



Farm Products Council  
of Canada

Conseil des produits agricoles  
du Canada

Central Experimental Farm  
Building 59  
960 Carling Avenue  
Ottawa, Ontario K1A 0C6

Ferme expérimentale centrale  
Édifice 59  
960, avenue Carling  
Ottawa, Ontario K1A 0C6

November 17, 2023

Mr. Darren Ference  
Chairman  
Turkey Farmers of Canada  
7145 West Credit Avenue  
Building 1, Suite 202  
Mississauga, Ontario L5N 6J7

Dear Mr. Ference:

At its November 16, 2023, meeting, the Farm Products Council of Canada (Council) reviewed the proposed amendments to the *Canadian Turkey Marketing Quota Regulations, 1990* (Quota Regulations), as submitted in your letter of October 16, 2023, for the 2023-24 control period, which begins on April 30, 2023, and ends on April 27, 2024.

Following a thorough review of the rationale provided by Turkey Farmers of Canada (TFC) and internal analysis, Council members were satisfied that the proposed Quota Regulations for the 2023-24 control period were necessary for the implementation of the marketing plan stated in the *Canadian Turkey Marketing Agency Proclamation*.

Should you have any questions, please do not hesitate to contact me or the Secretariat by email at [fpcc.secretariat.cpac@fpcc-cpac.gc.ca](mailto:fpcc.secretariat.cpac@fpcc-cpac.gc.ca).

Sincerely,

Brian Douglas  
Chairman



October 16, 2023

Mr. Brian Douglas  
Chair  
Farm Products Council of Canada  
Central Experimental Farm  
960 Carling Avenue, Building 59  
OTTAWA, ON K1A 0C6

Dear Mr. Douglas:

Re: **Canadian Turkey Quota Regulations 2023/2024**

Please find enclosed a submission from the Turkey Farmers of Canada (TFC) establishing the 2023/2024 Quota Regulation. We request that this be given consideration and prior approval by the Farm Products Council of Canada at its earliest convenience.

The proposed allocation amendment is the culmination of lengthy discussions and, more recently, motions made during three meetings of the TFC from April 27 to September 19, 2023. As you will be aware, the TFC Allocation Policy was approved at the TFC 275<sup>th</sup> Meeting of September 19, 2023, and the implementation of that policy guided the TFC in the distribution of the Commercial Allocation for 2023/2024.

The rationale for the proposed allocation amendment, reflecting decisions of the TFC Directors and consideration of the Proclamation Criteria as guided by the Allocation Policy is set out in the submission and appendices.

Should your staff have any questions on this submission, please do not hesitate to have them contact our office.

We look forward to Council's consideration and prior approval of this amendment.

Sincerely,

Phil Boyd  
Executive Director

Encls.

c. M. Kotipelto, FPCC

# Canadian Turkey Marketing Agency c.o.b. **Turkey Farmers of Canada**

**Submission to:** Farm Products Council of Canada  
**Regarding:** Amendment to the Schedule to the Canadian Turkey Marketing Quota Regulation (1990) for 2023/2024  
**Date:** October 16, 2023

This submission provides background and rationale for establishing the federal quota with respect to the inter-provincial and export trade of turkey at 183,468,043 kg for the 2023/2024 Control Period.

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## **1) Summary of Relevant Orders of Business and Motions from Meetings of the Turkey Farmers of Canada**

In chronological order, the following is a summary of the orders of business and relevant motions that have formed the 2023/2024 Quota Order:

### **a) Web Conference of April 27, 2023 2023/2024 Export Conditional Allocation Requests**

Correspondence was received from the Provinces of Manitoba, Ontario and Quebec requesting conditional allocations under the Section One Whole Bird, and Section Two provisions of the TFC Export Policy. From this meeting, the following motion was passed:

*To approve the requests from Manitoba, Ontario, and Quebec as per their recent correspondence for allocations under Sections 1 Whole and 2 of the Export Policy for 2023/2024 in the following amounts:*

*For Section 1 Whole:*

<i>Manitoba</i>	<i>1,000,000 kg</i>
<i>Ontario</i>	<i>7,921,764 kg</i>
<i>Quebec</i>	<i>535,000 kg</i>

*For Section 2:*

<i>Ontario</i>	<i>2,798,465 kg</i>
<i>Quebec</i>	<i>900,000 kg</i>

**b) The TFC 274<sup>th</sup> Meeting of June 21-22, 2023**

**2023/2024 Quota Regulation Review**

Stemming from discussions regarding the Commercial Allocation for the 2023/2024 Control Period, the following motion was passed:

*To set the commercial allocation for the 2023/2024 control period to 141,500,000 kg.*

**c) The TFC 275<sup>th</sup> Meeting of September 19, 2023**

**The 2022/2023 Control Period Reconciliation and Allocation of Export Policy Carry-Forward**

In the 2022/2023 Control Period Reconciliation that was presented and approved by the Directors as being final, no provinces are overmarketed. Under the terms of the TFC Export Policy, Provincial Boards are permitted to carry-forward one-sixth of Export Policy Utilization earned in a control period to the following control period if they have not been used to cover production. The Directors approved that Section 1 Export Policy Utilizations from 2022/2023 be allocated in 2023/2024 with the following motion:

*As a result of the carry-forward provision of the Export Policy, and as detailed on Line 40 of the 2022/2023 Control Period Reconciliation, to allocate Export Policy Carry-Forward in the 2023/2024 Control Period in the amounts of:*

<i>British Columbia</i>	<i>111,497 kg</i>
<i>Alberta</i>	<i>179,747 kg</i>
<i>Saskatchewan</i>	<i>29,373 kg</i>
<i>Manitoba</i>	<i>12,946 kg</i>
<i>Ontario</i>	<i>2,220,118 kg</i>
<i>Quebec</i>	<i>57,794 kg</i>

**The Implementation of the TFC Allocation Policy**

The TFC Directors approved a new Commercial Allocation Policy to take effect with the 2023/2024 Control Period which guides the allocation of commercial quota among provinces. In summary, the key components of the Allocation Policy are that it contains:

- i. A starting point allocation of 144,000,000 kg; and
- ii. A natural growth formula for allocations above 144,000,000 kg based on the following four components:
  - Pro-rata recent commercial allocation weighted at 35%
  - Pro-rata population at 35%
  - Farm Input Price Index (FIPI) at 15%
  - Nielsen retail data at 15%.
- iii. For an allocation of a total commercial allocation of less than 144,000,000 the provincial allocations be based on each province's percentage share of the starting point.

From this order of business, the following motion guides the allocation of quota in 2023/2024:

*That the TFC Office be directed to implement, commencing with the 2023/2024 Control Period, the Draft Allocation Policy framework motion carried at the TFC 274<sup>th</sup> meeting of June 2023, excluding the 2.5% conditional allocation pool framework, with the sunset clause for the Policy being the 2027/2028 Control Period.*

#### **The Quota Order Amendment for 2023/2024**

Following the implementation of the Allocation Policy, the following motions were passed:

*That the total 2023/2024 Federal Quota for interprovincial and export trade of 183,468,043 kg eviscerated be allocated as follows:*

<i>British Columbia</i>	<i>20,048,367 kg</i>
<i>Alberta</i>	<i>15,183,288 kg</i>
<i>Saskatchewan</i>	<i>5,476,787 kg</i>
<i>Manitoba</i>	<i>14,029,854 kg</i>
<i>Ontario</i>	<i>84,997,769 kg</i>
<i>Quebec</i>	<i>35,515,338 kg</i>
<i>New Brunswick</i>	<i>3,643,316 kg</i>
<i>Nova Scotia</i>	<i>4,573,324 kg</i>

*That the 2023/2024 Federal Quota for interprovincial and export trade be allocated to the provinces as reviewed during the 275<sup>th</sup> TFC Meeting of September 19, 2023, as follows:*

- Row 1e: Commercial Quota
- Row 2f: Conditional Multiplier Breeder
- Row 3a: Conditional Primary Breeder
- Row 4f: Conditional Export Policy

*To direct staff to prepare and submit the 2023/2024 Quota Regulation reflecting the allocations approved during the 275<sup>th</sup> TFC Meeting of September 19, 2023, for blue stamping by the Justice Department and prior approval by FPCC subject to Members' approval, and to prepare a Promotion Agreement.*

As per the motions, the 2023/2024 Federal Quota for turkey, excluding the unregulated area, consists of the following components:

<b>2023/2024 Federal Turkey Allocations (kg)</b>			
		<b>Pounds</b>	<b>Kilograms</b>
A	Commercial Allocation	311,954,101	141,500,000
B	Multiplier Breeder	6,328,797	2,870,694
C	Primary Breeder	4,625,475	2,098,080
	Export Policy:		
D	Section 1 Parts	41,828,449	18,973,065
E	Section 1 Whole	20,848,596	9,456,764
F	Section 1 Carry-Forward	5,757,316	2,611,475
G	Section 2 Planned Exports	8,153,719	3,698,465
H	Section 3 Live	4,981,345	2,259,500
I=D+E+F+G+H	Total Export	81,569,425	36,999,269
J=A+B+C+I	Total Quota	404,477,798	183,468,043
K	Base Allocations, Proclamation S. 3	213,940,000	97,041,552
L=J-K	Over Base Allocations	190,537,798	86,426,491

The sequence of motions setting the 2023/2024 allocation resulted from TFC conditional allocation policies, the newly implemented Commercial Allocation Policy, all of which guides the Agency in its consideration of the CTMA Proclamation Criteria and due regard for the objects of an Agency as per Section 21 of the *Farm Products Agency Act* (FPAA). The national commercial allocation of 141,500,000 kg, a 4,500,000 kg decrease from the final commercial allocation in 2022/2023, is in response to market conditions evident from June to September of 2023. Relevant discussions relating to quota allocations including consideration of the Proclamation Criteria and Objects of Agency also covered continuing uncertainties due to Avian Influenza, the impacts of continued high feed prices, imports from member countries of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the competitive position of competing meats and increased overall costs on consumer demand.

## **2) Implementation of an Allocation Policy**

Effective the 2023/2024 Control Period, the TFC Commercial Allocation Policy was implemented at the TFC 275<sup>th</sup> Meeting. Commercial allocations at or below the starting point allocation of 144,000,000 kg will be allocated to provinces on a pro rata basis according to starting point shares agreed to by the TFC Directors. Above the starting point of 144,000,000 kg, allocations will be guided by a Natural Growth Formula which provides measurements of the Proclamation Criteria as set out below:

- **Pro-rata recent commercial allocation weighted at 35%**  
Provides indications of:
  - (f) the feasibility of increased production in each province available to be marketed.
  - (g) the existing production and storage facilities in each province.
- **Pro-rata population weighted at 35%**  
Provides indications of:
  - (c) the principle of comparative advantage of production.
  - (d) any variation in the size of the market for turkeys.
- **Farm Input Price Index (FIPI) at 15%**  
Provides indications of:
  - (c) the principle of comparative advantage of production.
- **Nielsen retail data at 15%**
  - (d) any variation in the size of the market for turkeys.

With regards to criteria:

**(e) any failures by turkey producers in any province or provinces to market the number of pounds of turkey meat authorized to be marketed;**

**(h) the comparative transportation costs to market areas from alternative sources of production.**

Under the new Commercial Allocation Policy, these criteria are considered in light of potential impediments.

With regards to criterion **(e) any failures by turkey producers in any province or provinces to market the number of pounds of turkey meat authorized to be marketed**, the TFC Directors reaffirmed the manner in which it has previously interpreted and considered this criterion. Any failure by producers in a province to

market the volumes of turkey allocated would need to be examined on a case-by-case basis. Underproduction resulting from extenuating circumstances (e.g., barn collapse, barn fire, disease issue, natural disasters) are once-off events and producers should not be penalized via reduced allocations in the subsequent control period.

However, the TFC Directors at the TFC 275<sup>th</sup> Meeting ruled that the Supply Policy Committee (SPC) be mandated to review the interpretation of this criteria and report back with solutions and a clear policy on how to address and reallocate provincial underproduction.

With regards to criterion **h) the comparative transportation costs to market areas from alternative sources of production**, the TFC Directors reaffirmed the manner in which it has previously interpreted and considered this criterion. With regards to branded products that are marketed nationally, transportation costs have no bearing as these products must move inter-provincially, as demand is driven by consumer preferences and nation-wide marketing. Further, the transport costs of branded products can be offset by the efficiencies that result in centralized production. Finally, central buying by national chains may result in greater efficiencies and lower transport costs. As a result, this criterion indicates neither an advantage nor an impediment to any province.

### **3) Consideration of Statutory Obligations and the 2023/2024 Commercial Allocation**

#### **a) Consideration of the FPAA and the Proclamation Criteria with regards to the Commercial Allocation**

A commercial allocation of 141,500,000 kg, 3,500,000 kg below the starting point allocation of 144,000,000 kg is necessary to maintain a strong, efficient industry.

Consistent with the objects of an Agency in the FPAA, allocations at or below 144,000,000 kg are subject to maintaining a viable industry in all provinces. The Agency believes it would be unreasonable, for the sake of preserving production stability in the industry, to implement radically different allocations for each marketing period (i.e., control period) as the national allocation is reduced below the Starting Point Commercial Quota of 144 mkg, that captures historical production patterns and where turkey has been grown.

#### **b) Further Consideration of Variation in the Size of the Market**

Discussions regarding criteria **(d) any variation in the size of the market for turkeys**, focused on the amount of commercial allocation that is necessary considering recent Turkey Market Reviews and the Turkey Market Advisory Committee (TMAC) report to the TFC 274<sup>th</sup> Meeting of June 2023.

##### **• Consideration by Directors**

TMAC met on May 26, 2023, and reported its findings to the TFC Directors at their 274<sup>th</sup> Meeting (Appendix IV). A Turkey Market Review was also presented to the TFC 274<sup>th</sup> Meeting of June 21-22, 2023 (Appendix V).

At the 274<sup>th</sup> Meeting of June 21 – 22, 2023, the Directors discussed the commercial allocation required for the 2023/2024 Control Period at length. A number of Directors commented that a slightly higher allocation than identified by TMAC is required due to:

- opportunities presented by the state of the beef market (as noted in the TMAC report) which is very expensive by historic standards and is likely to continue to be expensive for the foreseeable future.
- It was also noted that there have been issues of supply for certain processors and that opportunities for increased sales have been lost.
- The timing and amount of imports from Chile for this control period was also unknown due to AI having hit that country's turkey production.



Motions for the appropriate allocation ranged from 139.0 million kg to 142.0 million kg. An allocation of 141.5 million kg was approved as it was seen as taking into account opportunities presented by the state of the beef market, uncertainty of supply from Chile and demand for additional supply from some processors. Throughout the summer at monthly quota review meetings, and at the TFC 275<sup>th</sup> Meeting, the TFC Directors discussed the motion approved at the TFC 274<sup>th</sup> Meeting and no amendment was made.

- **The CTMA Marketing Plan:**

The aggregate of base provincial allocations set out in Table 1 of Section 3 of the CTMA Marketing Plan for the year 1973 equals 97,041,552 kg.

Part 2 (1) of the CTMA Marketing Plan states:

*“The Agency shall, by order or regulation, establish a quota system by which quotas are assigned to all members of classes of turkey producers in each province to whom quotas are assigned by the appropriate Board or Commodity Board.”*

Since the market for turkeys is greater than the volumes set out in the Marketing Plan and the Agency is responsible for establishing a quota system, an overbase allocation must be made.

#### **4) 2023/2024 Federal Quota and Conditional Allocations**

The TFC Quota is the sum of the Commercial allocation, as has been detailed, and the following three conditional allocations:

- a) Multiplier Breeder;**
- b) Primary Breeder; and,**
- c) Export Policy.**

The recently approved Allocation Policy guides the distribution of Commercial Quota to provinces as detailed previously. The TFC’s three Conditional Allocation Policies are all in force and their functioning results in the allocations detailed below.

##### **a) Multiplier Breeder Allocation**

Canada is home to a turkey breeding industry that supplies eggs and poults domestically and in export markets. Production of turkey hatching eggs is not supply managed, but spent breeder production is and, therefore, an allocation for multiplier breeders is necessary.

The Multiplier Breeder Policy provides allocation for the marketing of mature turkeys, without impeding sales of hatching eggs and poults. Based on volumes when the Policy was developed, some multiplier marketings are covered by the reference level portion of the commercial allocation, with the rest covered by utilizations of the Breeder Allocation. To arrive at Multiplier Breeder allocations, reference levels are subtracted from forecasts of mature marketings. For 2023/2024, an allocation of 2,870,694 kg has been made.

##### **b) Primary Breeder Allocation**

Canada is home to a primary turkey breeding industry that provides breeding stock to multiplier breeders globally. Like the multiplier breeder sector, production of eggs and poults is not supply managed, but the



marketing of by-product live turkeys is. An allocation of 2,098,080 kg (upper limit) is made to facilitate the needs of this industry.

### **c) Export Policy Allocation**

Export Policy allocations are comprised of the following components:

**Section 1 – Parts:** These allocations are utilized when parts are exported, subject to the terms of the Policy. Upper limits on utilizations on part exports have been established for each province. As a practical matter, the upper limits, totaling 18,973,065 kg are allocated.

**Section 1 – Whole Bird:** There is no upper limit on the export of whole turkeys and for each kg exported, an allocated kg is utilized. WB allocations are based on forecasts provided by Provincial Boards in consultation with exporting firms. For the 2023/2024 Control Period 9,456,764 kg has been allocated.

**Section 1 – Carry-Forward:** Provincial Boards are permitted to carry-forward one-sixth of the Export Policy Utilizations earned in one control period to the next, provided that those Utilizations have not been used to cover marketings. This provision provides flexibility, as production can occur when practical. As the 2022/2023 Control Period Reconciliation has been completed, for the 2023/2024 Control Period 2,611,475 kg has been allocated.

**Section 2 – Planned Exports:** These allocations reflect production to be used for planned exports. This section accommodates firms exporting whole birds and/or breast meat and co-product wings, thighs, and drums. Whole bird exports earn utilizations on a 1-to-1 basis. Part exports only generate utilizations if breast meat and co-product wings, thighs and drums are exported. Allocations are based on forecasts provided by Provincial Boards in consultation with exporting firms. Allocations totaling 3,698,465 kg have been made.

**Section 3 – Live Exports:** Allocations for live exports are based on forecasts provided by Provincial Boards in consultation with exporters. Export documentation is tracked by the TFC, and volumes are reflected in the Control Period Reconciliation. In consultation with the provinces 2,259,500 kg has been allocated.

## 5) 2023/2024 Provincial Allocations of Federal Quota

Based on consideration of the Proclamation criteria, the Agency's decisions regarding the amended federal quota for each province during 2023/2024 and supporting rationale are detailed in the following section:

Allocations (kg)					
	A	B	C	D = C - B *	E = C - A
Province	Base Allocation (Proclamation)	2022/2023 Federal Quota	2023/2024 Federal Quota	2023/2024 Federal Quota vs. 2022/2023	2023/2024 Overbase Quota Allocation
BC	9,298,644	20,595,160	20,048,367	-546,793	10,749,723
AB	8,278,061	15,478,293	15,183,288	-295,005	6,905,227
SK	3,628,739	5,618,450	5,476,787	-141,663	1,848,048
MB	7,824,468	14,017,056	14,029,854	12,798	6,205,386
ON	41,730,498	80,962,077	84,997,769	4,035,692	43,267,271
QC	24,493,988	36,262,845	35,515,338	-747,507	11,021,350
NB	653,173	3,758,864	3,643,316	-115,548	2,990,143
NS	1,133,981	4,718,186	4,573,324	-144,862	3,439,343
<b>Total</b>	<b>97,041,552</b>	<b>181,410,931</b>	<b>183,468,043</b>	<b>2,057,112</b>	<b>86,426,491</b>
Allocations (pounds)					
	A	B	C	D = C - B *	E = C - A
Province	Base Allocation (Proclamation)	2022/2023 Federal Quota	2023/2024 Federal Quota	2023/2024 Federal Quota vs. 2022/2023	2023/2024 Overbase Quota Allocation
BC	20,500,000	45,404,556	44,199,084	-1,205,472	23,699,084
AB	18,250,000	34,123,795	33,473,420	-650,375	15,223,420
SK	8,000,000	12,386,562	12,074,248	-312,314	4,074,248
MB	17,250,000	30,902,318	30,930,533	28,215	13,680,533
ON	92,000,000	178,490,828	187,388,004	8,897,176	95,388,004
QC	54,000,000	79,945,889	78,297,917	-1,647,972	24,297,917
NB	1,440,000	8,286,877	8,032,137	-254,740	6,592,137
NS	2,500,000	10,401,821	10,082,455	-319,366	7,582,455
<b>Total</b>	<b>213,940,000</b>	<b>399,942,646</b>	<b>404,477,798</b>	<b>4,535,152</b>	<b>190,537,798</b>

### Summary of 2023/2024 Allocations by Province (kg):

#### British Columbia

Commercial	18,644,459
Conditional Allocations	1,403,908
Total Allocation	20,048,367
Increase from Base Allocation	10,749,723

- The Section 1 Export Policy allocation of 1,292,411 kg reflects the upper limit on part utilizations.

**Alberta**

Commercial	13,446,164
Conditional Allocations	1,737,124
Total Allocation	15,183,288
Increase from Base Allocation	6,905,227

- The Section 1 Export Policy allocation of 1,557,377 kg reflects the upper limit on part utilizations.

**Saskatchewan**

Commercial	4,844,162
Conditional Allocations	632,625
Total Allocation	5,476,787
Increase from Base Allocation	1,848,048

- The Section 1 Export Policy allocation of 603,252 kg reflects the upper limit on part utilizations.

**Manitoba**

Commercial	8,857,756
Conditional Allocations	5,172,908
Total Allocation	14,029,854
Increase from Base Allocation	6,205,386

- To accommodate the marketing of spent multiplier breeders from Manitoba's hatchery sector, the Multiplier Breeder allocation has been set at 765,926 kg.
- The Section 1 Export Policy allocation of 1,133,726 kg reflects the upper limit on part utilizations.
- On behalf of a processor in that province, Manitoba has requested conditional allocations of 1,000,000 kg for whole bird exports under Section 1 of the Export Policy.
- Producers in Manitoba export live turkeys. The Live Export allocation of 2,259,500 kg reflects the placements and forecast export marketings based on producer notification to the Provincial Board.

**Ontario**

Commercial	56,600,000
Conditional Allocations	28,397,769
Total Allocation	84,997,769
Increase from Base Allocation	43,267,271

- To accommodate the marketing of spent multiplier breeders from Ontario's hatchery sector, the Multiplier Breeder allocation has been set at 2,104,768 kg.
- To accommodate marketings by the Primary Breeder section in Ontario, the Primary Breeder allocation has been set at 2,098,080 kg as per the terms of that policy.
- The Section 1 Export Policy allocation of 11,254,574 kg reflects the upper limit on part utilizations.

- On behalf of processors in that province, Turkey Farmers of Ontario (TFO) has requested conditional allocations of 7,921,764 kg for whole bird exports under Section 1 of the Export Policy, and 2,798,465 kg under Section 2 of the Export Policy.

#### **Quebec**

Commercial	31,732,016
Conditional Allocations	3,783,322
Total Allocation	35,515,338
Increase from Base Allocation	11,021,350

- The Section 1 Export Policy allocation of 2,290,528 kg reflects the upper limit on part utilizations.
- On behalf of processors in that province, Les Éleveurs de volailles du Québec (ÉVQ) has requested conditional allocations of 535,000 kg for whole bird exports under Section 1 of the Export Policy, and 900,000 kg under Section 2 of the Export Policy.

#### **New Brunswick**

Commercial	3,272,590
Conditional Allocations	370,726
Total Allocation	3,643,316
Increase from Base Allocation	2,990,143

- The Section 1 Export Policy allocation of 370,726 kg reflects the upper limit on part utilizations.

#### **Nova Scotia**

Commercial	4,102,853
Conditional Allocations	470,471
Total Allocation	4,573,324
Increase from Base Allocation	3,439,343

- The Section 1 Export Policy allocation of 470,471 kg reflects the upper limit on part utilizations.

