



Farm Products Council
of Canada

Conseil des produits agricoles
du Canada

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August 4, 2016

Mr. Mark Davies
Chairman
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. Davies:

On August 3, 2016, Farm Products Council of Canada (FPCC or Council) reviewed again Turkey Farmers of Canada's (TFC) request of May 10, 2016, to amend the *Canadian Turkey Marketing Agency Quota Regulations, 1990*.

As indicated in my letter of June 22, 2016, Council, at its last meeting on June 13, 2016, opted to postpone its decision on this request to explore a legal question which had arisen.

Since then, TFC has allowed FPCC's Director of Council Operations and Communications and Legal Counsel to review the Report of the Arbitration Panel of March 2, 2016. Considering the above, Council is now satisfied that the proposed amendment is necessary for the implementation of TFC's Marketing Plan and, therefore, the amendment was approved. The amendment maintains the national quota at 189,311,576 kg (eviscerated weight), but redistributes allocations among the provinces, as a result of the overmarketing penalty on Ontario, as stated in the Arbitration Report.

Council is aware of the challenges TFC faced throughout the investigation and resolution of this overmarketing situation. Council therefore wishes to ensure that lessons have been learned and changes will be made to procedures so that controls and policies are sufficient to identify overmarketing and apply penalties within appropriate timelines in the future. To this end, FPCC requests that TFC provide an update on the implementation of these changes and their impacts on a yearly basis during its annual meeting with Council.

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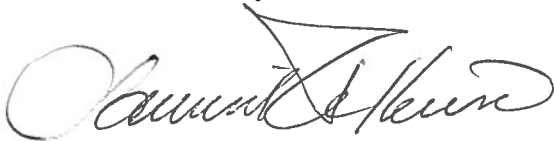
Although the Arbitration decision led to the imposition of marketing reductions over three Control Periods, Council notes that this is not consistent with TFC's Promotion Agreement and the Canadian Turkey Marketing Quota Regulation. Under these agreements, volume reductions should be imposed in the control period immediately following the one during which overmarketing occurred.

In its oversight capacity, Council therefore requests that TFC review its Promotion Agreement and the Canadian Turkey Marketing Quota Regulation to make the appropriate changes so that these documents provide the flexibility and control required to maintain an orderly comprehensive marketing system for turkey.

Finally, it is TFC's responsibility to provide FPCC with a copy of the signed Promotion Agreement each time that it is updated.

Should you have any questions, please do not hesitate to contact me or Nathalie Vanasse, Director, Council Operations and Communications at 613-759-1562 or by email at Nathalie.vanasse@agr.gc.ca

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Laurent Pellerin', with a stylized flourish at the end.

Laurent Pellerin
Chairman



TURKEY FARMERS
OF CANADA
LES ÉLEVEURS DE DINDON
DU CANADA

May 10, 2016

Mr. Laurent Pellerin
Chairman
Farm Products Council of Canada
Central Experimental Farm
960 Carling Avenue
Building 59
OTTAWA, ON K1A 0C6

Dear Mr. Pellerin:

Re: **Canadian Turkey Quota Regulation 2016/2017**

Please find enclosed a submission from the Turkey Farmers of Canada (TFC) to revise the 2016/2017 Quota Regulation Amendment. We request that this be given consideration and prior-approval by the Farm Products Council of Canada at its next meeting.

The pertinent details of the proposed amendment, along with their justification and consideration are detailed in the attached submission and appendices. The comparative advantage and overbase factors detailed in the submissions of February 29, 2016 and April 7, 2016 remain relevant considerations and apply to this amendment.

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

We look forward to Council's consideration and prior-approval of this amendment, and appreciate your assistance.

Sincerely,

Phil Boyd
Executive Director

Encl.

c. B. Edwardson, FPCC
N. Vanasse, FPCC

Canadian Turkey Marketing Agency c.o.b. Turkey Farmers of Canada (TFC)

Submission to: Farm Products Council of Canada
Regarding: Amendment to the Schedule to the Canadian Turkey Marketing Quota Regulation (1990) for 2016/2017
Date: May 10, 2016

The following is a proposed amendment to the 2016/2017 schedule to the Canadian Turkey Marketing Quota Regulation. Prior to this submission, an amendment was submitted by the Turkey Farmers of Canada (TFC) on April 7, 2016.

