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March 28, 2024

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

Subject: Proposed Amendments to the *Canadian Turkey Marketing Quota Regulations (1990)*

Dear Mr. Ference,

At its March 21, 2024, meeting, the Farm Products Council of Canada (Council) reviewed the proposed amendment to the *Canadian Turkey Marketing Quota Regulations, 1990* (Quota Regulations), as outlined in your letter of January 22, 2024, for the 2024-25 control period, which begins on April 28, 2024, and ends on April 26, 2025.

Council members understand that the turkey market conditions have changed significantly since this decision was made which resulted in TFC amending the Quota Regulations for the 2024-25 control period at its 277th meeting on March 20, 2024. Taken this recent decision by TFC into consideration, Council members are not satisfied that the proposed Quota Regulations for the 2024-25 control period are necessary for the implementation of the marketing plan as contained in the *Canadian Turkey Marketing Agency Proclamation*. Council members await TFC's revised Quota Regulations submission.

Should you have any questions, please do not hesitate to contact me or Lisa Melanson-Daigle, Council Secretary, by email at fpcc.secretariat.cpac@fpcc-cpac.gc.ca.

Sincerely,

Brian Douglas
Chair

Canada

January 22, 2024

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 2024/2025**

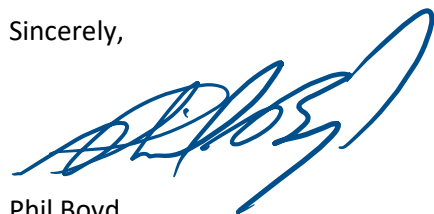
Please find enclosed a submission from the Turkey Farmers of Canada (TFC) establishing the 2024/2025 Quota Regulation. We request that this be given consideration and prior approval by the Farm Products Council of Canada at its earliest convenience.

The proposed allocation is the result of discussions and motions at the TFC 276th meeting of November 29-30, 2023, market analysis and the TFC Allocation Policy which guides the distribution of Commercial Allocation. 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. Please note the minutes of the 276th meeting are marked "DRAFT SUBJECT TO BOARD APPROVAL". The minutes will be considered and approved by the Board at the upcoming March meeting. Even if amended, the draft is an accurate reflection of the decisions taken at the 276th meeting.

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

We look forward to the 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 2024/2025
Date: January 22, 2024

This submission provides background and rationale for establishing the federal quota with respect to the inter-provincial and export trade of turkey at 172,488,502 kg for the 2024/2025 Control Period.

Contents:

- 1) Relevant Motions from the Turkey Farmers of Canada (TFC) 276th Meeting of November 29-30, 2023
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 - 4) Consideration of Variations in the Size of the Market and Statutory Obligations
 - a) Further Consideration of Variation in the Size of the Market
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 - 5) 2024/2025 Federal Quota and Conditional Allocations
 - a) Multiplier Breeder Allocation
 - b) Primary Breeder Allocation
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 - 6) 2024/2025 Provincial Allocations of Federal Quota
 - 7) List of Appendices
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- 1) Relevant Motions from the TFC 276th Meeting of November 29-30, 2023

At the TFC Meeting of November 29-30, 2023, the following five motions established the quota for the 2024/2025 Control Period:

Motion #1

To approve the requests from Ontario and Quebec, as per their correspondence, for allocations under the Section 1 Whole and Section 2 provisions of the Export Policy for the 2024/2025 Control Period in the following amounts:

For Section 1 Whole:

- Ontario 3,304,000 kg

For Section 2:

- Ontario 1,760,044 kg
- Quebec 1,220,800 kg

Motion #2

To set the commercial allocation for the 2024/2025 Control Period at 139,500,000 kg as a preliminary number with a further review by TMAC and TFC early in the New Year.

Motion #3

That the total 2024/2025 federal quota for interprovincial and export trade of 172,488,502 kg eviscerated be allocated as follows:

<i>British Columbia:</i>	<i>19,673,344 kg</i>
<i>Alberta:</i>	<i>14,813,489 kg</i>
<i>Saskatchewan:</i>	<i>5,378,945 kg</i>
<i>Manitoba:</i>	<i>13,593,477 kg</i>
<i>Ontario:</i>	<i>76,122,018 kg</i>
<i>Quebec:</i>	<i>34,794,835 kg</i>
<i>New Brunswick:</i>	<i>3,597,061 kg</i>
<i>Nova Scotia:</i>	<i>4,515,333 kg</i>

Motion #4

That the 2024/2025 federal quota for interprovincial and export trade be allocated to the provinces as reviewed during the TFC 276th Meeting of November 29-30, 2023, as follows:

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

Motion #5

To direct staff to prepare and submit the 2024/2025 Quota Regulation reflecting the allocations approved during the TFC 276th Meeting of November 29-30, 2023, for blue stamping by the Justice Department and prior approval by FPCC subject to Members' approval, and to prepare a Promotion Agreement.

The motions to set the 2024/2025 allocation are the result of the Directors' consideration of the size of the market for turkey, the National Commercial Allocation Policy, and TFC's conditional allocation policies, all of which guide the Agency in its consideration of the CTMA Proclamation Criteria and regard for the objects of an Agency as per Section 21 of the *Farm Products Agencies Act* (FPAA). Considerations relating to the commercial quota allocation included uncertainties surrounding Avian Influenza, forecast feed input prices, forecast imports, the positive competitive position of turkey compared to competing meats, economic and population growth, inflation on consumer spending.

2) Federal Turkey Allocations

As per the motions, the 2024/2025 federal quota for turkey, excluding the unregulated area, consists of the following components:

2024/2025 Federal Turkey Allocations (kg)			
		Pounds	Kilograms
A	Commercial Allocation	307,544,856	139,500,000
B	Multiplier Breeder	5,898,143	2,675,352
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	7,284,073	3,304,000
F	Section 2 Planned Exports	6,571,636	2,980,844
G	Section 3 Live	6,519,424	2,957,161
H=D+E+F+G	Total Export	62,203,582	28,215,070

I=A+B+C+H	Total Quota	380,272,056	172,488,502
J	Base Allocations, Proclamation S. 3	213,940,000	97,041,552
K=I-J	Over Base Allocations	166,332,056	75,446,950

3) Turkey Market Advisory Committee (TMAC) Report and Turkey Market Review (TMR) Presented to the TFC 276th Meeting of November 29-30, 2023

TMAC met on November 21, 2023, and reported its findings to the TFC 276th Meeting (Appendix III). A TMR was also presented to the TFC 276th Meeting (Appendix IV).

In the TMAC report, the following general comments were noted:

- Over the months of November 2023 to Spring 2024, feed input prices are expected to hold steady, which should contribute to stable live prices.
- Regarding competing meats, U.S. beef production in 2024 is expected to be down 4.2%.
- For the control period to-date, and as expected, wholesale prices for both whole birds and breast meat were down from a year earlier. This is attributed to lower losses (at the time of the meeting) to avian influenza relative to last year and lower feed input and live prices.

Regarding the two primary markets for turkey, whole birds, and further processed/breast meat:

Whole Bird

In the section of the report that focused on the whole bird segment, it was noted that for the current control period:

- May to October domestic disappearance of 25.0 mkg is up +3.2 mkg (+15%) from a year ago. This is likely due to two main factors, a higher supply of whole birds (as AI had been less of a factor in 2023/2024 until October) and significantly higher beef prices.
- TMAC forecasts a November 2023 to April 2024 domestic disappearance at 30.0 mkg, an increase of 1.5 mkg (5.3%) from year earlier.
- Stocks on May 1, 2024 were forecast at 12.9 mkg (22% stock-to-use ratio).

For the 2024/2025 Control Period, TMAC forecasted the following:

- Domestic disappearance of 55.0 mkg, the same as in 2023/2024.
- Given forecast opening stocks, and a target closing stocks-to-use ratio of 20% on May 1, 2025, a production volume of 57.3 mkg.
- After exports and stuffing and basting are factored in, a domestic whole bird commercial allocation requirement of 48.7 mkg.

Further Processed/Breast Meat

In the section of the report focused on breast meat supply and disappearance, it was noted that in the current or 2023/2024 Control Period:

- May to October domestic disappearance of 14.4 mkg was up +0.9 mkg (+7%) from year earlier.
- Consumption for the whole control period is forecast at 28.6 mkg, a 2.5 mkg (+9.6%) increase from 2022/2023.
- As a result of AI outbreaks known of at the time of the meeting and forecast conditional utilizations, the 2023/2024 production forecast was revised downward to 101.5 mkg from the previous report.
- With respect to breast meat imports, TMAC is forecasting 2.7 mkg of imports for 2023/2024, which consists of:
 - o 1.4 mkg from the U.S. under the WTO TRQ; and,

- 1.3 mkg from Chile under CPTPP, which equals a 75% TRQ utilization.
- When the supply and consumption forecasts are combined, forecast closing stocks are 2.4 mkg.
- TMAC also noted that the forecast closing stock number of 2.4 mkg could be impacted by:
 - additional production losses due to AI;
 - increased WB production if AI losses are replaced with lighter weight birds; and
 - the CPTPP 75% TRQ utilization forecast being incorrect. At the time of the TFC 276th Meeting, CPTPP imports were at 26% of what would have been expected at that time of the import year.

For the 2024/2025 Control Period, TMAC noted that:

- A 3% increase in domestic disappearance was forecast, equal to 29.6 mkg.
- Breast meat imports were forecast at 3.0 mkg consisting of:
 - 1.3 mkg from the U.S. under the WTO, and
 - 1.7 mkg from Chile under CPTPP.
- Given forecast domestic disappearance, 26.1 mkg of breast meat production is forecast, equaling 99.5 mkg of further processing production.
- After factoring in production from conditional utilizations, and quota utilizations, a commercial allocation of 88.2 mkg.

When combined, TMAC's commercial allocation forecast for whole bird of 48.7 mkg and 88.2 mkg for further processing resulted in a commercial allocation recommendation of 136.9 mkg.

4) Consideration of Variations in the Size of the Market and Statutory Obligations

a) Further Consideration of Variation in the Size of the Market

At the TFC 276th Meeting of November 29-30, 2023, discussions regarding the size of the market for turkeys by the Directors, focused on the amount of commercial allocation that is necessary considering the TMAC and TMR reports. Comments were made regarding the need for a slightly higher allocation than identified by TMAC 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.
- Since TMAC had met, there had been additional outbreaks of avian influenza. While it was difficult to determine at that time the extent of additional losses, it seemed quite likely that losses of 2.0 to 2.5 mkg more than TMAC had factored in seemed likely in the 2023/2024 Control Period, which would have a corresponding impact on opening stocks for the 2024/2025 Control Period.
- The risk of CPTPP imports not reaching 75% utilization in 2023/2024 and not reaching 100% in 2024/2025.

For the above reasons, it was decided that a commercial allocation for 2024/2025 of 139.5 mkg would be appropriate. It was also noted that should future market data indicate that a revision is required to the commercial allocation, setting the allocation at 139.5 mkg at this time would likely result in a modest revision.

b) Statutory Obligations

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.

Consideration of the FPAA and the Proclamation Criteria with regards to the Commercial Allocation

A commercial allocation of 139,500,000 kg, 4,500,000 kg below the starting point allocation of 144,000,000 kg in the Agency’s National Commercial Allocation Policy 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 made on a pro-rata basis and are seen as a means of 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.

5) 2024/2025 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 TFC’s three Conditional Allocation Policies result 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 2024/2025, an allocation of 2,675,352 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. Whole bird allocations are based on forecasts provided by Provincial Boards in consultation with exporting firms. For the 2024/2025 Control Period 3,304,000 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. However, it is not possible for this to be determined until the control period reconciliation for the previous control period has been finalized. It is normal procedure for this to be completed in September of each year, and it is likely that this allocation will be made in September 2024.

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 2,980,844 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 2,957,161 kg has been allocated.

6) 2024/2025 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 2024/2025 and supporting rationale are detailed in the following section:

Allocations (kg)					
	A	B	C	D = C - B	E = C - A
Province	Base Allocation (Proclamation)	2023/2024 Federal Quota	2024/2025 Federal Quota	2024/2025 Federal Quota vs. 2023/2024	2024/2025 Overbase Quota Allocation
BC	9,298,644	20,048,367	19,673,344	- 375,023	10,374,700
AB	8,278,061	15,183,288	14,813,489	- 369,799	6,535,428
SK	3,628,739	5,476,787	5,378,945	- 97,842	1,750,206
MB	7,824,468	14,029,854	13,593,477	- 436,377	5,769,009
ON	41,730,498	84,997,769	76,122,018	- 8,875,751	34,391,520
QC	24,493,988	35,515,338	34,794,835	- 720,503	10,300,847
NB	653,173	3,643,316	3,597,061	- 46,255	2,943,888
NS	1,133,981	4,573,324	4,515,333	- 57,991	3,381,352
Total	97,041,552	183,468,043	172,488,502	- 10,979,541	75,446,950

Allocations (pounds)					
	A	B	C	D = C - B	E = C - A
Province	Base Allocation (Proclamation)	2023/2024 Federal Quota	2024/2025 Federal Quota	2024/2025 Federal Quota vs. 2023/2024	2024/2025 Overbase Quota Allocation
BC	20,500,000	44,199,084	43,372,300	- 826,784	22,872,300
AB	18,250,000	33,473,420	32,658,153	- 815,267	14,408,153
SK	8,000,000	12,074,248	11,858,544	- 215,704	3,858,544
MB	17,250,000	30,930,533	29,968,488	- 962,045	12,718,488
ON	92,000,000	187,388,004	167,820,323	- 19,567,681	75,820,323
QC	54,000,000	78,297,917	76,709,480	- 1,588,437	22,709,480
NB	1,440,000	8,032,137	7,930,162	- 101,975	6,490,162
NS	2,500,000	10,082,455	9,954,606	- 127,849	7,454,606
Total	213,940,000	404,477,798	380,272,056	- 24,205,742	166,332,056

Summary of 2024/2025 Allocations by Province (kg):

British Columbia

Commercial	18,380,933
Conditional Allocations	1,292,411
Total Allocation	19,673,344
Increase from Base Allocation	10,374,700

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

Alberta

Commercial	13,256,112
Conditional Allocations	1,557,377
Total Allocation	14,813,489
Increase from Base Allocation	6,535,428

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

Saskatchewan

Commercial	4,775,693
Conditional Allocations	603,252
Total Allocation	5,378,945
Increase from Base Allocation	1,750,206

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

Manitoba

Commercial	8,732,558
Conditional Allocations	4,860,919
Total Allocation	13,593,477
Increase from Base Allocation	5,769,009

- To accommodate the marketing of spent multiplier breeders from Manitoba's hatchery sector, the Multiplier Breeder allocation has been set at 770,032 kg.
- The Section 1 Export Policy allocation of 1,133,726 kg reflects the upper limit on part utilizations.
- Producers in Manitoba export live turkeys. The Live Export allocation of 2,957,161 kg reflects the placements and forecast export marketings based on producer notification to the Provincial Board.

