Agri-Food Council Document Submission

provided for an Informal Meeting chaired by a Complaint Committee of the Farm Products Council of Canada convened to hear the complaint filed on July 14, 2015 by the Agri-Food Council regarding the A-133 allocation decision of the Chicken Farmers of Canada

Meeting held on Tuesday, August 4, 2015

List of Documents

1. Allocation Impact Assessment – Saskatchewan

2. Agri-Food Council Meeting Agenda for June 19, 2015

3. Canadian Poultry and Egg Processors Council letter to Nathalie Vanasse dated July 29, 2015

Document 1

Allocation Impact Assessment - Saskatchewan

The following table is based on actual CFC allocations made in periods A-127 through A-132, as well as the proposed CFC allocation for A-133. All of these allocations have been made through the inappropriate use of CFC's growth distribution mechanism. The italicized data recognizes that FPCC has yet to approve the A-133 allocation and, therefore, that this data is subject to change.

The data presented in columns 2 and 3 was obtained from CFC-distributed 'Final Summary Sheet and Allocation Table' documents that are provided for each allocation period and represents production in terms of eviscerated kilograms.

	Domestic Allocation		Saskatchewan Allocation with a *pro rata* distribution	Difference
	Canada	Saskatchewan		
A-127	155,419,421	5,533,763	5,595,099	61,336
A-128	156,261,965	5,585,888	5,625,431	39,543
A-129	160,633,989	5,810,081	5,782,824	(27,257)
A-130	166,880,337	5,918,528	6,007,692	89,164
A-131	163,381,173	5,876,802	5,881,722	4,920
A-132	161,364,063	5,834,517	5,809,106	(25,411)
A-133	*165,162,361*	*5,852,121*	*5,945,845*	*93,724*
Total	***1,129,103,309***	***40,411,700***	***40,647,719***	***236,019***
Portion of National Production		3.59%	3.6%	

Summary of Lost Opportunity

Net Impact on Domestic Allocation (*Pro rata* Allocation – Mechanism Allocation): 236,019 kilograms

Market Development Program (7.5% of Domestic Allocation): 17,701 kilograms

Total Lost Opportunity: 253,720 kilograms

Document 2

Agri-Food Council Meeting
June 19, 2015
Room 209
Walter Scott Building, Regina SK

1:30 PM	Preparation for Meeting with Chicken Farmers of Saskatchewan (CFS)
2:00 PM	Meeting with CFS
3:00 PM	Meeting Debrief
3:30 PM	[redacted]
3:45 PM	
4:15 PM	Adjourn

Document 3

Canadian Poultry and Egg Processors Council
Conseil canadien des transformateurs d'oeufs et de volailles

July 29, 2015

Nathalie Vanasse
Registrar
Farm Products Council of Canada
Central Experimental Farm
Building 59
960 Carling Avenue
Ottawa, ON. K1A 0C6

Re: Comments from CPEPC regarding the Complaint from the Agri-Food Council of Saskatchewan regarding the A-133 allocation decision of Chicken Farmers of Canada

Dear Ms. Vanasse:

We are writing in response to your letter of July 22, 2015 inviting us to provide comments to Farm Products Council of Canada (FPCC) on this matter. Specifically, our comments are directed to Chicken Farmers of Canada's (CFC) response to the complaint from Agri-Food Council of Saskatchewan (AFC) dated July 21, 2015.

CFC notes on page two of their letter that they responded to the challenges to a greater consideration of comparative advantage by, "engaging in a lengthy and intensive consultation process with provincial boards, as well as with provincial supervisory boards and industry stakeholders." They go on to state that, "Discussion of allocation issues, and related differential growth issues, took place at more than 25 open CFC Board meetings between 2009 and 2015." We do not disagree with these statements.

However, in their letter, CFC goes on to note, "The CFC Board also includes representation from the Canadian Poultry and Egg Processors Council. At this time, Jeff McDowell, whose background lies in the Saskatchewan processing industry, acts as the alternate director for the CPEPC." They also allude to other activities including, "Engaging a professional mediator in late 2013 to facilitate negotiations. The CFC concludes that, "these efforts resulted in an interim agreement regarding periods A-121 to 126...designed to reflect due consideration of comparative advantage...."

To be clear, Mr. McDowell represents CPEPC at the CFC table, not Saskatchewan processors. The CFC's inference, in our opinion, is that Mr. McDowell, in his capacity as alternate director and a Saskatchewan processor, had ample opportunity to provide feedback and/or to voice concerns over the new allocation agreement. This is not the case, and what is missing here is the fact that CPEPC Directors were not at the table negotiating the new allocation agreement nor was CPEPC consulted before it was voted on by the CFC board. Further, at CFC Open Board meetings since the MOU was signed by the Provincial chicken boards, CPEPC has stated a preference for an allocation agreement that includes an allowance for a separate Differential Regional Growth component, over and above the other factors included in the agreement. We attach our memorandum to CFC regarding Differential

Regional Growth (copied to Mr. Pellerin) dated February 17, 2015 as a reminder of our position.

CPEPC is not seeking intervener status in the complaint filed by the AFC, but wants to file this clarifying position regarding the specific claims made by CFC in their response letter of July 21, 2015.

If there are any questions or concerns arising from these comments, please feel free to contact me at any time.

Yours sincerely,

K. Robin Horel
President and C.E.O.

Cc: Mr. Laurent Pellerin, Chair – FPCC
Mr. David Janzen, Chair – CFC
CPEPC Directors and Alternates to CFC
Mr. R.T. Tyler, Chair, Saskatchewan Agri-Food Council
CPEPC Chicken Sector Members