agency established under the Canadian Turkey Marketing Agency Proclamation (C.R.C., c. 647)

The Éleveurs de volailles du Québec (ÉVQ) is designated by Proclamation as the turkey Commodity board for the province of Québec.

Reasons and justifications for the complaint

It is critical that the sharing between provinces is equitable and respects the spirit and the National Commercial Allocation Policy in place. The Policy, in force since 2007, provides two mechanisms for allocating volumes among the provinces. One for the allocation of bagged turkey based on a pro rata sharing among the provinces for 2005/2006, and a second, based on realized demands over the years, for further processed turkey.

Over the years and in regard to this policy, several provinces have gradually moved from the production of light turkeys to the production of heavy turkeys in response to the growing food-processing market; bringing about investments for the producers in these provinces. The situation of the provinces in relation to each other is thus the result of this Policy and it reflects the level of adaptation of the provinces.

Firstly, the use of an allocation floor does not meet the sharing criteria set out in the policy to which TFC members are bound.

Secondly, the use of an allocation floor does not meet the criteria set out in the Proclamation to establish the allocation for the 2020/21 period. These criteria are:

1. The principle of comparative advantage of production;
2. Any variation in the size of the market for turkeys;
3. any failures by turkey producers in any province or provinces to market the number of pounds of turkey meat authorized to be marketed;
4. The feasibility of increased production in each province available to be marketed;
5. The existing production and storage facilities in each province; and
6. The comparative transportation costs to market areas from alternative sources of production.

It is therefore the opinion of the EVQ that the TFC decision submitted to the National Farm Products Council does not allow the Council to consider that these criteria have been taken into account by the TFC and that, consequently, the Council cannot approve this decision.

In fact, the TFC decision modifies the Policy. However, the position of the EVQ is that the Policy cannot be modified other than with the agreement of all the parties concerned. In any event, the Policy is in effect and must be enforced.

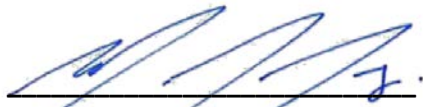
Conclusions sought

Les Éleveurs de volailles du Québec requests that the National Farm Products Council refuse to approve any TFC decision that does not comply, for the 2020/21 period, with the current Policy, namely:

- Recognition of and respect for the vote held on November 27 and 28, 2019 concerning the sharing of the allocation of further processed products for the Eastern Region;
- Sharing of the reduction in allocation for further processed products for the Western region, in keeping with the terms provided in the Policy (Article 5);
- Sharing of the reduction in whole bird allocation proportionately among all provinces, in keeping with the Policy.

Please note that this letter is to preserve the rights of the EVQ in regard to the TFC decision. In view of the short deadlines, we reserve the right to complete our request and to detail the reasons and justification of our complaint as well as the recommendations sought.

We wish to assure you, Mr. Douglas, of our highest consideration.



Marie-Eve Tremblay

General manager

Les Éleveurs de volailles du Québec

c.c. Phil Boyd, Turkey Farmers of Canada
Me Nathan Williams, Williams avocats inc.

N/Réf. : S20030