Ontario

Commercial	55,800,000
Conditional Allocations	20,322,018
Total Allocation	76,122,018
Increase from Base Allocation	34,391,520

- To accommodate the marketing of spent multiplier breeders from Ontario's hatchery sector, the Multiplier Breeder allocation has been set at 1,905,320 kg.
- To accommodate marketings by the Primary Breeder sector 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 3,304,000 kg for whole bird exports under Section 1 of the Export Policy, and 1,760,044 kg under Section 2 of the Export Policy.

Quebec

Commercial	31,283,507
Conditional Allocations	3,511,328
Total Allocation	34,794,835
Increase from Base Allocation	10,300,847

- The Section 1 Export Policy allocation of 2,290,528 kg reflects the upper limit on part utilizations.
- On behalf of a processor, Les Éleveurs de volailles du Québec (ÉVQ) has requested a conditional allocation of 1,220,800 kg under Section 2 of the Export Policy.

New Brunswick

Commercial	3,226,335
Conditional Allocations	370,726
Total Allocation	3,597,061
Increase from Base Allocation	2,943,888

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

Nova Scotia

Commercial	4,044,862
Conditional Allocations	470,471
Total Allocation	4,515,333
Increase from Base Allocation	3,381,352

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

7) List of Appendices:

Appendix I:	Interpretation and Application of the Marketing Plan Criteria for Conditional Allocations in the 2024/2025 Control Period
Appendix II:	The Canadian Turkey Marketing Agency Marketing Plan
Appendix III:	TMAC Report to the TFC 276 th Meeting of November 29-30, 2023
Appendix IV:	Turkey Market Review prepared for the TFC 276 th Meeting of November 29-30, 2023
Appendix V:	Draft Minutes of the TFC 276 th Meeting of November 29-30, 2023
Appendix VI:	2024/2025 Allocation Table for Consideration Presented to the TFC 276 th Meeting of November 29-30, 2023
Appendix VII:	2024/2025 Allocation Table

Interpretation and Application of the Marketing Plan Criteria for Conditional Allocations in the 2024/2025 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:
<p>1. Primary Breeder and Multiplier Breeder Quota</p>	<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"> • 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. • 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.
<p>2. Section 2 Export Quota and Section 3 Live Turkey Export Quota</p>	<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>
<p>3. Section 1 Export Quota</p>	<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"> • 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, • 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.
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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.

Overbase Quotas:	Consideration:
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

Item	Column I Province or Area	Column II lb.	<i>TFC Conversion to kg</i>
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.

Turkey Farmers of Canada
276th Meeting
November 29-30, 2023

AGENDA # 2a

[TURKEY MARKET ADVISORY COMMITTEE (TMAC) REPORT]

Quota System: Market, Supply, Policy 2023/2024 and 2024/2025 Commercial Allocation

The Turkey Market Advisory Committee (TMAC) met in-person on Tuesday, November 21, 2023, to review current market information and assess potential market conditions for the remainder of the 2023/2024 and the entire 2024/2025 Control Period.

Market Environment

Macro-economic information discussed by the Committee included:

- Population forecast (by 2025 Canada's population is expected to be between 41.0 and 42.0 million, up from 40.0 million currently).
- Consumer price index (CPI) for various meat products (Stats Canada). The CPI for turkey between 2019 (pre-Covid) and 2023 has increased 21.1%, versus beef 27.4%, chicken 28.1%, pork 13.7% and total food 22.4%.
- Annual GDP per capita, total employment, unemployment, average weekly earnings, and annual household income. Overall, these market indicators are reflective of an economy that will have modest growth (i.e., no recession but not robust) over the 2024/2025 Control Period, with GDP growth for all of 2024 forecast just below 1% and for 2025 at just above 2.0%.
 - Household debt and the interest rate increases will likely pinch consumer spending, despite higher overall population and employment numbers.
- Inflation (all items) in 2024 is expected to be around 2.0%, versus 3.8% in 2023.
- Live turkey prices provided by Provincial Commodity Boards. Over the last 52-weeks live prices in Eastern Canada have decreased between 10-13.5 cents per kg, while prices in Manitoba to Alberta are down between 5.5 cents and 10 cents per kg. In BC, live prices are flat on toms and up 1.5 to 2.8 cents on lighter categories.
- Related to live prices is feed input costs.
 - For 2023/2024, the U.S. feed grain supply is expected to grow by 3.4 million metric tons to 439.4 million.

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- As of this November, ending stocks for corn came in at 2.156 billion bushels (14.9% S/U ratio) compared to 1.361 billion bushels (9.9% S/U ratio) in 2022/2023. The average price received by U.S. corn farmers is expected to fall from October's forecast of \$4.95 per bushel to \$4.85 per bushel.
- Soybean ending stocks for marketing year 2023/2024 are forecast at 245 million bushels (5.9% S/U ratio) compared to 268 million bushels in 2022/2023 (6.2% S/U ratio). The 2023/2024 U.S. season-average soybean price forecast is \$12.90 per bushel, down from the \$15.00 dollar range earlier in 2023.
 - This leads TMAC to expect stable feed input prices for the coming months.
- Regarding competing meats, U.S. Beef production in 2024 is expected to be down 4.2% (USDA estimate) (26.932 versus 25.810 billion lbs). While pork production is forecast to increase by 1.9% (27,217 versus 27,730 billion lbs).

Turkey Industry Health

Wholesale Prices and Volume Reported by CPEP:

- Total commodity whole bird (WB) wholesale prices for the 2023/2024 Control Period to-date are down 3% (- \$0.17/kg) relative to 2022/2023; while corresponding external sales volumes were up 24% (+ 1.6 mkg).
 - Total WB sales (commodity and value-added birds) are up 6% (+ 1.1 mkg).
- Under 9 kg frozen WB commodity wholesale prices were down 8% (- \$0.45/kg), on higher sales volumes of 27% (+ 1.2 mkg).
- Breast meat (fresh and frozen) wholesale prices decreased 8% (- \$0.95 per kg) on a control period to-date basis. Corresponding sales volumes are down 2% (minus 43,000 kg). The drop in sales volumes was only in the fresh category, down 15% (minus 86,000 kg).
- Thigh meat (fresh and frozen) wholesale prices are down 25% (- \$1.94 per kg), on sales volumes that were up 44% for the control period (+ 0.729 mkg).

Some decrease in wholesale pricing control period to-date is as expected, given the lower level of production losses from Avian Influenza (AI) this year and as lower live prices work their way through the value chain.

Whole Bird (WB) Market

2023/2024 Supply and Disappearance: Illustrated below is an assessment of WB supply and disappearance for the remainder of the 2023/2024 Control Period. Forecasts are shaded in blue.

(WB)	21/22	2022/23			2023/24		
	Total	May-Oct	Nov-Apr	Total	May-Oct	Nov-Apr	Total
Opening Stocks	7.5	9.9	14.1	9.9	12.9	20.6	12.9
Production	57.5	28.3	29.0	57.3	34.5	23.9	58.4
Imports	0.0	0.0	0.0	0.0	0.3	0.0	0.3
Total Supply	65.0	38.2	43.1	67.2	47.7	44.6	71.6
Total Disappearance	55.2	24.1	30.2	54.3	27.1	31.7	58.8
Exports	2.2	2.3	1.7	4.0	2.0	1.7	3.8
Domestic Disappearance	52.9	21.8	28.5	50.3	25.0	30.0	55.0
Closing Stocks	9.9	14.1	12.9	12.9	20.6	12.9	12.9
PCC	1.38			1.28			1.36
Stocks to Use %	17.9%			23.7%			21.9%

*For 2023/2024, a total production figure of 58.4 mkg, less 3.8 mkg for exports and less 5.0 mkg for basting and stuffing equals a domestic commercial allocation requirement of 49.7 mkg.

In looking at the above 2023/2024 WB assessment, the following observations are relevant:

- May to October domestic disappearance of 25.0 mkg is up +3.2 mkg (+15%) relative to last year. This is likely due to two main factors, a higher supply of whole birds (i.e., AI has been less of a factor in 2023/2024 until October) and significantly higher beef prices (i.e., beef is a competitive protein at festive times).
- TMAC is forecasting November-April domestic disappearance at 30.0 mkg, an increase of 1.5 mkg (5.3%) from last year. Observations on this forecast include:
 - Final Christmas domestic disappearance will assist in finalizing the total forecast disappearance number for the 2023/2024 Control Period.
 - TMAC will not be surprised by slightly higher disappearance than what is forecast due to beef pricing.
 - Despite the lower production from November-April (23.9 mkg) relative to last year (29.0 mkg), total forecast supply is similar (44.6 versus 43.1).
- The total domestic disappearance forecast of 55.0 mkg (+ 4.7 mkg and + 9.3%) is 1.0 mkg higher than TMAC's June forecast but is consistent with the long-run decline in WB consumption using 2019/2020 (pre-COVID) as the reference point.

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- **Avian Influenza Uncertainty.** Current and subsequent outbreaks could reduce WB supply or increase supply if lost heavy production is replaced with lighter weight birds late in the control period.

2024/2025 Supply and Disappearance: An assessment of WB supply and disappearance for the 2024/2025 Control Period is set out below.

(WB)	18/19	19/20	20/21	21/22	22/23	23/24*	24/25*
	Total	Total	Total	Total	Total	Total	Total
Opening Stocks	18.8	18.2	17.3	7.5	9.9	12.9	12.9
Production	65.7	61.6	51.5	57.5	57.3	58.4	57.3
Imports	0.0	0.0	0.0	0.0	0.0	0.3	0.3
Total Supply	84.6	79.8	68.8	65.0	67.2	71.6	70.5
Total Disappearance	66.3	62.5	61.3	55.2	54.3	58.8	58.8
Exports	0.2	0.4	1.1	2.2	4.0	3.8	3.8
Domestic Disappearance	66.1	62.1	60.2	52.9	50.3	55.0	55.0
Closing Stocks	18.2	17.3	7.5	9.9	12.9	12.9	11.7
PCC	1.77	1.64	1.57	1.38	1.28	1.36	1.33
Stocks to Use %	27.5%	27.7%	12.2%	17.9%	23.7%	21.9%	20.0%

*Forecast. For 2023/2024, a total production figure of 57.3 mkg, less 3.8 mkg for exports and less 4.9 mkg for basting and stuffing equals a forecast domestic commercial allocation requirement of 48.7 mkg.

Regarding the 2024/2025 WB assessment, TMAC notes the following:

- The Committee has opted to keep the forecast domestic disappearance at 55.0 mkg the same as in 2023/2024. As stated previously, this is consistent with the long-term downward trend. There is also recognition that at some point there should be a flattening out of this trend on a total kilogram basis.
- Holding the domestic disappearance constant and targeting a 20% closing stock-to-use ratio, results in a **forecast WB commercial allocation requirement of 48.7 mkg for the 2024/2025 Control Period.**
- At a 20% stock-to-use ratio (11.7 mkg), this results in a draw down in stocks of approximately 1.0 mkg, which is equal to the slightly lower WB allocation requirement (48.7 mkg versus 49.7 mkg in 2023/2024).

Further Processed (FP – Breast Meat) Market

TMAC's assessment of breast meat supply and disappearance for the remainder of the **2023/2024 Control Period** is set out below.

(Breast Meat)	2021/22	2022/23			2023/24		
	Total	May-Oct	Nov-April	Total	May-Oct	Nov-April	Total
Opening Stocks	2.1	1.2	0.8	1.2	1.7	1.5	1.7
Production	25.6	12.8	12.4	25.1	13.4	13.3	26.7
Imports	1.1	0.5	1.1	1.6	0.8	1.9	2.7
Total Supply	28.8	14.4	14.2	27.9	15.9	16.6	31.0
Total Disappearance	27.6	13.6	12.6	26.2	14.4	14.2	28.6
Exports	0.0	0.1	0.0	0.1	0.0	0.0	0.0
Domestic Disappearance	27.6	13.5	12.6	26.1	14.4	14.2	28.6
Closing Stocks	1.2	0.8	1.7	1.7	1.5	2.4	2.4
PCC	0.72			0.66			0.71
Stocks to Use %	4.2%			6.4%			8.3%

*Forecast. The stock-to-use % of 8.3% or 2.4 mkg is equivalent to 4.4-weeks of working inventory (e.g., 28.6 mkg of disappearance ÷ 52 weeks = 0.55 mkg of breast meat per week).