## 6) List of Appendices:

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Appendix IV:	TMAC Report to the TFC 274 <sup>th</sup> Meeting of June 21-22, 2023
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## **Interpretation and Application of the Marketing Plan Criteria for Conditional Allocations in the 2023/2024 Control Period**

### **4.1(c) the principle of comparative advantage of production**

#### **Primary Breeder, Multiplier Breeder and Export Quotas**

Inherent in the theory of comparative advantage is that resources will be used in a manner that maximizes benefits to all participants. Accordingly, it is the conclusion of the TFC that the application of the principle of comparative advantage, in primary breeder, multiplier breeder and export quota allocations, will over time contribute to resource use in like manner. The aggregate of these allotments is 35.4 million kilograms, or 19.5% percent of the total volume allocated.

The Agency, by allocating quota by class (e.g., export, breeder) to the provinces, can influence resource use. By taking into account how quota will be utilized in provinces and/or regions, the TFC can ensure quota is allocated in ways consistent with the S. 21 objects of an Agency: the promotion of a strong, efficient, and competitive production and marketing industry, and done so in a manner that has due regard for the interests of producers and consumers.

For the purposes of allotting turkey quota to provinces, the TFC Directors assess this principle in terms of the production of turkey in provinces and regions in response to the characteristics of industries supplying turkey into competitive markets for meat protein (domestically and internationally) and for turkey breeding stock.

Based on this approach, the following characteristics or elements are considered by the Agency as capturing the “principle” of Comparative Advantage of Production (CAP). Under the classical theory of CAP, these elements could be characterized as “factor endowments”.

- Efficient logistics (planning, implementation, coordination and movement of birds and products to/from farms, slaughter, processing, retailer, and consumer);
- Live Production & Processing Capacity;
- Transportation Costs (live haul, finished transport costs);
- Effective marketing and profitable markets (the ability to service different market segments e.g. foodservice, proximity to local markets, retail, etc.);
- Export potential (profitable markets for products not required on the domestic market, niche export markets, live export opportunities);
- Production oriented factors (availability of feed grains, feed prices, average bird weights, live prices, productivity, etc.); and,
- Critical mass/economies of scale (efficient production, slaughtering and processing capabilities).

Using the approach outlined above to interpret CAP, the manner in which the Agency has determined to apply the principle of CAP to the various breeder and export sub-components of the overbase quota is detailed in the table below.

Overbase Quotas:	Consideration:
1. Primary Breeder and Multiplier Breeder Quota	<p>Under the Primary Breeder Policy and the Multiplier Breeder Policy, conditional allocations are available to provinces in order to address the marketing of mature turkey meat, which is a by-product of the marketing of eggs and poults domestically and in international trade.</p> <p>It is the Agency's position that the allocation of breeder quota is consistent with the principle of CAP for the following reasons:</p> <ul style="list-style-type: none"> <li>• Canada is a net exporter of turkey breeding stock. The breeding sector is ideally situated to service clients in the United States and around the world with primary and multiplier breeding stock. For those provinces engaged in export of breeding stock, it is the Agency's position that the use of trade data "reveals" much about the underlying pattern of CAP in this market segment.</li> <li>• For provinces with a multiplier breeding sector that are not heavily engaged in the export of eggs and poults, CAP is still applicable as breeder flock operators in these provinces are ideally situated to supply hatcheries with eggs that cannot be easily supplied from elsewhere.</li> </ul>
2. Section 2 Export Quota and Section 3 Live Turkey Export Quota	<p>Under the TFC Export Policy, Production for Export Markets (Section 2) and quota for Live Turkey Exports (Section 3) must be requested by the Provincial Board from the Agency.</p> <p>Under this approach, processors and producers are to estimate their export quota requirements and, through their Provincial Commodity Board, submit the request to the Agency.</p> <p>This market-driven process for requesting export quota is seen by the Agency as the most practical means of assessing and applying the principle of CAP.</p> <p>By allowing individual processors and producers to assess and request export quota based on demand conditions (e.g., ability to market live birds and niche products such as organic, Kosher, etc.); local resource availability (e.g., live production and processing capacity); and, taking into account related and supporting industries (e.g., availability of feed grains, transportation, capacity), the underlying pattern of CAP will be revealed over time.</p>
3. Section 1 Export Quota	<p>Under Section 1 of the Export Policy, provinces that have exported young turkey (e.g., WB or parts) sourced from commercial quota, or whole carcass, may replace those exported volumes, subject to the limitations set out in the Policy.</p> <p>The allocation of export quota under Section 1 of the Export Policy is consistent with the principle of CAP in that:</p>



	<ul style="list-style-type: none"> <li>• Export quota allotted for part exports is a direct result of boning activity. Provinces with a comparative advantage in boning and FP (i.e., the ability to service the FP market segment), or for whole carcass exports, is in essence reflected in their export marketings of turkey meat products; and,</li> <li>• The effective marketing of products not required on the domestic market, or the development of niche export markets, is also regarded by the Agency as an element of CAP.</li> </ul>
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#### **4.1(d) any variation in the size of the market for turkeys**

The manner in which the Agency has taken into account criteria (d) in the allocation of primary, multiplier and export quota is detailed below.

<b>Overbase Quotas:</b>	<b>Consideration:</b>
1. Primary Breeder Quota, Multiplier Breeder Quota, Export Quota	<p>The TFC utilizes a market-driven process for assessing market requirements in its Primary Breeder, Multiplier Breeder and Export Policies, subject to the conditions specified within these Policies.</p> <p>Given that under these Policies, processors, breeder operators, exporters, producers and provinces are required to submit quota requests and/or forecasts related to demand, any variation in the size of the market segment concerned (e.g., export markets, breeding stock market segment) is captured in the Agency's consideration process.</p>

#### **4.1(e) any failures by turkey producers in any province or provinces to market the number of pounds of turkey meat authorized to be marketed**

With respect to the Export and Breeder Policies, given that these allocations are based on the best available estimates and forecasts, and that they are conditional in nature, the Agency acknowledges that full utilization is not always possible due to changing marketing and production conditions between the time that estimates are made and the completion of the marketing year.

#### **4.1(f) the feasibility of increased production in each province available to be marketed**

In the allocation of primary, multiplier and export quota, under TFC's interpretation and application of CAP (production and processing capacity, production-oriented factors and effective marketing), criteria (f) is considered an element of CAP; therefore, a separate consideration process is not required.

#### **4.1(g) the existing production and storage facilities in each province**

With respect to "existing production facilities", in the allocation of primary, multiplier and export quota, under TFC's interpretation and application of CAP, this element of criteria (g) is already captured; therefore, a separate consideration process is not required.

#### **4.1(h) the comparative transportation costs to market areas from alternative sources of production**

With respect to "comparative transportation costs", in the allocation of primary, multiplier and export quota, under TFC's interpretation and application of CAP, this element of criteria (h) is already captured; therefore, a separate consideration process is not required.

**The Canadian Turkey Marketing Agency Marketing Plan**

Parts 2 to 4 of the CTMA Marketing Plan provides as follows:

2. (1) The Agency shall, by order or regulation, establish a quota system by which quotas are assigned to all members of classes of turkey producers in each province to whom quotas are assigned by the appropriate Board or Commodity Board.

(2) The Agency, in establishing a quota system, shall assign quotas in such manner that the number of pounds of turkey meat produced in a province and authorized to be marketed in interprovincial and export trade in the year 1973, when taken together with the number of pounds of turkey meat produced in the province and authorized to be marketed in intra-provincial trade in the same year, pursuant to quotas assigned by the appropriate Board or Commodity Board, and the number of pounds of turkey meat produced in the province and anticipated to be marketed in the same year, other than as authorized by a quota assigned by the Agency or by the appropriate Board or Commodity Board, will equal the number of pounds of turkey meat set out in section 3 of this Plan for the province.

3. For the purposes of subsection 2(2) of this Plan, the number of pounds of turkey meat set out in this section for a province or for the unregulated area is the number of pounds set out in Column II of an item of the following table in respect of the province or the unregulated area set out in Column I of that item.

**TABLE**

<b>Item</b>	<b>Column I Province or Area</b>	<b>Column II lb.</b>	<b><i>TFC Conversion to kg</i></b>
1	British Columbia	20,500,000	9,298,644
2	Alberta	18,250,000	8,278,061
3	Saskatchewan	8,000,000	3,628,739
4	Manitoba	17,250,000	7,824,468
5	Ontario	92,000,000	41,730,498
6	Quebec	54,000,000	24,493,988
7	New Brunswick	1,440,000	653,173
8	Nova Scotia	2,500,000	1,133,981
9	Unregulated Area	60,000	27,216

4. (1) No order or regulation shall be made where the effect thereof would be to increase the aggregate of

(a) the number of pounds of turkey meat produced in a province and authorized by quotas assigned by the Agency and by the appropriate Board or Commodity Board to be marketed in intra-provincial, interprovincial and export trade, and

(b) the number of pounds of turkey meat produced in a province and anticipated to be marketed in intra-provincial, interprovincial and export trade other than as authorized by quotas assigned by the Agency and by the appropriate Board or Commodity Board

to a number that exceeds, on a yearly basis, the number of pounds of turkey meat set out in section 3 of this Plan for the province unless the Agency has taken into account:

- (c) the principle of comparative advantage of production;
- (d) any variation in the size of the market for turkeys;
- (e) any failures by turkey producers in any province or provinces to market the number of pounds of turkey meat authorized to be marketed;
- (f) the feasibility of increased production in each province available to be marketed;
- (g) the existing production and storage facilities in each province; and
- (h) the comparative transportation costs to market areas from alternative sources of production.

# MINUTES

Turkey Farmers of Canada  
Directors, Alternates & Managers' Web Conference  
April 27, 2023

Appendix III

## ATTENDANCE:

D. Ference	Chair	TFC
S. Heppell	Director	British Columbia
N. Veles	Manager	British Columbia
S. Olson	Alternate	Alberta
D. Mandel	Alternate	Alberta
C. Prout	Manager	Alberta
J. Wiersma	Director	Saskatchewan
T. Mandel	Alternate	Saskatchewan
C. Wiersma	Manager	Saskatchewan
M. Reimer	Director	Manitoba
L. Loewen	Alternate	Manitoba
H. Wheddon	Manager	Manitoba
M. Steele	Director	Ontario
J-M. Falconer	Manager	Ontario
C. McBain	Director	Québec
M. Levesque	Director	New Brunswick
L. Martin	Manager	New Brunswick
S. Eadie	Director	Nova Scotia
S. Lorette	Manager	Nova Scotia
D. Hart	Director	CPEPC
M. Pepin	Director	CPEPC
T. Tavares	Alternate	CPEPC
N. Paillat	Manager	CPEPC
A. Power	Director	FPPAC
N. Zylstra	Alternate	FPPAC

## Observers –

B. Douglas	FPCC
C. Gendron	FPCC
S. Campaore	FPCC
K. Cressman	TFO
R. Fortin	EVQ

## Translators – D. Nakos

**Staff** – P. Boyd, A. Goldman, J. Sheldon, S. Ramkissoonsingh, C. Gonano

D. Ference, Chair, called the web conference to order at 11:03 a.m. (EST). The notice of the meeting was given in accordance with TFC By-Law #1. Attendance was confirmed by roll call.

S. Olson was recognized as speaking and voting for AB.

**APPROVAL OF AGENDA:**

MOVED by M. Pepin (CPEPC) and SECONDED by J. Wiersma (SK) to  
approve the agenda as drafted.

CARRIED

**2023/2024 GLOBAL QUOTA**

S. Ramkissoonsingh summarized the memo in the kit, focusing on the background supporting the commercial allocation decision of 144.0 mkg made by the Directors at the TFC 273<sup>rd</sup> meeting in March.

T. Tavares commented about domestic production being 10 mkg to 11 mkg short relative to allocation this year. Therefore, the 144 mkg allocations are well over what we produced last year. The US market was at record highs, but the breast meat (BM) market is falling. Easter whole bird sales were low, but it appears there is no carry-over by retailers.

P. Boyd to T. Tavares: Your comments are why we do monthly check-ins. D. Ference voiced that the monthly check-ins consider these indicators.

S. Ramkissoonsingh to T. Tavares, a lot of information was provided in your summary. As we advance with the monthly meetings, it may be helpful to have this context provided in writing before the meetings to assist in the discussions.

C. Gonano presented an overview of the comparison of 2022 versus 2023 Avian Influenza(AI) detections overall in Canada, turkey specific in Canada and the United States of America, and all detections in Chile. Overall, AI detection trends are down this year in Canada and the US but turkey cases in Canada remain comparable.

J. Sheldon presented an overview of stock supply and disappearance in 2022/2023.

D. Hart asked J. Sheldon if there was any indication that ON could catch up with the amount allocated in light of recent flock losses.

M. Steele commented that some kg could be replaced, but there is not much empty barn space in ON, so they are unsure for now.

J-M Falconer noted that, at the moment, they are unsure if recent losses can be replaced but that this is being worked on.

D. Hart: is it too early to start looking for interprovincial leasing?

D. Ference: the monthly check-in will help to inform us over time if this is necessary.

J-M Falconer to D. Hart: yes, it is still too early to start having that discussion now.

M. Steele to J. Sheldon: Asked for the slides to be shared for review and asked J. Sheldon to repeat the information on CPTPP imports. J. Sheldon noted that the imports are watched weekly and how fast the imports are coming in.

M. Steele asked about the timeline for Chile to resume imports.

P. Boyd noted that CFIA restricts imports from Chile with AI detection notice. It depends on the speed of cleaning and disinfection (C&D) in Chile, followed by 28 days after the last C&D before a product is allowed in Canada.

S. Ramkissoonsingh noted that once Chile gets back into production, the number of kg coming in could be significant and might come quickly. How do we better handle forecasting the imports from Chile ahead of time? Would it be possible for FPPAC and CPEPC to assemble import intentions from their members?

T. Tavares would like to know which retailers are included in the information provided in the stock data.

## **2023/2024 EXPORT CONDITIONAL ALLOCATION REQUESTS**

J. Sheldon referred to the three provincial letters included in the meeting kit that was previously distributed. Each provincial request was highlighted.

MOVED by J. Wiersma (SK) and SECONDED by S. Olson (AB) to approve the requests from Manitoba, Ontario and Quebec as per their recent correspondence for allocations under Sections 1 Whole and 2 of the Export Policy for the 2023/2024 in the following amounts:

For Section 1 Whole:

Manitoba	1,000,000 kg
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Ontario	7,921,764 kg
Quebec	535,000 kg

For Section 2:	
Ontario	2,798,465 kg
Quebec	900,000 kg

CARRIED

There being no further business, it was MOVED by S. Olson to adjourn the web conference at 1:50 a.m.

Approved by:

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D. Ference, Chair

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A. Goldman, Secretariat

Dated: \_\_\_\_\_, 2023



Turkey Farmers of Canada  
274<sup>th</sup> Meeting  
June 21-22, 2023

## AGENDA # 2a

# [TURKEY MARKET ADVISORY COMMITTEE REPORT]

### ***Quota System: Market, Supply, Policy*** *2022/2023 and 2023/2024 Market Assessment*

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The Turkey Market Advisory Committee (TMAC) met in person on Friday, May 26, 2023, to review the final supply and disappearance data for the 2022/2023 Control Period based on May 1<sup>st</sup> inventories, and to prepare revised forecasts for the 2023/2024 Control Period.

#### Economic Environment

Overall, the economic environment has not changed substantially from the Committee's March report, which contained a mix of positive and less-than positive indicators.

- 350,000 new jobs created in Canada since last summer, with unemployment holding at 5.0%.
- Data from Stats Canada reporting that the net financial position among low-income Canadians is better than it was pre-Covid.
- Conference Board of Canada's Consumer Confidence index at its highest level since June of 2022 (77.3). Consumer confidence grew 0.6 points in May to bring its total growth since February to 5.9, marking a three-month streak of monthly increases.
- Food inflation, although somewhat slower, was still at +8.3% in April.
- The Canadian Consumer Price Index (CPI) rose 4.4% year-over-year in April, following a 4.3% increase in March. Inflation is still forecast to fall to around 3% in the middle of 2023.
- Moving forward, lower raw agriculture commodity prices and transport costs should keep food inflation drifting lower.
- Unsurprisingly, consumers are looking to save when they can amid inflationary pressures and higher food prices (U.S. data reported by Circana, formerly IRI and The NPD Group).
  - During the first quarter of the year, customer visits to restaurants and foodservice outlets that took advantage of a deal rose by 8%.

- Loyalty rewards and points redeemed at restaurants during the first quarter increased by 26% compared to the same quarter a year ago.

With respect to live turkey prices, Ontario prices have been fairly constant over the last 26 weeks. Going forward, TMAC anticipates lower feed input costs into the latter part of the calendar year. U.S. corn supply in 2023/2024 is forecast by USDA at 16,707 million bushels, up from 15,147 estimated in 2022/2023. With total U.S. corn supply rising more than use, 2023/2024 forecast ending stocks are up 805 million bushels from last year and, if realized, would be the highest in absolute terms since 2016/2017. A larger corn crop and higher beginning stocks combine to bolster the corn supply, which is resulting in lower forecast corn prices of t \$4.80 per bushel for the 2023/2024 marketing year compared to the current marketing year estimate of \$6.60 per bushel. USDA's yield projections per acre is based on a weather-adjusted trend assuming normal planting progress and summer growing season weather, estimated using the 1988-2022 time-period. As of May 23<sup>rd</sup>, approximately 26% of the corn production area in the U.S. was within an area experiencing drought. Therefore, depending on weather conditions between now and harvest, things could change.

### Turkey Industry Health

#### ***Wholesale Prices and Volume Reported by CPEPC:***

- Total commodity whole bird (WB) wholesale prices for the 2022/2023 Control Period to-date were up 10% (\$0.51/kg) relative to 2022/2023; while corresponding external sales volumes were down 8% (+ 1.2 mkg). *The lower sales are likely due to the impact of Avian Influenza (AI) which reduced the supply of larger weight turkeys and some sporadic regional supply disruptions.*
- Under 9 kg frozen WB wholesale prices were up 8% (\$0.43/kg), on higher sales volumes of 10% (+ 1.0 mkg).
- Breast meat (fresh and frozen) wholesale prices increased 31% (+ \$3.08 per kg) on a control period to-date basis. Corresponding sales volumes were down 12% (- 0.5 mkg). However, the drop in sales' volumes was overwhelmingly in the fresh category, down 33% (- 0.5 mkg). *Note: The external volumes that the wholesale prices are based on represent 14.0% of domestic disappearance.*
- Thigh meat (fresh and frozen) wholesale prices were down slightly at 1% (- \$0.04 per kg), on sales volumes that were down 6% for the control period (- 0.2 mkg).

### 2022/2023 Control Period Summary

The following table, previously presented at the May 25<sup>th</sup> TFC Directors' allocation check-in meeting illustrates 2022/2023 actual production relative to allocations and forecast production.

As illustrated, AI appears to have significantly impacted overall production and, by extension, turkey meat supply and disposition.

<b>2022/2023 Production Summary (normal domestic forecast production vs. actual)</b>	<b>22/23 Allocations</b>	<b>21/22 Utilization %</b>	<b>22/23 Forecast Production</b>
Commercial (incl. overmarketing)	146.0	97.8%	142.8
Multiplier	2.8	48.6%	1.4
Primary	2.1	61.1%	1.3
Exports: - Parts	19.0	67.5%	12.8
- Carry-Forward	2.0		1.4
- Whole	5.0	95.1%	4.8
- Section 2	3.6	69.5%	2.5
- Section 3 (live)	3.0		
<b>Total Domestic: Excluding whole, S.2 &amp; S.3 of Exp. Pol.</b>	<b>171.9</b>		<b>159.6</b>
<b>Total</b>	<b>183.4</b>		<b>166.9</b>
<b>2022/2023 Actual Production</b>			<b>150.3</b>
<b>% Below Normal Forecast</b>			<b>-9.9%</b>

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## **Whole Bird (WB) Market**

### **2022/2023 Control Period**

With respect to WB production, TMAC's forecasts were 54.9 mkg in June 2022, 55.8 mkg in March 2023, with final production coming in at 56.4 mkg. TMAC credits the higher than anticipated WB production to Avian Influenza (AI) and culled toms being replaced by lighter weight birds where possible.

In June 2022, TMAC was forecasting WB domestic disappearance for 2022/2023 at 54.0 mkg. Due to Avian Influenza (AI), by March 2023, TMAC revised its forecast downwards to 51.5 mkg. Actual disappearance came in at 50.4 mkg (lower than the March forecast by 1.1 mkg or 2.1%).

Closing stocks at 12.9 mkg (24% stock to-use ratio) is higher than expected in March (10.9 mkg and a 20% stock to-use ratio) by 2.0 mkg or 18.3%.

Overall, AI impacted both the timing and weight categories of production. These factors then influenced product availability and pricing, which affected wholesale trade, and the retail featuring of turkeys. All culminating in the WB domestic disappearance figure and closing inventories for 2022/2023.

### **2023/2024 Control Period Forecast**

Using 2019/2020 (prior to COVID) as a reference point (62.1 mkg), TMAC was originally forecasting disappearance for 2022/2023 in the 54.0 to 55.0 mkg range, which was consistent with the long-run decline in WB domestic disappearance.

For 2023/2024, TMAC has opted to keep the WB domestic disappearance forecast for 2023/2024 at 54.0 mkg (1.34 kg per capita). The rationale for this forecast is as follows:

- The WB supply situation in 2021 (i.e., heat dome, flooding) may have dampened disappearance that year.
- As noted above, AI had a significant impact on the WB market in 2022/2023.
- Turkey is expected to be competitive with beef this fall.
- The sale of value-added turkeys (basted, stuffed, fresh, etc.) represents 65% of the WB market, up from 38% six years ago. As the price point for these turkeys are higher than commodity birds, demand may not be as sensitive to price.
- Based on the wholesale price and movement data provided by CPEPC, wholesale prices for Frozen Under 9 kg commodity WBs increased by 8% in 2022/2023 relative to 2021/2022; while external sales also increased by 10%.

The table below illustrates TMAC's WB forecasting, as of May, for 2023/2024, relative to the March forecast and final 2022/2023 Control Period data.

**Table 1**

	19/20	20/21	21/22	22/23 final	23/24 March (f)	23/24* May (f)
	Total	Total	Total	Total	Total	Total
Opening Stocks	18.2	17.3	7.5	9.9	10.9	12.9
Production	61.6	51.5	57.5	56.4	55.0	55.1
Imports	0.0	0.0	0.0	0.0	0.0	0.1
Total Supply	79.8	68.8	65.0	66.3	66.0	68.0
Total Disappearance	62.5	61.3	55.2	53.4	57.2	57.0
Exports	0.4	1.1	2.2	3.1	3.2	3.0
Domestic Disappearance	62.1	60.2	52.9	50.4	54.0	54.0
Closing Stocks	17.3	7.5	9.9	12.9	8.7	10.9
PCC	1.64	1.58	1.37	1.28	1.37	1.34
Stocks to Use %	27.7%	12.2%	17.9%	24.1%	15.2%	19.2%

\*Forecasts. Note: for 2023/2024, a total production figure of 55.1 mkg, less 3.0 mkg for exports and less 9.2% (4.8 mkg) for basting and stuffing equals a domestic commercial allocation requirement of 47.3 mkg.

Based on a total production figure of 55.1 mkg and less exports (3.0 mkg) and basting and stuffing (4.8 mkg) for value-added birds, the **2023/2024 commercial allocation required for domestic WB production is forecast at 47.3 mkg.**

For comparison purposes, the WB commercial allocation requirement for 2022/2023 equaled: production 56.4 mkg minus 3.1 exports and minus 4.8 mkg of basting/stuffing, equals 48.5 mkg.

### **Further Processed (FP – Breast Meat) Market**

#### **2022/2023 Control Period**

In its March report, TMAC was forecasting 2022/2023 breast meat production at 25.3 mkg, domestic disappearance of 26.5 mkg and closing stocks of 1.4 mkg. Actual production came in at 25.4 mkg (+ 0.1 mkg), domestic disappearance at 26.4 (- 0.1 mkg) and closing stocks at 1.7 mkg (+ 0.3 mkg). The final stock-to-use ratio of 6.3% compares to TMAC's March forecast of 5.3%. Actual PCC was 0.67 kg versus forecast of 0.68 kg.