This proposed amendment reflects the partial implementation of an overmarketing penalty on the Province of Ontario for overmarketings that occurred in the 2013/2014 Control Period. To maintain the stability of the industry, the overmarketing reduction to Ontario will be allocated to the other seven provinces and will take place over three control periods (2016/2017, 2017/2018 and 2018/2019) in like volumes (629,360 kg).

From the relevant motions passed by the TFC Directors at their teleconference of May 2, 2016, the proposed revised 2016/2017 federal quota for turkey, excluding the unregulated area, is as follows:

Allocation Category	Current Allocation	Proposed Amendment		
	(Kg)	Change Kg	Total Kg	Total Lb.
a. Whole Bird	71,206,420	0	71,206,420	156,983,305
b. Further Processing (FP)	85,266,681	0	85,266,681	187,980,877
c. Total Commercial Quota (a + b)	156,473,101	0	156,473,101	344,964,182
d. Multiplier Breeder Quota	2,714,142	0	2,714,142	5,983,659
e. Primary Breeder Quota	1,879,200	0	1,879,200	4,142,927
f. Export Allocations				
<i>i. Section 1 (Parts)</i>	18,973,065	0	18,973,065	41,828,454
<i>ii. Section 1 (Whole)</i>	295,000	0	295,000	650,363
<i>iii. Section 2 (Planned)</i>	5,782,183	0	5,782,183	12,747,534
<i>iv. Section 3 (Live)</i>	3,194,885	0	3,194,885	7,043,517
Total Export Allocations	28,245,133	0	28,245,133	62,269,868
g. 2013/2014 Overmarketing (1/3 of total)		-629,360	-629,360	-1,387,501
h. Redistribution of Overmarketing		629,360	629,360	1,387,501
i. Total Global Quota (c + d + e + f + g + h)	189,311,576	0	189,311,576	417,360,636
j. Base Allocations	97,041,538	0	97,041,538	213,940,000
k. Over Base Allocations (i – j)	92,270,038	0	92,270,038	203,420,636
l. Total Federal Quota (j + k)	189,311,576	0	189,311,576	417,360,636

This amendment adheres to:

1. The TFC's Promotion Agreement, which in Section 3.01 states: "...a Province's total authorized turkey marketing for the Control Period shall be reduced by the number of kilograms, if any, of turkey marketed in excess of that Province's total..."
2. The Award of the Arbitrators titled "In the Matter of a Decision Made by Turkey Farmers of Canada on June 11, 2015 Regarding its Investigation of the Turkey Farmers of Canada Multiplier Breeder Policy"

and Reports Made by Turkey Farmers of Ontario in That Regard", dated March 2, 2016, see Appendix IV.

Proposed Amendment:

1. 2013/2014 Overmarketing Reduction:

As a result of an investigation into the reporting of turkeys as "Mature" that did not meet the definition under the MBP, the Province of Ontario has been found to be overmarketed in the 2013/2014 Control Period by 1,888,081 kg eviscerated. The Turkey Farmers of Ontario (TFO) and the TFC have agreed to spread this penalty, over three Control Periods. As a result, it is necessary the quota be revised so that an overmarketing reduction of 629,360 kg can be applied to Ontario.

Further, to ensure that the domestic supply of turkey is adequate to meet the needs of further processors during these three Control Periods, a comparable volume will be allocated to the Provinces of BC, AB, SK, MB, QC, NB and NS.

a) Justification

In November 2013, TFO alerted TFC about an issue in Ontario concerning inappropriate application of the TFC's Multiplier Breeder Policy. In June 2014, the TFO made a report to TFC that its investigation and audit revealed that there was inappropriate application of the Policy in Ontario. TFC, in June 2014, undertook its own investigation and audit, and it confirmed the findings of inappropriate application of the Multiplier Breeder Policy in Ontario.

On June 11, 2015, the TFC Directors determined that Ontario exceeded its authorized marketings. That decision was appealed by the TFO to FPCC. As a means of resolving the dispute, TFO and TFC agreed to private independent binding arbitration.