The following observations are relevant to the above 2023/2024 breast meat assessment:

- May to October domestic disappearance of 14.4 mkg is up +0.9 mkg (+7%) relative to last year. This is a positive development, but less than originally anticipated by TMAC.
- In its June 2023 report, TMAC was forecasting total 2023/2024 breast meat domestic disappearance of 29.8 mkg (+3.7 mkg and +14%, relative to 2022/2023). It was thought that the lack of supply and elevated pricing had dampened domestic consumption the previous two control periods, and that consumption could be regained/increased this year. The current consumption forecast of 28.6 mkg (minus 1.2 mkg and 4% from the June forecast), would result in an increase relative to 2022/2023 of +2.5 mkg (+9.6%).
- As a result of recent AI outbreaks and forecast changes in conditional utilizations, the 2023/2024 production forecast is lower than June by 0.9 mkg. When the lower production forecast (0.9 mkg) is combined with the lower consumption forecast (1.2 mkg) and a lower export forecast (0.1 mkg), this results in the higher forecast closing stocks of 2.4 mkg (8.3% S/U ratio) versus 2.0 mkg (6.8% S/U ratio) from the TMAC June report.

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- With respect to breast meat imports, TMAC is forecasting 2.7 mkg for 2023/2024, which is unchanged from its June report. This consists of:
 - 1.4 mkg from the U.S. under the WTO TRQ; and,
 - 1.3 mkg from Chile under CPTPP (*i.e., this is equal to a 75% TRQ utilization, $3.5 \text{ mkg of TRQ} * 75\% = 2.625 \text{ mkg TRQ} \div 2 \text{ kg of TRQ for every 1 kg of breast meat import} = 1.3 \text{ mkg}$*).
- As of November 18th (29 weeks into the import year) 383,922 kg of CPTPP TRQ has been utilized. On a pro-rata basis this is equal to 26%, as the expectation is that 1,463,942 kg of TRQ should have been used by this time, at the 75% utilization rate.
- Based on the above, the pace of CPTPP TRQ utilization and implications to total supply and closing stocks must be further discussed by TMAC at its February 2024 meeting.
- The forecast production for the 2023/2024 Control Period includes a downward adjustment of 1.9 mkg (0.5 mkg of breast) for losses due to AI and that cannot be replaced this year. This figure of 1.9 mkg is based on information provided November 20th on the Managers' Committee video conference.
- The risk of further outbreaks resulting in a significant impact on production is seen as high but not reflected in the forecast production numbers.
- Regarding the forecast closing stock number of 2.4 mkg, TMAC cautions that this figure can be easily impacted by: additional production losses due to AI, increased WB production if AI losses are replaced with lighter weight birds (*i.e., additional bagging and less boning*), CPTPP imports exceeding or being well below the 75% TRQ utilization forecast and domestic disappearance being higher/lower than currently forecast.

2024/2025 Breast Meat Supply and Disappearance:

Based on the uncertainties noted with forecasting the breast meat market to the end of the 2023/2024 Control Period, TMAC's forecast for 2024/2025 should be considered as preliminary. TMAC will meet in February after the release of January 1st stocks to reassess its forecasts.

Demand Forecast: TMAC has opted to forecast a 3% increase (+ 1.0 mkg) in domestic disappearance in 2024/2025 relative to 2023/2024. This results in a PCC of 0.72 kg versus 0.71 kg in 2023/2024. The disappearance forecast of 29.6 mkg corresponds to what TMAC was forecasting for the 2023/2024 Control Period in its June report.

Import Forecast: For breast meat imports, TMAC is forecasting 3.0 mkg for 2024/2025, which consists of:

- 1.3 mkg from the U.S. under the WTO TRQ, which is consistent with historical trends; and,
- 1.7 mkg from Chile under CPTPP (*i.e., this is equal to 100% TRQ utilization, $3.535 \text{ mkg of TRQ} \div 2 \text{ kg of TRQ for every 1 kg of breast meat import} = 1.7 \text{ mkg}$*).

Note: The difference between a 75% CPTPP TRQ utilization and 100% utilization is approximately equal to 900,000 kg of TRQ, which is equal to 450,000 kg of breast meat and converted to a whole bird eviscerated equivalent (i.e., forgone commercial allocation) of 1.7 mkg.

Production Forecast: To support 26.1 mkg of breast meat production, a total eviscerated production volume of 102.0 mkg is required. Based on TMAC's forecasting, this production level is equal to a **commercial allocation component of 88.2 mkg**, and Export and Breeder conditional utilizations of 13.8 mkg, and a quota utilization rate of 98.3% and calendar adjustment of 99.2%, resulting in a total FP Production of 99.5 mkg.

(Breast Meat)	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
	Total	Total	Total	Total	Total	Total	Total	Total*	Total*
Opening Stocks	1.8	4.1	3.8	2.5	3.5	2.1	1.2	1.7	2.4
Production	26.7	28.0	26.8	28.0	25.1	25.6	25.1	26.7	26.1
Imports	1.9	1.4	1.1	1.3	1.4	1.1	1.6	2.7	3.0
Total Supply	30.4	33.5	31.8	31.9	30.0	28.8	27.9	31.0	31.5
Total Disappearance	26.3	29.7	29.2	28.3	27.9	27.6	26.2	28.6	29.6
Exports	0.0	0.1	0.1	0.0	0.1	0.0	0.1	0.0	0.0
Domestic Disappearance	26.3	29.5	29.1	28.3	27.8	27.6	26.1	28.6	29.6
Closing Stocks	4.1	3.8	2.5	3.5	2.1	1.2	1.7	2.4	1.9
PCC	0.73	0.80	0.78	0.75	0.73	0.72	0.66	0.71	0.72
Stock to Use %	15.5%	12.9%	8.6%	12.5%	7.7%	4.2%	6.4%	8.3%	6.3%
FP Production	101.7	106.7	102.3	106.8	95.6	97.4	95.7	101.5	99.5

*Forecast.

Combined WB and FP Commercial Allocation Requirement

Based on the above WB and breast meat supply and disappearance tables, **TMAC is recommending a 2024/2025 preliminary Commercial Allocation of 136.9 mkg**, comprised of a WB component of 48.7 mkg and a FP component of 88.2 mkg.

Although, there is uncertainty with some of the 2023/2024 forecasts, TMAC views the recommendation of 136.9 mkg as an appropriate jumping off point for the 2024/2025 commercial allocation until the extent of Avian Influenza, CPTPP imports, Christmas domestic disappearance, and wholesale prices can be further assessed.

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Appendix IV



Turkey Market Review

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

276th TFC Meeting - November 29-30, 2023

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Contents

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

2

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Total Turkey

Thanksgiving – September and October

- **Total domestic disappearance was 32.1 mkg an increase of 5.2 Mkg from year earlier.**
- **November 1 stocks of 29.0 mkg were 6.9 mkg higher than year earlier. Whole bird stocks were 20.6 mkg, 6.5 mkg higher than year earlier. Breast meat stocks were 1.5 mkg, 0.7 mkg higher than year earlier.**

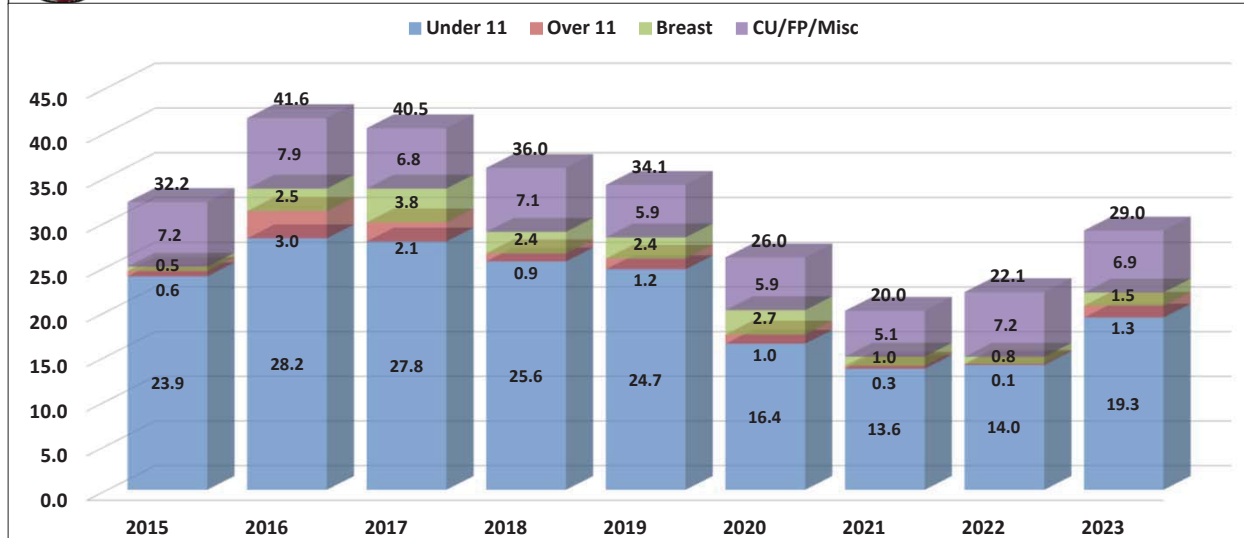
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Stocks - November 1st

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



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S & D – All Turkey – 12 Months Rolling

All Turkey and Turkey Products - Includes Section 2 – November to October – 2015/16 to 2022/23

	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23
Opening Stocks	32.2	41.6	40.5	36.0	34.1	26.0	20.0	22.1
Production	183.4	172.6	169.1	164.2	161.8	147.4	152.1	157.3
Imports	2.7	3.4	2.6	3.1	3.1	2.6	1.9	3.5
Total Supply	218.3	217.6	212.1	203.3	198.9	176.0	174.0	183.0
Total Disappear.	176.7	177.1	176.1	169.1	172.9	155.9	151.8	154.0
Exports	24.7	25.3	20.8	21.5	24.8	23.0	21.7	20.4
Dom. Disappear.	152.0	151.8	155.3	147.6	148.1	132.9	130.1	133.5
Closing Stocks	41.6	40.5	36.0	34.1	26.0	20.0	22.1	29.0
Population (May 1)	36.0	36.4	37.0	37.5	38.0	38.2	38.7	39.9
PCC	4.2	4.2	4.2	3.9	3.9	3.5	3.4	3.3

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S & D – All Turkey – Thanksgiving

All Turkey and Turkey Products - Includes Section 2 – September to October – 2016 to 2023

	2016	2017	2018	2019	2020	2021	2022	2023
Opening Stocks	51.4	48.1	47.0	43.5	40.6	29.0	27.7	34.5
Production	31.6	28.9	29.0	30.1	26.3	27.7	24.9	29.6
Imports	0.5	0.7	0.6	0.6	0.4	0.5	0.4	0.5
Total Supply	83.5	77.6	76.6	74.2	67.3	57.2	53.0	64.6
Total Disappear.	41.9	37.1	40.6	40.1	41.3	37.1	30.9	35.6
Exports	4.2	3.6	3.4	3.7	4.3	3.8	4.0	3.5
Dom. Disappear.	37.8	33.6	37.1	36.5	37.0	33.3	26.9	32.1
Closing Stocks	41.6	40.5	36.0	34.1	26.0	20.0	22.1	29.0
Population (Oct 1)	36.3	36.7	37.3	37.8	38.0	38.4	39.3	40.3
PCC	1.0	0.9	1.0	1.0	1.0	0.9	0.7	0.8

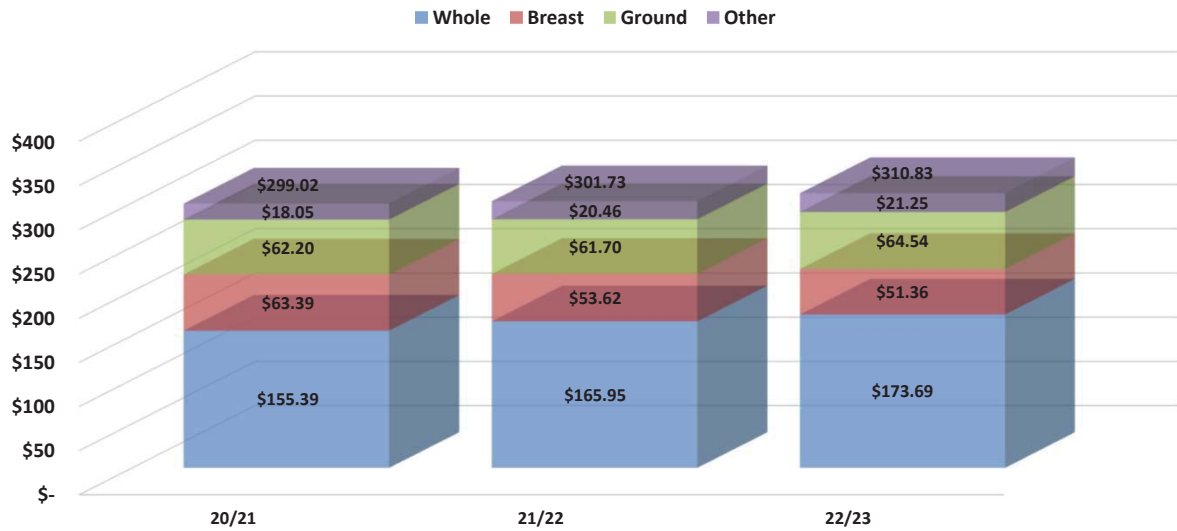
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Nielsen Sales - Last 3 Years Rolling

