

November 19, 2021

Mr. Darren Ference, Chair Turkey Farmers of Canada 7145 West Credit Ave, Bldg 1, Suite 202 Mississauga, Ontario L5N 6J7

Re: Allocation Policy Review Committee

On November 9th, a slide presentation titled "Allocation Committee Day 1 Overview" was shared with the Allocation Policy Review Committee (APRC) members. With a further meeting of the APRC scheduled for November 23rd in Edmonton, the purpose of this correspondence is to register TFO's views on the proposals put forward by the APRC.

New Allocation Policy Starting Point

TFO restates its viewpoint that the starting point in the new allocation policy should bridge from the last decision on allocations where the *Proclamation* criteria were taken into account – the 2019/20 commercial allocations of 146.6 Mkgs.

Ontario APRC members heard remarks from some committee members that it was widely understood that the decision to cut to 136.0 Mkgs in April 2020 was a decision to correct "wrongs" and "sins" of the previous allocation policy. TFO wishes to clarify the record in this regard. The minutes of the April 13, 2020 meeting where the cut from 146.6 to 136.0 Mkgs was decided make clear that members viewed the decision as a "once off" and "not precedent setting"; the motion that carried referred to the decision as being "on a one-time basis". Members will further recall that the fate of the motion swung on Ontario's vote, given that Quebec voted against¹. Ontario, trusting the representations of the members, voted for the cut in good faith that those representations would be adhered to. The clear alternative was proceeding into 2020/21 without a quota regulation at all, which in TFO's view was not in the industry's best interest amidst the onset of the COVID-19 pandemic.

TFO expresses its disappointment that the trust and good faith shown in supporting the cut to 136.0 in April 2020 is now, 18 months later, reciprocated by some members by asserting that that decision, rather than being a "once off", should form the starting point of a new allocation policy.

¹ TFC correspondence to FPCC, May 11, 2020, responding to EVQ complaint

Innovation Component

TFO supports further discussions on the new concept on provincially-administered innovation policies and innovation conditional allocations set by TFC. We are of the view that a properly developed innovation policy should find a balance between two competing objectives:

- 1) Allocating innovation where it is needed; and;
- 2) Maintaining balanced growth across all eight provinces.

Noting the Agency's obligations to take into account the *Proclamation* criteria, in TFO's view, this obligation is not met by pre-emptively setting limits on innovation at arbitrarily determined amounts (e.g. 500,000 kgs), as was contemplated by some members in Toronto.

Rather, TFO submits that the following be considered for addition to the proposed framework:

- Each control period, provinces would be allotted an initial conditional allocation for innovation
 — TFO proposes an initial national limit be set at one percent of the national commercial allocation;
- Provincial innovation needs within these initial allocations would be determined by the provincial boards, rather than TFC;
- <u>Concurrently</u>, TFC would maintain a process by which provinces can request a higher innovation allocation than their initial allotment, should the province require it;
- Such process would include an objective assessment/vetting by TFC of the need for the increased limit;
- Where such requests are approved by TFC, the requesting province would be allocated the requesting increase;

Next Steps

We kindly request that TFC office share this correspondence to the APRC members for consideration, and look forward to the discussions at the next committee meeting planned for November 23rd.

Respectfully submitted,

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Matt Steele

Vice Chair, TFO and TFC Director-Ontario