

# MINUTES

Turkey Farmers of Canada

243<sup>rd</sup> Meeting

Plaza A, International Plaza Hotel and Conference Centre, Toronto, ON

September 24, 2015

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## ATTENDANCE:

M. Davies	Chair	TFC
B. Mailloux	Vice Chair	TFC
S. Heppell	Executive Member	TFC
L. Burm	Alternate	British Columbia
M. Benoit	Manager	British Columbia
A. Velthuis	Director	Alberta
D. Ference	Alternate	Alberta
M. Urbanowski	Manager	Alberta
J. Wiersma	Director	Saskatchewan
T. Clarke	Alternate	Saskatchewan
R. Olsen	Manager	Saskatchewan
R. Brown	Director	Manitoba
S. Hofer	Alternate	Manitoba
H. Wheddon	Manager	Manitoba
T. Hayter	Alternate	Ontario
J. Schlitt	Manager	Ontario
C. McBain	Director	Quebec
A. Beaudet	Alternate	Quebec
M. Labonté	Manager	Quebec
B. Cyr	Director	New Brunswick
J. Hayes	Alternate	New Brunswick
L. Martin	Manager	New Brunswick
S. Eadie	Alternate	Nova Scotia
M. Sproule	Alternate	Nova Scotia
S. Lorette	Manager	Nova Scotia
D. Hart	Director	CPEPC
M. Pépin	Director	CPEPC
J. Falcao	Alternate	CPEPC
W. Urbonas	Alternate	CPEPC
N. Paillat	Manager	CPEPC
M. Lindros	Director	FPPAC
R. de Valk	Manager	FPPAC

## Observers:

M. Pickard	FPCC
K. Hill	FPCC
B. Edwardson	FPCC
G. Rodrigue	AAFC
J. M. Falconer	TFO

L. Gagnon	Exceldor
C. Evans	Granny's
J. McDowell	Sofina Foods Inc.
S. Dinnissen	OFPMC
R. Horel	CPEPC
S. Rowland	Hybrid
G. Campbell	TFO

**Translators:** Y. Evans, P. Garrett, S. Larouche

**Technical Support:** D. Norris, LMB

**Staff:** P. Boyd, J. Height, J. Sheldon, S. Ramkissoonsingh, M. Georgiou

**CALL TO ORDER:**

M. Davies, Chair, called the meeting to order at 9:20 a.m.

The notice of meeting was given in accordance with TFC By-Law #1.

S. Eadie was recognized as speaking and voting for NS.

**APPROVAL OF AGENDA:**

MOVED by A. Velthuis (AB) and SECONDED by S. Eadie (NS)  
to approve the agenda with the additions as noted.

CARRIED

**APPROVAL OF MINUTES OF PREVIOUS MEETING:**

Drafts of the Minutes of the TFC 242<sup>nd</sup> Meeting; the Directors, Alternates and Managers' Special Meeting of June 10-11, 2015; the Directors, Alternates and Managers' Special Teleconference of July 17, 2015; the Directors, Alternates and Managers' Teleconference of July 21, 2015 and the Directors, Alternates and Managers' Teleconference of August 26, 2015 were available to the members for their review in advance of the meeting.

MOVED by B. Mailloux (ON) and SECONDED by A. Velthuis (AB)  
to approve the Minutes of the TFC 242<sup>nd</sup> Meeting and the  
Directors, Alternates and Managers' Special Teleconference,  
July 17, 2015, as published.

CARRIED

MOVED by J. Wiersma (SK) and SECONDED by M. Pépin (CPEPC) to approve the Minutes of the Directors, Alternates and Managers' Teleconference of July 21, 2015 and the Directors, Alternates and Managers' Teleconference, August 26, 2015 teleconference as distributed.

CARRIED

P. Boyd noted that the Minutes have been amended to reflect a point of clarity, provided by P. Fréchette following his review of the draft minutes.

MOVED by D. Hart (CPEPC) and SECONDED by M. Pépin (CPEPC) to approve the Minutes of the Directors, Alternates and Managers' Special Meeting of June 10/11, 2015 as amended.