52 weeks ended October, 21 2023 compared to the previous 4 years



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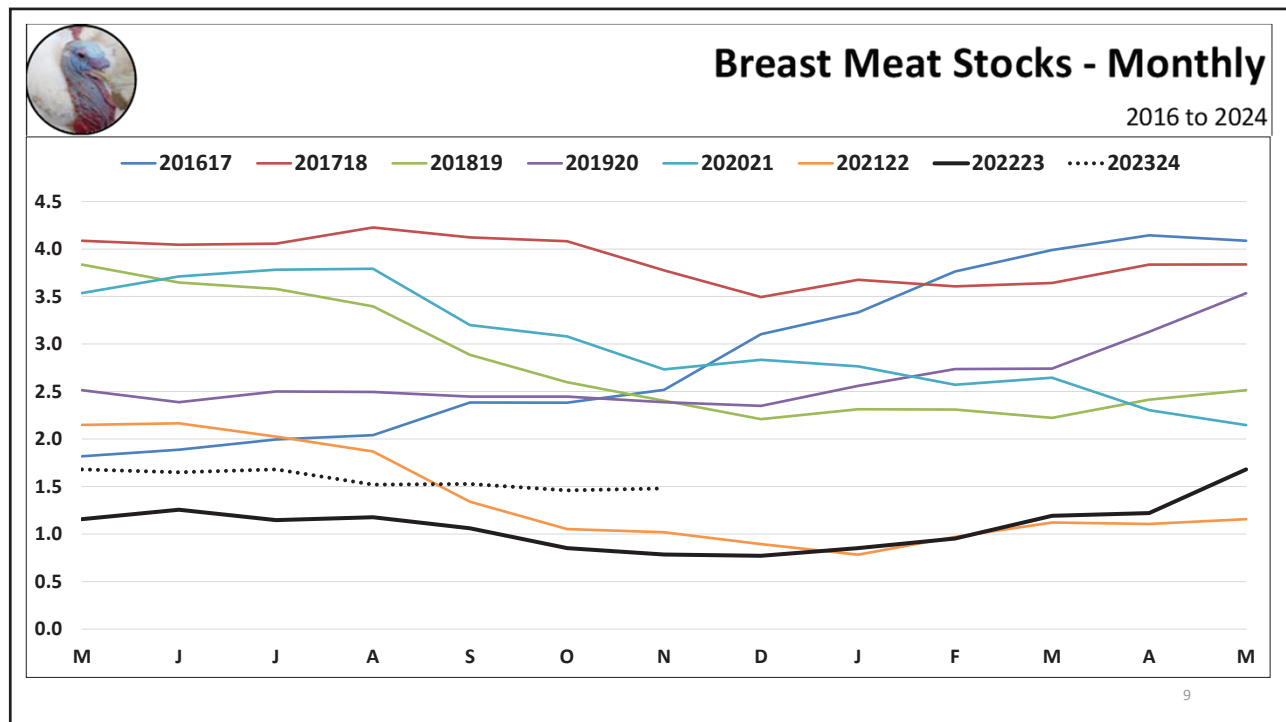


Further Processed Summary

- November 1 breast meat stocks were 1.5 Mkg.
- Forecast Imports for 23/24 are based on 75% use of TPP TRQ and in 24/25 are based on close to full utilization.

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Breast Meat S & D
2021/22 to 2023/24 May-Oct and Nov-Apr (2023/24 Forecast)

	2021/22			2022/23			2023/24		
	May-Oct	Nov-Apr	Total	May-Oct	Nov-Apr	Total	May-Oct	Nov-Apr	Total
Opening Stocks	2.1	1.0	2.1	1.2	0.8	1.2	1.7	1.5	1.7
Production	12.6	13.0	25.6	12.8	12.4	25.1	13.4	13.3	26.7
Imports	0.5	0.6	1.1	0.5	1.1	1.6	0.8	1.9	2.7
Total Supply	15.3	14.5	28.8	14.4	14.2	27.9	15.9	16.6	31.0
Total Disappear.	14.3	13.4	27.6	13.6	12.6	26.2	14.4	14.2	28.6
Exports	0.0	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.0
Dom. Disappear.	14.3	13.4	27.6	13.5	12.6	26.1	14.4	14.2	28.6
Closing Stocks	1.0	1.2	1.2	0.8	1.7	1.7	1.5	2.4	2.4
Weighted \$/kg	\$ 9.28	\$ 10.59	\$ 9.84	\$ 12.43	\$ 13.45	\$ 12.92	\$ 11.48		
FP Production	48.0	49.4	97.4	48.6	47.1	95.7	51.0	50.6	101.5

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Breast Meat S & D

2015/16 to 2024/25 - 2024/25 (136.9) Forecast

	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24 (141.5)	24/25 (136.9)
Opening Stocks	1.3	1.8	4.1	3.8	2.5	3.5	2.1	1.2	1.7	2.4
Production	25.3	26.7	28.0	26.8	28.0	25.1	25.6	25.1	26.7	26.1
Imports	1.6	1.9	1.4	1.1	1.3	1.4	1.1	1.6	2.7	3.0
Total Supply	28.3	30.4	33.5	31.8	31.9	30.0	28.8	27.9	31.0	31.5
Total Disappear.	26.5	26.3	29.7	29.2	28.3	27.9	27.6	26.2	28.6	29.6
Exports	0.3	0.0	0.1	0.1	0.0	0.1	0.0	0.1	0.0	0.0
Dom. Disappear.	26.2	26.3	29.5	29.1	28.3	27.8	27.6	26.1	28.6	29.6
Closing Stocks	1.8	4.1	3.8	2.5	3.5	2.1	1.2	1.7	2.4	1.9
Population (Nov 1)	35.8	36.3	36.7	37.3	37.8	38.0	38.5	39.4	40.4	41.2
PCC	0.7	0.7	0.8	0.8	0.7	0.7	0.7	0.7	0.7	0.7
Weighted \$/kg	\$ 10.41	\$ 8.67	\$ 6.86	\$ 7.01	\$ 7.43	\$ 7.57	\$ 9.84	\$ 12.92		
S/U	6.9%	15.5%	12.9%	8.6%	12.5%	7.7%	4.2%	6.4%	8.3%	6.3%
FP Production	96.4	101.7	106.7	102.3	106.8	95.6	97.4	95.7	101.5	99.5

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FP Production Sources

Control Period - 2016/17 to 2024/25 - 2024/25 Forecast

	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24 (141.5)	24/25 (136.9)
FP Production	101.7	106.7	102.3	106.8	95.6	97.4	95.7	101.5	99.5
FP Utilization Rate	96.9%	99.3%	98.4%	99.7%	98.3%	96.7%	87.0%	96.4%	98.3%
Adj. Utl. and FP Allc.	104.9	107.5	103.9	107.1	97.3	100.7	110.0	105.3	101.2
Calendar Adjustment	100.0%	100.4%	100.4%	100.8%	100.4%	98.0%	100.0%	100.0%	99.2%
Total of Utl. and FP Allc.	104.9	107.1	103.5	106.3	96.9	102.8	110.0	105.3	102.0
Multiplier Breeder Utl.	1.9	2.1	1.8	1.9	1.8	1.4	0.2	1.4	1.4
Primary Breeder Utl.	1.9	1.9	0.1	0.3	1.0	1.3	1.0	1.0	1.0
Export – Section 1	16.8	15.1	15.9	15.8	14.2	14.2	11.7	10.6	11.4
Carry-Forward	- 0.1	0.8	0.1	- 0.7	0.5	- 0.2	- 0.4	0.5	-
FP Allocation	84.5	87.2	85.7	89.1	79.3	86.0	97.5	91.8	88.2

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Whole Bird Summary

- **November 1 whole bird stocks were 20.6 Mkg, up from 14.1 Mkg a year earlier**
- **Bagging for the remainder of the CP is forecast at 23.9 Mkg**
- **Disappearance for the remainder of the period is forecast at 30.0 Mkg, up from 28.5 mkg last year**
- **Whole disappearance for 2024/2025 is forecast at 55.0 Mkg, steady with 2023/2024.**

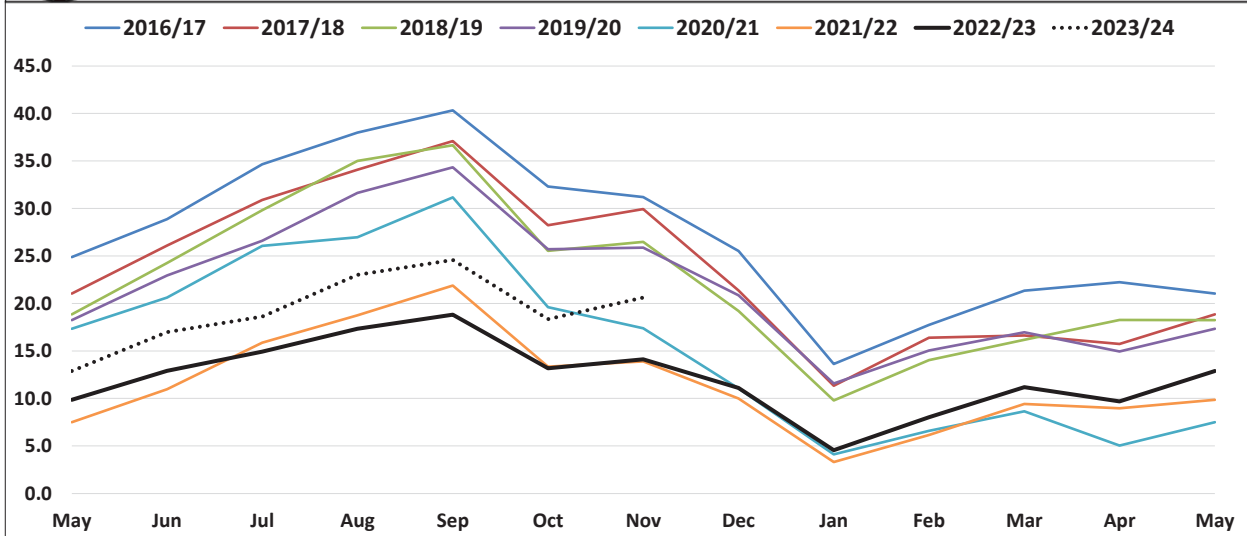
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Whole Bird Stocks - Monthly

2016/17 to 2023/24



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Whole Bird S & D

2021/22 to 2023/24 May-Oct and Nov-Apr (2023/24 Forecast)

	2021/22			2022/23			2023/24		
	May-Oct	Nov-Apr	Total	May-Oct	Nov-Apr	Total	May-Oct	Nov-Apr	Total
Opening Stocks	7.5	13.9	7.5	9.9	14.1	9.9	12.9	20.6	12.9
Production	29.6	28.0	57.5	28.3	29.0	57.3	34.5	23.9	58.4
Imports	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.3
Total Supply	37.1	41.8	65.0	38.2	43.1	67.2	47.7	44.6	71.6
Total Disappear.	23.2	32.0	55.2	24.1	30.2	54.3	27.1	31.7	58.8
Exports	1.3	0.9	2.2	2.3	1.7	4.0	2.0	1.7	3.8
Dom. Disappear.	21.8	31.1	52.9	21.8	28.5	50.3	25.0	30.0	55.0
Closing Stocks	13.9	9.9	9.9	14.1	12.9	12.9	20.6	12.9	12.9
Avg \$	\$ 4.85	\$ 5.22	\$ 5.09	\$ 5.52	\$ 5.54	\$ 5.53	\$ 5.21		

2023/24 Production = Commercial (49.7) + Stuffing and Basting (5.0) + Exports (3.8) = 58.4 Mkg (Numbers may not add up due to rounding).

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Whole Bird S & D

2015/16 to 2024/25 - 2024/25 (136.9) Forecast

	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24 (141.5)	24/25 (136.9)
Opening Stocks	18.2	24.9	21.0	18.8	18.2	17.3	7.5	9.9	12.9	12.9
Production	76.7	69.3	65.9	65.7	61.6	51.5	57.5	57.3	58.4	57.3
Imports	0.3	0.0	-	-	0.0	0.0	0.0	0.0	0.3	0.3
Total Supply	95.2	94.2	86.9	84.6	79.8	68.8	65.0	67.2	71.6	70.5
Total Disappear.	70.3	73.1	68.0	66.3	62.5	61.3	55.2	54.3	58.8	58.8
Exports	0.0	0.3	0.1	0.2	0.4	1.1	2.2	4.0	3.8	3.8
Dom. Disappear.	70.3	72.9	67.9	66.1	62.1	60.2	52.9	50.3	55.0	55.0
Closing Stocks	24.9	21.0	18.8	18.2	17.3	7.5	9.9	12.9	12.9	11.7
Population (Nov1)	35.8	36.3	36.7	37.3	37.8	38.0	38.5	39.4	40.4	41.2
PCC	2.0	2.0	1.8	1.8	1.6	1.6	1.4	1.3	1.4	1.3
Stock to Use	35.4%	28.8%	27.7%	27.5%	27.7%	12.2%	17.9%	23.7%	21.9%	20.0%
Avg \$	\$ 3.87	\$ 3.27	\$ 3.19	\$ 3.61	\$ 3.60	\$ 3.96	\$ 5.09	\$ 5.53		

2024/25 Production = Commercial (48.7) + Stuffing and Basting (4.9) + Exports (3.8) = 57.3 Mkg (Numbers may not add up due to rounding).