On March 2, 2016, the arbitration panel reported that turkeys that did not meet the definition of mature were marketed in the Province of Ontario. As part of their decision, the panel concluded that:

"...TFC has established the basis for:

- (i) A marketing reduction equivalent to the overmarketing in the control period 2013-14 of 2,274,796 kilograms (live weight) [1,888,081 kg eviscerated];"

Consideration

As the marketing reduction award of 1,888,081 kg is equal to 2.21% of the national 2016/17 FP allocation, this is a significant volume from a national perspective. The purpose of the decision to implement this reduction to Ontario over three control periods and to allocate the overmarketing reduction volume to the other seven provinces is to allow:

- for the orderly reduction of the allocations to Ontario;
- for the other seven provinces to plan to produce and process the extra volume;
- ensure the national market is not unintentionally left short of volume ; and,
- in accomplishing the above, ensure the interests of producers, processors and consumers are served through the orderly implementation of the decision.

As a result, 1/3, or 629,360 kg of the 2013/2014 kilogram reduction will be applied to the 2016/2017 Control Period, with the remainder to be applied against the 2017/2018 and 2018/2019 Control Periods in equal amount.

Objects of an Agency

The proposed amendment reflects the TFC’s Multiplier Breeder Policy, and the terms of the TFC Promotion Agreement. With this amendment, the TFC is meeting its obligations of adhering to its policies, the Promotion Agreement between the Agency and its members, and of promoting a strong, competitive healthy industry.

Revised 2016/2017 Federal Quota

In kg and pounds, the following tables show the proposed, revised federal quota for the 2016/2017 Control Period. The provincial allotments have been arrived at under the terms of the TFC’s National Commercial Allocation, Multiplier Breeder, Primary Breeder and Export Policies.

2016/2017 Allocations (kg)

Province	Base Allocation (Proclamation)	2016/2017 Allocation (submitted April 7, 2016)	Proposed Change	Proposed Revised 2016/2017 Allocation
BC	9,298,642	21,685,990	136,829	21,822,819
AB	8,278,060	16,209,802	127,864	16,337,666
SK	3,628,738	5,784,420	34,067	5,818,487
MB	7,824,467	15,103,591	15,383	15,118,974
ON	41,730,492	82,759,133	-629,360	82,129,773
QC	24,493,985	39,297,112	256,886	39,553,998
NB	653,173	3,947,933	32,225	3,980,158
NS	1,133,981	4,523,595	26,106	4,549,701
Total	97,041,538	189,311,576	0	189,311,576

2016/2017 Allocations (pounds)

Province	Base Allocation (Proclamation)	2016/2017 Allocation (submitted April 7, 2016)	Proposed Change	Proposed Revised 2016/2017 Allocation
BC	20,500,000	47,809,430	301,656	48,111,086
AB	18,250,000	35,736,500	281,892	36,018,392
SK	8,000,000	12,752,465	75,105	12,827,570
MB	17,250,000	33,297,722	33,914	33,331,636
ON	92,000,000	182,452,679	-1,387,501	181,065,178
QC	54,000,000	86,635,315	566,336	87,201,651
NB	1,440,000	8,703,704	71,044	8,774,748
NS	2,500,000	9,972,821	57,554	10,030,375
Total	213,940,000	417,360,636	0	417,360,636

List of Appendices:

- Appendix I: Relevant Motions of the TFC Directors' Teleconference of May 2, 2016
- Appendix II: 2016/2017 Allocation Table for Consideration from the Teleconference of May 2, 2016
- Appendix III: Revised 2016/2017 Provincial Turkey Allocations in kg and Pounds
- Appendix IV: TFC Public Statement

Relevant Motions from the CTMA c.o.b. TFC Teleconference of May 2, 2016

1. To implement the Arbitration Panel's decision for the marketing reduction to Ontario of 1,888,081 kg eviscerated, divided in equal amounts of 629,360 kg eviscerated over the 2016/17, 2017/18 and 2018/19 control periods.
2. That the 2016/17 federal quota for interprovincial and export trade be amended to reflect the decisions of the TFC Directors' teleconference of May 2, 2016 regarding the kilogram reduction to ON and the redistribution to the other seven provinces; and, further that staff be directed to prepare a Quota Regulation submission for 2016/17 for blue stamping by the Justice Department and prior-approval by FPCC.

