

March 14, 2016

TFC PUBLIC STATEMENT

On March 2, 2016, a three member arbitration panel released a unanimous decision regarding the Turkey Promotion Agreement aspects of the June 11, 2015 TFC decision that imposed an over marketing consequence on TFO that included a marketing reduction and liquidated damages.

The arbitration panel was composed of retired Supreme Court of Canada jurist Ian Binnie, C.C., Q.C.; David Jardine, a respected lawyer from Alberta specializing in administrative, regulatory and supply management law; and, Dr. Michael Hulet, a poultry science professor from Penn State University in Pennsylvania, U.S.A.

Two essential elements of the arbitration award were:

- marketing reduction in the amount of 2,274,796 kilograms (live weight) (*1,888,081 kg eviscerated*);
- liquidated damages payable to TFC in the amount of \$1,696,555.09.

The decision confirmed the enforceability of the Turkey Promotion Agreement as an essential aspect of the Federal-Provincial Agreement for Turkey within the comprehensive supply management system for turkey and the following two Promotion Agreement principles:

1. Marketing cutbacks arising from provincial overmarketing apply in the next control period and are not intended as a retroactive market adjustment, thereby ensuring no disruption to the stability of the turkey industry.
2. Liquidated damages arising from provincial overmarketing do not have the same impact on the stability of the turkey market and, therefore, can be applied retroactively to address provincial overmarketing conduct that spans more than one control period.

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