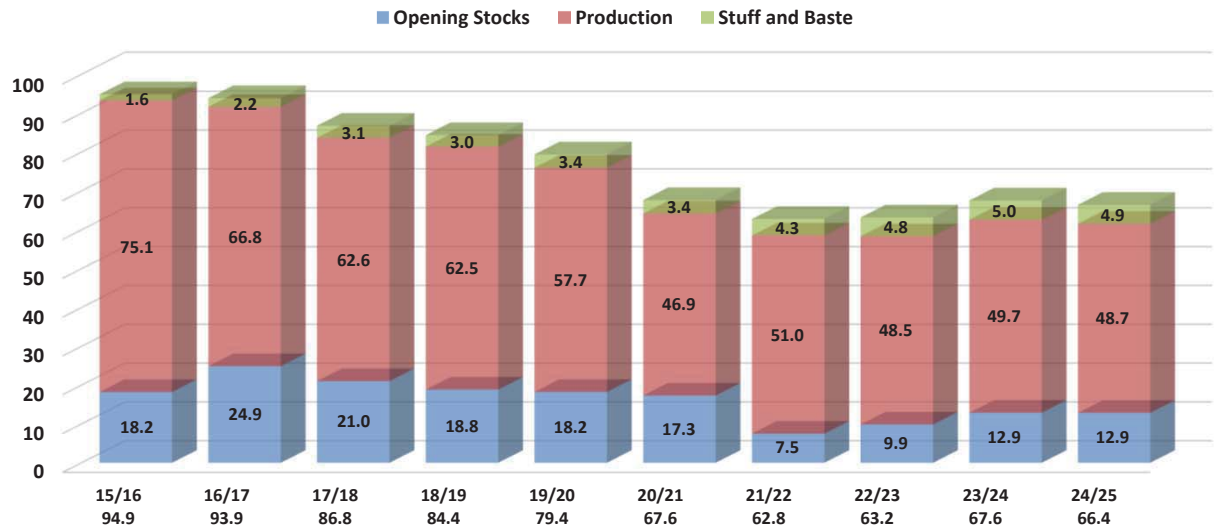
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Control Period Bagging Supply

May to April – 15/16 to 23/24 - 24/25 Forecast



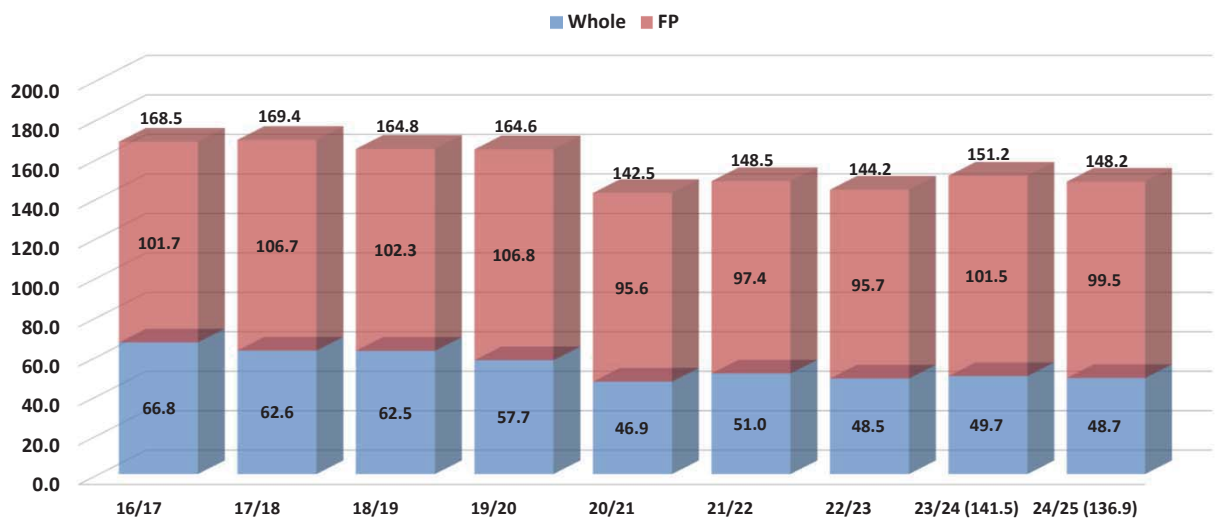
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Domestic Production - Control Period

May to April – 16/17 to 22/23 - 22/23 and 23/24 Forecast



- Excludes Stuffing and Basting, Section 1 & 2 Whole Bird Exports

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Turkey Market Review

Additional Background

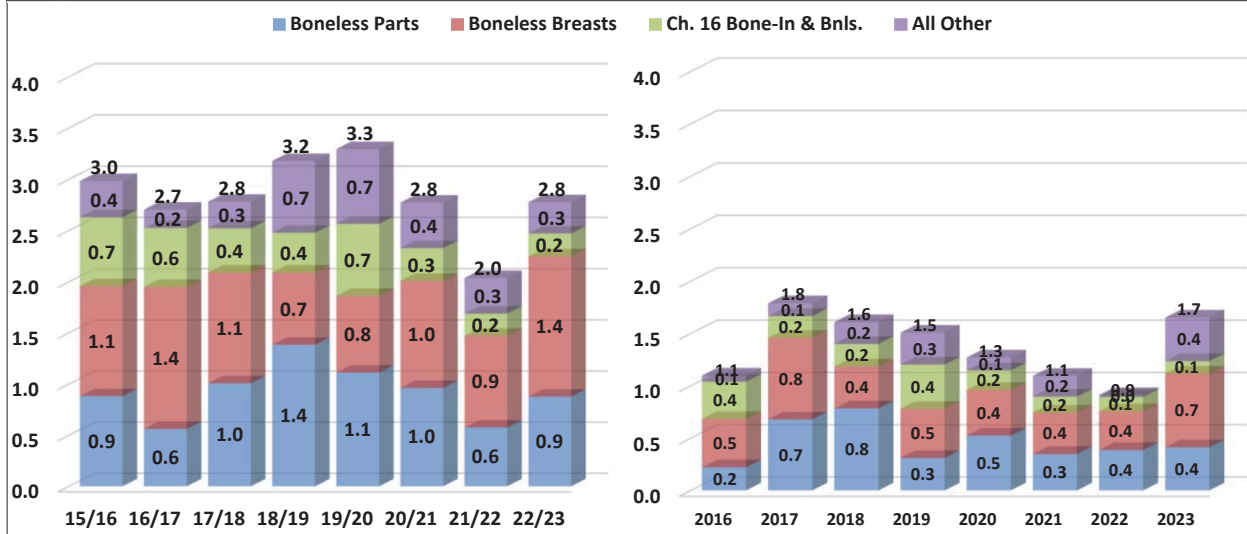
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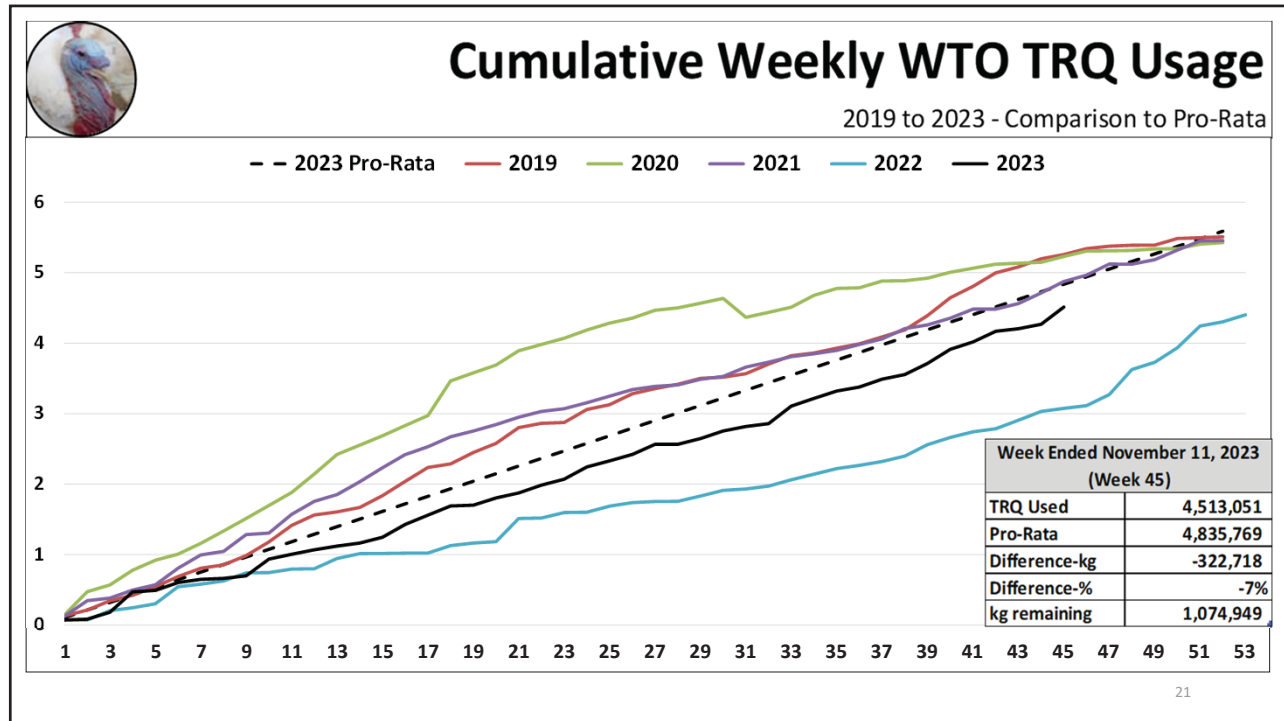
Imports - Control Period and Control Period To-Date