CARRIED

#### **EXECUTIVE COMMITTEE REPORT:**

M. Davies read the report, which highlighted the activities of the Executive Committee since the last TFC Board meeting in June.

#### **FPCC REPORT:**

M. Pickard, Vice Chair of FPCC and K. Hill addressed the meeting. M. Pickard reported that there has been a change in files at FPCC and K. Hill will be taking on the turkey file. K. Hill reported that Council will consider TFC's request for an amendment to the Quota Regulation at their upcoming meeting and a decision should be made shortly.

#### **TURKEY MARKET REVIEW (TMR):**

J. Sheldon presented a detailed review of the turkey market which included updates on competing meats, feed, supply and disappearance, and retail data.

Following the TMR, discussion focused on the existing and expected supply of boneless skinless breast meat given the record high prices in the U.S., the likelihood that the TRQ will not be fully utilized again in 2015, and the potential export of Canadian breast meat to the U.S. which, while difficult to forecast, has not shown any increase to-date this year.

#### **TURKEY MARKET ADVISORY COMMITTEE REPORT:**

S. Ramkissoonsingh reported that TMAC met by teleconference on Monday, September 21<sup>st</sup>. The current market indicates that wholesale prices for breast meat are up 12% for fresh and 16% for frozen relative to last year. Frozen breast meat prices have increased substantially since June. Supply constraint and pressure on wholesale prices is not being helped by the import situation. TMAC does not expect that the TRQ will be fully utilized in 2015, and that breast meat imports will be constrained into 2016.

The Committee is concerned about the supply of breast meat and believes that additional further processing production in the range of 1 Mkg – 2 Mkg is warranted. TMAC acknowledged the late date of this assessment but believe that the Provincial Boards can ultimately manage production with the producers to fully utilize allocations.

The key discussion points were:

- Breast meat wholesale prices are significantly lower in Canada than in the United States. U.S. product currently lands in Canada at \$16.00/kg. There was disagreement expressed with the TMAC conclusion around reasonable wholesale prices for breast meat and the impact on the market that current prices are having on sales.
- Clarification was provided to points raised regarding FP requests for 2015/16 relative to the reduced imports and the impact on breast meat supply. That is, although FP allocations are up from 2014/15 by 4.3 million kg, the AI outbreak in the U.S has significantly reduced total breast meat supply in Canada.
- FPPAC indicated that with high U.S. pricing and Chilean contracts fulfilled and expired, additional supply is needed through allocation at Canadian prices.
- An early indication of some tightness in poult supply was identified as a result of the U.S. AI outbreak, making an additional allocation difficult to fulfill.
- D. Hart, while concurring there is tightness in supply, indicated that the CPEPC preference is to allow the 2016/17 vetting process to unfold, avoid an ad hoc adjustment to allocation, and ensures that the live supply under the existing 2015/16 allocation is fully utilized.

MOVED by S. Heppell (BC) and SECONDED by A. Velthuis (AB) to increase the further processed allocation by 2.0 Mkg, for the current 2015/16 control period, to be distributed to each province based on their pro rata share of the FP reference point allocation as set out in the National Commercial Allocation Policy;

And further, that this special once off FP allocation not impact the allowable volume of Export Carry Over that each province would be eligible to carry forward into the 2016/17 control period.

CARRIED

Discussion on the motion:

- D. Hart indicated that from the CPEPC perspective, it needs to be made clear that this is a once-off allocation for this control period and there needs to be assurances that we cannot change fresh festive bagged birds currently in the barn for FP birds.
- M. Pépin asked for clarification on the basis of the allocation; S. Ramkissoonsingh clarified that it is the base reference FP point in the Allocation Policy, the average of 2004/05 and 2005/06 FP.