Prior to AI, TMAC was forecasting domestic disappearance at 29.5 mkg (+ 3.0 mkg from actual). This difference is equivalent to 11.4 mkg in eviscerated whole bird production. The production loss from AI in 2022/2023 is estimated at 9.3 mkg.

## 2023/2024 Control Period Forecast

TMAC's assessment of breast meat supply and disappearance for the **2023/2024 Control Period** is set out below. The rationale for this assessment is detailed in the table below.

**Table 2**

(Breast Meat)	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24
	Total	Total	Total	Total	Total	Total	Total	Total	Total*
Opening Stocks	1.3	1.8	4.1	3.8	2.5	3.5	2.1	1.2	1.7
Production	25.3	26.7	28.0	26.8	28.0	25.1	25.6	25.4	27.6
Imports	1.6	1.9	1.4	1.1	1.3	1.4	1.1	1.6	2.7
Total Supply	28.3	30.4	33.5	31.8	31.9	30.0	28.8	28.2	32.0
Total Disappearance	26.5	26.3	29.7	29.2	28.3	27.9	27.6	26.5	30.0
Exports	0.3	0.0	0.1	0.1	0.0	0.1	0.0	0.1	0.1
Domestic Disappearance	26.2	26.3	29.5	29.1	28.3	27.8	27.6	26.4	29.8
Closing Stocks	1.8	4.1	3.8	2.5	3.5	2.1	1.2	1.7	2.0
PCC	0.73	0.73	0.80	0.78	0.75	0.73	0.72	0.67	0.74
Stock to Use %	6.9%	15.5%	12.9%	8.6%	12.5%	7.7%	4.2%	6.3%	6.8%
FP Production**	96.4	101.7	106.7	102.3	106.8	95.6	97.4	96.9	105.0

\*Forecast. \*\* FP Production in 2023/2024 is equal to a commercial allocation component (91.8 mkg), Export and Breeder Policy utilizations (15.0 mkg) (= 106.9 mkg total) and a quota utilization rate of 98.3% = 105.0 mkg.

In arriving at the forecast for 2023/2024, TMAC spent considerable time on the following four (4) variables: i) breast meat imports (WTO and CPTPP); ii) domestic disappearance; iii) the risk of avian influenza domestically; and, iv) closing stock to-use ratio. The Committee's discussions and rationale are summarized below.

### Imports

- The import forecast of 2.7 mkg for breast meat, equals 1.4 mkg from the U.S. under the WTO TRQ and 1.3 mkg from Chile under CPTPP.
- In the case of the U.S., TMAC does not see a major risk to the import supply. Avian Influenza is not seen as a risk to U.S. flocks currently. The last detection in a U.S. turkey flock was April 19<sup>th</sup>.
- In the case of Chile, TMAC is recommending that CPTPP import utilization be forecast at 75% (i.e., TRQ of 3.5 mkg, at 75% equals 2.625 mkg of TRQ utilization and at 2 kg of permit for 1 kg of breast meat imports, this equals 1.3 mkg of breast meat imports).

- From a risk perspective, using a 75% utilization provides the Agency with flexibility to adjust the allocation slightly if it appears the entirety of the TRQ will be used (i.e., minus 1.7 mkg quota adjustment).
- Forecasting zero utilization is not seen as a logical approach at this time, given that there has not been another AI outbreak in Chile since April 16<sup>th</sup>. Therefore, imports from Chile seem likely in 2023/2024.
- Additionally, the TFC Directors are meeting monthly and can reassess the import situation at those check-in meetings.

#### Domestic Disappearance

- TMAC recommends using the same approach to forecast breast meat disappearance as it did in its last report. Based on a per capita consumption (PCC) of 0.74 kg, this results in a domestic disappearance forecast of 29.8 mkg.
- The 0.74 kg PCC is reflective of historical data, accounts for dampened consumption the last two control periods due to lack of supply and that external frozen breast meat sales were steady at significantly higher wholesale prices last control period.

#### Risk of Avian Influenza Domestically

- As there have been no HPAI Detections in Canada in approximately four (4) weeks and none in domestic turkey flocks in six (6) weeks, the risk appears to be subsiding for the time being. Therefore, TMAC recommends not factoring in any potential production losses from AI in the 2023/2024 commercial allocation currently.
- The TFC Directors are meeting monthly and are in a better position than TMAC to assess this matter in real-time at those check-in meetings.

#### Closing Stock to-use Ratio

- TMAC is forecasting a closing stock to-use ratio for breast meat of 6.8% (2.0 mkg) at the end of the 2023/2024 Control Period (i.e., three-and-a-half weeks of working inventory). There is not a consensus at TMAC on this element. Considerations discussed included:
  - Adequate inventories to mitigate against the risk of AI domestically and in the U.S. and Chile;
  - Snowball effect on demand destruction if the industry does not have an adequate supply of breast meat;
  - The industry is dealing with more uncertainty than it has ever dealt with before; and,
  - The potential for higher closing stocks if the domestic disappearance forecast turns out to be optimistic.



### Combined WB and FP 2023/2024 Commercial Allocation Requirement

On the breast meat side of the market, the forecasts in Table 2 above results in a **domestic 2023/2024 FP commercial allocation requirement of 91.8 mkg**. Combined with the **2023/2024 commercial allocation WB requirement of 47.3 mkg** (see Table 1), this results in a total commercial allocation requirement and TMAC recommendation of **139.1 mkg** (i.e., 47.3 mkg + 91.8 mkg = 139.1 mkg).

The difference between the above TMAC recommendation of 139.1 mkg and the TMAC forecast of 135.2 mkg from its March 10<sup>th</sup> report (i.e., a difference of 4.0 mkg) is due to the higher breast meat domestic disappearance forecast (+ 0.8 mkg) driven by slightly higher population growth and the higher forecast breast meat closing stock to-use ratio (6.8% versus 5.8%).

### Attachment

*TMAC Turkey Market Review (TMR), May 26, 2023*



TURKEY FARMERS  
OF CANADA™

LES ÉLEVEURS DE DINDON  
DU CANADA<sup>MC</sup>

## Turkey Market Review

(all numbers in millions of kg, unless otherwise noted)

TMAC May 26<sup>th</sup>

1

1



## Contents

1. Total Turkey
2. Further Processed
3. Whole Bird
4. Additional Background

2

2



## Total Turkey

### Control Period

- **Total supply and domestic disappearance down 2.8 Mkg and 5.4 Mkg**
- **May 1<sup>st</sup> Stocks up 5.1 mkg from 2022**
  - **Whole bird up 3.0 mkg**
  - **CU/FP/Misc up 1.6 mkg**
  - **Breast Meat up 0.5 mkg**

### Easter

- **Domestic disappearance remains unchanged for the 4<sup>th</sup> year in a row**

3

3



## S & D – All Turkey – Control Period

All Turkey and Turkey Products - Includes Section 2 – May-April – 2015/16 to 2022/23

	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23
Opening Stocks	27.2	34.9	31.6	29.8	26.9	26.5	15.5	15.7
Production	176.6	176.2	171.6	166.0	167.6	149.4	154.1	150.3
Imports	3.0	2.7	2.8	3.2	3.3	2.8	2.0	2.8
Total Supply	206.9	213.8	206.0	199.0	197.8	178.7	171.6	168.8
Total Disappear.	172.0	182.2	176.1	172.1	171.3	163.2	155.8	148.0
Exports	22.4	27.2	20.9	21.3	22.7	23.6	22.5	20.1
Dom. Disappear.	149.5	155.0	155.2	150.8	148.6	139.6	133.3	127.9
Closing Stocks	34.9	31.6	29.8	26.9	26.5	15.5	15.7	20.8
Population (Nov 1)	35.8	36.3	36.7	37.3	37.8	38.0	38.5	39.4
PCC	4.2	4.3	4.2	4.0	3.9	3.7	3.5	3.2

4

4



## S & D – All Turkey – Easter Period

All Turkey and Turkey Products - Includes Section 2 – March-April – 2016 to 2023

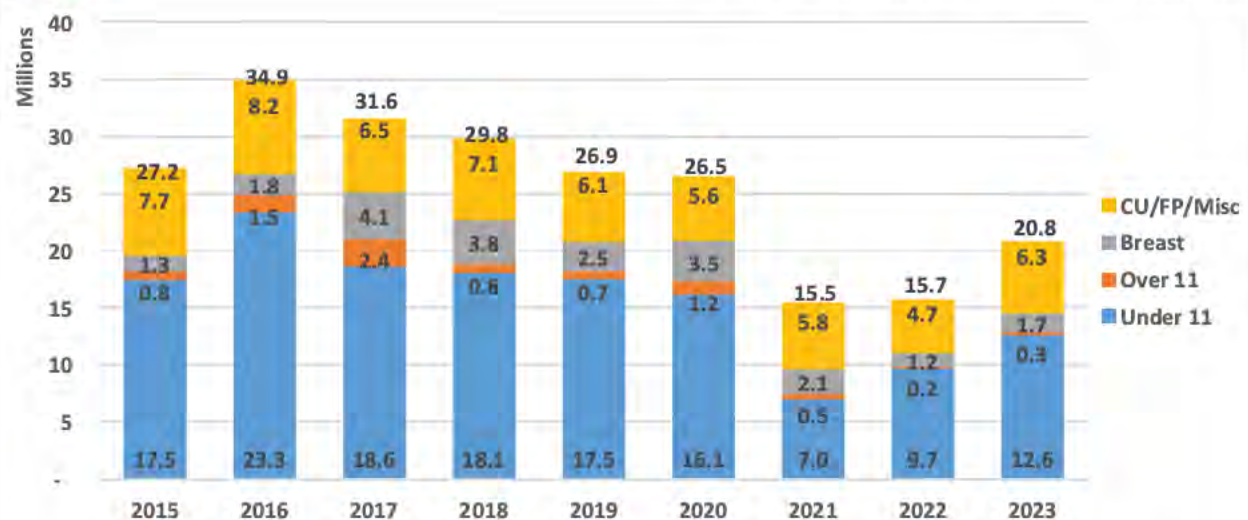
	2016	2017	2018	2019	2020	2021	2022	2023
Opening Stocks	28.9	32.3	26.8	23.6	24.9	15.8	15.0	18.6
Production	30.2	24.8	26.0	25.6	27.5	24.4	25.9	27.0
Imports	0.5	0.5	0.3	0.6	0.8	0.6	0.3	0.9
Total Supply	59.6	57.5	53.0	49.8	53.2	40.9	41.2	46.4
Total Disappear.	24.7	26.0	23.2	22.9	26.7	25.4	25.5	25.6
Exports	5.1	4.9	4.0	3.9	4.4	3.1	3.2	3.3
Dom. Disappear.	19.5	21.1	19.2	19.0	22.3	22.3	22.3	22.3
Closing Stocks	34.9	31.6	29.8	26.9	26.5	15.5	15.7	20.8

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## Stocks – May 1

Under 11, Over 11, Breast, CU/FP/Misc – 2015 to 2023

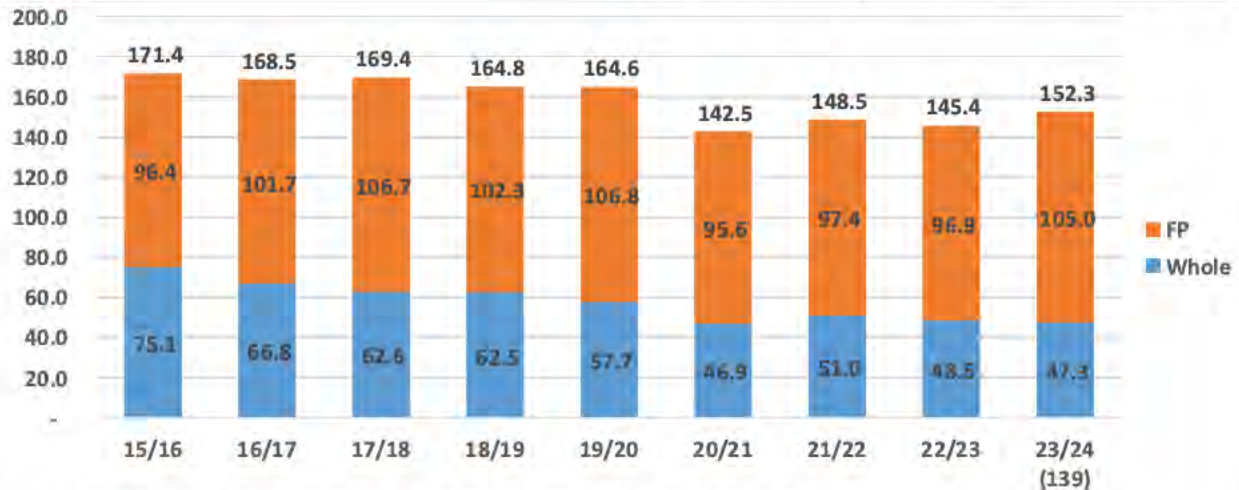


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## Domestic Production – Control Period

May to April – 2015/16 to 2022/23 Actual – 2023/24 Forecast



- Excludes stuffing and basting, Section 2 and Section 1 whole bird exports.
- 2023/24 Based on Commercial Allocation of 139.1 Mkg.

7



## Nielsen Sales – Last 5 Years Rolling

52 weeks ended April 22, 2023 compared to previous 4 years



8





## Further Processed Summary

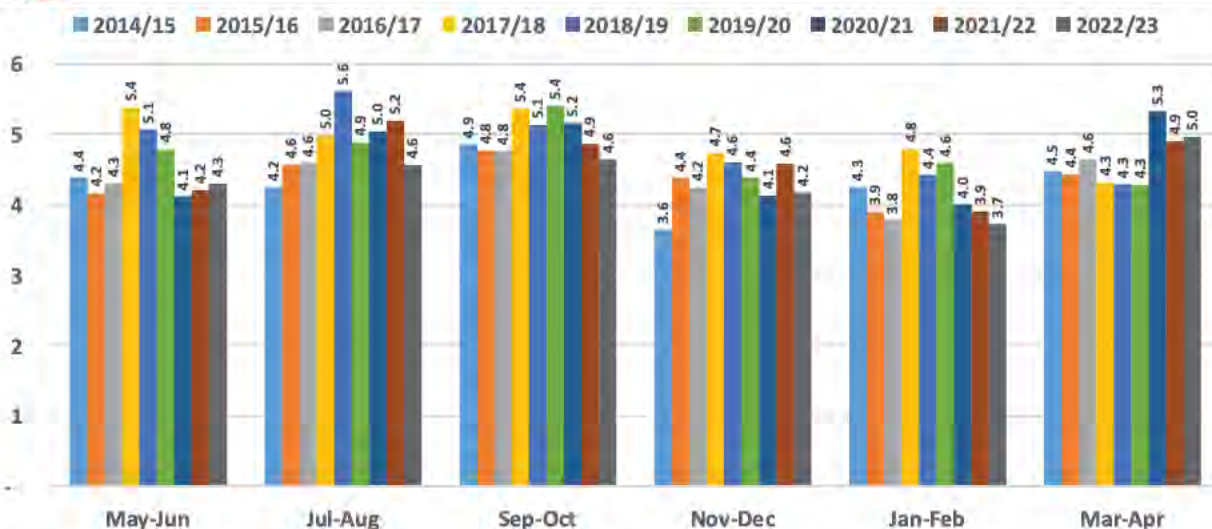
- May 1<sup>st</sup> breast meat stocks were 1.7 Mkg.
- Total FP Production and Utilizations 22/23:
  - FP Utilization rate dropped to 83% as a result of AI.
  - FP Production dropped by 0.5 mkg to 96.9 mkg.

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## Bi-Monthly Breast Meat Domestic Disappearance

2014/15 to 2022/23



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## Breast Meat S & D

2014/15 to 2023/24 (139) - 2023/24 (139) Forecast

	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24 (139)
Opening Stocks	1.9	1.3	1.8	4.1	3.8	2.5	3.5	2.1	1.2	1.7
Production	24.1	25.3	26.7	28.0	26.8	28.0	25.1	25.6	25.4	27.6
Imports	1.6	1.6	1.9	1.4	1.1	1.3	1.4	1.1	1.6	2.7
Total Supply	27.5	28.3	30.4	33.5	31.8	31.9	30.0	28.8	28.2	32.0
Total Disappear.	26.2	26.5	26.3	29.7	29.2	28.3	27.9	27.6	26.5	30.0
Exports	0.3	0.3	0.0	0.1	0.1	0.0	0.1	0.0	0.1	0.1
Dom. Disappear.	25.9	26.2	26.3	29.5	29.1	28.3	27.8	27.6	26.4	29.8
Closing Stocks	1.3	1.8	4.1	3.8	2.5	3.5	2.1	1.2	1.7	2.0
Population (Nov 1)	35.6	35.8	36.3	36.7	37.3	37.8	38.0	38.5	39.4	40.1
PCC	0.73	0.73	0.73	0.80	0.78	0.75	0.73	0.72	0.67	0.74
Weighted \$/kg	\$ 8.35	\$ 10.41	\$ 8.67	\$ 6.86	\$ 7.01	\$ 7.43	\$ 7.57	\$ 9.84	\$ 12.89	
S/U	5.1%	6.9%	15.5%	12.9%	8.6%	12.5%	7.7%	4.2%	6.3%	6.8%
FP Production	91.8	96.4	101.7	106.7	102.3	106.8	95.6	97.4	96.9	105.0

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## FP Production Sources – Control Period

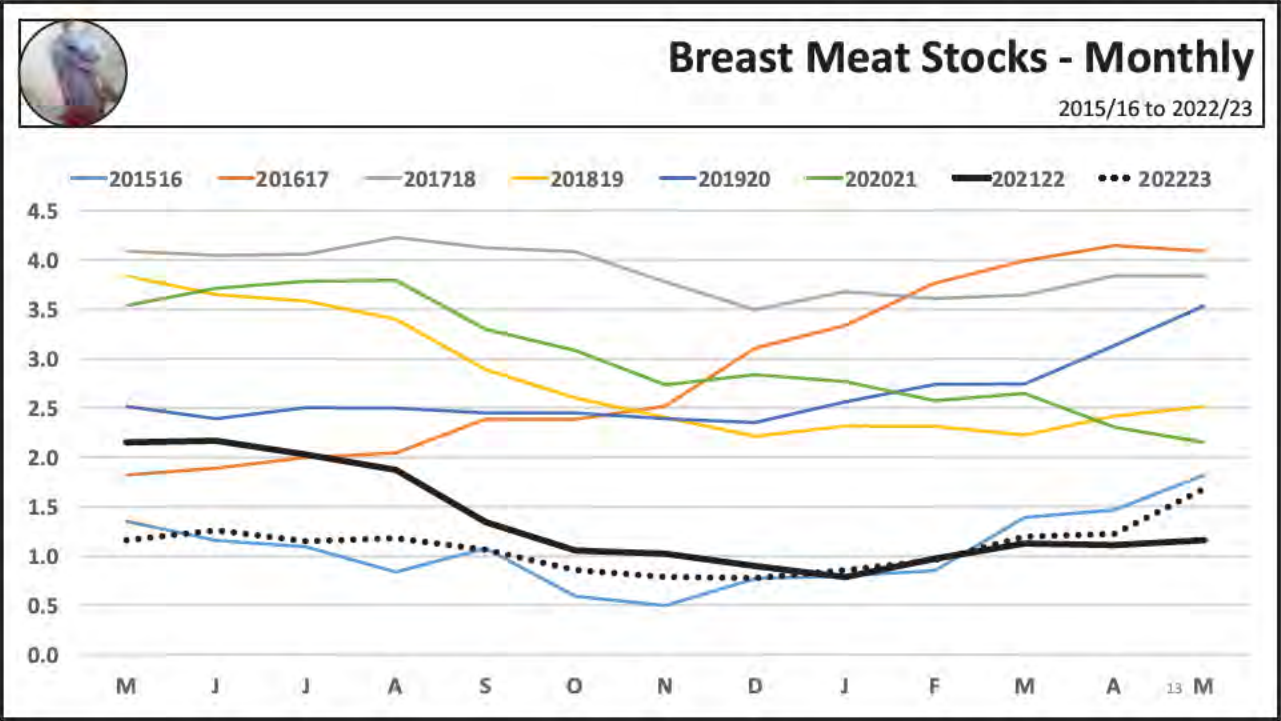
Control Period – May-April – 2015/16 to 2023/24

	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24 (139)
FP Production	96.4	101.7	106.7	102.3	106.8	95.6	97.4	96.9	105.0
FP Utilization Rate	97.9%	96.9%	99.3%	98.4%	99.7%	98.3%	96.7%	85.9%	98.3%
Adj. Utl. and FP Allc.	98.4	104.9	107.5	103.9	107.1	97.3	100.7	112.8	106.8
Calendar Adjustment	98.4%	100.0%	100.4%	100.4%	100.8%	100.4%	98.0%	100.0%	100.0%
Total of Utl. and FP Allc.	100.0	104.9	107.1	103.5	106.3	96.9	102.8	112.8	106.8
Multiplier Breeder Utl.	1.8	1.9	2.1	1.8	1.9	1.8	1.4	1.4	1.4
Primary Breeder Utl.	1.9	1.9	1.9	0.1	0.3	1.0	1.3	1.3	1.3
Export – Section 1	15.0	16.8	15.1	15.9	15.8	14.2	14.2	11.3	12.3
Carry-Forward	- 0.2	- 0.1	0.8	0.1	- 0.7	0.5	- 0.2	1.7	0.0
FP Allocation	81.6	84.5	87.2	85.7	89.1	79.3	86.0	97.1	91.8

