

Speaking Notes
FPCC Chairman's Address at the
Chicken Farmers of Canada's AGM
Ottawa, ON - March 22, 2016

- Good morning everyone. Thank you again for your warm welcome! It is a particular pleasure for me to speak to you again at your annual meeting here in Ottawa, especially after such a successful year for Canada's chicken industries!
- Firstly, I wish to update you on what we have been dealing with at FPCC.
- The first year of FPCC's 2015-2018 Strategic Plan is coming to a close. We have been busy working to comply with its directions. Over the last year, FPCC has participated actively at agency and sectoral meetings, such as this one. This was, among other things, to help agencies and the FPCC understand their respective roles as they collaborate in maintaining and promoting an efficient and competitive agriculture industry.

- Another part of the strategy is to ensure that allocation-setting processes are transparent and beneficial for all Canadians. This, in turn, enables FPCC to make responsible decisions on quota allocations and levy amendments. This includes fielding complaints regarding allocation-setting and various core elements of the supply-management system. And FPCC fielded a record four complaints this year, including one from your sector.
- When a complaint is received, as Chairman of FPCC, I first talk over the issues with the parties involved. Where necessary, I appoint Council members to complaint committees, which oversee complaint processes and, hold informal meetings, as necessary. Complaint committees must also establish timelines and rules for the submission of information.
- For all four complaints, these tasks were completed within a month or less, as per the FPCC's Interim Complaint Guidelines.

- In the end, the chicken complaint was dismissed, while the parties to the two hatching egg complaints were granted a stay in proceedings until their mediation process was completed. TFO's complaint against TFC, which was launched in early August 2015, has been suspended until a binding arbitration process agreed to by the parties is completed. The decision has just recently been brought down. Council members will be considering it closely.
- Another strategic priority of FPCC is to work towards the creation of national promotion and research agencies or PRAs. Accordingly, we have processed an application from the pork industry for the establishment of one such PRA, and anticipate good news regarding the earlier strawberry and raspberry proposals. We understand that CFC will be submitting its own proposal for a chicken PRA, and look forward to receiving it.
- So, this is just to give you an idea of some of the key activities of FPCC over the last year, and how our Strategic Plan meshes with the CFC's activities.

- FPCC greatly appreciates CFC's commitment to collaboration and constant improvement, and its openness at both the Board and staff level to work with Council members and FPCC staff.
- FPCC encourages agencies to provide thorough, accurate, and transparent reporting of industry information and performance. FPCC staff have thus engaged with employees of each agency, including CFC, to ensure that annual reports will provide an ever clearer understanding of the agencies' activities, performance and challenges for FPCC, the Minister and Parliament. I am looking forward to reviewing your 2015 Annual Report, as well as those of the other agencies, to see how it has been improved and how it meets the goals we have set.
- Let us be clear that transparency goes beyond annual reporting, though! As a public policy, supply management is necessarily exposed to public scrutiny, and the national marketing agencies are ultimately accountable to Parliament. Supply management is a privilege, not a right!

- Thankfully, CFC has long shown that it takes transparency seriously, that it recognizes the need to be pro-active both in pre-empting unjustified critiques, and in responding to genuine challenges. I want you to continue in that vein. We have to be aware that introduction of the new operating agreement for chicken may intensify media scrutiny.
- FPCC will be looking closely at the public reviews that BCFIRB and the *Régie des marchés agricoles du Québec* will each be conducting on CFC's proposed operating amendments.
- Next, FPCC will need to conduct its own analysis to determine if the Operating Amendments will require Governor in Council approval.
- I was glad that CFC and its sector partners undertook these adjustments when the chicken market was so strong. It is indeed a rare occurrence to be able to increase production, as producers have done over the last year, while still allowing processors to maintain healthy margins.

- Conditions can change quickly, however. For instance, if demand for chicken declines due, say, to another outbreak, or if competing proteins become significantly more competitive, implementing changes would be more difficult.
- So be prepared! While the measure of an agency is how it sets allocations in difficult times, proper governance, preparations and provisioning for risk can mitigate future challenges. I feel confident that you are up to the task, provided you continue to seize the moment.
- Congratulations!