Quota Regulation amendment motions:

MOVED by S. Heppell (BC) and SECONDED by J. Wiersma (SK) that the total 2015/16 federal quota for interprovincial and export trade be amended and established at 186,549,952 kg eviscerated, and be comprised of the following components:

Commercial whole bird quota: 72,000,000 kg  
Commercial further processing quota: 84,600,130 kg  
Multiplier breeder quota: 3,484,052 kg  
Primary breeder quota: 2,098,080 kg  
Conditional export quota: 24,367,690 kg

CARRIED

MOVED by B. Mailloux (ON) and SECONDED by A. Velthuis (AB) that the federal quota for interprovincial and export trade be allocated to the provinces as detailed at the TFC 243rd Meeting as follows:

Column 2B Commercial Whole Bird Quota  
Column 3D Commercial Further Processing Quota  
Column 5F Multiplier Breeder Allocations  
Column 6 Primary Breeder Allocations  
Column 7F Conditional Export Allocations

CARRIED

MOVED B. Cyr (NB) and SECONDED by S. Eadie (NS) to direct staff to prepare the 2015/16 Quota Regulation for blue stamping by the Justice Department and prior approval by FPCC.

CARRIED

## **ON-FARM PROGRAMS COMMITTEE REPORT:**

M. Georgiou provided updates on the following:

**CFIA 18-month Review of the TFC OFFSP** – It was reported that the review has been successfully completed and the TFC OFFSP continues to comply with the CFIA Technical Review requirements.

**2015 Review of the TFC On-Farm Programs and Management Manual** – Proposed edits to the On-Farm Programs as a result of the review have been forwarded to Provincial Boards for consultation.

Additional proposed edits to the Management Manual to provide clearer guidelines for auditors if they encounter serious non-compliances during on-farm audits have been drafted and were discussed with the Managers at their meeting this week. The next step will be to present the new protocol to the On-Farm Programs Committee and then forward it to the TFC Board for approval. Serious non-compliances could be related to bird welfare or food safety issues.

**TFC OFFSP Biosecurity Requirements Review** – In light of the avian influenza outbreaks, TFC staff will be undertaking a review of the OFFSP biosecurity requirements to ensure they remain up-to-date with respect to recent science and on-farm practices.

**Certification** – 96% of farmers are now certified under OFFSP and 82% under the FCP.

## **FLOCK AND ANIMAL WELFARE UPDATE:**

**TFC Flock Care Program** – The third-party audit work plan has been prepared and has been reviewed and discussed with the Managers. The work plan was included in the meeting kit. J. Falcao noted that some retailers are rolling out their own plans. He emphasized that TFC needs to advance this plan and make it a top priority before retailers dictate flock care programs.

R. Horel was involved in a series of presentations with EFC and talked to some key customers at both the retail and foodservice level. A second round of discussion has begun and it is an update with what EFC has already initiated. A series is also planned in conjunction with CFC.

CPEPC would be willing to undertake a similar initiative with TFC and requested to be part of the consultation process earlier in the work plan to ensure that they are in step with the plan.

MOVED by J. Wiersma (SK) and SECONDED by A. Velthuis (AB)  
to approve the TFC Flock Care Program© third-party audit work  
plan as detailed at the TFC 243<sup>rd</sup> Meeting.

CARRIED

**Code of Practice** – The 60-days comment period has commenced and there are two meetings planned post comment period in early 2016 and then publication of the final Code in the spring of 2016. A press release announcing the public comment period will be released October 5<sup>th</sup>.

**Euthanasia Guidelines and Training** – The resource that was being developed is on hold until research projects are concluded.

#### **RESEARCH COMMITTEE REPORT:**

**CPRC Project Funding** – Projects that were approved and that are to be funded by CPRC were detailed in the meeting report. The scholarship was awarded to a student from AB.

**TFC Research Symposium** – An application for funding has been submitted to the Alberta Livestock and Meat Agency (ALMA). TFC expects to hear back on approval in the next few weeks.

#### **INDUSTRY/GOVERNMENT/REGULATORY UPDATE:**

**Regulatory Modernization Initiatives** – TFC participated in consultations regarding proposed draft regulations to bring into force the *Safe Food For Canadians Act*. The timelines for the publication in Canada Gazette have not been established as yet.