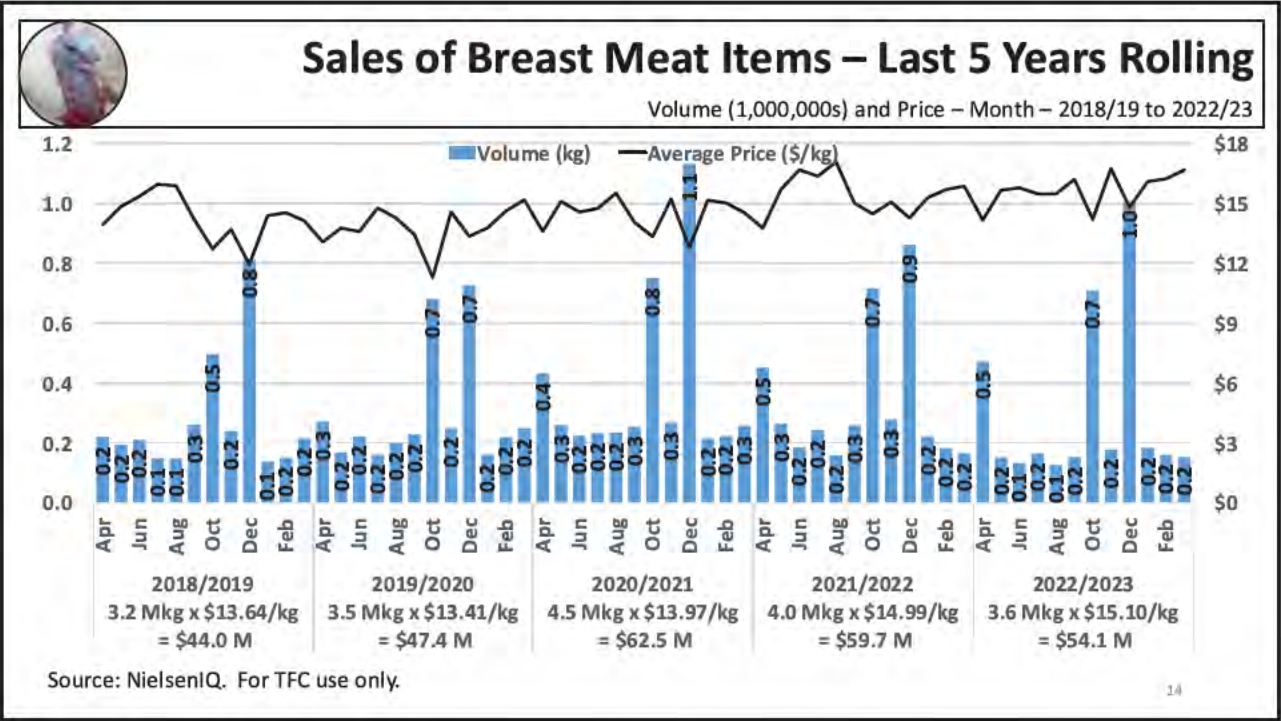
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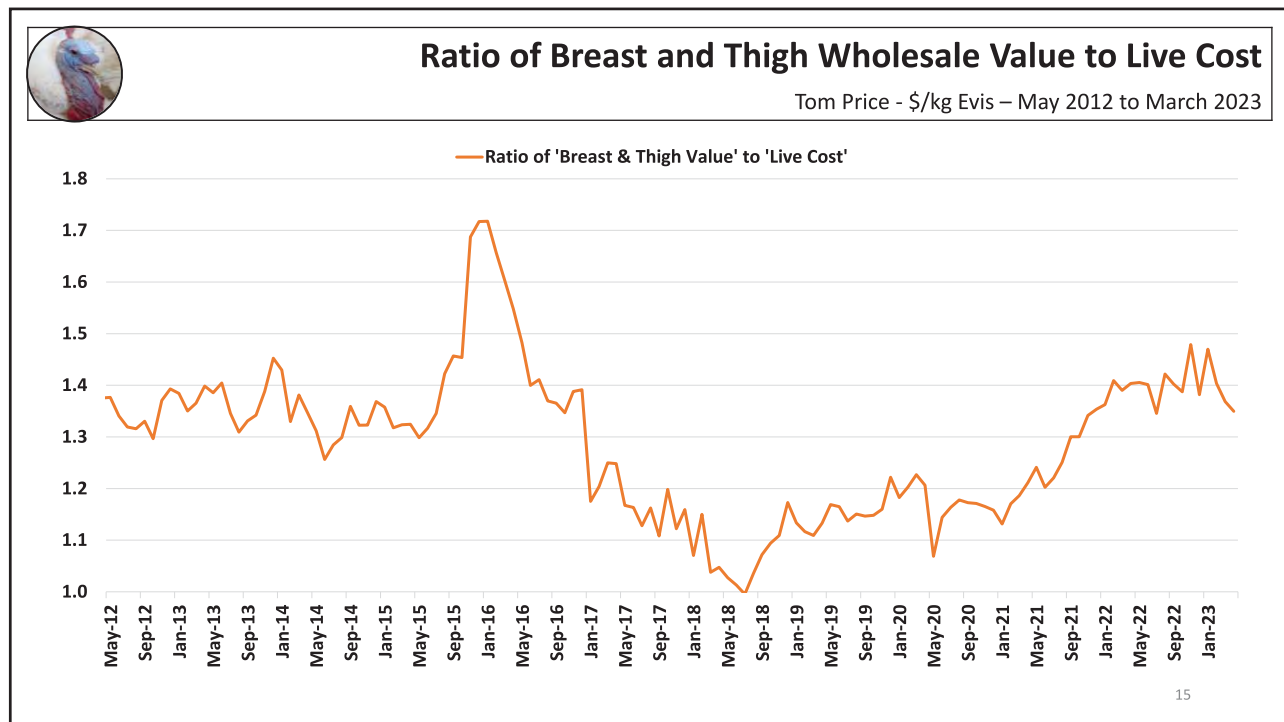




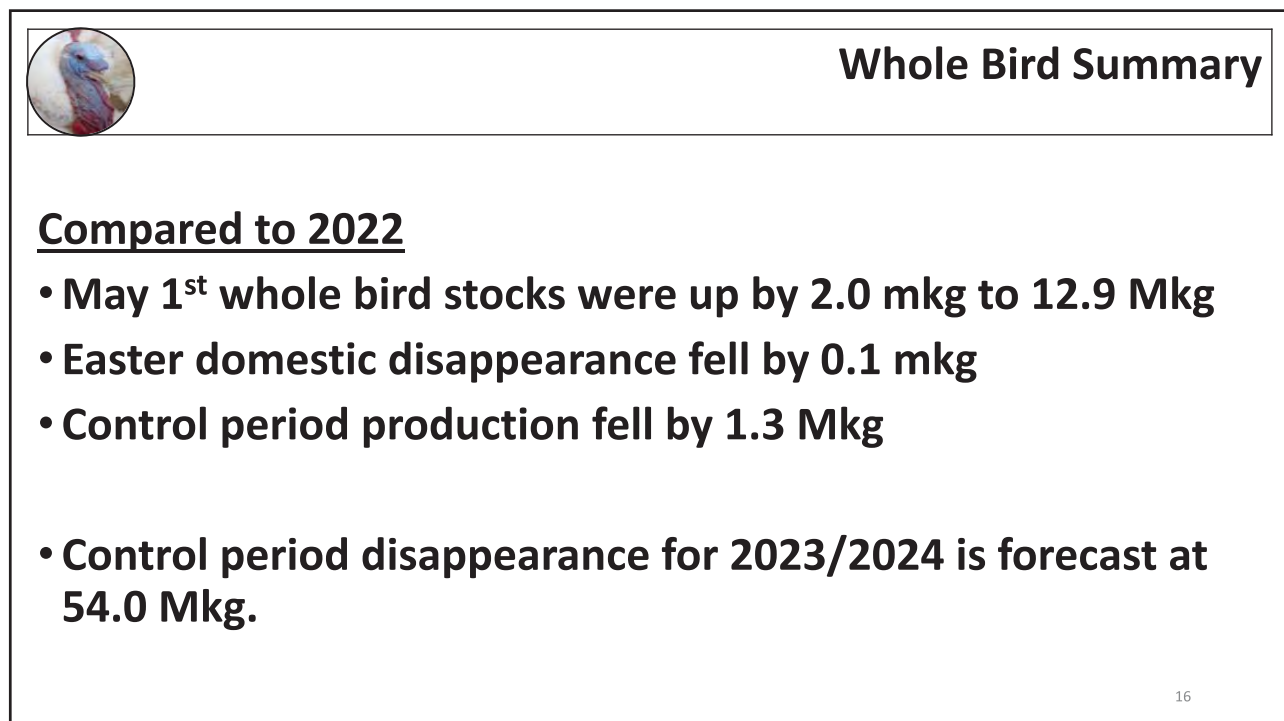
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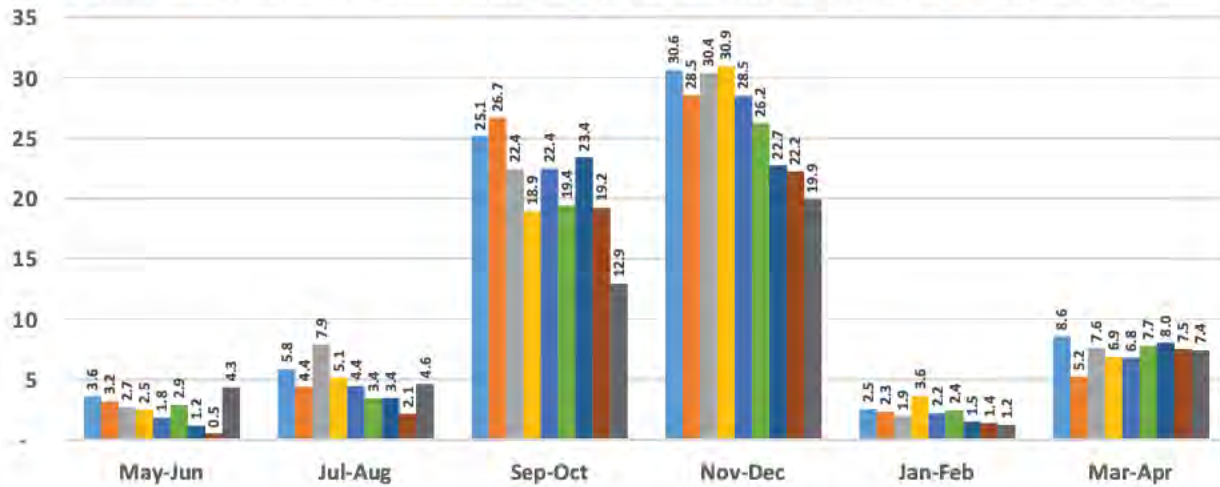
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## Bi-Monthly Whole Bird Domestic Disappearance

2014/15 to 2022/23

2014/15 2015/16 2016/17 2017/18 2018/19 2019/20 2020/21 2021/22 2022/23



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## Whole Bird S & D

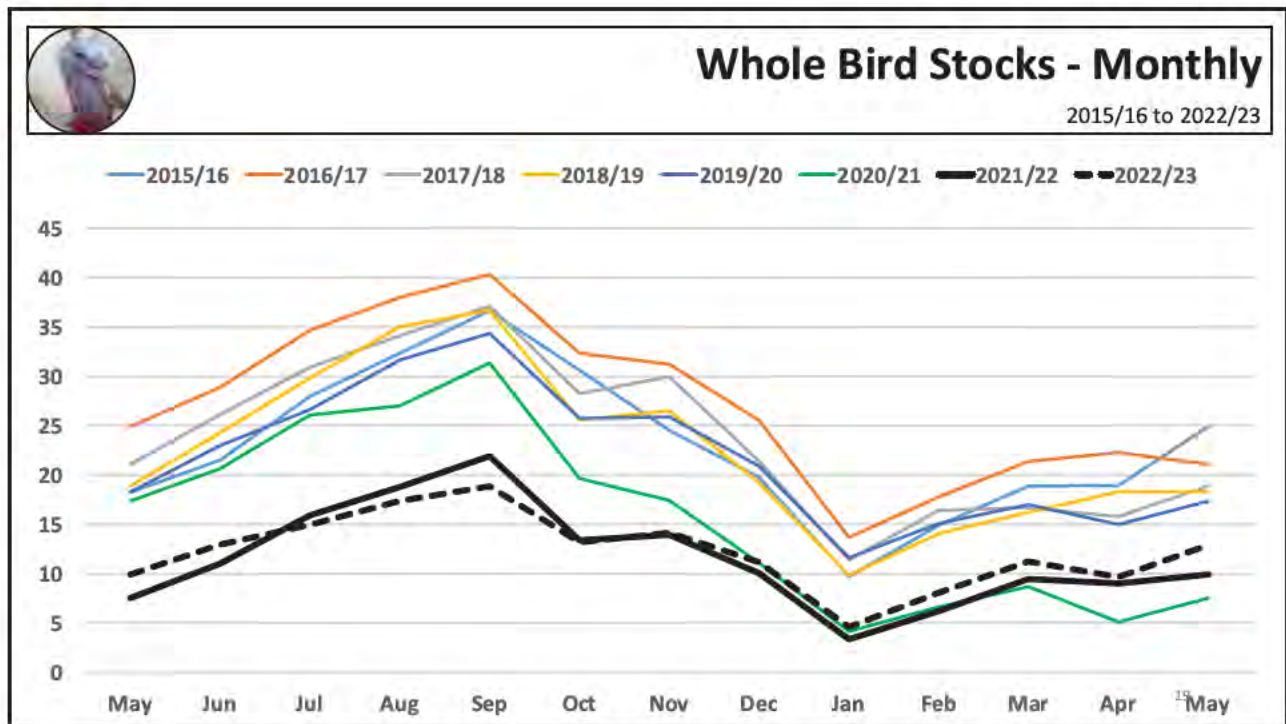
2014/15 to 2023/24 (139) - 2023/24 (139) Forecast

	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24 (139)
Opening Stocks	17.3	18.2	24.9	21.0	18.8	18.2	17.3	7.5	9.9	12.9
Production	77.0	76.7	69.3	65.9	65.7	61.6	51.5	57.5	56.4	55.1
Imports	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Total Supply	94.5	95.2	94.2	86.9	84.6	79.8	68.8	65.0	66.3	68.0
Total Disappear.	76.3	70.3	73.1	68.0	66.3	62.5	61.3	55.2	53.4	57.0
Exports	0.0	0.0	0.3	0.1	0.2	0.4	1.1	2.2	3.1	3.0
Dom. Disappear.	76.3	70.3	72.9	67.9	66.1	62.1	60.2	52.9	50.4	54.0
Closing Stocks	18.2	24.9	21.0	18.8	18.2	17.3	7.5	9.9	12.9	10.9
Population (Nov1)	35.6	35.8	36.3	36.7	37.3	37.8	38.0	38.5	39.4	40.1
PCC	2.1	2.0	2.0	1.8	1.8	1.6	1.6	1.4	1.3	1.3
Stock to Use	23.9%	35.4%	28.8%	27.7%	27.5%	27.7%	12.2%	17.9%	24.1%	19.2%
Avg \$	\$ 3.69	\$ 3.87	\$ 3.27	\$ 3.19	\$ 3.61	\$ 3.60	\$ 3.96	\$ 5.09	\$ 5.53	

\*Production 23/24 = Commercial (47.3) + Stuffing & Basting (4.8) + Exports (3.0) = 55.1 Mkg

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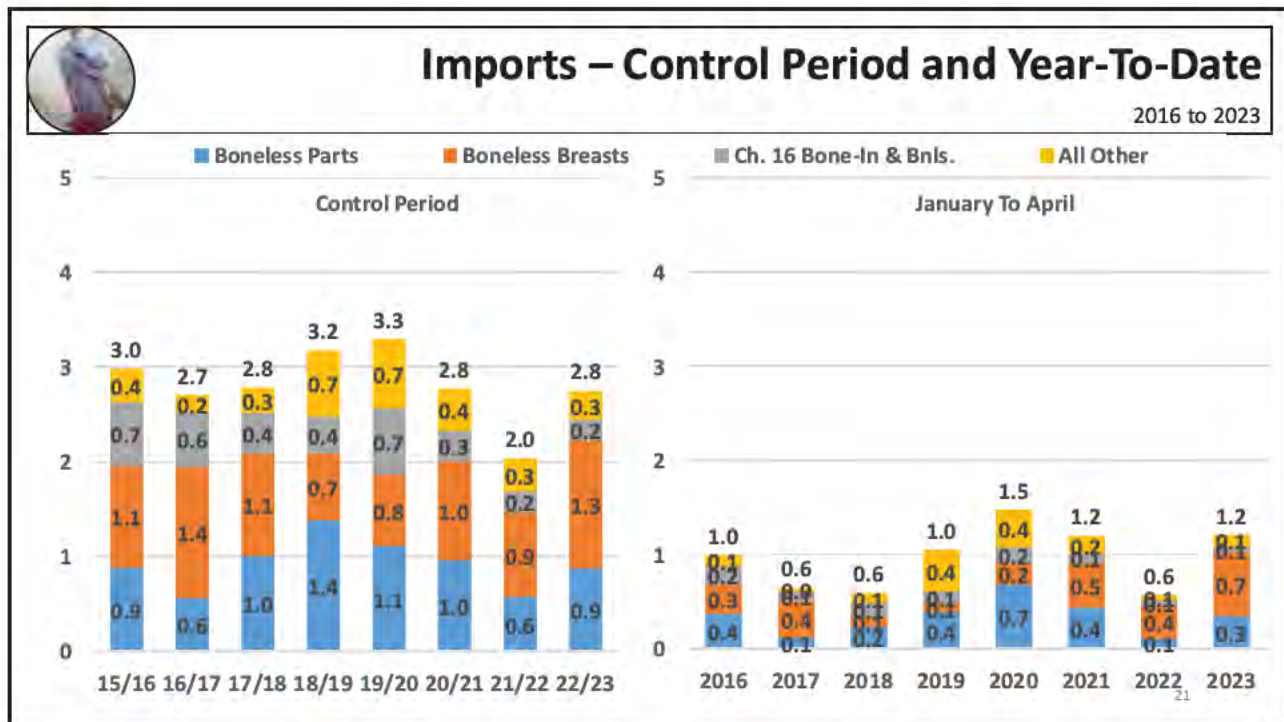
**Turkey Market Review**

# Additional Background

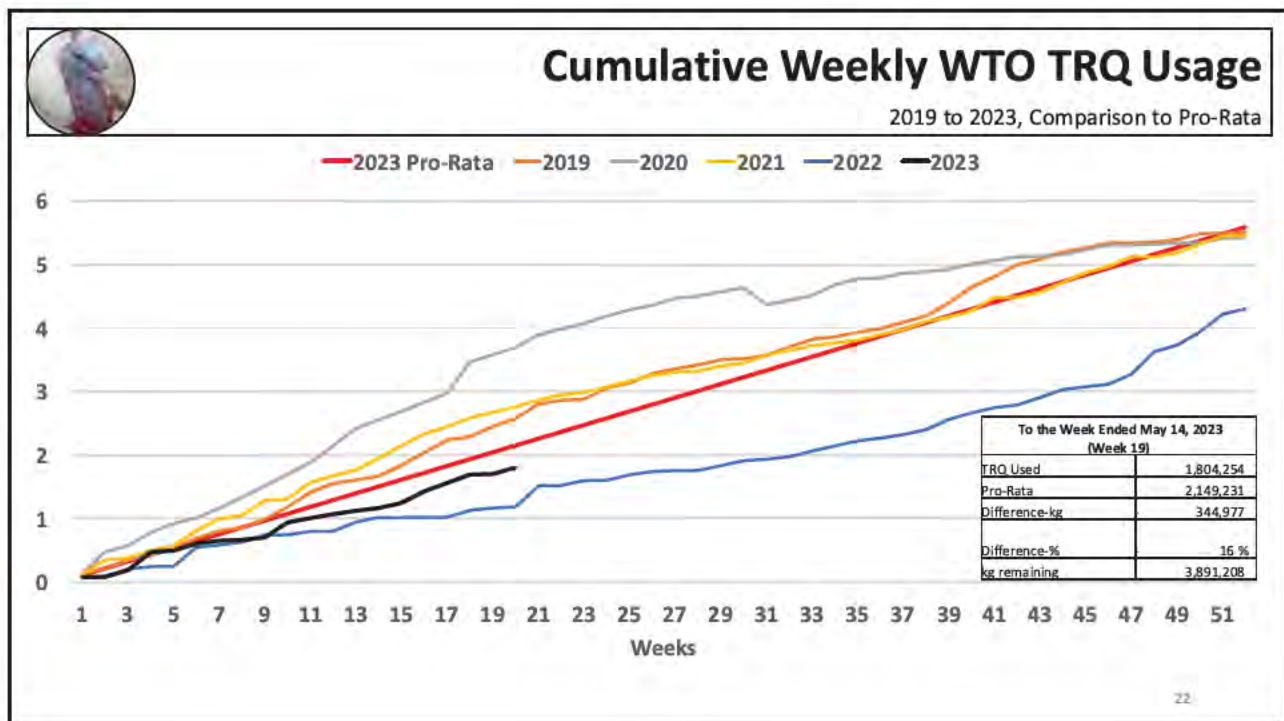
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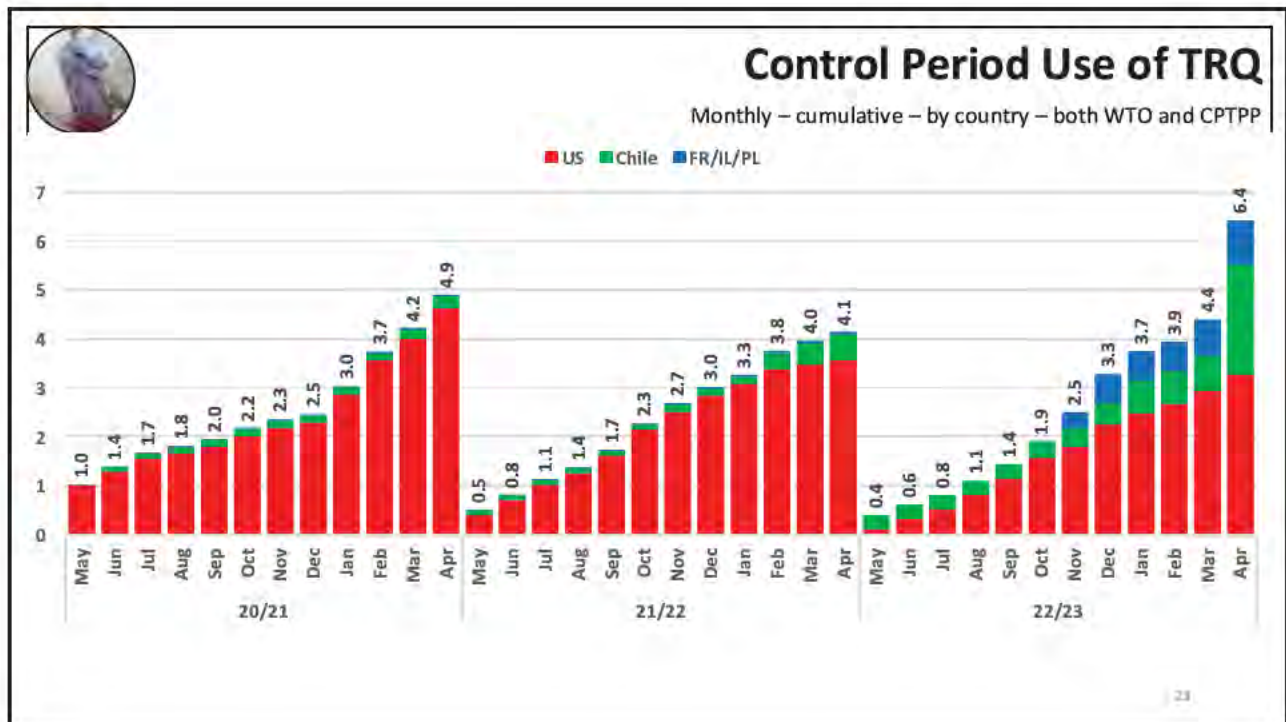