2015 to 2023

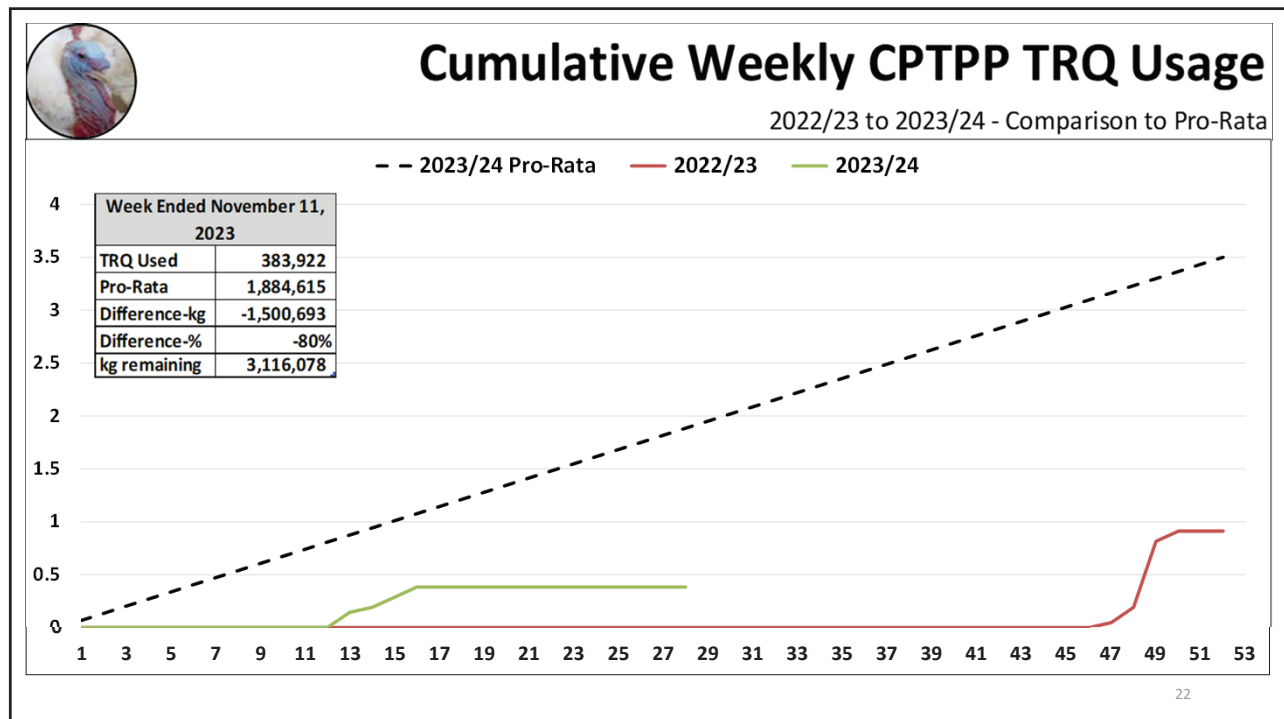


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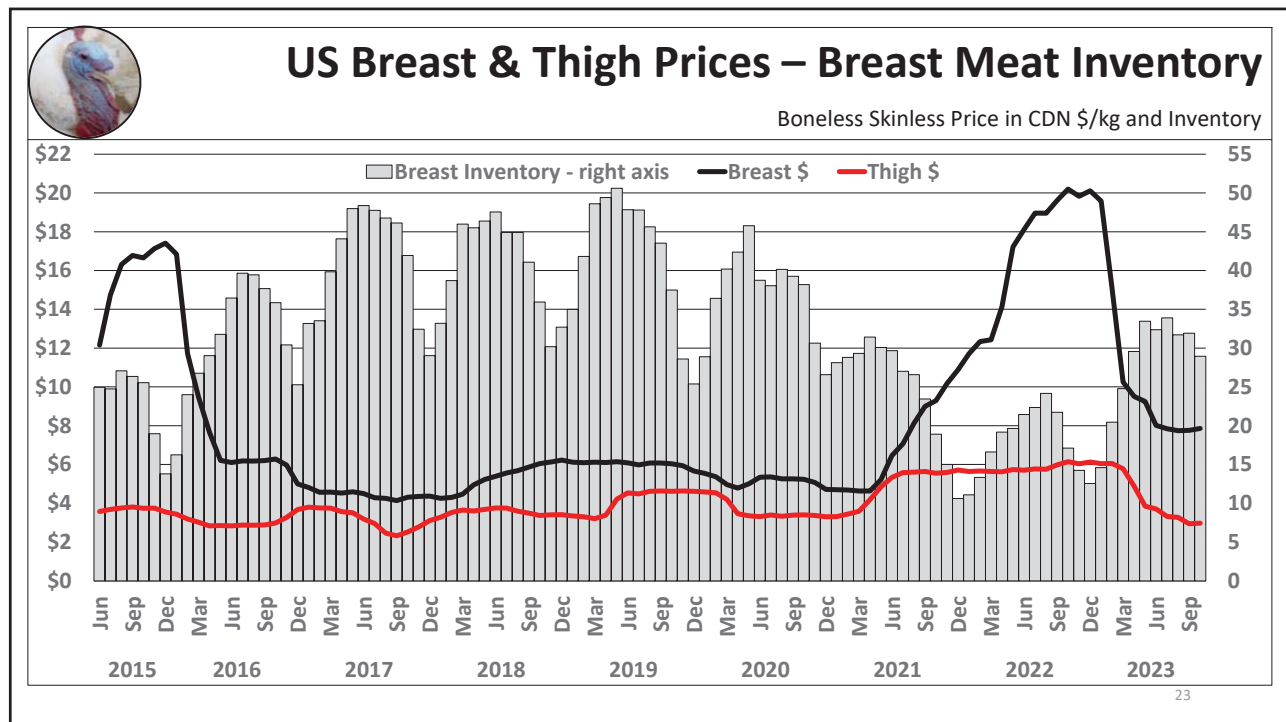
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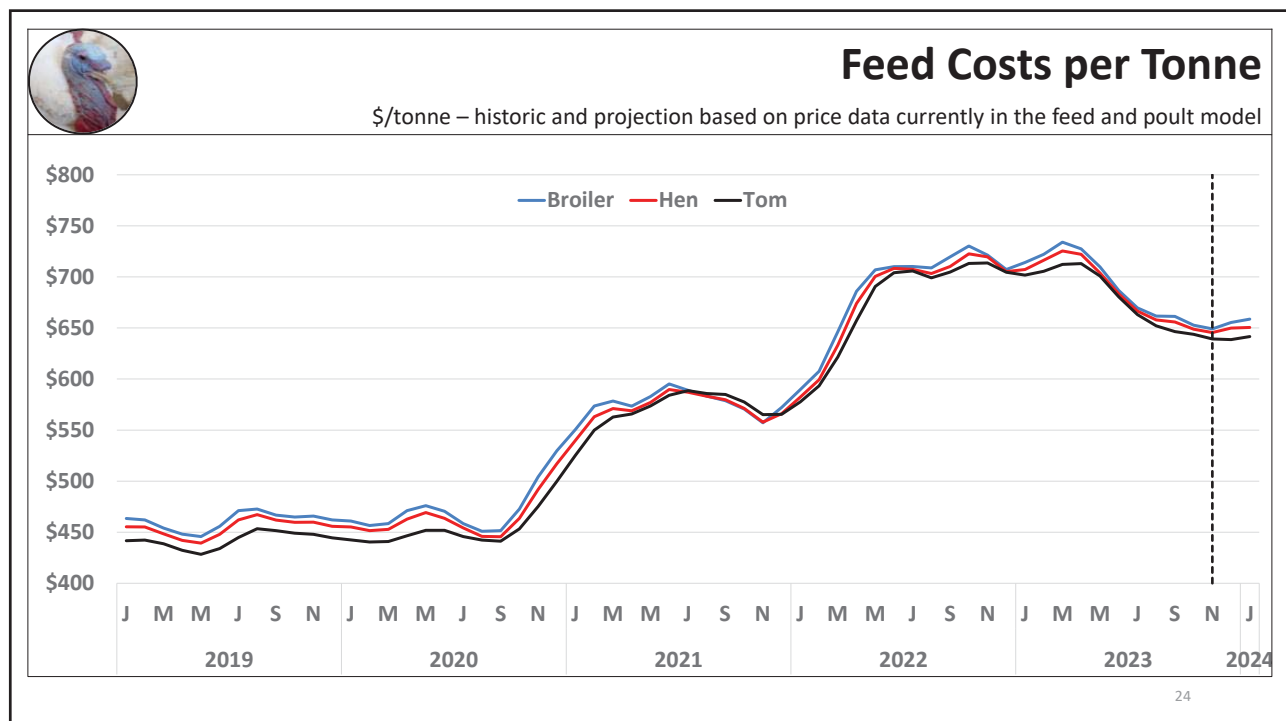
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Breast Meat Domestic Disappearance

2015/16 to 2023/24 - 2023/24 Forecast (Nov-Apr)

	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	% Change
May-Jun	4.2	4.3	5.4	5.1	4.8	4.1	4.2	4.3	4.5	3.6%
Jul-Aug	4.6	4.6	5.0	5.6	4.9	5.1	5.2	4.6	4.9	6.5%
Sep-Oct	4.8	4.8	5.4	5.1	5.4	5.1	4.9	4.6	5.1	9.5%
Sub-Total	13.5	13.7	15.7	15.8	15.1	14.3	14.3	13.5	14.4	6.6%
Nov-Dec	4.4	4.2	4.7	4.6	4.4	4.1	4.6	4.2		
Jan-Feb	3.9	3.8	4.8	4.4	4.6	4.0	3.9	3.7		
Mar-Apr	4.4	4.6	4.3	4.3	4.3	5.3	4.9	4.7	Forecast	Nov-Apr
Sub-Total	12.7	12.7	13.8	13.3	13.3	13.5	13.4	12.6	14.2	13.5%
Total	26.2	26.3	29.5	29.1	28.3	27.8	27.6	26.1	28.6	9.9%

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Whole Bird Domestic Disappearance

2015/16 to 2023/24 - 2023/24 Forecast (Nov-Apr)

	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	% Change
May-Jun	3.2	2.7	2.5	1.8	2.9	1.2	0.5	4.3	3.8	-12.7%
Jul-Aug	4.4	7.9	5.1	4.4	3.4	3.6	2.1	4.6	5.3	14.3%
Sep-Oct	26.7	22.4	18.9	22.4	19.4	23.2	19.2	12.9	16.0	23.9%
Sub-Total	34.2	33.0	26.5	28.7	25.7	28.0	21.8	21.8	25.0	14.6%
Nov-Dec	28.5	30.4	30.9	28.5	26.2	22.7	22.2	19.9		
Jan-Feb	2.3	1.9	3.6	2.2	2.4	1.5	1.4	1.2		
Mar-Apr	5.2	7.6	6.9	6.8	7.7	8.0	7.5	7.4	Forecast	Nov-Apr
Sub-Total	36.1	39.9	41.4	37.4	36.4	32.2	31.1	28.5	30.0	5.2%
Total	70.3	72.9	67.9	66.1	62.1	60.2	52.9	50.3	55.0	9.3%

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<div></div> <div>S & D - Turkeys* - Control Period</div> <div>2015/16 to 2024/25 - 2024/25 (136.9) Forecast</div>										
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24 (141.5)	24/25 (136.9)
Opening Stocks	18.2	24.9	21.0	18.8	18.2	17.3	7.5	9.9	12.9	12.9
Production	171.4	168.7	169.5	165.0	165.0	143.6	150.7	148.1	155.0	152.0
Imports	0.3	0.0	-	-	0.0	0.0	0.0	0.0	0.3	0.3
Total Supply	189.9	193.6	190.5	183.8	183.3	161.0	158.2	158.1	168.2	165.1
Total Disappear.	165.0	172.6	171.7	165.6	165.9	153.5	148.3	145.2	155.3	153.4
Exports	0.0	0.3	0.1	0.2	0.4	1.1	2.2	4.0	3.8	3.8
Dom. Disappear.	165.0	172.3	171.6	165.4	165.5	152.3	146.1	141.2	151.6	149.6
Bagging*	68.7	70.6	64.8	63.1	58.6	56.7	48.7	45.5	50.0	50.1
FP	96.4	101.7	106.7	102.3	106.8	95.6	97.4	95.7	101.5	99.5
Closing Stocks	24.9	21.0	18.8	18.2	17.3	7.5	9.9	12.9	12.9	11.7
Days In Inventory	55	44	40	40	38	18	24	32	30	28
*Excludes stuffing and basting										
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MINUTES

Turkey Farmers of Canada

276th Meeting

Novotel Toronto Centre Hotel – Toronto, ON

November 29 - 30, 2023

Appendix V

ATTENDANCE:

D. Ference	Chair	TFC
C. McBain	Vice Chair	TFC
D. Etsell	Director	British Columbia
K. Solanki	Alternate	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. Lowen	Alternate	Manitoba
H. Wazny	Manager	Manitoba
M. Steele	Director	Ontario
D. Dietrich	Alternate	Ontario
J-M. Falconer	Manager	Ontario
J. Paquet	Alternate	Québec
R. Fortin	Manager	Québec
H. Therrien	Director	New Brunswick
K. Godin	Alternate	New Brunswick
L. Martin	Manager	New Brunswick
S. Eadie	Director	Nova Scotia
M. DeGraff	Alternate	Nova Scotia
D. Hart	Director	CPEPC
M. Pépin	Director	CPEPC
T. Tavares	Alternate	CPEPC
W. Bernard	Alternate	CPEPC
N. Paillat	Manager	CPEPC
A. Power	Director	FPPAC
N. Zylstra	Alternate	FPPAC

Guest: Zeno Group – J. Georgas, D. Noel, T. McBay

Observers:

M. Moore FPCC

M. Kotipelto	FPCC
G. Rodrigue	AAFC
G. Bergeron	RMAAQ
K. Cressman	TFO
P-L. Leblanc	ÉVQ
Y. Ferron	ÉVQ
M-E Tremblay	ÉVQ
S. Lafortune	ÉVQ
M. Hubert	CPEP
K. Towle	Sofina Foods
J. Flaherty	Cuddy/Hybrid Turkeys

Translators – S. Robert, A-M Tudorache, G. L. Moki, J. Louis.

Staff – P. Boyd, A. Goldman, S. Ramkissoonsingh, J. Sheldon, C. Gonano, L. Cadeau, M. Georgiou, S. Mitchnick, B. Weston, M. McKimmie

D. Ference, Chair, called the meeting to order at 10:04 a.m. (EST). The notice of meeting was given in accordance with TFC By-Law #1.

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

APPROVAL OF AGENDA:

MOVED by Wiersma (SK) and SECONDED by M Reimer (MB) to
approve the agenda as published.

CARRIED

APPROVAL OF MINUTES:

MOVED by S. Eadie (NS) and SECONDED by H. Therrien (NB) to
approve the TFC 275th General Meeting of September 19, 2023; DAM
Only Meeting June 9, 2023; DAM Meeting of October 13, 2023, as
drafted.

CARRIED

FPCC REPORT:

M. Morgan addressed the meeting, highlighting that FPCC is monitoring the Avian Influenza situation across Canada and is working with the national agencies.

It was noted that the council received the Canadian Turkey Marketing Quota Regulation submission, and after internal analysis, the council approved the quota for the 2023/2024 control period.

FPCC met with TFC on November 18 for the annual meeting and a follow-up meeting with Zeno to present the updates on the national marketing campaign.

EXECUTIVE COMMITTEE REPORT:

D. Ference, TFC Chair, welcomed attendees to the TFC 276th Business Meeting.

The Executive report included the following highlights:

- The Executive Committee met regularly following the Business Meeting in September, covering various topics focusing on the Strategic Plan, Allocation Policy, and the Marketing Levies Order.
- The Executive also participated in the International Poultry Council 2nd Semester Meeting in Chicago, a virtual FPCC meeting for the annual updating of full Council on TFC priorities over the past year and a look ahead to the coming year and, the Canadian Poultry and Egg Processors (CPEP) Poultry and Turkey Sector meetings.
- Following the CPEP meetings in Calgary, the second TFC Directors' Strategic Planning session was held.
- The Board also approved the Marketing Levies Order date amendment, which will continue funding TFC's National Marketing Campaign.
- The early steps in the consumer research project proposed by Value Chain Management International (VCMi) and approved at the September meeting are underway.
- TFC and the SM5 continued advocacy efforts around Bill C-282.

NATIONAL MARKETING CAMPAIGN – THINK TURKEY UPDATE:

J. Georgas, D. Noel and T. McBay from Zeno Group presented the highlights of the Think Turkey™ national marketing campaign. The results of engagement and impressions to date were detailed across all the campaign channels.

The Thanksgiving campaign was reviewed, and Year to Date results were presented. Some opportunities were highlighted, one of them being the Wild Card.

The Holiday campaign strategic approach, contests, and creative content were also shared.

Through the PR activation, charitable projects are preferred, and the Wishbone Project was activated with the Wishbone Award.

A preview of the approach for the 2024 Think Turkey campaign was also presented.

D. Etsell noted that retail saw a \$48 return on ads. Can you tell us which stores are?

T. McBay responded that \$48 is the additional amount invested from an average perspective.

D. Etsell: in the Stingray, do you have any feedback from the stores on what is going?

T. McBay noted that it is creating interest, and the new study shows that the in-store ads show that turkey purchases have increased.

