

February 1, 2022

Mr. Phil Boyd, Executive Director Turkey Farmers of Canada 7145 West Credit Ave, Bldg 1, Suite 202 Mississauga, Ontario L5N 6J7

Dear Phil,

TFO understands that the purpose of the meeting of the TFC Board of Directors scheduled for Thursday February 3, 2022 is to discuss allocating to the provinces for the 2022-23 control period the 143 Mkg national allocation that was agreed to at the November 2021 TFC meeting.

TFO wishes to refresh the TFC membership on TFO's views on setting the 2022- 23 control period allocations. Attached are two previous letters sent by TFO to TFC on the matter, dated June 25, 2021 and November 3, 2021.

From both, TFO has consistently expressed its view to TFC for the past several months that the work of the Allocation Policy Review Committee should be completed prior to any decisions being made on the 2022-23 provincial allocations. TFO has further been clear that TFC decisions to set allocations must give meaningful consideration to the criteria laid out in the *Proclamation*.

It is with regret to note that despite seven months elapsing since our June 2021 correspondence, a new allocation policy has not yet been agreed to, nor from observing recent committee discussions, does agreement on a new allocation policy appear imminent.

Restating from our November correspondence, in the absence of a new national commercial allocation policy, it is not apparent to TFO what decisions on the 2022-23 allocations TFC may be contemplating. TFO looks forward to participating in the discussions on February 3<sup>rd</sup>.

Respectfully submitted,

som not

Matt Steele

Vice Chair, TFO and TFC Director-Ontario



TURKEY FARMERS OF ONTARIO
1120 - 100 Conestoga College Blvd.
Kitchener, ON N2P 2N6
T: 519 748 9636 F: 519 748 2742
turkeyfarmers.on.ca | makesitsuper.ca

June 25, 2021

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

Dear Mr. Ference,

Re: "Bridge" Allocation Proposals over 136.0 Mkgs

The TFO Board of Directors wishes to register its views on potential "bridge" allocation proposals should an allocation above 136.0 Mkgs be required and a new national commercial allocation policy not be in place.

Members will recall that since the previous policy was suspended at the 260<sup>th</sup> TFC meeting in November 2019, quota orders that have been subsequently voted on by the TFC Board of Directors for the 2020-21 and 2021-22 control periods have not been underpinned by any policy, but rather a series of one-off negotiations among the membership:

- In April 2020, 2020-21 allocation was set at 136.0 Mkgs (down from 146.6 in 2019-20), which included Ontario taking a disproportionately large 56.9% (6.0 Mkgs) share of the allocation cut.
- In May 2020, the 2020-21 allocation was further reduced to 126.0 Mkgs on a pro-rata basis.
- In January 2021, the 2021-22 allocation was set at 134.0 Mkgs, on a pro-rata basis.

At this time, in the absence of a new allocation policy, no method has been established or agreed to on how provincial allocations should continue to be set, should an allocation above 136.0 Mkgs be required.

TFO will not support the adoption of any bridge allocation proposals for use in any control period from 2022-23 onward. The Allocation Policy Review Committee has now been at work for five years (since 2016) without any new policy being adopted by the TFC Board of Directors. Continuing to set future control period allocations without an allocation policy in place that takes into account the Proclamation criteria leaves the Agency's quota regulation submissions vulnerable to a complaint to Farm Products Council of Canada that could be successful. A sense of urgency is now needed among the committee members to complete its work and return an allocation policy proposal to the TFC Board, in time for when 2022-23 allocation decisions are considered.

We look forward to working with our colleagues at the TFC with all due haste to complete a national allocation policy that upholds the principles of supply management and encourages innovation, growth in the consumption of turkey products and takes into account the criteria set out in the Proclamation.

Respectfully submitted,

Brian Ricker, TFO Chair



November 3, 2021

Mr. Phil Boyd, Executive Director Turkey Farmers of Canada 7145 West Credit Ave, Bldg 1, Suite 202 Mississauga, Ontario L5N 6J7

The 268<sup>th</sup> TFC Meeting in Toronto is soon approaching, at which it is anticipated that preliminary allocations for the 2022-23 control period will be discussed. Accordingly, the purpose of this correspondence is to record TFO's views on any potential decisions that TFC may make with regards to 2022/23 control period commercial allocations, including any subsequent quota regulation submissions to Farm Products Council of Canada that may be undertaken by TFC in relation to such decisions.

## **CTMA Proclamation**

The Agency is fully aware that legally, any quota order submitted for prior approval must take into consideration of the criteria laid out in the Proclamation. Moreover, such consideration must be genuine. The report of the Complaint Committee regarding the 2004 complaint filed by British Columbia noted that TFC is required to give <u>careful</u> and <u>meaningful</u> consideration to how the criteria are applied, and that "to blindly ignore this statutory requirement is not an option available to an agency in the exercise of its decision-making authority."

## **National Commercial Allocation Policy**

Quota regulation submissions including those made regarding the 2019/20 control period, demonstrate that TFC applied the Proclamation criteria through its utilization of the previous National Commercial Allocation Policy of which, the request-driven process by which the FP quotas were set was a pivotal constituent element. In that regard, having a mechanism in place that facilitated individual processor requests enabled TFC to apply the Proclamation criteria in a transparent, evidenced based fashion that mitigated against the tendency to default to a formulaic, market share approach.

In TFO's view, any pre-existing concurrence of the Agency members on how the criteria were applied was repudiated by the decision of the Agency to suspend the National Commercial Allocation Policy and any administration thereof at the 262<sup>nd</sup> Meeting in June 2020. In the absence of a new commercial allocation policy – which, while in development, is not yet complete - it is not evident to TFO that the

Proclamation criteria were taken into account in setting quotas for either the 2020/21 or 2021/22 control periods. TFO has further concern that the Agency may not give careful and meaningful consideration of the criteria in setting allocations for the 2022/23 control period, particularly if historical "pro rata" market shares are used as the most significant factor in setting those allocations.

## **Allocation Policy Review Committee**

TFO members on the Allocation Policy Review Committee have consistently articulated that any new commercial allocation policy must take into account the Proclamation criteria. In TFO's view, the best approach by which the Proclamation criteria can be taken into consideration is a process by which processors and provinces can request allocations for further processed products. TFO has advocated with the committee that the prior FP request process has fostered demonstrably new and innovative products in the market in recent years, thereby furthering the Agency's object "to promote a strong, efficient and competitive production and marketing industry".

In TFO's opinion, the alternative approaches currently before the committee do not give a careful and meaningful consideration of the Proclamation criteria in the absence of a request-based process.

## **Next Steps**

As already communicated in our correspondence to TFC dated June 25, 2021, TFO urges the Allocation Policy Review Committee to complete its work **in advance of** any decisions being made on the 2022-23 allocations. The upcoming meeting of the committee on November 8-9 is of utmost importance, in this regard.

In the absence of a new commercial allocation policy, it is not apparent to TFO what decisions on the 2022-23 allocations may or may not be made at the 268<sup>th</sup> Meeting. As a result, TFO will be monitoring the decisions reached at the 268<sup>th</sup> meeting and will react accordingly as required.

We kindly request that this correspondence be shared both to the directors/alternates/managers, as well as the members of the Allocation Policy Review Committee. Particularly with regards to the latter, we request this be shared in advance of the November 8-9 meeting of the committee.

Respectfully submitted,

man age

Matt Steele

Vice Chair, TFO and TFC Director-Ontario