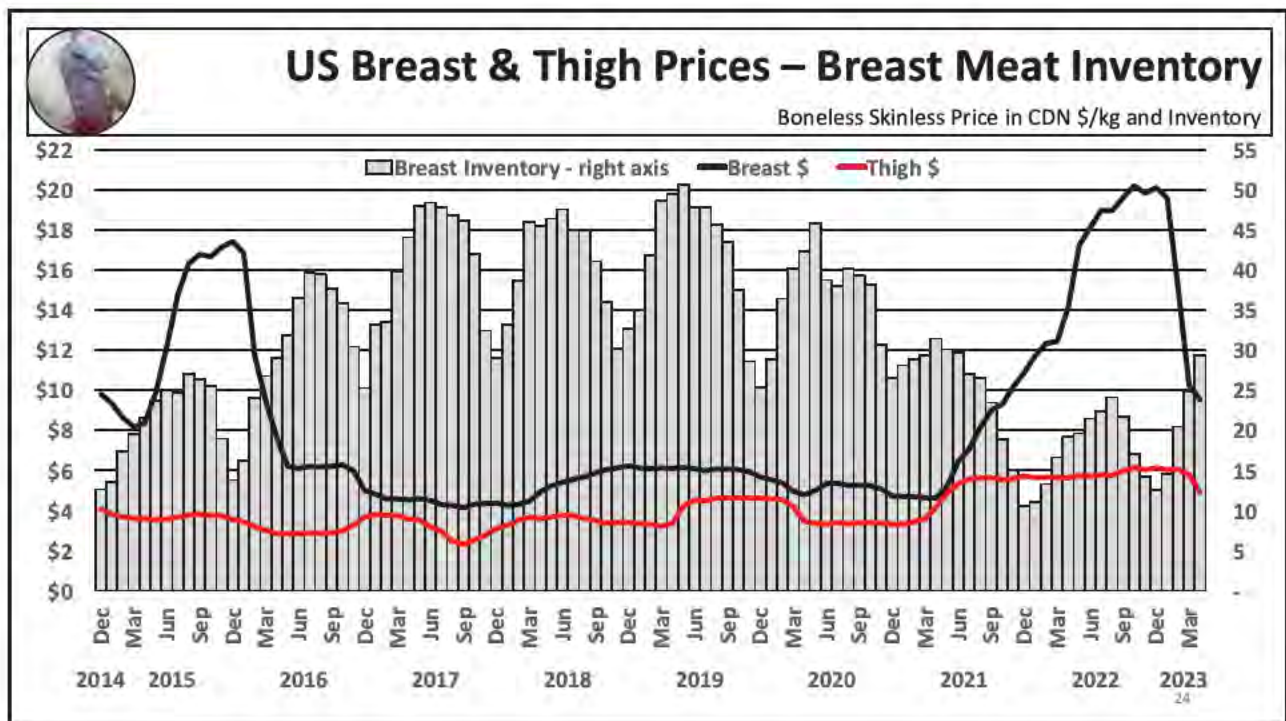
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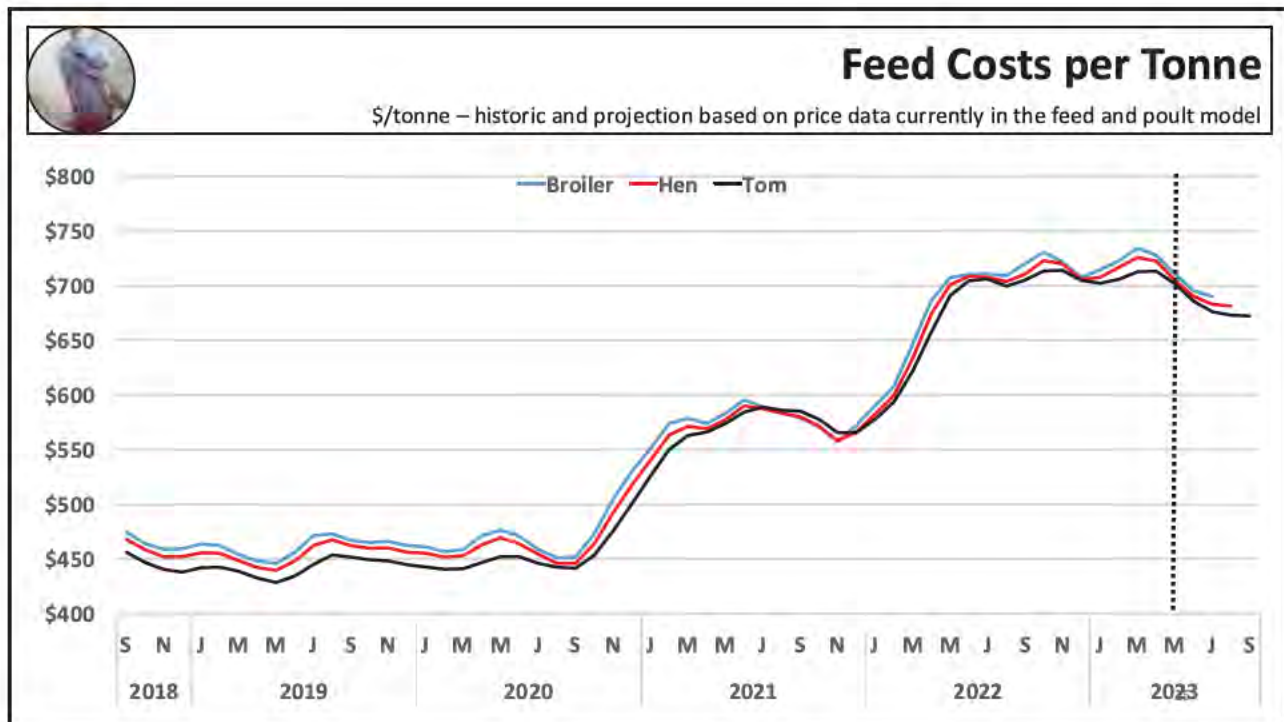
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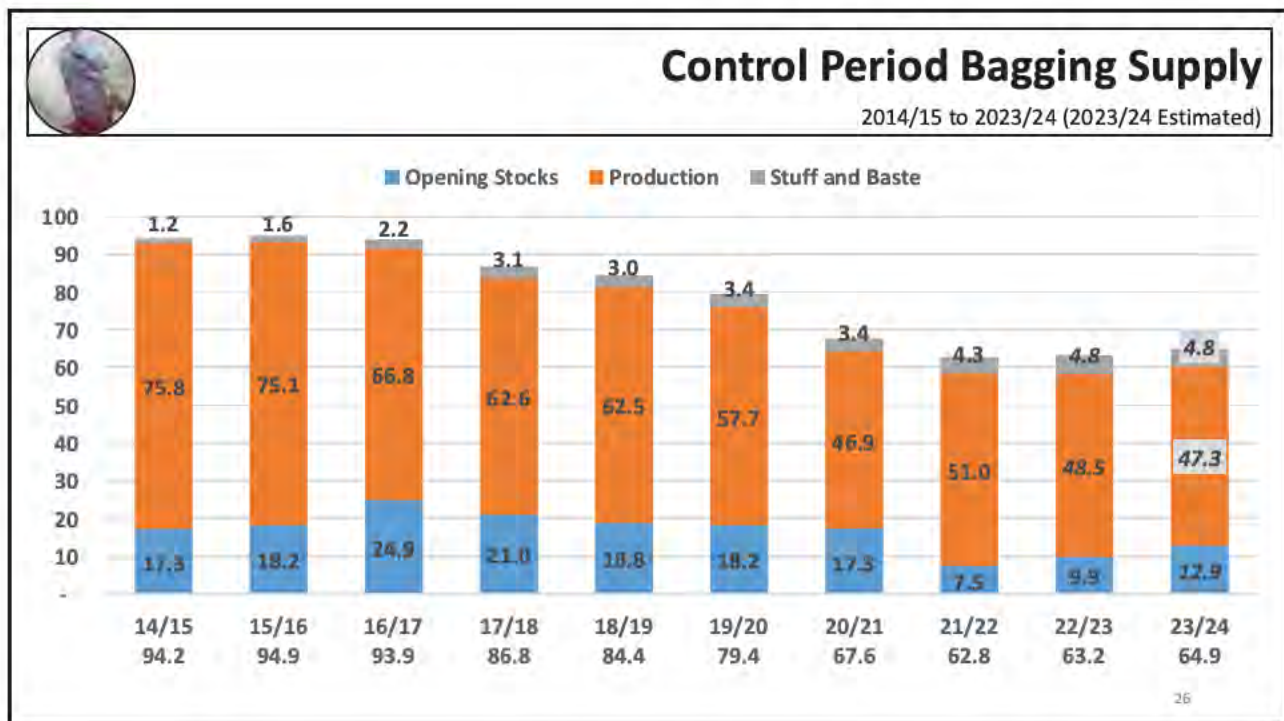
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## Breast Meat Domestic Disappearance

Historic

	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	% Change
May-Jun	4.4	4.2	4.3	5.4	5.1	4.8	4.1	4.2	4.3	2.2%
Jul-Aug	4.2	4.6	4.6	5.0	5.6	4.9	5.0	5.2	4.6	-12.1%
Sep-Oct	4.9	4.8	4.8	5.4	5.1	5.4	5.2	4.9	4.6	-4.5%
Nov-Dec	3.6	4.4	4.2	4.7	4.6	4.4	4.1	4.6	4.2	-8.9%
Jan-Feb	4.3	3.9	3.8	4.8	4.4	4.6	4.0	3.9	3.7	-4.7%
Mar-Apr	4.5	4.4	4.6	4.3	4.3	4.3	5.3	4.9	5.0	1.3%
<b>Total</b>	<b>25.9</b>	<b>26.2</b>	<b>26.3</b>	<b>29.5</b>	<b>29.1</b>	<b>28.3</b>	<b>27.8</b>	<b>27.6</b>	<b>26.4</b>	<b>-4.7%</b>

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## Whole Bird Domestic Disappearance

Historic

	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	% Change
May-Jun	3.6	3.2	2.7	2.5	1.8	2.9	1.2	0.5	4.3	755.9%
Jul-Aug	5.8	4.4	7.9	5.1	4.4	3.4	3.4	2.1	4.6	115.7%
Sep-Oct	25.1	26.7	22.4	18.9	22.4	19.4	23.4	19.2	12.9	-32.8%
Nov-Dec	30.6	28.5	30.4	30.9	28.5	26.2	22.7	22.2	19.9	-10.3%
Jan-Feb	2.5	2.3	1.9	3.6	2.2	2.4	1.5	1.4	1.2	-12.5%
Mar-Apr	8.6	5.2	7.6	6.9	6.8	7.7	8.0	7.5	7.4	-1.4%
<b>Total</b>	<b>76.3</b>	<b>70.3</b>	<b>72.9</b>	<b>67.9</b>	<b>66.1</b>	<b>62.1</b>	<b>60.2</b>	<b>52.9</b>	<b>50.4</b>	<b>-4.8%</b>

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## S & D – Turkeys\* – Control Period

\* Excludes stuffing, basting, parts and FP Products - May to April – 2014/15 to 2022/23 - 2023/24 Forecast

	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24 (139)
Opening Stocks	17.3	18.2	24.9	21.0	18.8	18.2	17.3	7.5	9.9	12.9
Production	167.6	171.4	168.7	169.5	165.0	165.0	143.6	150.7	148.5	155.3
Imports	0.3	0.3	0.0	-	-	-	-	-	0.0	0.1
Total Supply	185.2	189.9	193.6	190.5	183.8	183.3	161.0	158.2	158.4	168.2
Total Disappear.	167.0	165.0	172.6	171.7	165.6	165.9	153.5	148.3	145.5	157.3
Exports	0.0	0.0	0.3	0.1	0.2	0.4	1.1	2.2	3.1	3.0
Dom. Disappear.	166.9	165.0	172.3	171.6	165.4	165.5	152.3	146.1	142.4	154.3
Bagging*	75.1	68.7	70.6	64.8	63.1	58.6	56.7	48.7	45.5	49.3
FP	91.8	96.4	101.7	106.7	102.3	106.8	95.6	97.4	96.9	105.0
Closing Stocks	18.2	24.9	21.0	18.8	18.2	17.3	7.5	9.9	12.9	10.9
Days In Inventory	40	55	44	40	40	38	18	24	32	25

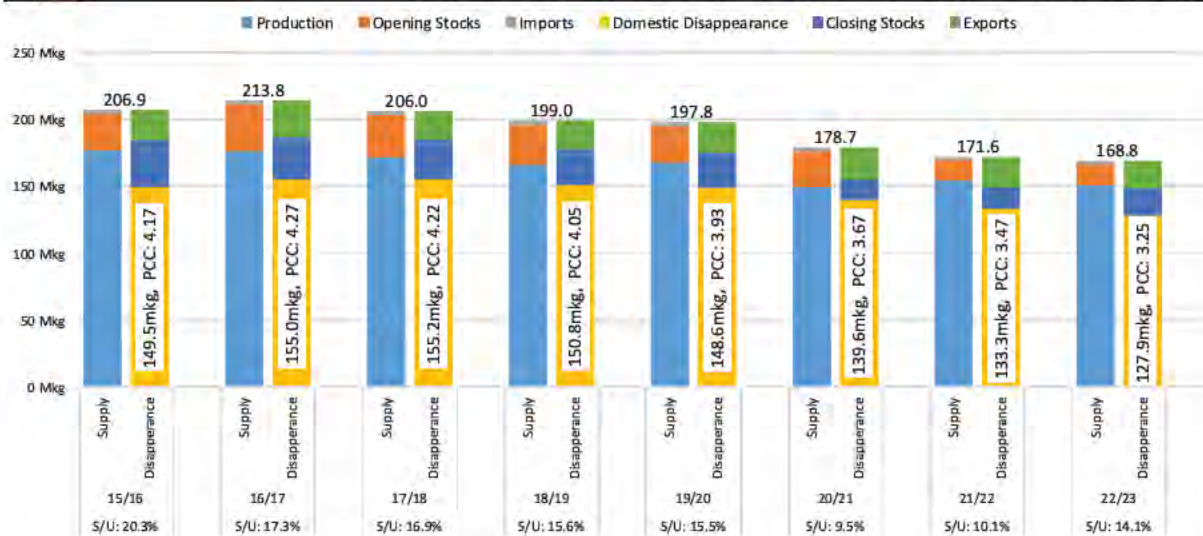
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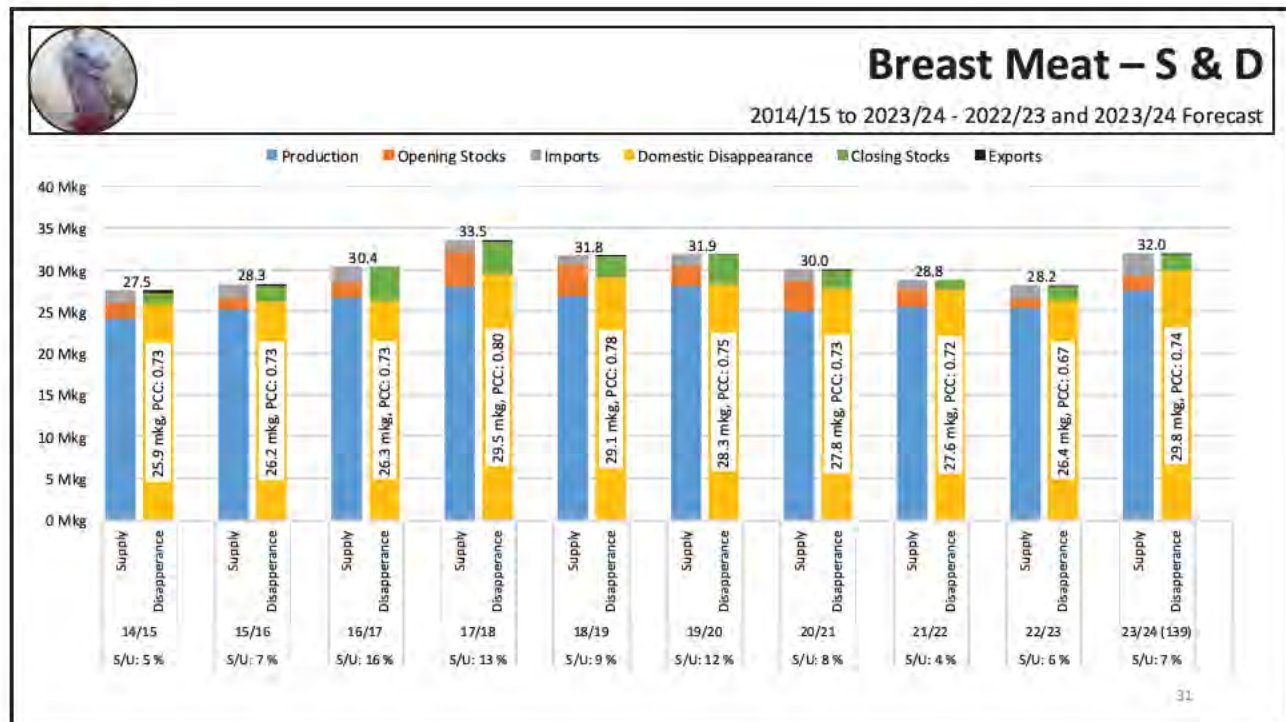
## S & D – All Turkey – Control Period

All Turkey and Turkey Products - Includes Section 2 – May-April – 2015/16 to 2022/23

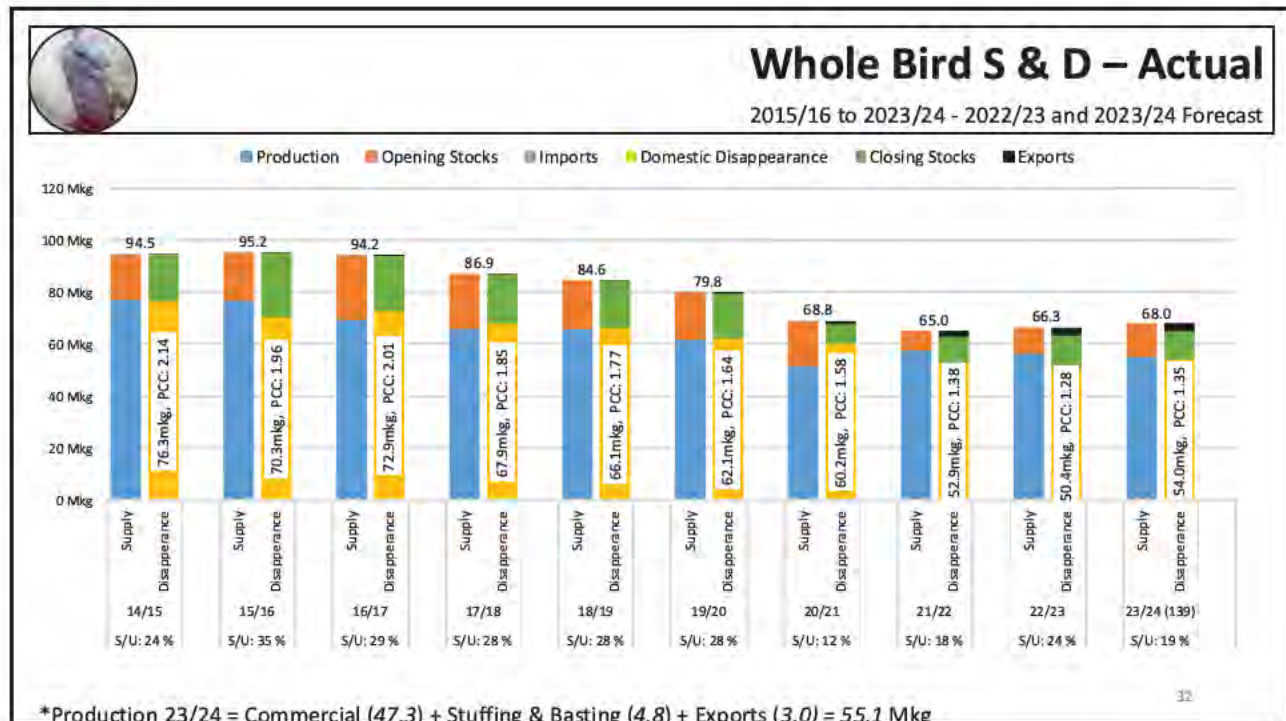


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# MINUTES

Turkey Farmers of Canada

274<sup>th</sup> Meeting

Delta Hotels Prince Edward by Marriott, Charlottetown, PEI

June 21-22, 2023

Appendix VI

## ATTENDANCE: Directors, Alternates, Managers

C. McBain	Vice Chair	TFC
J. Wiersma	Executive Member	TFC
S. Heppell	Director	British Columbia
D. Etsell	Alternate	British Columbia
N. Veles	Manager	British Columbia
D. Mandel	Alternate	Alberta
C. Prout	Manager	Alberta
C. Wiersma	Manager	Saskatchewan
T. Mandel	Alternate	Saskatchewan
M. Reimer	Director	Manitoba
M. Steele	Director	Ontario
J. Paquet	Alternate	Québec
M-E. Tremblay	Manager	Quebec
M. Levesque	Director	New Brunswick
H. Therrien	Alternate	New Brunswick
L. Martin	Manager	New Brunswick
S. Eadie	Director	Nova Scotia
M. De Graaf	Alternate	Nova Scotia
S. Lorette	Manager	Nova Scotia
D. Hart	Director	CPEPC
M. Pépin	Director	CPEPC
T. Tavares	Alternate	CPEPC
W. Barnard	Alternate	CPEPC
N. Paillat	Manager	CPEPC
A. Power	Director	FPPAC
N. Zylstra	Alternate	FPPAC

## Guests:

Zeno Group – T. McBay, D. Noel

PwC's – S. Novik (joined by Video Conference)

## Other Attendees (including those that joined by Video Conference):

D. Ference	TFC
B. Douglas	FPCC
M. Kotipelto	FPCC
M. Moore	FPCC

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G. Rodrigue	AAFC
G. Bergeron	RMAAQ
M. Kalamder	CPEPC
K. Godin	TFNB
H. Wheddon	MTP
P-L. Leblanc	ÉVQ
S. Lafortune	ÉVQ
R. Fortin	ÉVQ
Y. Ferron	ÉVQ
J-M. Falconer	TFO
K. Cressman	TFO
S. Opyc	MTP
F. Grain	Maple Leaf Foods
M. Schwindt	Maple Leaf Foods
J. Flaherty	Cuddy Farms
Y. Brodeur	Olymel
J-L. Hamelin	Olymel
K. Towle	Sofina Foods
P. McCartan	Sofina Foods
S. Maguire	Hayter's Farm
C. Shaw	Hayter's Farm
R. Nickel	BC Turkey (Revised Sept. 29/2023)
L. Dion	Sollio Agriculture
N. De Graaf	NS Turkey Farmer

**Other Attendees (joined by Video Conference)**

**Translators** – C. Belhomme, J. Marchand

**Technician:** L. Dillon, S. Robichaud

**Staff** – P. Boyd, A. Goldman, S. Ramkissoonsingh, J. Sheldon, C. Gonano, L. Cadeau, B. Weston, M. MacKimmie

C. McBain, Vice Chair, called the meeting to order at 1:27 p.m. The notice of meeting was given in accordance with TFC By-Law #1.

D. Mandel was recognized as speaking and voting for AB. J. Paquet was recognized as speaking and voting for QC.

**APPROVAL OF AGENDA:**

MOVED by M. Steele (ON) and SECONDED by S. Eadie (NS) to approve the agenda as published.

CARRIED

**APPROVAL OF MINUTES:**

MOVED by J. Wiersma (SK) and SECONDED by M. Levesque (NB) to approve the Minutes of the DAM Only Web Conference of Feb 17, 2023; and the TFC 273<sup>rd</sup> General Business Meeting of March 22-23, 2023, as published.

CARRIED

**CPEPC ADDRESS**

K. Towle welcomed the TFC meeting participants to PEI and wished all a successful meeting.

**FPCC REPORT**

M. Moore presented the FPCC report noting that the FPCC Chair reassigned responsibilities given the two new appointments to the Council's board, and he is now responsible for the Turkey Farmers of Canada (TFC) file.

M. Moore updated the membership on the last year's Council activities, Industry issues and meetings with Stakeholders, noting that Council always welcomes the opportunity to discuss matters that impact agricultural sectors and wishes the TFC Directors a good meeting.

**NATIONAL MARKETING CAMPAIGN – UPDATE:**

T. McBay and D. Noel presented the updates on the national marketing campaign with the following highlights:

**Griller's Bird Campaign:**

From May 22<sup>nd</sup> to June 18, Think Turkey's TV campaign will be live in market featuring New Griller's Bird creative. The campaign will target male audiences and run during select NHL pregame shows, Blue Jays baseball and the Canadian and US Open. Turkey will be featured in two cooking segment integrations in 5 à 7 with Chef Maxime Lavoie, featuring two delicious

turkey recipes cooked on a grill. The segments include lower thirds to run across programming, TV Billboards, and amplification of the segments across 5 à 7 social media channels.

New Multicultural Griller's Bird Campaign:

We are targeting new audiences and languages, including South Asians (Hindi and Punjabi), West Asian (Arabic), Filipino (Tagalog) broadcast on OMNI and Meta platforms with in-language targeting. In market from July 1 – August 31.

Golf Canada:

New partnership with Golf Canada for the RBC Canadian Open and the CPKC Women's Open coming this August to Vancouver! The partnership includes signage on grounds at both events, Golf Canada website branding, Griller's Bird ads live on TV screens throughout events, Turkey products served at concessions, premium tickets, and experiences for fan giveaways, 4 newsletters via Golf Canada sent to their 200k+ subscribers and the First ever Make Birdies Count challenge to benefit First Tee Canada.

YTD Campaign Results: January 1 –May 31, 2023

- 66M Impressions
- 31.6M Paid Social Media Impressions
- 102 Media Stories Generated
- 8.05% CTR on Paid Search Ads (YoY +41.9%)
- 291K Website Visitors

J. Paquet asked if there was any adaptation of the partnership with Golf Canada for the French market.

D. Noel responded that the campaign was translated into French.

## **AUDIT & FINANCE COMMITTEE REPORT – 2023 FINAL FORECASTED BUDGET**

M. Reimer introduced the report and cautioned the Directors that the surplus in the previous years was due to COVID.

P. Boyd noted that the deficit budget is due to the reduced production during AI, Golf Canada partnership, and the higher upfront payment to Zeno Group – the amount is now evenly distributed for the rest of the year. We are still on target for our restricted and unrestricted equities.

B. Weston presented the revised 2023 Budget, included in the meeting package.

W. Barnard noted the difference between the interest in the market development fund from the original budget to the revised budget. Staff will get back to him with the answer.

