

April 8, 2016

VIA EMAIL TO complaints-plaintes@agr.gc.ca

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

Attention: Complaints Department

Dear Sirs:

RE: Complaint pursuant to paragraph 7(1)(f) of the *Farm Products Agencies Act* with regard to Turkey Farmers of Canada's decision made on June 11, 2015 and with regard to the TFC Multiplier Breeder Policy and Turkey Farmers of Ontario

As Council is aware, TFO made a Complaint by letter dated July 10, 2015 regarding the above-captioned (the "July 10, 2015 Complaint").

The TFC Decision is concerned with the administration of the TFC Multiplier Breeder Policy ("MBP") and consists of the following:

"MOVED by J. Wiersma (SK) and SECONDED by D. Ference (AB) that Turkey Farmers of Canada (TFC) has determined that Turkey Farmers of Ontario (TFO) has exceeded its authorized marketing and, in light of that TFC has, pursuant to the Promotion Agreement, calculated a liquidated damages penalty of \$1,696,555.08 and a kilogram reduction of 2,571,703 kg; and,

that 60% of the liquidated damages penalty that is collected from TFO be distributed to the other seven provinces based on their further processed reference point percentage shares for the purpose of market development and the remaining 40% be retained by TFC; and,

that the kilogram reduction for the period of the penalty to TFO be allocated to the provinces of BC, AB, SK, MB, QC, NB and NS based on their further processed reference point percentage shares; and,

the further processing reference volumes in the TFC National Commercial Allocation Policy for the provinces of BC, AB, SK, MB, QC, NB and NS be adjusted by 2,571,703 kg, using the further processed reference point percentage shares of those seven provinces, excluding ON; and,

further that the TFC Chair and Executive Member have the latitude to negotiate with the TFO regarding the terms for implementation of the kilogram reduction and liquidated damages assessment.

CARRIED.”

As an alternative to then proceeding with the July 10, 2015 Complaint, TFO and TFC agreed to first submit aspects of the TFC Decision (shown in yellow) to arbitration, without prejudice to TFO making a subsequent Complaint regarding aspects of the TFC Decision (shown in blue) that were not within the scope of arbitration, including subsequent TFC decisions made in furtherance thereof. By letter dated August 28, 2015, TFO described the terms of the arbitration and purported to withdraw the July 10, 2015 Complaint.

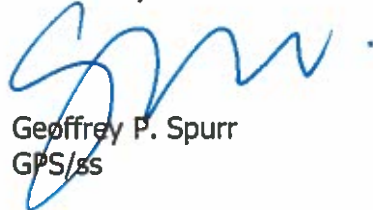
On September 14, 2015, by conference call with the parties, Council indicated that it was staying the July 10, 2015 Complaint.

The arbitration resulted in the liquidated damages amount remaining unchanged but the amount of overmarketing was found to be 1,888,081 kilograms (eviscerated).

From TFO's perspective, it would be appropriate for Council to close its file in relation to the July 10, 2015 Complaint at this time, recognizing that the aspects of the TFC Decision marked in blue and/or decisions relating to implementation of those aspects may still give rise to a fresh Complaint in due course.

Yours truly,

WILSON, SPURR LLP



Geoffrey P. Spurr
GPS/ss

cc: Turkey Farmers of Ontario
cc: Turkey Farmers of Canada