D. Etsell: did we have any pickup from the media?

J. Georgas noted that there is some attention from the media, but they will be leveraging on that. It was a very intense process in selecting the winners, so we will leverage those stories.

W. Barnard: How do you choose what retailers to partner with?

T. McBay: we look at digitally with Loblaws and Walmart and at store level with Sobey's, Metro and Walmart. Like to partner with Loblaws as they have available the in-store sale increase data that we can use to measure the campaign success.

W. Barnard: do they share the data about turkey or all protein.

T. McBay: they share their data about all proteins and poultry but not specific to turkey.

M. Steele: The shopper's data. How does that information flow to TFC?

T. McBay: when we present the audience data we can reach, we can go deeper and see other options. We focus on the target that best represents the campaign.

K. Solanki: Do you have national trend data in terms of dollars? Also, there is a focus on deli meat more than the whole turkey. Is there any campaign on turkey cuts?

T. McBay: all our assets focus on all kinds of recipes. Different cuts are showcased, not only the whole bird. If you go to the holiday page, there are different cuts showcases, also around the year deli meat and charcuterie. Today, the presentation is focused on the holidays, but other integrations are done throughout the year showcasing different cuts and programs, such as the BBQ program in the summer.

RECOGNITION TO L. MORRIS

D. Ference recognized L. Morris for her 30th anniversary with TFC, highlighting her exceptional contributions.

AVIAN INFLUENZA (AI) UPDATE

S. Ramkissoonsingh noted that the Provincial Board Managers' Committee had met several times to discuss the potential for interprovincial leasing of quota due to AI. CPEP and FPPAC managers also participated in the last couple of video conferences.

S. Ramkissoonsingh presented a PowerPoint presentation on AI losses as reported at the end of the previous week.

- 5 provinces with AI (BC, AB, SK, MB, QC)
- 3 provinces not able to replace lost production (BC, AB, QC) equaling:
 - Kilograms lost from culling 4,378,372 kg eviscerated.
 - Kilograms that will not be placed 415,398 kg
 - Total culled/not placed 4,754,426 kg
 - Expected to be replaced (re-grown) in province 1,150,729 kg
 - Expected production loss = 3,603,697 kg

M. Reimer: Can you tell me the difference between the losses by weight category?

S. Ramkissoonsingh: total culled & not placed equals 4,754,426 kg, consisting approximately of Heavy Toms 3,089,827 kg (65%) and Br/Hen/Light toms 1,664,599 (35%).

S. Ramkissoonsingh, Managers are recommending a two-stage approach to leasing as ON and SK need more time to finalize the kilograms that can be leased. Currently, ON does not believe there is time to replace heavy toms within the control period. It is also recommended that any leased volume dollar amounts be distributed to impacted provinces pro-rata at the end of the control period and use a blended provincial levy rate as part of the leasing rate.

TURKEY MARKET ADVISORY COMMITTEE REPORT

S. Ramkissoonsingh presented the TMAC report included in the meeting kit, noting Canada's robust population growth forecast through to the end of 2025, the strong competitive position turkey is in relative to beef, wholesale pricing trending as expected, May to October whole bird disappearance up 15% and breast meat disappearance up 7% relative to last year. With CPTPP imports forecast at 100% utilization for 2024/2025, the combined TMAC commercial allocation recommendation for whole birds and further processing for 2024/2025 equals 136.9 mkg. This preliminary recommendation does not account for potential AI losses in 2024/2025.

TURKEY MARKET REVIEW (TMR)

J. Sheldon presented the TMAC report included in the meeting kit. The following was highlighted:

- Regarding whole birds, from May to October 2023, domestic disappearance was 25.0 kg, up from 21.8 kg a year earlier. The forecast domestic disappearance for November 2023 to April 2024 is 30.0 kg for a control period total of 55.0 kg. For 2024/2025, disappearance is forecast at 55.0 mkg, the same as in 2023/2024. To arrive at a 20% stock-to-use ratio at the end of 2024/2025, an estimated 57.3 kg of production would be required. After stuffing and basting and exports are factored in, the volume of commercial quota required for bagging is 48.7 kg.
- Regarding breast meat, May to October 2023 domestic disappearance was 14.4 mkg, up from 13.5 mkg a year earlier. The forecast domestic disappearance for November 2023 to April 2024 is 14.2 kg for a control period total of 28.6 kg. For 2024/2025, disappearance is forecast at 29.6 mkg, 1.0 mkg more than in 2023/2024. An estimated 99.5 mkg of FP production would be required in 2024/2025. After conditional utilizations and quota usage are factored in, the volume of commercial quota required for FP is 88.2 mkg.

M. Pepin: On whole Bird S&D. I do not understand. Last week, we had a meeting at CPEP, and

our sales for Christmas are down in volume and pricing. It is optimistic to say that we will sell more turkey this year than last year. January inventory will be huge.

J. Sheldon to M. Pepin: understanding that things could happen beyond our control; if we produce what we allocate, fewer whole birds will be produced in November to April versus last year.

M. Pepin commented that it is important to understand that the processors will have a considerable inventory after Christmas, more than what we will sell at Easter.

M. Steele: looking at the whole bird per capita consumption and comparing it with the domestic disappearance, the difference is about 1.2 million. How do you arrive at the numbers?

J. Sheldon to M. Steele: We looked at the long-term trend years ago. S. Ramkissoonsingh noted that we know that it will stabilize at some point, which is reflected in the recommendation of TMAC for this year.

D. Hart to M. Steele: we talk about the per capita consumption, which is the disappearance divided by the population. Disappearance is not a driver. This model is used as a surrogate of demand, but it is not. If processed, it disappears even if it goes to the landfill.

M. Steele to D. Hart: appreciate the comments. Agree with you that disappearance is not a proxy for demand.

M. Reimer: looking back a few years, per capita consumption was huge and built on processor losses. Avian Influenza (AI) hit, and that was a loss of historic proportions. Forecasting per capita consumption lower than last year is concerning as last year we did not have the inventory due to AI. Also, pricing is lower by 6 to 7 percent.

M. Pepin to M. Reimer: we have 6 million in inventory not sold.

D. Hart to M. Reimer: The pricing went down, so even if we sold extra volume, we were still in the wrong place. The fact that we had a significant volume increase did not bring us more money.

D. Hart: TMAC cautions you on several fronts. I want to caution you that the TMAC recommendation results in a breast meat stock level double where processors want to be.

2024/2025 QUOTA ALLOCATION AND QUOTA ORDER

M. Pepin: Asked to go back to page 5 FP. We will end the year with 2.4 million. If we do not get any kg from TPP (Chile), 3.5/2 is 1.8 million, so we are at 0.6 million.

J. Sheldon to M. Pepin: I will have to disagree as we use 75% of TPP TRQ utilization. We factor in that for the current control period, not all the TRQ for breast meat will come in. There will be some allowance at the 75% utilization.

S. Ramkissoonsingh to M. Pepin: we are forecasting 1.3 million kg from CPTPP this control period.

M. Pepin to A. Power: My question is about the 2.4 million in inventory. If we are at 1.5 million. Do you think it is well-balanced?

A. Power to M. Pepin: agreed that the market is well supplied and balanced. He disagrees with M. Pepin's comments. The storage stocks and availability of meats are often connected. Nothing was available when the stocks were down to a million, as the kg were held off the market. FPPAC is always in favour of 1 month of stock being held.

C. McBain asked for an update on the Serecon study on breast meat inventory.

S. Ramkissoonsingh replied that a report from Serecon is expected before Christmas.

M. Reimer: with last year's significant AI presence, there was talk about lost sales. Can you explain if we had low sales last year? Is there any concern about that?

S. Ramkissoonsingh responded that TMAC is saying 55 million kg for this control period. There is a lot of immigration, which is reflected in the per capita numbers. The focus of TMAC is if the 55 million kg is reasonable. TMAC concluded that 55 million looks about right.

N. Paillat: The per capita consumption seems inappropriate as we have seen some increase in population, but that population is not used to eating turkey for the holiday. A 10% increase is huge.

M. Reimer to N. Paillat: are you comparing this to 2022/2023? As 2023/2024 is not done.

N. Paillat confirmed that.

M. Pepin: I will repeat my comment earlier today. Our sales for Christmas are down from last year.

M. Steele: we heard the AI losses are up recently. We built that into the model for the rest of the control period.

D. Hart to M. Steele: that is correct, but we will still have meat going to the freezer after Christmas. There will be products that we will be slaughtering between January and April to make up for the AI losses. This speaks to some of our concerns because if we bagged into January and March, we would not sell until October.

S. Ramkissoonsingh to M. Steele: some of the kg will be replaced. What I cannot comment on is what category it will be replaced in.

M. Steele: there is a bit of risk here to undersupply the breast meat market, reducing the closing stocks and influencing the 2024/2025 stocks. Chile has been ratified for less than 12 months, so we do not have those TRQs flowing. April to October were low, and the forecast is 1.9 million, which looks high. To the processors, is that realistic?

A Power to M. Steele: I am okay with theorizing that the 75% will get used, but it seems that will not happen this year and will roll to the following year.

S. Olson 141.5 right now. TMAC is at 137 mkg. He proposed to get closer to 137 mkg and then analyze after the stocks from Christmas are out.

C. McBain: the results for AI and CTPP will be ready later, plus the Serecon report on BM, so I believe we need to set an allocation and would like to put a motion for 139.5 mkg as a preliminary allocation and review in January or February.

MOVED by C. McBain (QC) and SECONDED by M. Steele (ON) to set the commercial allocation for the 2024/2025 control period to 139,500,00kgs as a preliminary number with a further review by TMAC and TFC early in the new year.

Discussion on the Motion

C. McBain: right now, there are a lot of what-ifs. We need to decide, but we need to be cautious.

S. Ramkissoonsingh: On the issue of the imports coming in, we discussed at the September meeting. We need a better way to forecast the imports. We need to wrestle on that between now and February. This should be doable given that 85% of the TRQ is allocated to processors, and all the major processors are in the room.

N. Paillat: At CFC we had the same discussion on CPTPP imports, and we have seen 700,000 kg per week. We know Chile can supply the product.

N. Zylstra: our members believe Chile can fill the TRQ; if that happens, it is another matter.

P. Boyd: absent better information, this Board needs to make decisions with its best forecast and adjust from there.

C. McBain: the situation with AI and the kg is constantly changing. We need to be cautious.

M. Pepin: If you look at demand, what is the real need of the market? We need the correct number and then adjust for risk now; we are putting the risk on the back of the processors. If we use the 141.4 mkg from last June, we knew it was not the right allocation. The market is well balanced with 1.5 mkg in storage. We need to evaluate the right demand and the right numbers.

A Power: if the motion goes through, there has to be a lot of rigour with the conditions and a good idea of how the deficiencies look, as I am concerned about oversupplying.

C. McBain to A. Power's comments: we proposed a monthly check.

P. Boyd noted that there cannot be a monthly check-in until we have the information, and we are not sure if we will have that for January or February.

D. Hart: if less meat comes to market and the storage stocks are still high, let's not overlook that fact. The 141.5 mkg was an amount that we were supposed to review a month after month, and then other factors trumped the processor's concerns.

A Power: is willing to support 139 mkg if closely monitored.

M. Steele noted that monthly check-in could work, even to review the AI situation.

CARRIED
(9 in favour – 2 opposed)

Correspondence from Provincial Boards

Referencing the meeting memo, J. Sheldon noted that requests for conditional export policy allocation had been received from EVQ for 1,220,800 kg under Section 2 and from TFO for 1,760,044 kg under Section 2 and 3,304,000 kg under the Section 1 whole bird provision. It was noted that placement plans for the Section 2 requests had been provided to the office.

D. Etsell asked if this is a historically large ask.

J. Sheldon responded that QC had used Section 2 consistently for several years. For ON, the requests are like in other years. It was also noted that utilizing the allocations is conditional on the export of breast meat, thighs, wings, and drums.

M. Reimer to SPC: we were talking about CUSMA and the kg. Where is that at?

S. Ramkissoonsingh noted the Supply Policy Committee memo in the kit and will address the question later in the meeting.

M. Reimer: Supports exports 100% but does not support exporting to the detriment of the national TRQ.

D. Ference to S. Ramkissoonsingh: the Committee will have to revisit this in the upcoming months.

MOVED by J. Wiersma (SK) and SECONDED by S. Olson (AB) that the requests from Ontario and Quebec, as per their correspondence, for allocations under the Section 1 Whole and Section 2 provisions of the Export Policy for the 2024/2025 Control Period in the following amounts:

For Section 1 Whole:

- Ontario 3,304,000 kg

For Section 2:

- Ontario 1,760,044 kg
- Quebec 1,220,800 kg

CARRIED

MOVED by S. Olson (AB) and SECONDED by S. Eadie (NS) that the total 2024/2025 Federal Quota for interprovincial and export trade of 172,488,502 kg eviscerated be allocated as follows:

<i>British Columbia:</i>	<i>19,673,344 kg</i>
<i>Alberta:</i>	<i>14,813,489 kg</i>
<i>Saskatchewan:</i>	<i>5,378,945 kg</i>
<i>Manitoba:</i>	<i>13,593,477 kg</i>
<i>Ontario:</i>	<i>76,122,018 kg</i>
<i>Quebec:</i>	<i>34,794,835 kg</i>
<i>New Brunswick:</i>	<i>3,597,061 kg</i>
<i>Nova Scotia:</i>	<i>4,515,333 kg</i>

CARRIED

(10 in favour – 1 opposed)

MOVED by S. Olson (AB) and SECONDED by M. Reimer (MB) that the 2024/2025 federal quota for interprovincial and export trade be allocated to the provinces as reviewed during the TFC 276th Meeting of November 29-30, 2023, as follows:

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

CARRIED

(10 in favour-1 opposed)

MOVED by D. Etsell (BC) and SECONDED by A. Power (FPPAC) to direct staff to prepare and submit the 2024/2025 Quota Regulation reflecting the allocations approved during the TFC 276th Meeting of November 29-30, 2023, for blue stamping by the Justice Department and prior approval by FPCC subject to Members' approval, and to prepare a Promotion Agreement.