## **2023 Final Revised Budget**

MOVED by M. Reimer (MB) and SECONDED by M. Steele (ON) to adopt the final revised 2023 budget, as detailed and presented to the TFC 274<sup>th</sup> General Meeting.

CARRIED

MOVED by J. Wiersma (SK) and SECONDED by D. Hart (CPEPC) to approve the increase of the kilometric rate to 55 cents.

CARRIED

P. Boyd provided the background on the proposed revision to By-Law #4, noting that it has been TFC's practice to pay a meeting fee to non-TFC Directors that join a TFC Committee or a third-party committee or table representing TFC; however, this practice is not included in By-Law #4.

Including the fee payment for non-Directors in By-Law #4 will bring consistency to the implementation and fees. In addition to this fee, the provision for the payment of the necessary expenses required to attend the meeting will also be included in the By-Law.

MOVED by M. Levesque (NB) and SECONDED by J. Paquet (QC) to approve the recommended changes to the By-Law #4 as detailed and presented to the TFC 274<sup>th</sup> General Meeting.

CARRIED

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

M. Georgiou reported that the On-Farm Programs Committee met on June 5 and a second meeting is scheduled for July 19 to complete the 2023 On-Farm Programs review. The review takes into account the experience with Avian Influenza and feedback received from Provincial Boards, auditors, and producers since the last review. Once the proposed edits are drafted, they will be circulated for provincial consultation prior to presentation to the TFC Board of Directors for approval.

For On-Farm Programs administration, since the last update training was provided to a new auditor in Manitoba and breeder module training for Ontario auditors. Additional activities planned for 2023 include internal audits of Provincial Boards in British Columbia and Quebec, an internal audit of the TFC national office, a management review, witness audits of a number of existing auditors, and the potential for a virtual auditor training meeting.

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### **Flock and Animal Welfare Update:**

C. Gonano reported on the findings of the 2022 round of third-party audits of the TFC Flock Care Program<sup>®</sup> (FCP). It was concluded by the audit provider that the National Flock Care Program had been implemented effectively. Animal care measures were consistently applied, and producers demonstrated compliance and continuous improvement to the program requirements, with support from Provincial Board representatives. The majority of audits were completed as expected with only some delays due to Avian Influenza. A summary of the non-conformances, with what program section they corresponded to, was given with the majority being related to record keeping requirements. Preparations are underway for the 2023 round.

D. Hart asked for clarification on the number of corrective actions request (CARs) given under the litter quality section and if it could be interpreted based on the sample size that there may be issues on a significant number of farms.

It was clarified by C. Gonano that the CARs related to record keeping requirements and not general issues with barn conditions. The audits are overall a small sample size as well. J. Paquet noted that most of it is record keeping, so if an employee forgot to tick a box, CARs are issued.

### **Industry/Government Regulatory Update:**

C. Gonano provided a report on the current status of AI in Canada and North America noting that detections, in both domestic and wild birds, continue to be lower this spring compared to last year. Updates were also provided on the on-going work on the TFC AI Committee with their priority areas including developed communication materials. The joint industry-CFIA initiatives also continue on policy, including compensation, destruction, and vaccination to ensure preparedness moving forward for a potential increase in the number of cases.

P. Boyd provided updates on the World Organisation for Animal Health (WOAH) meeting, noting that there was extensive conversation around AI and vaccination; along with the definition of "poultry" being discussed. Canada will join the discussion with the USA and the UK. A verbal update was also provided on the 2022 Preliminary CIPARS Report. There were fewer flocks sampled in certain provinces due to AI. Overall, there was a 63% decrease in antimicrobial use (AMU) between 2021 and 2022 and Category II, III and uncategorized antimicrobials decreased by 69%, 84% and 45%, respectively. *Escherichia coli* isolates resistant to 3 or more classes of antimicrobials ( $\geq 3$  multiclass resistance) continued to drop (-7%) while  $\geq 3$  multiclass resistance in *Salmonella* was stable and a 2% increase in  $\geq 3$  multiclass resistance in *Campylobacter* was observed. A more detailed update will be given at the next Board meeting.

On the development of Animal Health Canada (AHC), M. Georgiou noted that work continues on the creation of a dedicated emergency management division to facilitate shared government-industry plans and actions in a disease outbreak situation. Recently, a Director was hired to lead the new division and consultations have been initiated with the national poultry groups to



identify opportunities to support HPAI preparedness and response efforts, and on how to integrate HPAI into the organizational structure of the new division. Consultations are also ongoing to finalize the AHC governance structure and their organizational by-laws.

M. Steele asked for more information on the proposal from CFIA to develop a compensation benchmark-based model.

J. Sheldon responded that the working group consisting of staff from each feather board along with CFIA staff has met. CFIA is not proposing that the economic model for calculation be eliminated. They are proposing that one of two options be considered as an alternative to the economic model. One option is a modified version of the economic model in which only questions regarding the largest expense items would be requested such as feed, poult, bedding, and live prices. Questions that pertain to smaller expense items would be eliminated as the dollar amounts for these items would be accounted for by indices, industry averages, etc. The other option that they are pursuing is a rapid model that would arrive at compensation on the basis of a small number of questions. At the meeting, TFC clarified that staff would review the proposed alternatives when they become available, and we would review the proposal(s) with the Directors before agreeing to any changes.

#### **TURKEY MARKET ADVISORY COMMITTEE (TMAC) REPORT:**

S. Ramkissoonsingh noted that in addition to the TMAC report received in the meeting kit, that the TFC Directors would have received by email, prior to the meeting, the June 1<sup>st</sup> AAFC stock report, a May wholesale price report, a live price report and the Feed & Poult cost report.

S. Ramkissoonsingh then summarized the TMAC report, noting a TMAC recommendation for the commercial allocation of 139.1 mkg for the 2023/2024 Control Period.

D. Hart wanted to bring into the conversation the disappearance last year. He did not hear anything about the increase in wholesale pricing. Those prices are far from the level of two or three years ago. It will still be higher than the trend we see in the volume.

T. Tavares to D. Hart's point: There is a point when pricing affects consumption, and we are there.

J. Sheldon – from the TMAC presentation and further to the comments. Looking at the bird's bottom line, you will see that in the control periods prior to 2021/2022, that wholesale prices were below \$4/kg. In 2021/2022 and 2022/2023, it is noted that wholesale prices were \$5.09 to \$5.53. Forecast disappearance for 2023/2024 is in line with disappearance in 2021/2022 and 2022/2023 as it is expected that higher wholesale prices will continue. J. Sheldon shared the Whole Bird S&D slide #18.

S. Ramkissoonsingh: On page #5 of TMAC's report, 2021-2022 domestic disappearance related to COVID years. Agrees with T. Tavares and D. Hart on the pricing, which will likely come down.

M. Pépin noted that the prices in March in the report are correct. The reality might be different; he never saw a crash in the USA market in terms of breast meat prices as we have seen in recent weeks. Understand the numbers in the report, but we should actualize them.

T. Tavares noted that TMAC did an overall good job, and this is a more balanced report. Exceldor sells much of the roasts sold in Canada, but this year was much lower than in past years. Roasts are priced on the basis of meat costs, and the sales of those items are not going up. The logic of quota setting should be more conservative, as cutting back later in the control period will be harder than increasing.

M. Steele: The comments are made based on the wholesale pricing. We are looking at the model for per capita consumption – by using these numbers, are we keeping the volume down? Are we locking in lower domestic disappearance on whole bird by using 54.0 mkg and 1.34 PCC?

D. Hart to M. Steele's comments: The key is finding pricing profitable at this volume.

T. Tavares: The idea is to grow; we are trying to move the industry forward and find a place where all the players are happy. At the end of last year, Avian Influenza took many hens off the market. We sold inventory that otherwise would have been carried over.

J. Wiersma noted that the 144 mkg amount set in March leaves room for market intangibles.

M. Steele, U.S. imports will occur. A 75% TRQ utilization for CPTPP seems reasonable. Think there is opportunity to rebuild some consumption with stability and with more supply. PCC of 0.74 for breast meat is achievable.

A. Power: Agrees with J. Wiersma that all elements should be considered. We should expect that all TRQ available for imports from the USA and Chile will be used.

S. Eadie: Is thinking we might need a slight reduction. Asked T. Tavares if anything would help his company based on per capita consumption.

T. Tavares replied that a reduction would undoubtedly help. There are new products, including Halal inventory. 146 mkg back in 2018 is not the same as in 2022. He has been through the TMAC report and selling everything at Festive will be hard.

M. Reimer believes that TMAC did a good job, but hearing the processors and looking at consumption, he is concerned and feels there have been missed opportunities. He is not opposed to a slight reduction, and it may be appropriate for the Agency to do that at this point, but nothing drastic. He will not go back to 139 mkg. Concerned with basing the allocation off data from an Avian Influenza year.

M. Steele: TMAC report, ON live price, will decrease. With that, is there an opportunity to recover some lost sales for processors for the last couple of years?

D. Hart to M. Steele: The problem will not affect the frozen stocks. It will affect the future. You are all looking for reasons not to follow the report that staff put together based on many information angles. Producer Directors often say that we need to adhere to the TMAC recommendation. Now TMAC is questionable.

N. Paillat: Compared to 2022/2023, we are forecasting an increase in consumption. Despite the increase in supply due to TPP we are still forecasting an increase in production.

P. Boyd reminded the meeting to stay focussed on TMAC reporting as a committee as there is representation from all the parties and a third-party consultant.

S. Ramkissoonsingh: On the WB side, the recommendation is very clear. Regarding the FP side, if you go to slide 12 of the TMR you will see that we are looking at a production increase due to an increase in the percentage of quota that is produced.

#### **ALLOCATION POLICY REVIEW UPDATES**

P. Boyd noted that the Directors met this morning to discuss the Allocation Policy and will meet again tomorrow morning as there is a focus on having an Allocation Policy in place for the 2023-2024 Control Period.

#### **2022/2023 PRELIMINARY RECONCILIATION:**

The reconciliation is not yet complete as some final pieces of data have yet to arrive at the office due to reporting timelines. At this point, it appears unlikely that any province will be overmarketed. The reconciliation will be presented at the September meeting. Any necessary decisions by the Directors can be reviewed at that meeting. It should be possible to finalize the reconciliation at that time.

#### **TRADE UPDATES**

S. Ramkissoonsingh highlighted the trade update included in the meeting kit, noting in particular the dairy CUSMA dispute settlement panel, the WTO Ministerial Conference the week of February 26, 2024, in Abu Dhabi, UAE, and the conclusion of the CPTPP accession negotiations with the U.K. It was also noted that with respect to the WTO negotiations, that TFC was participating with the SM5 in a technical trade mission to Geneva in the last week of June.

***The meeting was adjourned at 4:15 p.m. on June 21 and it resumed at 9:56 a.m. on June 22.***

## **PwC's REPORT**

N. Paillat introduced the 2022 PwC report which is a compilation of financial information from CPEPC members that started a few years ago.

S. Novik presented the report that was shared with the DAM before the 274<sup>th</sup> General Business Meeting.

M. Steele asked if further processing sales are included and how transfer pricing within vertically integrated processors is handled.

S. Novik responded that transfers of product within vertical processors are at market prices. Each processor responded to the questions that PWC included in the study, and they are not privy to the processors' source of information.

T. Tavares to M. Steele: There is a windfall in many of the products, due to AI supply related issues and including to some further processors.

## **OTHER:**

### **Avian Influenza (AI) Adjustment**

P. Boyd noted that the Directors discussed the AI adjustment for AB, based on their request, at the March meeting and at the Directors' lunch this week. Upon detailed discussions and review of the data prepared by the office and shared with Managers, there was no support of the Directors to undertake the requested AI adjustment.

### **Specified Procedure Updates**

S. Ramkissoonsingh, the Specified Procedures (SPs) project is to ensure there is effective control and administration of quota allocations, TFC allocation policies, and levy collection/remittance by Provincial Commodity Boards. Due to COVID and Avian Influenza, the project was substantially delayed. Currently, there are final reports from Grant Thornton for all the Provincial Commodity Boards except Ontario. Regarding the Provincial Commodity Boards of British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, and Nova Scotia, Grant Thornton has observed that it appears there are people, processes, and technology in place to support the effective execution of the specified procedures required at the Provincial Commodity Board. For Ontario, the specified procedures relating to levies, Primary Breeder, Multiplier Breeder, and Export Policy have been undertaken. There are some outstanding elements to complete with TFO.

### **Breast Meat Stock to Use Ratio Study**

S. Ramkissoonsingh, Serecon is currently finalizing its quantitative supply and demand analysis and estimations. Once the quantitative work is complete, they will schedule the stakeholder engagement stage of the study. Right now, the project is on-time with a report expected by the end of the summer, but summer schedules may impact the timing somewhat.

### **CORPORATE AND CONSUMER COMMUNICATIONS REPORT:**

#### **Government Relations:**

M. MacKimmie presented the report with a few updates, noting that Bill C-282 had a vote at the Trade Committee on June 21. It will go to the Senate this fall. The Bloc Quebecois held a cross-party press conference that took place after the vote with M. MacKimmie in attendance for TFC. The SM5 is working on a strategy for Senator outreach on Bill C-282.

M. MacKimmie updated that Bill C-234 has been referred to the Senate Standing Committee on National Finance, and Agriculture and Forestry. TFC continues to monitor through our membership in the Ag Carbon Alliance.

#### **Corporate Communications**

M. MacKimmie provided an update on Downtown Diner and FCM, two advocacy events held in the spring. Matt Steele, in attendance for TFC at FCM, briefly met Prime Minister Trudeau.

### **June 2024 Meeting**

A. Goldman remarked that the Manitoba Turkey Board will be hosting the June 2024 TFC General Meeting and noted that the TFC office will work closely with the MTP in the meeting organization.

### **September and November 2023 Meetings**

A. Goldman informed that the September 2023 General Business Meeting will be hybrid, with Directors' only in-person. The meeting will be held on September 19 in Mississauga and the Directors' Strategic Business Planning will follow on September 20 and 21. The notice of the meeting will be sent in the upcoming days.

The November General Business meeting will take place in-person in Toronto. Details to follow in the upcoming weeks.

### **Strategic Business Planning**

P. Boyd informed the group that the Executive Committee interviewed three facilitators and decided on Alain Rabeau of the Intersol Group. Information regarding Director one-on-one meeting with the facilitator will be shared in the upcoming weeks.

### **2023/2024 QUOTA REGULATION**

MOVED by J. Wiersma (SK) and SECONDED by S. Heppell (BC) to set the commercial allocation for the 2023/2024 Control Period to 141,000,000 kg.

### ***Discussion on the Motion:***

A. Power would like to know the logic of the motion with regards to the TMAC recommendation.

J. Wiersma responded that is a number on the table to move away from the 139 mkg and 144 mkg.

M. Steele is in favour of a number a little bit higher than 141 mkg. TFO is looking forward to an increase in sales. On the FP side, have questions about imports from Chile and wonders if we should reduce them a little bit in the forecast. Regarding the quota utilization, we have seen underproduction in the East that has become a trend. We see opportunity for more whole bird sales around 1.37 PCC or 49.4 mkg domestic disappearance.

M. Pépin: We need clear arguments instead of feelings. We need numbers, and TMAC has numbers.

D. Hart: CPEPC supports the number that the TMAC report recommends: 139.1 mkg, which is taking us to the edge of our comfort zone.

S. Heppell to S. Ramkissoonsingh – asked about the difference in kg from the previous TMAC report and asked what changed to have the kg reduction.

S. Ramkissoonsingh responded that the difference is due to the higher population growth and resulting BM consumption and the higher forecast closing breast meat stock, as set out on page 8 of the report.

T. Tavares noted that we have the highest boneless, skinless breast disappearance in seven years. The facts are there, more stock will come later in the year, and it will not set us up for next year.

J. Paquet: We are two months into the control period with 144 mkg right now; the processors want 100 mkg in FP production and it is not on schedule due to AI. Decreasing right now will be done in fear of what's coming next. The decision to adjust/reduce can come later, in September.

W. Barnard: We appreciate the fear of AI. There is an additional 7 mkg from last year; it is a significant increase year-over-year. You are basing the increase on fear with no empirical support.

S. Ramkissoonsingh noted that TMAC considers the previous year's utilization. On AI, with the CPEPC position, it is easier to go up later in the control period if needed. At what point, if we have zero coming in from Chile, when will the increase happen?

J. Paquet to S. Ramkissoonsingh: We tried that in the past; we had allocations increase. In QC, we saw under-production because there was no time or space to place poult.

J. Wiersma: In March, the number was a bit higher, and we committed to review regularly and adjust as needed.

D. Mandel: Are there any imports coming in from Chile?

S. Ramkissoonsingh responded that currently no imports are coming in from Chile due to AI, but that may change.

C. Gonano noted that the facilities in Chile are taking a bit longer for cleaning and disinfecting.

*For this motion, M. De Graaf was recognized as speaking and voting for NS.*

MOTION DEFEATED  
(5 in favour – 6 opposed)

MOVED by D. Hart (CPEPC) and SECONDED by M. Pépin (CPEPC) to  
set the commercial allocation for the 2023/2024 Control Period  
to 139,000,000 kg.

### ***Discussion on the Motion***

W. Barnard noted that no empirical information supports 141 mkg; if there was, CPEPC would have supported it.

J. Paquet: The report is based on assumptions and provisions. We cannot live on assumptions, but due to AI, the TRQ from Chile did not leave the port, so some of the TMAC provisions still needed to be met.

S. Ramkissoonsingh: TMAC report includes 75% of the CPTPP TRQ coming later in the year. There is a concern from the processors and further processors that the TRQ will be used quickly once imports from Chile resume.

T. Tavares: It is very easy in three days to add kilograms to birds by delaying the shipment date to make up for some TRQ that does not come in, a lot harder to come down.

M. De Graaf asked if it was a problem to adjust on the go.

T. Tavares: There is a limit in the timing for growth, but it can be adjusted.

MOTION DEFEATED  
(4 in favour – 7 opposed)

MOVED by M. Steele (ON) and SECONDED by J. Wiersma (SK) to  
set the commercial allocation for the 2023/2024 Control Period  
to 142,000,000 kg.

### ***Discussion on the Motion***

M. Pépin to M. Steele: What is the rationale for 142 mkg?

M. Steele: We see the TMAC whole bird per capita consumption being low and there can be higher whole bird ending stocks of 12.0 mkg. The Chile imports are not coming in yet and we are more pessimistic on the CPTPP TRQ utilization at 1.0 mkg of breast meat, the domestic quota utilization rate is optimistic.

M. Pépin: I am not convinced at all.

D. Hart to M. Pépin's point: Comments about being a little light, to roll those percentages to kg, that is putting a number to the test, and that is when it does not start to make sense to the processors.

M. Steele: That is what we see more on the FP side.



P. Boyd: On the idea of the checklist spreadsheet, the staff is working on that to see how this makes sense in the context.

D. Ference to the processors: We had a quota allocation of 146 mkg, but we could not produce that. ÉVQ is already behind, and we are trying to build the marketplace. We do not want to short the market. If the allocation is set to 142 mkg, it will not likely be produced.

D. Hart to D. Ference: Why does this not make its way to the TMAC report? And, if it does, then why are we having this discussion?

J. Sheldon explained how the quota utilization was factored into the chart before going over the numbers on the spreadsheet. Normally, 98 to 99% of the quota that is used for FP production plus conditional utilizations that contribute to the breast meat supply are utilized and this is factored into the TMAC discussions. For 2022/2023, it appears that only 86% of available allocations and utilizations were produced. For 2023/2024, TMAC went back to an estimate of 98.3% as the utilizations factor, which is the average of the 2019/2020 to 2021/2022 control periods.

D. Hart: The TMAC and TMR report will be rewritten based on a few pessimistic members at the meeting. This seems off-side.

P. Boyd to D. Hart: This is the type of approach that the table was discussing, it came out of the March meeting, and we are only showing the membership how the numbers came up and what scenarios would look like.

D. Hart: I cannot be the only one who sees it this way.

M. Reimer: The spreadsheet illustrates M. Steele's point and suggested allocation, not a change in TMAC. Nothing more.

M. Pépin: We just told you that there is a crisis on pricing in boneless breasts. It will be a disaster for the processors this year, and now you want to increase. It will be a very difficult year for us.

MOTION DEFEATED  
(6 in favour – 5 opposed)

*The meeting closed to DAM and FPCC representatives at 1:05 p.m.*

*The meeting was opened to all at 1:29 p.m.*

## **ALLOCATION POLICY**

MOVED by S. Heppell (BC) and SECONDED by M. Steele (ON) that staff be directed to prepare an Allocation Policy that incorporates the following provisions that would be effective with the 2023/2024 Control Period:

- 1) A starting point allocation of 144 mkg as discussed by the Directors on April 19/20, 2023, in Calgary.
- 2) A natural growth formula based on the four components of:
  - a. Pro-rata recent commercial allocation at 35%
  - b. Pro-rata population 35%
  - c. FIPI 15%
  - d. Nielsen retail data 15%
- 3) The 2.5% conditional allocation pool framework as discussed by the Directors since Calgary, with this provision being available for the 2024/2025 Control Period.

M. Pépin: Write in the motion innovation but not the number, as this will be a point for discussion.

A. Power: As a show of good will, the good faith and commitment to work on that can be included in the motion.

M. Reimer: This is the discussion we are in, and we would recognize that everybody worked hard and equally on this. The starting point of the 144 mkg, there are winners and losers on this. The 35/35/15/15 realizes where everybody is coming from and believes the table is still in progress. The 2.5% innovation think this is a big number. We can get to an agreement today.

D. Mandel: He is in agreement with the motion.

M. Levesque: Thinks the motion and what was discussed in Calgary, not everybody will win. But everybody can lose and win, depending on the point. Is ready to solve the issue today.

J. Paquet: I shared our concerns this morning. QC feels that it has yet to be given a chance to demonstrate how its under and over 9 kg proposal will work when put in place. QC is pushing for a different growth formula that will be included; only four points are included. One is Nielsen data, and Nielsen captures only 4 % of the data. The starting point is high, but she is prepared to have some concessions first.

P. Boyd: The motion is that staff will work on a draft Allocation Policy based on the Directors' discussions. The Directors will review the draft until all the points are ironed out.

S. Heppell, a sunset clause will be part of it but not agreed to yet. Also, we need to define verification. The motion is to direct staff to prepare a policy based on what flows out of those three points.

J. Paquet, we want several components. Nielsen only captures a small part of the volume, and this is a problem, plus the data is not reliable. Also 2.5% is higher than zero but we can compromise.

J. Paquet asked the mover and seconder if they would be agreeable to adding the provision for a sunset clause in the motion. A. Power agreed.

S. Heppell and M. Steele agreed to the proposed amendment to the motion.

M. De Graaf: Happy to get something.

J. Wiersma echoed M. de Graaf's comment.

MOVED by J. Paquet (QC) and SECONDED by A. Power (FPPAC) that staff be directed to prepare an Allocation Policy that incorporates the following provisions that would be effective with the 2023/2024 Control Period:

- 1) A starting point allocation of 144 mkg as discussed by the Directors on April 19/20, 2023, in Calgary.
- 2) A natural growth formula based on the four components of:
  - a. Pro-rata recent commercial allocation at 35%
  - b. Pro-rata population 35%
  - c. FIPI 15%
  - d. Nielsen retail data 15%
- 3) The 2.5% conditional allocation pool framework, as discussed by the Directors since Calgary, with this provision being available for the 2024/2025 Control Period.
- 4) And that the policy contains a sunset clause.

CARRIED  
(10 in favour – 1 opposed)

### **2023/2024 QUOTA REGULATION (*continues from page #12*)**

MOVED by W. Barnard (CPEPC) and SECONDED by D. Hart (CPEPC) to set the commercial allocation for the 2023/2024 Control Period to 140,000,000 kg.

### ***Discussion on the Motion***

A Power: Is there a logic attached?

W. Barnard: Is the support from CPEPC for TMAC and also gives space to the concerns we hear at the table. We wanted to include a buffer, a sign of an olive branch. Not making a decision today would be worst and we can continue to track the market and change the allocation in August.

J. Paquet: Understands the discussion but the practice showed that increasing allocation in a short time is impossible.

T. Tavares: We talked about leaving toms to grow 3 or 4 more days to reach the kg, not to place new poults.

D. Ference: Agrees with T. Tavares. It is easier to increase later. If we do not decrease now, AB farmers will be overproduced.