**CgFARAD** – TFC has been requested to increase their annual contribution for the next three years. The usage rate is 27% for turkey-related inquiries. TFC has requested that a fee-for-service schedule be introduced in order to control increasing costs and to ensure that they can remain operational long-term. This has been discussed with the Executive Committee and they are agreed to commit to a one year contribution of \$20,000. CFC has agreed to the increase for the three year period. It was the consensus to proceed accordingly.

**Salmonella Enteritidis (SE)** – The meeting of the new working group created to advance the implementation of the National SE Strategy is postponed to November/December and updates will be provided post meeting.

#### **SUPPLY POLICY COMMITTEE REPORT:**

S. Ramkissoonsingh reported that the Committee met the previous day and that the following items were discussed:

**Multiplier Breeder Policy** – Previously, the Committee had sought feedback on raising the minimum age for turkeys to be classified as matures to 50 weeks. The feedback received did not support such change. As toms that have been conditioned for breeding are considerably heavier than young toms, including a minimum weight criterion for mature toms will be examined.

The intent of the Policy was also examined and the SPC has no proposed changes in this regard.

**Primary Breeder Policy** – The Committee examined the administration of the Policy and has no recommendations for change; however, the Committee has requested staff to request source marketing documents from the provinces to verify the summary documentation currently being submitted.

**Export Policy** – Exporters are to provide a copy of the export invoice. In a small number of instances, the export price is not provided with the invoice. As the Policy requires a copy of the invoice, all information on the invoice is to be visible, and TFC staff will follow-up accordingly in writing to exporters. The export utilization will not be approved if any information is missing. Price allows TFC to calculate the value, amount exported to other countries, and all information is examined to assess the value of the Policy.

The Committee asked if there is an expectation by the Board for the Committee to examine the Export Policy with respect to its intent and how it is used, and how it integrates with the total supply.

B. Cyr and C. McBain supported a general review of the Policy.

S. Heppell noted that CPEPC members are most affected by the Policy and suggested a position paper from that organization identifying the key components that may need examination would be beneficial.

D. Hart, on behalf of CPEPC, indicated their agreement to this proposed approach.

M. Lindros requested that FPPAC also be included in any review process.

#### **CONTROL PERIOD RECONCILIATION 2014/15:**

J. Sheldon reviewed the document distributed at the meeting. There are currently two provinces in an overmarketing position but there are differences in the data that need resolved for NS and SK. Resolution is ongoing. The reconciliation will be finalized at the November Agency meeting.

As a result of lower-than-potential production in 2014/15, carry forward volumes requested by the provinces were higher than in past years.

#### **TFC ALLOCATION POLICY AMENDMENTS:**

S. Ramkissoonsingh and J. Sheldon addressed the meeting report and detailed the calculations to demonstrate the proposed amendments. The amendments are as a result of the motion made at the TFC 242<sup>nd</sup> Meeting in June which directed that the further processing



reference level for Nova Scotia be converted to whole bird allocation and identified accordingly, and appropriate details implemented throughout the Policy.

S. Ramkissoonsingh advised the members that the proposed changes had been discussed with the Provincial Board managers the previous day. Specifically the calculations and tables illustrated in the report were presented to the Managers and there was agreement by the Managers that they reflected the direction from the June TFC meeting.

J. Wiersma clarified that the concept behind the June motion was to capture what was actually being grown in the Province of NS as whole birds.

S. Ramkissoonsingh noted that input had been received from one TFC member in advance of the meeting. Based on that feedback, one error was identified in the report on pages 5 and 6 of 7. The word “residual” will be deleted from the wording in Sections 4g) and 4n).

Considerable discussion took place on the proposed amendment to Section 5a) of the Policy. CPEPC’s concern on this section revolved around the manner in which NS would notify the Agency that they are re-entering FP production and the point at which NS would be eligible to submit FP requests. Upon the members’ deliberations, it was agreed to amend the proposed wording by adding the reference to “documented” in Section 5a)i).