CARRIED

(10 in favour-1 opposed)

AVIAN INFLUENZA

S. Ramkissoonsingh, based on the discussions of the Managers' Committee, the following motion has been drafted for the Directors' review.

That TFC approves the leasing of commercial quota for the 2023/24 control period by the provinces of Ontario and Saskatchewan, up to a combined maximum volume of 1,664,599 kg eviscerated, subject to a written leasing agreement being in place, between the respective Provincial Boards for distribution of the lease funds by the time of the control period reconciliation; and, further, that the national lease rate be amended to include a weighted provincial levy component and the lease dollar amount be distributed to the impacted provinces on a pro-rata basis of the production volumes culled and not placed due to AI.

The 1.7 mkg upper limit is proposed at this time, as this is viewed as what can be practically re-grown in lower weight birds before the end of the control period.

D. Hart: what reason do we have not to do this?

S. Ramkissoonsingh to D. Hart: we deviated last year, so we need to run this by the Directors, so the Directors understand we are deviating again. The focus is on how we get some leasing in place and how we allocate the leased funds.

D. Hart: The only thing that deviates from rubber stamping is that the money differs from usual, not the volume.

M. Reimer: if a province sends a letter to TFC informing them that it can take some extra kgs, will that be the process?

S. Ramkissoonsingh, no, because it speaks to the money, not the volume.

P. Boyd: the proposed motion can be amended to address this issue, but we need be sure that the board managers are okay with this.

N. Veles wants to change the motion to exclude what was replaced.

J-M Falconer: The direction is for all the provinces, not only for ON and MB. Can this be split up to what ON is working with out of the 1.6?

S. Singh to J-M Falconer: we want to get generalized cover for that up to that number.

P. Boyd, we are making the changes to accommodate that.

D. Ference noted that it could be any province, not only ON and MB.

D. Hart: what if the unthinkable happens to the province, and they agreed to grow the lease but found themselves offsite?

S. Ramkissoonsingh to D. Hart: the way it was dealt with last year was that if the unthinkable happened, the provincial board would not have to pay for it.

D. Etsell: managers met and discussed the possibilities. At this point, there will not be any other province other than ON and SK to lease, so why do we have other provinces there?

J. Wiersma: at this point, it seems that SK is still on track to grow.

C. Wiersma: question to ON, do you have the capability of growing 1.6 million?

J-M Falconer responded that it is a matter of process and is unable to answer the question at this moment and is waiting for the forms back from producers to get a sense of that.

MOVED by D. Etsell (BC) and SECONDED by D. Hart (CPEP) that TFC approve the leasing of commercial quota for the 2023/24 Control Period by the provinces of Ontario and Saskatchewan, and other provinces if advised by January 15, 2024, up to a combined maximum volume of 1,664,599 kg eviscerated, subject to written leasing agreements being in place, between the respective Provincial Boards for distribution of the lease funds by the time of the control period reconciliation; and, further, that the national lease rate be amended to include a weighted provincial levy component and the lease dollar amount be distributed to the impacted provinces on a pro-rata basis of the production

volumes culled and not placed due to AI for the control period, excluding birds regrown in the province.

CARRIED

OTHER:

Supply Policy Committee Update

S. Ramkissoonsingh highlighted Agenda Item #2g.i, noting the Committee member changes and the Director's input on the priority work items.

P. Boyd noted that it is a lengthy list, and his suggestion is for the committee to review it and set their own priorities.

The Directors agreed with that Direction.

TFC NATIONAL COMMERCIAL ALLOCATION POLICY

S. Ramkissoonsingh highlighted the comments received on the draft text of the new National Commercial Allocation Policy, summarized in Agenda Item #2f.

D. Hart noted that what he sees are word-smithing suggestions. If the office is satisfied, this will stand the test; he is satisfied with the report.

S. Ramkissoonsingh to D. Hart: appreciates the comments. The input received from CPEP and EVQ was very useful as it ensured the office fully reviewed the draft text another time. This text was also run by the TFC legal council, and they had no suggested changes.

J. Wiersma: how will Section 5.05 work?

S. Ramkissoonsingh noted that if something is unreasonable, options will be proposed, but a conversation will need to be had before a quota is set for the following year.

J. Paquet, not sure that the EVQ comment regarding all commercial allocations should go through this policy, was interpreted correctly.

P. Boyd to J. Paquet: we might not have understood, so we will reconnect with EVQ.

That the National Commercial Allocation Policy text tabled and reviewed by the Directors at the TFC 276th Meeting of November 29-30, 2023, be considered final.

The meeting adjourned at 4:18 p.m. on November 29 and resumed at 9 a.m. on November 30.

SPECIAL QUOTA REQUEST PROCESS

P. Boyd, discussions are ongoing between Ontario and Quebec with the intention of bringing back any ideas to the larger table. It is therefore proposed that this agenda item be tabled for a subsequent meeting.

The Directors agreed with that Direction.

Industry/Government Regulatory Update

C. Gonano provided a Highly Pathogenic Avian Influenza (HPAI) update, including trends in Canada for fall 2023 of total detections and detections by species and province compared to 2022. In Canada, detections in September and October were lower in 2023 than in 2022 but saw a peak in cases, mainly in Western Canada, into November. Cases in British Columbia seemed to peak a couple of weeks earlier compared to 2022. Trends in the United States of America and globally were also noted. Reports on response efforts through CFIA, provinces and industry and on work for better preparedness and planning were reported, including a lesson-learned document and the Vaccination Task Force.

K. Solanki asked if CFIA intends to conduct a follow-up survey with individual affected producers to collect feedback on their experiences with the response process. C. Gonano indicated that they will follow up with CFIA on this.

A presentation was provided on the 2022 Canadian Integrated Program for Antimicrobial Resistance Surveillance (CIPARS) Turkey Industry Report for farm surveillance, including animal health, antimicrobial use (AMU), antimicrobial resistance (AMR), and pathogen recovery data. 2022 was the fourth year of the implementation of Step 2 and the third year

of the implementation of Step 3 of the Turkey Industry AMU strategy. Results overall suggest that the Turkey Industry Antimicrobial Use Strategy is achieving its desired impact. A decrease in AMU for all metrics and a decrease in Category II and III antimicrobials were reported. Continued use of Avilamycin (uncategorized medically important antimicrobial) was also reported, and how it fits into the Strategy may be impacted by VDD's indication of their intent to update its 2009 antimicrobial categorization document soon with a public consultation. TFC will also consider other categorizations (WOAH, EU, US).

Concern was noted from some provinces on the potential impact of restricted preventive bacitracin use on the occurrence of Blackhead disease. TFC is planning an update to the TFC AMU Guidelines previously developed to update them to reflect current practices better and to provide a framework for the use of certain antimicrobials. The Board will be updated on progress.

AUDIT & FINANCE COMMITTEE REPORT

D. Etsell and B. Weston presented the Audit & Finance Committee report included in the meeting kit.

TFC 2024 Preliminary Budget

MOVED by J. Wiersma (SK) and SECONDED by S. Olson (AB) to adopt the 2024 Preliminary Budget, with the direction being given to staff to prepare and forward the Levy Order submission to the Justice Department for blue-stamping and FPCC for prior approval, including the approval of the FPCC for the stipend amendment.

CARRIED

CORPORATE AND CONSUMER COMMUNICATIONS REPORT:

Consumer Communications:

There are no further updates to the ones provided by Zeno Group earlier.

Corporate Communications:

M. MacKimmie presented the corporate communications report. In addition to what was included in the communications report, she provided a further update on Bill C-282, including the two lobby days in Ottawa on November 7 and 23. The update regarding Bill C-275 (Biosecurity on farms) included that the Bill has passed through the House and gone to the Senate. Regarding Bill C-234, two additional amendments were made in the Senate, and with that vote, the Bill has now been sent back to the House.

M. MacKimmie provided a brief overview of media activity leading to the holiday season.

TRADE UPDATE:

S. Ramkissoonsingh, verbally reported that a mini-ministerial was held on agriculture by the WTO on November 28th by video conference. The purpose of the session was to try and generate some positive momentum for MC13. However, the fundamental issue is still Food Security, which the WTO members struggle with. This is because Food Security is closely linked with domestic support. Regarding the CUSMA dairy panel, Canada successfully defended its allocation methodology. However, the previous panel ruling does have implications for the poultry TRQs, and it is expected that it will be discussed with GAC early in the New Year.

NATIONAL MARKETING CAMPAIGN DISCUSSION

P. Boyd and S. Ramkissoonsingh highlighted two memos in the meeting kit and noted that a meeting for the Directors to start the discussion on both the MDPTC funds and the continuation of the marketing campaign will be scheduled for early 2024.

OTHER:

TFC Strategic Planning 2023 – Update

P. Boyd noted that the second session of the Business Planning took place in September in Calgary. A. Rabeau is working on the final report that will be ready to share with the Directors in the upcoming weeks. The Business Plan will be shared with the membership once finalized.

Reminder – Crisis and Issues Designates

It was noted that the office would contact the Provincial Boards to update the designates.

There being no further business, it was MOVED by S. Olson to adjourn the meeting at 11:06 a.m.

Approved by:

D. Ference, Chair

A. Goldman, Secretariat

Dated: _____, 2024

2024/2025 Allocation Worksheet - 276th TFC

		Total	BC	AB	SK	MB	ON	QC	NB	NS
Section 1: Commercial Allocation										
Final 2023/2024 Allocation	a	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
Change	b	2,500,000	329,407	237,565	85,586	156,497	1,000,000	560,636	57,820	72,489
Shares as per Policy	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 +/- Starting Point	d	- 4,500,000	- 592,933	- 427,617	- 154,055	- 281,695	- 1,800,000	- 1,009,145	- 104,075	- 130,480
2024/2025 Commercial Allocation	e=c+d	139,500,000	18,380,933	13,256,112	4,775,693	8,732,558	55,800,000	31,283,507	3,226,335	4,044,862
Section 2: Conditional Multiplier Breeder										
Reference %	a			1.62%	0.60%	3.28%	2.13%	1.75%		
Reference Level	b=1e*a	2,265,832	-	214,749	28,654	286,428	1,188,540	547,461	-	-
Egg & Poult Cap	c	1,488,166					1,488,166			
Reference Level Total	d=b+c	3,753,998	-	214,749	28,654	286,428	2,676,706	547,461	-	-
Forecast Marketings	e	6,113,486	-	-	-	1,056,460	4,582,026	475,000	-	-
Conditional Multiplier Allocation	f=e-d	2,675,352	-	-	-	770,032	1,905,320	-	-	-
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	3,304,000	-	-	-	-	3,304,000	-	-	-
Section 1 Carry-Forward	c	-								
Section 2 Placement for Export	d	2,980,844	-	-	-	-	1,760,044	1,220,800	-	-
Section 3 Live (evis. Equivalent)	e	2,957,161	-	-	-	2,957,161	-	-	-	-
Conditional Export Policy Allocation	f=sum(a-e)	28,215,070	1,292,411	1,557,377	603,252	4,090,887	16,318,618	3,511,328	370,726	470,471
Section 5: 2023/2024 Overmarketings										
	a	-								
Section 6: Total Allocation for Consideration (1e+2f+3a+4f-5a)		172,488,502	19,673,344	14,813,489	5,378,945	13,593,477	76,122,018	34,794,835	3,597,061	4,515,333

2024/2025 PROVINCIAL TURKEY ALLOCATIONS - KILOGRAMS

Reflecting Decisions of the TFC Directors During their 276th Meeting of November 29-30, 2023.

	TOTAL	BC	AB	SK	MB	ON	QC	NB	NS
A) Commercial Allocation	139,500,000	18,380,933	13,256,112	4,775,693	8,732,558	55,800,000	31,283,507	3,226,335	4,044,862
B) Multiplier Breeder									
1) Reference %			1.62%	0.60%	3.28%	2.13%	1.75%		
2) Reference Level (AxB1)			214,749	28,654	286,428	1,188,540	547,461		
3) Egg & Poult Cap						1,488,166			
4) Reference Level Total (B2+B3)			214,749	28,654	286,428	2,676,706	547,461		
5) Forecast Marketings	6,113,486				1,056,460	4,582,026	475,000		
6) Conditional Allotment (B5-B4, or "0")	2,675,352				770,032	1,905,320			
C) Primary Breeder	2,098,080					2,098,080			
D) Conditional Export Policy Allocations									
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	3,304,000					3,304,000			
3) Section 1 - Carry-Forward									
4) Section 2 - Placements for Export	2,980,844					1,760,044	1,220,800		
5) Section 3 - Live (evis.)	2,957,161				2,957,161				
6) Total Conditional Export Policy Allocations	28,215,070	1,292,411	1,557,377	603,252	4,090,887	16,318,618	3,511,328	370,726	470,471
E) Overmarketings									
F) Total Allocations (A+B+C+D+E)	172,488,502	19,673,344	14,813,489	5,378,945	13,593,477	76,122,018	34,794,835	3,597,061	4,515,333

Base Allocations (as per the proclamation)	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
Over Base Allocations	75,446,950	10,374,700	6,535,428	1,750,206	5,769,009	34,391,520	10,300,847	2,943,888	3,381,352