J. Paquet: Noted that in the past, when the increase happened later, the processors did not want to take the kg as there was no slaughter available or did not have the capacity or space to keep the birds.

D. Ference: To add what J. Paquet is bringing to the table. We are late for 100 thousand kg, and some producers are already late. Some farmers were late and needed help to place. Reducing allocation right now will take a lot of work for the producers.

S. Heppell: This needs to be clarified with the comments on the QC issue and how this will hamper a future reduction. A quota cut now opens up barn space down the road.

J. Paquet: This is not from the farmers' standpoint; it is from the producers with no flexibility in slaughtering.

W. Barnard to J. Paquet: We need to focus on the correct number, not if it is easy to go up or down.

M. Reimer: Agrees with W. Barnard, and heart goes out to QC, but we need to focus on the number.

T. Tavares: Generally, the expectation is that all the birds will be processed in QC this year.

S. Heppell: In our Proclamation, the mandate is to produce; we do not allocate to provinces with the inability to produce. Then as an Agency, we need to see the marketing plan of every province to ensure that the province can produce. If a province cannot produce, it is the mandate of the Agency to allocate those kg to provinces that can produce them.

D. Hart: If we decide at the September meeting, the first day you can expect turkeys not to show up is 16 weeks later. That gives processors enough notice. Some producers are done with their quota early, so that means that other producers will have to take the hit.

#### MOTION DEFEATED

9 in favour – 2 opposed

Opposed by ON and QC, which  
account for 62.3% of 2022/2023  
Commercial Allocation.

[The motion did not pass as the 50% of  
production threshold was not met for setting  
a global quota].

MOVED by M. Levesque (NB) and SECONDED by M. Reimer (MB)  
to set the commercial allocation for the 2023/2024 Control  
Period to 141,500,000 kg.

CARRIED

D. Hart: Asked the provinces if there is an appetite to try the 144 mkg as starting point instead, of the 141.5 mkg.

S. Heppell: Would like to set the allocation in a pro-rata reduction.

S. Ramkissoonsingh: Revisited the motion moved by S. Heppell to draft an Allocation Policy.

S. Heppell: If everyone agrees with the first and second points of his motion, then he will agree to move on that.

J. Wiersma thinks doing it pro-rata from the 146 mkg will be simple.

**Straw Poll:**

J. Paquet: In favour.

M. Steele: Opposed.

M. De Graaf: In favour

J. Wiersma: In favour.

D. Hart: In favour.

W. Barnard: In favour.

S. Heppell: In favour of doing a test run on the policy.

A. Power: Opposed 146 mkg – in favour 144 mkg.

M. Reimer: In favour.

M. Levesque: Opposed 146 mkg – in favour 144 mkg.

D. Mandel: Opposed 146 mkg – in favour 144 mkg.



There being no further business, it was MOVED by J. Wiersma to adjourn the meeting on June 22 at 2:56 p.m.

Approved by:

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D. Ference, Chair

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A. Goldman, Secretariat

Dated: \_\_\_\_\_, 2023

Turkey Farmers of Canada  
275<sup>th</sup> Meeting  
September 19, 2023

## AGENDA # 2.b

# [2022/2023 CONTROL PERIOD RECONCILIATION]

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The Preliminary Control Period Reconciliation is attached, which reflects:

- relevant data as of September 2023;
- an adjustment by Staff to marketings of mature primary breeders reported by a plant to AAFC (line 26);
- the lease of quota from British Columbia and Alberta by Ontario (line 24); and
- an item that requires approval by the Directors (line 34).

### Please Note:

#### 1. Reporting of Mature Primary Breeder Turkeys

Multiplier breeder marketings equal all matures (primary + multiplier) reported by processing plants to AAFC, minus primary breeder marketings reported by Ontario. At a provincially regulated plant in Ontario, 371,968 kg of mature primary breeder turkeys were reported to AAFC in young production categories, instead of being correctly reported in the Mature production category. The mis-categorization of primary matures at the provincial plant results in Ontario's multiplier breeder matures being underreported as 2,515,107 kg, instead of the correct number of 2,887,075 kg. TFC staff has reflected the correct multiplier breeder number of 2,887,075 kg on line 26.

The reporting of Primary Breeder and Multiplier Breeder data by breeder operators and Ontario that complies with the policies enabled TFC staff to identify the existence of an issue. Once identified, both offices worked to determine the source of the problem. Staff will work with the plant in question to resolve this reporting issue for 2023/2024.

Please also note that the volume of mature turkeys marketed and Multiplier Breeder Policy Utilizations are also down from recent years due to avian influenza.

#### 2. Lease

The lease of quota from British Columbia (281,749 kg) and Alberta (481,186 kg) by Ontario (762,935 kg) reflected on line 24 adjusts the Net Allocations (Commercial Quota) of those provinces on lines 25 and 2. The lease amounts fall within the maximums approved by Directors' motion on November 9, 2022.

### 3. Transfer of Export Policy Utilizations

The item requiring approval (line 34) (Export Policy, Section 1 Net Transfers to/from other Provinces) is shown for sake of simplicity as it has impacts elsewhere. A revised Reconciliation that excludes the amounts on line 34 can be prepared if directed.

#### Summary

As seen on lines 1 to 4, the Reconciliation balances Provincial Marketings (line 1), against Net Allocations (line 2) plus Total Policy Utilizations (line 4).

No province's Provincial Marketings (line 1) are greater than its Net Allocations (line 2) plus Total Policy Utilizations (line 4) and, therefore, there are no over-marketings.

The section "POLICY UTILIZATIONS EARNED ON LIVE EXPORTS" reflects live exports under Section 3 of the Export Policy, and live exports of primary breeders. The volumes shown do not count against AAFC production but are shown as the TFC is obliged to make allocations that provide regulatory cover for this production.

#### Decision Item – Transfer of Export Policy Utilization:

Before the Reconciliation can be considered final, one item requires the Members' consideration. A written request from Alberta to transfer 48,204 kg of Section 1 Export Policy Utilizations to British Columbia has been received.

Subject to discussion of this issue, the following motion could be considered:

*To approve the transfer of 48,204 kg of conditional Export Policy utilizations for the 2022/2023 Control Period from Alberta to British Columbia.*

#### Finalization of Control Period Reconciliation

Subject to the previous decision item, and unless any issues arise between the time of the distribution of this memo and the meeting, the Reconciliation as presented can be considered final. The following motion could be considered:

*To consider the 2022/2023 Control Period Reconciliation to be final as detailed during the TFC 275<sup>th</sup> Meeting of September 19, 2023.*

#### Carry-Forward of Export Policy Utilizations

Following the finalization of the Reconciliation, it is customary that Export Policy Utilizations (line 40) that are to be carried forward to the current control period be allocated.

Subject to discussion of this issue, the following motion could be considered:

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*As a result of the carry-forward provision of the Export Policy, and as detailed on Line 40 of the 2022/2023 Control Period Reconciliation, to allocate Export Policy Carry-Forward in the 2023/2024 Control Period in the amounts of:*

<i>British Columbia</i>	<i>111,497 kg</i>
<i>Alberta</i>	<i>179,747 kg</i>
<i>Saskatchewan</i>	<i>29,373 kg</i>
<i>Manitoba</i>	<i>12,946 kg</i>
<i>Ontario</i>	<i>2,220,118 kg</i>
<i>Quebec</i>	<i>57,794 kg</i>

**Attachments**

- 1. 2022/2023 Preliminary Control Period Reconciliation*

# 2022/2023 CONTROL PERIOD RECONCILIATION - EVISCERATED KG

Preliminary  
2023-09-14

## SUMMARY TABLE

	BC	AB	SK	MB	ON	QC	NB	NS	TOTAL
1 TOTAL MARKETINGS	14,808,546	12,127,620	4,995,233	9,116,494	73,023,993	28,778,804	3,271,371	4,177,096	150,299,157
2 NET ALLOCATIONS	19,021,000	13,439,730	5,015,198	9,170,501	58,865,321	32,852,397	3,388,138	4,247,715	146,000,000
3 UNADJUSTED OVERMARKETINGS					14,158,672				14,158,672
4 TOTAL POLICY UTILIZATIONS	768,020	1,157,403	210,257	133,179	14,333,927	1,240,293			17,843,079
TOTAL OVERMARKETINGS									
5 OVERMARKETINGS									
6 BOARD DECISIONS/ ADJUSTMENTS									
LIQUIDATED DAMAGES									
7 TOTAL LIQUIDATED DAMAGES									
8 APPLICABLE TAXES									
9 TOTAL PAYABLE									
10 TOTAL RECEIVED									

## AGRICULTURE AND AGRI-FOOD CANADA REPORTED MARKETINGS

	BC	AB	SK	MB	ON	QC	NB	NS	TOTAL
11 REPORTED SLAUGHTER	14,808,546	14,256,512	2,767,327	9,215,508	73,404,641	32,022,893		3,823,730	150,299,157
12 INTERPROVINCIAL MOVEMENTS OUT			2,227,906			380,648	3,271,371	353,366	6,233,291
13 INTERPROVINCIAL MOVEMENTS IN		2,128,892		99,014	380,648	3,624,737			6,233,291
14 LIVE IMPORTS									
15 PROVINCIAL MARKETINGS	14,808,546	12,127,620	4,995,233	9,116,494	73,023,993	28,778,804	3,271,371	4,177,096	150,299,157

### The Reconciliation Reflects:

1) The following TFC policies: Allocation, Export, Multiplier Breeder & Primary Breeder

2) Marketings as reported by AAFC

Blue = Source Data

Red = Calculation or Logic Test

Black = Carried from Another Line

# 2022/2023 CONTROL PERIOD RECONCILIATION - EVISCERATED KG

## PROVINCIAL ALLOCATIONS

Preliminary

	BC	AB	SK	MB	ON	QC	NB	NS	TOTAL
16 TOTAL ALLOCATIONS	20,805,697	15,736,963	5,681,840	14,085,505	82,230,069	36,396,940	3,758,864	4,718,186	183,414,064
17 MULTIPLIER BREEDER				755,668	2,054,375				2,810,043
18 PRIMARY BREEDER					2,098,080				2,098,080
19 EXPORT POLICY SECTION 1: PARTS	1,292,411	1,557,377	603,252	1,133,726	11,254,574	2,290,528	370,726	470,471	18,973,065
20 EXPORT POLICY SECTION 1: CARRY-FORWARD	210,537	258,670	63,390	68,449	1,267,992	134,095			2,003,133
21 EXPORT POLICY SECTION 1: WHOLE BIRD					4,887,200	125,000			5,012,200
22 EXPORT POLICY SECTION 2					2,565,462	994,920			3,560,382
23 EXPORT POLICY LIVE EXPORTS				2,957,161					2,957,161
24 LEASE <sup>2</sup>	-281,749	-481,186			762,935				
25 NET ALLOCATIONS	19,021,000	13,439,730	5,015,198	9,170,501	58,865,321	32,852,397	3,388,138	4,247,715	146,000,000

## MULTIPLIER BREEDER UTILIZATION

	BC	AB	SK	MB	ON	QC	NB	NS	TOTAL
26 MULTIPLIER BREEDER MARKETINGS (AAFC) <sup>1</sup>				383,288	2,887,075	228,589			3,498,952
27 DOMESTIC MULTIPLIER BREEDER MARKETINGS (POLICY)				378,029	3,107,101	228,091			3,713,221
28 THE LESSER OF LINES 26 AND 27				378,029	2,887,075	228,091			3,493,195
29 REFERENCE LEVELS		225,519	30,091	300,792	2,725,747	574,917			3,857,066
30 MARKETINGS OVER REFERENCE LEVEL				77,237	161,328				238,565
31 CONDITIONAL ALLOCATIONS				755,668	2,054,375				2,810,043
32 MULTIPLIER BREEDER UTILIZATIONS					161,328				161,328

## EXPORT POLICY UTILIZATION

	BC	AB	SK	MB	ON	QC	NB	NS	TOTAL
<b>SECTION 1</b>									
33 UTILIZATIONS APPLIED FOR ON THE EXPORT OF PARTS	620,776	1,126,684	176,240	77,676	9,327,547	346,761			11,675,684
34 NET TRANSFERS TO/FROM OTHER PROVINCES	48,204	-48,204							
35 NET UTILIZATIONS APPLIED FOR ON THE EXPORT OF PARTS	668,980	1,078,480	176,240	77,676	9,327,547	346,761			11,675,684
36 UPPER LIMITS ON PARTS	1,292,411	1,557,377	603,252	1,133,726	11,254,574	2,290,528	370,726	470,471	18,973,065
37 SECTION 1 PARTS UTILIZATIONS	668,980	1,078,480	176,240	77,676	9,327,547	346,761			11,675,684
38 SECTION 1 WHOLE BIRD EXPORTS					3,993,158				3,993,158
39 CARRY-FORWARD FROM 2022/2023	210,537	258,670	63,390	68,449	1,267,992	134,095			2,003,133
40 CARRY-FORWARD TO 2023/2024	111,497	179,747	29,373	12,946	2,220,118	57,794			2,611,475
41 SECTION 1 UTILIZATIONS	768,020	1,157,403	210,257	133,179	12,368,579	423,062			15,060,500
42 SECTION 2 UTILIZATIONS					471,153	817,231			1,288,384

## POLICY UTILIZATION RECAP

	BC	AB	SK	MB	ON	QC	NB	NS	TOTAL
43 MULTIPLIER BREEDER					161,328				161,328
44 PRIMARY BREEDER					1,332,867				1,332,867
45 EXPORT POLICY: SECTION 1	768,020	1,157,403	210,257	133,179	12,368,579	423,062			15,060,500
46 EXPORT POLICY: SECTION 2					471,153	817,231			1,288,384
47 POLICY UTILIZATIONS FOR BIRDS PROCESSED DOMESTICALLY	768,020	1,157,403	210,257	133,179	14,333,927	1,240,293			17,843,079



POLICY UTILIZATIONS EARNED ON LIVE EXPORTS

(EXPORT - SECTION 3, MULTIPLIER BREEDER, PRIMARY BREEDER)<sup>3</sup>

	BC	AB	SK	MB	ON	QC	NB	NS	TOTAL
48 SECTION 3 EXPORTS / UTILIZATIONS				1,985,130					1,985,130
49 EXPORTED MULTIPLIER BREEDER MARKETINGS / UTILIZATIONS									
50 PRIMARY BREEDER EXPORTS / UTILIZATIONS					743,485				743,485

2022/2023 CONTROL PERIOD RECONCILIATION

Preliminary  
2023-09-14

NOTES

1. On line 26, multiplier breeder marketings equal all matures (primary + multiplier) reported by processing plants to AAFC, minus primary breeder marketings reported by Ontario. At a provincially regulated plant in Ontario, 371,968 kg of mature primary breeders were incorrectly reported as young birds instead of matures. This data entry error at the provincial plant results in Ontario's Multiplier Breeder Policy marketings being reported as 2,515,107 kg, instead of the correct number of 2,887,075 kg. TFC staff has reported the correct number of 2,887,075 kg on line 26 as this issue can not be corrected at plant level for 2022/2023. The reporting of Primary Breeder Policy and Multiplier Breeder Policy data by provincial boards to the TFC Office, as per lines 27 and 44, is in compliance.
2. The leases of 281,749 kg from BC and 481,186 kg from Alberta by Ontario is reflected on line 24.
3. Lines 48 to 50 reflect live exports and utilizations of 1) Section 3 of the Export Policy, 2) the Multiplier Breeder Policy and, 3) the Primary Breeder Policy. These lines do not have a bearing elsewhere in the reconciliation as they do not offset production reported by AAFC (lines 11 to 15 and 1). Quota allocations were sufficient to provide regulatory cover for these production volumes.

FORMULAS

- (1) = PROVINCIAL MARKETINGS (15)
- (2) = NET ALLOCATIONS (25)
- (3) = TOTAL MARKETINGS (1) - NET ALLOCATIONS (2) OR 0, WHICHEVER IS GREATER
- (4) = POLICY UTILIZATIONS FOR BIRDS PROCESSED DOMESTICALLY (47)
- (5) = UNADJUSTED OVERMARKETINGS (3) - TOTAL POLICY UTILIZATIONS (4) OR 0, WHICHEVER IS GREATER
- (7) = (OVERMARKETINGS (5) - BOARD DECISIONS/ ADJUSTMENTS (6)) x \$0.49
- (8) = TOTAL LIQUIDATED DAMAGES (7) X APPLICABLE TAXES
- (9) = TOTAL LIQUIDATED DAMAGES (7) + APPLICABLE TAXES (8)
- (15) = REPORTED SLAUGHTER (11) + INTERPROVINCIAL MOVEMENTS OUT (12) - INTERPROVINCIAL MOVEMENTS IN (13) - LIVE IMPORTS (14)
- (25) = TOTAL ALLOCATIONS (16) - THE SUM OF LINES 17 TO 23
- (28) = MULTIPLIER BREEDER MARKETINGS (AAFC)1 (26) OR DOMESTIC MULTIPLIER BREEDER MARKETINGS (POLICY) (27) OR 0, WHICHEVER IS LESS
- (30) = THE LESSER OF LINES 26 AND 27 (28) - REFERENCE LEVELS (29) OR 0, WHICHEVER IS GREATER
- (32) = IF UNADJUSTED OVERMARKETINGS (3) ARE GREATER THAN 0, THEN THE LESSER OF MARKETINGS OVER REFERENCE LEVEL (30) OR CONDITIONAL ALLOCATIONS (31)
- (35) = UTILIZATIONS APPLIED FOR ON THE EXPORT OF PARTS (33) + NET TRANSFERS TO/FROM OTHER PROVINCES (34)
- (37) = THE LESSER OF NET UTILIZATIONS APPLIED FOR ON THE EXPORT OF PARTS (35) OR UPPER LIMITS ON PARTS (36)
- (41) = SECTION 1 PARTS UTILIZATIONS (37) + SECTION 1 WHOLE BIRD EXPORTS (38) + CARRY-FORWARD FROM 2022/2023 (39) - CARRY-FORWARD TO 2023/2024 (40)
- (43) = MULTIPLIER BREEDER UTILIZATIONS (32)
- (45) = SECTION 1 UTILIZATIONS (41)
- (46) = SECTION 2 UTILIZATIONS (42)
- (47) = SUM OF LINES 43 TO 46

Turkey Farmers of Canada  
275<sup>th</sup> Meeting  
September 19, 2023

## AGENDA # 2.a

# [POLICY UPDATE – ALLOCATION POLICY]

## *Allocation Policy (Status, Outstanding Matters, Next Steps)*

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### **Background**

At the TFC 274<sup>th</sup> Meeting in June, the following motion was carried:

MOVED by S. Heppell (BC) and SECONDED by M. Steele (ON) that staff be directed to prepare an Allocation Policy that incorporates the following provisions that would be effective with the 2023/2024 Control Period:

- 1) A starting point allocation of 144 mkg as discussed by the Directors on April 19/20, 2023, in Calgary.
- 2) A natural growth formula based on the four components of:
  - a. Pro-rata recent commercial allocation at 35%
  - b. Pro-rata population 35%
  - c. Farm Input Price Index (FIPI) 15%
  - d. Nielsen retail data 15%
- 3) The 2.5% conditional allocation pool framework as discussed by the Directors since Calgary, with this provision being available for the 2024/2025 Control Period.
- 4) And that the Policy contains a sunset clause.

### **Current Status/Situation**

A draft Allocation Policy was circulated in preparation for the Directors' video conference of August 2, 2023. After that video conference, minor track changes were made to the draft to reflect feedback from TFC legal counsel and the TFC members. A copy of this track change version is attached for the TFC members' review.

After the August 2<sup>nd</sup> video conference, the reporting forms for Section 7 (Special Conditional Quota Request Process) of the draft Policy were developed and circulated to the members for the video conference of August 25<sup>th</sup>. A technical discussion with Provincial Board Managers was held on August 28<sup>th</sup>. And, at the time of writing, a

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second discussion is scheduled for September 11<sup>th</sup>. The TFC office is currently considering the feedback received from the Managers and will tweak the forms as required. The draft Policy can be adopted by the Directors prior to the reporting forms being finalized.

### **Outstanding Matters**

As discussed on the August 25, 2023, Directors' video conference, the following is a list of the remaining outstanding matters relative to Policy completion.

<b>Outstanding Matters</b>	<b>Status/Options</b>
1. Sunset Clause Duration	<ul style="list-style-type: none"> <li>Based on Directors' discussions to-date, two options have emerged, with 2023/2024 as year 1. <ul style="list-style-type: none"> <li>4 years, ending 2026/2027;</li> <li>5 years, ending 2027/2028.</li> </ul> </li> </ul>
2. Triggering of Sunset Clause without a replacement Policy or formal extension of current Policy.	<ul style="list-style-type: none"> <li>The purpose of a 'Sunset Clause' is to have the Policy in place for a limited time, given the long-term consequences of the Policy are difficult to foresee.</li> <li>A suggestion received is that the Policy stays in place as the default if the Directors cannot agree to extend it or develop a replacement. However, this approach somewhat defeats the purpose of the Sunset Clause.</li> <li>If Directors want to avoid a "gap period" between policies, it may be better to just have the mandated review starting in the third year of application.</li> </ul>
3. Length of time a specific innovative product can continue to qualify for a conditional allocation.	<ul style="list-style-type: none"> <li>The following Policy provision is proposed: <ul style="list-style-type: none"> <li>For innovative products, the "Special Conditional Quota Request" is intended as a short-to-medium term policy provision to help in the launching of such products. The maximum number of control periods a province can request a conditional quota volume for a specific innovative product is three (3).</li> </ul> </li> </ul>

Outstanding Matters	Status/Options
4. Maximum provincial conditional quota volume of 2.5%	<ul style="list-style-type: none"> <li>On the August 2<sup>nd</sup> video conference, the option of phasing in the quota volume was raised.</li> </ul>
5. Single National Policy versus Provincial Policies for the “Special Conditional Quota Request Process”	<ul style="list-style-type: none"> <li>A draft national approach to Section 7 (Special Conditional Quota Request Process) has been drafted.</li> <li>However:               <ul style="list-style-type: none"> <li>Would still require Provincial Boards to scrutinize requests and submit to TFC; so provincial policy/rules still required to assess requests.</li> <li>Would result in some duplication of activity by provinces and TFC.</li> <li>National approach not ideally suited for requests under 50,000 kg, niche products and producer-vendors (e.g., requests made during the control period).</li> </ul> </li> </ul>

### **Proposed Next Steps**

- 1) Decisions on the above outstanding matters by TFC Directors are required at the TFC September meeting.
- 2) Adoption of the draft Policy at the September meeting with direction to the TFC office and Provincial Board Managers to finalize any technical reporting details by the November TFC meeting.

### **Attachments:**

1. Draft TFC National Commercial Allocation Policy (track change version)
2. Section 7 Draft Reporting Forms

## 1.00 PURPOSE AND OBJECTIVE

- 1.01 Turkey Farmers of Canada (TFC) allocates turkey quota ~~pursuant to~~ under the Marketing Plan set out in the Canadian Turkey Marketing Proclamation (the Proclamation). TFC, when increasing quota allocations above the base quota allocations established in the Proclamation ~~Section 4 (1), the Agency is required to~~ must take into account six (6) criteria.
- 1.02 This Policy sets out how TFC interprets and applies the Proclamation criteria to: i) ~~the~~ “Commercial Quota” ~~component~~; and, ii) ~~a~~ “Conditional Quota” ~~request component~~, of the total quota of a given Control Period allocated ~~pursuant to~~ under the Marketing Plan.