R. Brown noted concerns with some of the proposed wording changes to the Policy and requested if it could be taken back to Provincial Boards for additional scrutiny. P. Boyd explained that the proposed amendments reflected the direction and motion from the TFC June meeting and that the amendments were circulated in advance so that provinces had the time to review them and come prepared to finalize the changes at this meeting.

Being satisfied that the proposed Policy amendments satisfied the three key components of the motion from the TFC 242<sup>nd</sup> Meeting was:

MOVED by B. Mailloux (ON) and SECONDED by S. Eadie (NS) that the TFC National Commercial Allocation Policy be amended, as detailed at the TFC 243<sup>rd</sup> Meeting, to reflect the motion made at the TFC 242<sup>nd</sup> Meeting concerning the Province of Nova Scotia, and amendments be effective commencing the 2016/17 control period.

CARRIED

#### **COMMUNICATIONS UPDATE:**

J. Height provided highlights of the meeting report. The Thanksgiving French’s mustard campaign is set to start rolling out in grocery stores across the country.

Delegates from ÉVQ will be joining TFC at the Food Bloggers Conference in Montréal in late October.

The Food Banks Canada social media “share” campaign will launch on September 28<sup>th</sup>.

Reference documents for use in advance of the federal election have been circulated and posted on the portals. Further information and materials will be distributed as warranted.

Social media numbers continue to climb.

**TRADE UPDATE:**

P. Boyd reported that a ministerial conference is confirmed for Atlanta, Georgia. SM5 representatives will be in attendance. The auto sector experienced a set back at the July ministerial and are working hard to create some momentum heading into the ministerial.

Updates on pre-election and trade activity will be initiated and updated daily or as needed.

There is a significant push to advance the WTO negotiations, in some minor way at the December ministerial.

**MANAGERS’ COMMITTEE UPDATE:**

Managers met all day yesterday and covered a full agenda. Highlights included Provincial Board updates, linkages to the Proclamation and FPA and governance policy. Time was spent on the On-Farm Programs implementation status across provinces, euthanasia practices, an update on the development of a FCP employee code of conduct, the review of the marketing plan and FPA as requested by FPCC, the national branding and marketing initiative, a Food Banks Canada update, and policy record keeping.

**OTHER:**

**Appointment of Auditor –**

S. Heppell, Chair of the Audit and Finance Committee, detailed discussions at the Committee. Satisfied with the background work conducted on the proposed new auditor, it was:

MOVED by J. Falcao (CPEPC) and SECONDED by C. McBain (ÉVQ) to recommend the appointment of BDO Canada LLP as the TFC auditor to FPCC, commencing fiscal year 2015.

CARRIED

The Committee is also requesting the submission of boarding passes to verify flights.

MOVED by J. Falcao (CPEPC) and SECONDED by S. Eadie (NS) to amend TFC By-Law #4, Section C) v) to require boarding passes to be submitted as required expense documentation, effective the TFC 244<sup>th</sup> Meeting.

CARRIED

**Reminder – Crisis & Issues Designates** – J. Height reminded those that are designated spokespersons in the event of an issue or crisis that updates will be circulated as warranted.

**Arbitration Process Update** – P. Boyd reported that the panel selection is advancing with suggestions forwarded to TFO. We are currently aiming to have the panel hearing completed by November 9<sup>th</sup> and potentially having a decision in advance of the November meeting. Progress is being made and both MB and CPEPC have expressed their desire to have intervener status.

**OTHER:**

M. Davies recognized T. Hayter as retiring Alternate Director from ON.

B. Mailloux was also recognized as the retiring TFC Vice-Chair and Director from ON and was presented with a gift in appreciation for his many years of service.

There being no further business, it was MOVED by B. Mailloux (ON) to adjourn the meeting at 3:46 p.m.

Approved by:

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M. Davies, Chair

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J. Height, Secretariat

Dated: \_\_\_\_\_, 2015