## 2.00 SUNSET CLAUSE

- 2.01 This Policy shall remain in place until the end of the [4<sup>th</sup>] ~~[5<sup>th</sup>]~~ Control Period [(2026/2027)] ~~[(2027/2028)]~~ after its entry coming into force, with its entry coming into force counting as the 1<sup>st</sup> control period (2023/2024).
- 2.02 TFC Directors may ~~agree to~~ extend the term of this Policy ~~at any time~~ starting with the [third] anniversary of it coming the entry into force [(2025/2026)].
- 2.03 On the [third] anniversary of ~~the entry coming~~ into force [(2025/2026)], TFC will undertake a Policy review. a review of this Policy will be undertaken. TFC will receive input and recommendations for the Policy review 3 months before creating a Review Committee. TFC Directors, Provincial Commodity Boards, the Canadian Poultry and Egg Processors Council (CPEPC) and the Further Poultry Processors Association (FPPAC) ~~are encouraged to~~ may provide recommendations ~~on for~~ the review. ~~3 months in advance of the review commencing.~~

## 3.00 INTERPRETATION

“Commercial Quota” means a quota allocation by TFC to a province, as detailed in this Policy and not including conditional quotas, for a Control Period fixing the quantity of turkey that may be marketed by producers within that province in inter-provincial and export trade.

“Conditional Quota” means a quota allocation by TFC to a province that under specific circumstances can be ~~utilized~~ used for the increased marketings of turkey in interprovincial and export trade, subject to the terms, conditions, reporting and auditing requirements as detailed in this and other TFC policies.

“Control Period” means that period as established by the TFC ~~from time to time~~ and attached as a Schedule to the Canadian Turkey Marketing Agency Quota Regulation and during which period turkey produced in a province ~~is authorized to~~ may be marketed.

“Federally Registered Establishment” means any person engaged in the processing and marketing of turkeys ~~that is~~ licensed to operate in inter-provincial and export trade under the Safe Food for Canadians Regulations.

“Innovative Product” means at least: ~~one of the following:~~

- a) business in a new marketing channel (e.g., retail) for an existing item (e.g., foodservice item); ~~or,~~
- b) new business ~~that is~~ supported by one of: ~~the following:~~
  - i. investment in new technology/processing equipment;
  - ii. that results in a product with superior attributes such as but not limited to, better shelf life, more convenient to handle, cook, ~~or~~ consume by the end consumer;
  - iii. first of its kind to the Canadian market, and introduces one or more consumer-facing attributes value propositions previously not available in that marketing channel; ~~and,~~
  - iii-iv. new business where the attributes value proposition of the product (e.g., why the product needs to exist, how the product addresses a consumer/market need) can be clearly illustrated.

“Niche” means a specialized segment of the turkey market, that may be distinguished by being a particular ~~kind of~~ product such as but not limited to, meat from heritage turkeys, organic, free-range, a religious designation, and is sold through specialized channels such as but not limited to, farmers’ markets, independent butcher shops and independent restaurants.

“Producer-Vendor” means any person, engaged in niche markets, who produces and markets, offers for sale or sells, all or any ~~portion part~~ of the turkeys produced by them.

“Provincially Licensed Plant”, means any person engaged in the marketing and processing of turkeys ~~that is~~ licensed to operate intra-provincially and subject to inspection under Provincial regulations.

“Starting Point Commercial Quota” means the initial commercial quota level for each province and in aggregate.

### 3.00 STARTING POINT COMMERCIAL QUOTA

3.01 The ~~Starting Point Commercial Quota for this Policy~~ following volumes, in eviscerated weight and percentage shares ~~is, will serve as the “Starting Point Commercial Quota” for this Policy.~~

<b>Table 1</b>		
<b>Province/Column 1</b>	<b>Eviscerated Kilograms/Column 2</b>	<b>Percentage Share/Column 3</b>
British Columbia	18,973,866	13.18%
Alberta	13,683,729	9.50%
Saskatchewan	4,929,748	3.42%
Manitoba	9,014,253	6.26%
Ontario	57,600,000	40.00%
Quebec	32,292,652	22.43%
New Brunswick	3,330,410	2.31%
Nova Scotia	4,175,342	2.90%
Total	144,000,000	100.00%

#### 4.00 ALLOCATIONS OF COMMERCIAL QUOTA AT OR BELOW THE STARTING POINT COMMERCIAL QUOTA

- 4.01 If the total Commercial Quota for a Control Period is set at 144,000,000 kg, the Commercial Quota will be distributed amongst the provinces based on the kilograms and provincial shares set out in Table 1.
- 4.02 If the total Commercial Quota for a Control Period is set below the ~~aggregate~~ Starting Point Commercial Quota of 144,000,000 kg as set out in Column 2 of Table 1, the total Commercial Quota will be allocated amongst the provinces based on the provincial percentage shares set out in Column 3 of Table 1.

#### 5.00 ALLOCATIONS OF COMMERCIAL QUOTA ABOVE THE STARTING POINT COMMERCIAL QUOTA

- 5.01 If the total Commercial Quota for a Control Period is set above the ~~aggregate~~ Starting Point Commercial Quota of 144,000,000 kg as set out in Column 2 of Table 1, the **growth in commercial quota** will be allocated using a Natural Growth Formula that consists of ~~the following these~~ four components, component weightings and component calculation methodologies:

- a) On the initial application of the natural growth formula above the Starting Point Commercial Quota, the first ~~component part~~ will ~~have a be~~ ~~weighting of at~~ 35 percent and the following calculation methodology:

Provincial Shares of quota growth will be calculated based on each province's share of the Starting Point Commercial Quota, as set out in Column 3 of Table 1.

In ~~subsequent later~~ applications of the natural growth formula, the first ~~component part~~ will ~~have a be~~ ~~weighting of at~~ 35 percent and the following calculation methodology:

Provincial Shares of quota growth will be calculated based on each province's final share of the Commercial Allocation for the most recently completed Control Period ~~right before immediately preceding~~ the Control Period in question. Example: for a 2024/25 allocation the shares will be based on 2022/23.

- b) The second ~~component part~~, Provincial Population, will ~~have a be~~ ~~weighting of at~~ 35 percent and the following calculation methodology:

Provincial Shares of quota growth will be calculated based on each province's most recent share of their aggregate provincial populations, as reported by Statistics Canada for July 1<sup>st</sup> of the year ~~immediately preceding the right before the~~ start of the Control Period in question and as published on the Statistics Canada website (Table: 17-10-0009-01 [formerly CANSIM 051-0005]).



- c) The third ~~component~~part, Farm Input Price Index (FIPI) – Commercial Feed, as measured by Statistics Canada (Table: 18-10-0258-01 [formerly CANSIM 328-0016]), will ~~have a be~~ weighted at ~~ing of~~ 15 percent and the following calculation methodology:

Provincial Shares of quota growth will be calculated for each province based on provincial shares of the previous commercial allocation adjusted by each Provinces 3-year change to the FIPI Feed Index, relative to the 3-year change to FIPI Feed nationally. A detailed calculation is illustrated in Appendix 1.

- d) The fourth ~~component~~part, A.C. Nielsen Retail Sales Data, will ~~have a be~~ weighted ~~ing of at~~ 15 percent and the following calculation methodology:

Provincial Shares of quota growth will be calculated based on each province's share of estimated provincial retail sales of turkey as measured by total kilograms, as reported by A.C. Nielsen, for a calendar year two years ~~before prior to~~ the start of the Control Period in question.

- 5.02 Once the Natural Growth Formula is initially applied for a Control Period, the data used for the four ~~components~~parts will be held constant for the ~~remainder~~rest of the Control Period in question.
- 5.03 The Natural Growth Formula is triggered whenever there is a quota increase that occurs above the Starting Point Commercial Quota, ~~regardless of despite~~ if there has been a quota decrease to an amount above the Starting Point Commercial Quota in the prior control period.
- 5.04 TFC will provide Provincial Commodity Boards, the Canadian Poultry and Egg Processors Council (CPEPC) and the Further Poultry Processors Association (FPPAC) with a worksheet containing the data and methods ~~ology~~ used for the Natural Growth Formula ~~prior to before~~ setting the Commercial Allocation for a Control Period.
- 5.05 If the Natural Growth Formula results in commercial quota allocations that ~~appear seem~~ patently unreasonable, the TFC office will immediately advise the TFC Directors. The TFC Directors may then consider diverging who have the discretion to diverge from the calculated results. "Unreasonable" means an outcome that could not have been foreseen at the time of adopting the policy.

## **6.00 QUOTA DECREASE METHODOLOGY FOR DECREASES OCCURRING ABOVE THE STARTING POINT COMMERCIAL ALLOCATION**

- 6.01 Commercial Quota decreases that occur to quota allocated above the Starting Point Commercial Quota of 144,000,000 kg, will ~~be implemented using use~~ a "Last In – First Out" (LIFO) methodology. Under the LIFO methodology, each commercial quota increase will be traced, and any quota reduction will be applied in the reverse order of preceding allocations. See detailed calculation example in Appendix 2.

- 6.02 Where the commercial quota is decreased below the Starting Point Commercial Quota, LIFO will not be used, and the decrease will be allocated amongst the provinces based on the provincial percentage shares set out in Column 3 of Table 1, Section 3.01 ~~of the Policy~~, and as also noted in Section 4.02

## 7.00 SPECIAL “CONDITIONAL QUOTA” REQUEST PROCESS

### Purpose and Objective

- 7.01 The purpose of the “Special Conditional Quota Request” process is to address market opportunities that cannot be met by normal market growth and through the Natural Growth Formula within the national commercial quota and by extension a province’s provincial commercial quota.
- 7.02 The “Special Conditional Quota Request” process allows a Provincial Commodity Board the flexibility to address, under a policy designed by the Provincial Commodity Board and that ~~is consistent with~~ follows this TFC Policy, specific market requirements and opportunities that may ~~be the result of~~ from:
- a) specific events, or circumstances that ~~will~~ drive additional more demand (e.g., Soccer World Cup);
  - b) product test marketing;
  - c) the launch of innovative products;
  - d) incremental sales by producer-vendors; and,
  - e) incremental sales in niche markets by provincially licensed turkey plants.
- 7.03 The “Special Conditional Quota Request” includes two thresholds for administration and reporting. The first threshold is for aggregate requests by any one applicant of 50,000 kg eviscerated or less. The second threshold is for aggregate requests by any one applicant of over 50,000 kg eviscerated. The ~~purpose of the~~ two-thresholds ~~is to~~ provide Provincial Commodity Boards with a guideline to manage market opportunities amongst producer-vendors and Provincially Licensed Plants that market intra-provincially and Federally Registered Establishments that market in intra-provincial and inter-provincial trade.

### Maximum Conditional Quota Request Volume

- 7.04 The maximum conditional quota volume a Province can ~~utilize~~ use in a Control Period is equal to 2.5% percent of the province’s most recently completed Control Period’s commercial quota. [Example: the 2024/2025 Control Period conditional quota volume cannot exceed 2.5% of a province’s 2022/2023 commercial quota].

### Provincial Commodity Board Administration

- 7.05 A Provincial Commodity Board must have in place a written policy, plan or guidelines on how the Board will administer and allocate the conditional quota under this section ~~of the Policy~~ and must provide a copy to the TFC office ~~prior to utilizing before using~~ this Section ~~of the Policy~~, for circulation to the balance of the TFC membership for reasons of transparency. Provincial Boards

~~shall must~~ consult TFC ~~before prior to making any amendments to amending~~ its provincial policy and immediately notify TFC of any amendments ~~made~~.

- 7.06 ~~In the case of For~~ innovative products these provincial policies must set out how, and the time-period, under which producers and processors' ~~utilization-use~~ of the conditional quota will be phased out and transitioned to the province's provincial commercial quota. The "Special Conditional Quota Request" is intended as a short-to-medium term policy provision to ~~assist help in the~~ launching of new innovative products.

*[Alternative wording for Section 7.06] For innovative products, the "Special Conditional Quota Request" is intended as a short-to-medium term policy provision to help in the launching of such products. The maximum number of control periods a Province can utilize a conditional quota volume for a specific innovative product is three (3).*

- 7.07 Factors that the Provincial Commodity Board may consider when developing their policies and allocating the conditional quota for innovative products amongst processors include:

- a) existing provincial processing market share; and,
- b) ability to source turkey meat from processing facilities they operate in other provinces.

- 7.08 Provincial Commodity Boards when allocating the conditional quota must ensure that the allocation to the applicant ~~is in alignment aligns~~ with the Provincial Policy and this TFC Policy and details of this provincial assessment must be available to the TFC.

#### Quota Issuance and Utilization Conditions

- 7.09 A general condition of quota ~~utilization-usage~~ is that the market requirement or opportunity results in the physical use by the processor of the whole bird and at a minimum the breast meat produced under the conditional quota.
- 7.10 The slaughter of the turkeys marketed under the conditional quota must occur in a federally or provincially licensed processing facility that reports all its turkey slaughter to a provincial government ministry or to a federal government department and to the Provincial Commodity Board.
- 7.11 To issue and ~~utilize-use~~ the conditional allocation, where a province allocates conditional quota of 50,000 kg or less to an applicant, the following information must be provided by the Provincial Commodity Board to the TFC (see Forms #1 ~~and #2~~):
- a) ~~Prior to Before~~ the start of the Control Period or once a ~~Provincial Commodity Board decides to allocated decision is made~~:
    - i. description of the market requirement or opportunity;
    - ii. list of the producers that will receive a conditional allocation and the individual and total amounts allocated;
    - iii. the name and location of the processing facility and if it is federally or provincially licensed; and,
  - b) within 60 days of the end of the Control Period:

- i. verification that the processing facility processed the conditional quota; and, verification from the Commodity Board that the conditional quota processed was incremental volume in the Control Period to the processor involved.
- 7.12 To issue and ~~utilize-use~~ the conditional allocation, where a province allocates conditional quota that is greater than 50,000 kg to an applicant, the following information must be provided by the Provincial Commodity Board to the TFC (see Forms [#23](#), [#4a](#) and [#4b](#)):
  - a) ~~Prior to-Before~~ the start of the Control Period or once a Provincial Commodity Board decides to allocatedecision is made:
    - i. description of the market requirement or opportunity;
    - ii. list of the producers that will receive a conditional allocation and the individual and total amounts allocated;
    - iii. the name and location of the processing facility and if it is federally or provincially licensed;
    - iv. where the conditional quota is used to accommodate the launch of an innovative product, test marketing and niche markets:
      - i. product description and if applicable the product number;
      - ii. how the product satisfies the meaning of an “innovative product” under this Policy;
      - iii. type(s) of turkey meat used in the product (e.g., boneless breast meat, boneless thigh meat);
      - iv. turkey meat per unit (pre-processed weight) (in grams) by meat type;
      - v. total units to be produced (in the relevant control period); and,
  - b) within 60 days of the end of the Control Period:
    - i. in the case of Producer-Vendors and Provincially licensed plants, verification that the additional production from the conditional allocation was processed at the correct processing facility and was incremental volume;
    - ii. in the case of Federally registered establishments and where the conditional quota is used to accommodate the launch of an innovative product, test marketing and niche markets, the total units produced and sold in the relevant control period; and, a signed declaration (~~see Form #3~~), submitted by an accountant on behalf of the processor, declaring that the information submitted ~~in Form #2~~ is correct.

#### Turkey Farmers of Canada (TFC) Administration

- 7.13 ~~The Agency TFC~~ will circulate each Provincial Commodity Board’s policy, plan or set of written guidelines, to the other member organizations of ~~the Agency TFC~~, so ~~that~~ the TFC Agency members can be satisfied that each participating province’s policies ~~are consistent with follow~~ the interpretation and objective of this “Special Conditional Quota Request” process.
- 7.14 ~~It is the responsibility of the-The~~ Provincial Commodity Board ~~to-must~~ ensure ~~that~~ all necessary information required for assessing issuance and compliance has been provided on the prescribed forms. On receipt of the information set out in Sections 7.11 and 7.12 at the TFC office, if there are ~~any~~ questions about the information or information is missing:
  - a) The TFC office will advise the respective Provincial Board;

- b) If after 10 working days the outstanding information has not been received a second notice will be sent as a reminder; and,
- c) If the information is still not received in an additional five working days, the application may be rejected.

- 7.15 ~~The issuance of conditional allocations by~~ TFC issuing conditional allocations under this Policy to the Provincial Commodity Board shall be subject to Agency assessment of the data provided in the forms, and shall, once assessed, be applied to the respective control period at the time of a Quota Regulation Submission.
- 7.16 The ~~utilization-usage~~ of conditional allocations shall be calculated ~~on the basis of~~ based on the prescribed data provided by the Provincial Boards within 60 days of the end of the Control Period and will be reflected as a conditional ~~utilization-use~~ in the Control Period Reconciliation.
- 7.17 TFC administration may ~~involve entail~~ the audit of all the issuance conditions and information requirements under this Policy by the Agency office or an auditing firm ~~retained-hired~~ by the Agency.
- 7.18 The Agency office will provide a report to the Agency Directors annually regarding the ~~monitoring-tracking~~ of the Special Conditional Quota Request process.

### **Appendix 1: Farm Input Price Index (FIPI) Calculation Details**

The third ~~component~~part, Farm Input Price Index (FIPI) – Commercial Feed, as measured by Statistics Canada (Table: 18-10-0258-01 [formerly CANSIM 328-0016]), will ~~have a be~~ weight~~ed~~ing of at 15 percent and the following calculation methodology:

#### **Variables:**

FIPI (Recent) = The FIPI Feed Index value for the 4<sup>th</sup> quarter of the year ~~that is~~ two years ~~prior to~~ before the start of the control period in question.

FIPI (-3) = The FIPI Feed Index value for the 4<sup>th</sup> quarter of the year ~~that is~~ five years ~~prior to~~ before the start of the control period in question.

Allocation % = Province's share of the final Commercial Allocation for the Control Period ~~immediately preceding right before~~ the Control Period in question.

#### **Formulae:**

For each province and for Canada, the ~~se following~~ calculations will be made:

1. For each province and Canada:  
Rolling FIPI =  $\text{FIPI (Recent)} \div \text{FIPI}(-3) \times 100$
2. For each province:  
Adjustment Factor =  $1 \div (\text{Rolling FIPI(Province)} \div \text{Rolling FIPI (National)})$
3. For each province:  
Standardized Score (Province) = Adjustment Factor x Allocation %
4. For Canada:  
Standardized Score (Canada) = The Sum of Each Province's Standardized Score
5. For each province:  
Adjusted % =  $\text{Standardized Score (Province)} \div \text{Standardized Score (Canada)}$

The amount to be allocated will be based on the Adjusted Percentages arrived at in step 5.



**Appendix 2: Last In/First Out (LIFO) Calculation Detail Example**

		Province			
		X	Y	Z	Total
<b>Starting Allocations</b>		4.10	3.80	2.10	10.00
Year 1 (+1.0)	% Share of Change - from Formula	37%	40%	23%	100%
	Marginal Change	0.37	0.40	0.23	1.00
	Total	4.47	4.20	2.33	11.00
Year 2 (+1.0)	% Share of Change - from Formula	44%	36%	20%	100%
	Marginal Change	0.44	0.36	0.20	1.00
	Total	4.91	4.56	2.53	12.00
Year 3 (-0.5)	% Share of Change = Year 2	44%	36%	20%	100%
	Marginal Change	-0.22	-0.18	-0.10	-0.50
	Total	4.69	4.38	2.43	11.50
Year 4 (+0.5)	% Share of Change - from Formula	38%	40%	22%	100%
	Marginal Change	0.19	0.20	0.11	0.50
	Total	4.88	4.58	2.54	12.00



2023/2024 Allocation Worksheet - 20230802

		Total	BC	AB	SK	MB	ON	QC	NB	NS
Section 1: Commercial Allocation										
Final 2022/2023 Allocation	a	146,000,000	19,302,749	13,920,916	5,015,198	9,170,501	58,102,386	32,852,397	3,388,138	4,247,715
Change	b	- 2,000,000	- 328,883	- 237,187	- 85,450	- 156,248	- 502,386	- 559,745	- 57,728	- 72,373
Shares as per 2023-4-19/20	c=a+b	144,000,000	18,973,866	13,683,729	4,929,748	9,014,253	57,600,000	32,292,652	3,330,410	4,175,342
Adjustment	d	- 2,500,000	- 329,407	- 237,565	- 85,586	- 156,497	- 1,000,000	- 560,636	- 57,820	- 72,489
2023/2024 Commercial Allocation	e=c+d	141,500,000	18,644,459	13,446,164	4,844,162	8,857,756	56,600,000	31,732,016	3,272,590	4,102,853
Section 2: Conditional Multiplier Breeder										
Reference %	a			1.62%	0.60%	3.28%	2.13%	1.75%		
Reference Level	b=1e*a	2,298,317	-	217,828	29,065	290,534	1,205,580	555,310	-	-
Egg & Poulit Cap	c	1,488,166					1,488,166			
Reference Level Total	d=b+c	3,786,483	-	217,828	29,065	290,534	2,693,746	555,310	-	-
Forecast Marketings	e	6,254,974	-	-	-	1,056,460	4,798,514	400,000	-	-
Conditional Multiplier Allocation	f=e-d	2,870,694	-	-	-	765,926	2,104,768	-	-	-
Section 3: Conditional Primary Breeder	a	2,098,080	-	-	-	-	2,098,080	-	-	-
Section 4: Conditional Export Policy										
Section 1 Parts	a	18,973,065	1,292,411	1,557,377	603,252	1,133,726	11,254,574	2,290,528	370,726	470,471
Section 1 Whole Bird	b	9,456,764	-	-	-	1,000,000	7,921,764	535,000	-	-
Section 1 Carry-Forward	c	2,611,475	111,497	179,747	29,373	12,946	2,220,118	57,794	-	-
Section 2 Placement for Export	d	3,698,465	-	-	-	-	2,798,465	900,000	-	-
Section 3 Live (evis. Equivalent)	e	2,259,500	-	-	-	2,259,500	-	-	-	-
Conditional Export Policy Allocation	f=sum(a:e)	36,999,269	1,403,908	1,737,124	632,625	4,406,172	24,194,921	3,783,322	370,726	470,471
Section 5: 2022/2023 Overmarketings										
	a	-								
Section 6: Total Allocation for Consideration (1e+2f+3a+4f-5a)										
		183,468,043	20,048,367	15,183,288	5,476,787	14,029,854	84,997,769	35,515,338	3,643,316	4,573,324

## 2023/2024 PROVINCIAL TURKEY ALLOCATIONS - KILOGRAMS

Reflecting Decisions of the TFC Directors During their 275th Meeting of September 19, 2023.

	TOTAL	BC	AB	SK	MB	ON	QC	NB	NS
<b>A) Commercial Allocation</b>	141,500,000	18,644,459	13,446,164	4,844,162	8,857,756	56,600,000	31,732,016	3,272,590	4,102,853
<b>B) Multiplier Breeder</b>									
1) Reference %			1.62%	0.60%	3.28%	2.13%	1.75%		
2) Reference Level (AxB1)			217,828	29,065	290,534	1,205,580	555,310		
3) Egg & Poult Cap						1,488,166			
4) Reference Level Total (B2+B3)			217,828	29,065	290,534	2,693,746	555,310		
5) Forecast Marketings	6,254,974				1,056,460	4,798,514	400,000		
6) Conditional Allotment (B5-B4, or "0")	2,870,694				765,926	2,104,768			
<b>C) Primary Breeder</b>	2,098,080					2,098,080			
<b>D) Conditional Export Policy Allocations</b>									
1) Section 1 - Upper Limit on Parts	18,973,065	1,292,411	1,557,377	603,252	1,133,726	11,254,574	2,290,528	370,726	470,471
2) Section 1 - Whole Bird Exports	9,456,764				1,000,000	7,921,764	535,000		
3) Section 1 - Carry-Forward	2,611,475	111,497	179,747	29,373	12,946	2,220,118	57,794		
4) Section 2 - Placements for Export	3,698,465					2,798,465	900,000		
5) Section 3 - Live (evis.)	2,259,500				2,259,500				
6) Total Conditional Export Policy Allocations	36,999,269	1,403,908	1,737,124	632,625	4,406,172	24,194,921	3,783,322	370,726	470,471
<b>E) Overmarketings</b>									
<b>F) Total Allocations (A+B+C+D+E)</b>	183,468,043	20,048,367	15,183,288	5,476,787	14,029,854	84,997,769	35,515,338	3,643,316	4,573,324
<b>Base Allocations (as per the proclamation)</b>	97,041,552	9,298,644	8,278,061	3,628,739	7,824,468	41,730,498	24,493,988	653,173	1,133,981
<b>Over Base Allocations</b>	86,426,491	10,749,723	6,905,227	1,848,048	6,205,386	43,267,271	11,021,350	2,990,143	3,439,343