TFC MAY 2, 2016 TELECONFERENCE
ALLOCATION TABLE FOR CONSIDERATION

2016/2017 Allocation Table

	(1) Reference Point Quotas			(2) Change in Whole Bird Quota		(3) 2016/17 FP Commercial Quota Requests and Total			(4) Total 2016/17 Commercial Allocations
	Whole Bird	Further Processed (FP)	Total	Whole Bird Quota Decrease	Total Whole Bird Quota	Regional FP Requests	Provincial FP Requests	Total Further Processing Quota	
	a	b	c=a+b	a	b=1a+a	a	b	c=1b+b	4=2b+3c
Total	76,818,103	65,200,726	142,018,829	-	71,206,420	20,065,955	20,065,955	85,266,681	156,473,101
BC	11,955,435	7,044,565	19,000,000	-	11,082,072		2,256,942	9,301,507	20,383,579
AB	6,559,649	6,583,038	13,142,687	-	6,080,456	5,105,254	1,837,787	8,420,825	14,501,281
SK	3,388,090	1,753,917	5,142,007	-	3,140,585		286,666	2,040,583	5,181,168
MB	8,871,676	791,988	9,663,664	-	648,090		723,859	1,515,847	9,739,433
ON	22,009,349	34,142,488	56,151,837	-	1,607,817		8,163,257	42,305,745	62,707,277
QC	18,160,427	13,225,661	31,386,088	-	1,326,648		6,270,592	19,496,253	36,330,032
NB	1,500,931	1,659,069	3,160,000	-	109,645	14,960,701	526,852	2,185,921	3,577,207
NS	2,666,126	-	2,666,126	-	194,765		-	-	-
NS Adjust.	1,706,420	-	4,372,546	-	124,657		-	-	4,053,124

	(5) Multiplier Breeder Allocations				(6) Primary Breeder Allocations		
	Forecast Multiplier Breeder Allocations	Reference %	Reference Level	Egg and Pout Cap	Total Reference Level	Multiplier Breeder Allocations	Primary Breeder Allocations
	a	b	c=4xb	d	e=c+d	f=a-e, or 0	6
Total	6,548,750	-	2,556,902	1,488,166	4,045,068	2,714,142	1,879,200
BC	10,000	0.00%	-	-	-	10,000	-
AB	55,548	1.62%	234,921	-	234,921	-	-
SK	-	0.60%	31,087	-	31,087	-	-
MB	1,355,000	3.28%	319,453	-	319,453	1,035,547	-
ON	4,459,874	2.13%	1,335,665	1,488,166	2,823,831	1,636,043	1,879,200
QC	668,328	1.75%	635,776	-	635,776	32,552	-
NB	-	-	-	-	-	-	-
NS	-	-	-	-	-	-	-

**TFC MAY 2, 2016 TELECONFERENCE
ALLOCATION TABLE FOR CONSIDERATION**

	(7) Conditional Export Allocations							(8) 2013/2014 Overmarketing	(9) Redistribution of 2013/2014 Overmarketing	(10) Total 2016/17 Quota	(11) Base Allocations (CTMA Proclamation)	(12) Provincial Over Base Allocations
	Section 1 (Upper Limits)	Section 1 (Whole Carcass)	Section 2 (Placement for Export)	Section 3 (Live Exports)	Carry-Forward from 2014/2015	Total Conditional Export Allocations f=a+b+c+d+e	e					
Total	18,973,065	295,000	5,782,183	3,194,885	-	28,245,133	629,360	629,360	189,311,576	97,041,538	92,270,038	
BC	1,292,411	-	-	-	-	1,292,411	-	136,829	21,822,819	9,298,642	12,524,177	
AB	1,557,377	-	151,144	-	-	1,708,521	-	127,864	16,337,666	8,278,060	8,059,606	
SK	603,252	-	-	-	-	603,252	-	34,067	5,818,487	3,628,738	2,189,749	
MB	1,133,726	-	-	3,194,885	-	4,328,611	-	15,383	15,118,974	7,824,467	7,294,507	
ON	11,254,574	275,000	5,007,039	-	-	16,536,613	629,360	-	82,129,773	41,730,492	40,399,281	
QC	2,290,528	20,000	624,000	-	-	2,934,528	-	256,886	39,553,998	24,493,985	15,060,013	
NB	370,726	-	-	-	-	370,726	-	32,225	3,980,158	653,173	3,326,985	
NS	470,471	-	-	-	-	470,471	-	26,106	4,549,701	1,133,981	3,415,720	

Summary of Allocations by Type

	Total Whole Bird Quota	Total Further Processing Quota	Total 2016/17 Commercial Allocations	Multiplier Breeder Allocations	Primary Breeder Allocations	Total Conditional Export Allocations	2013/2014 Overmarketing	Redistribution of 2013/2014 Overmarketing	Total 2016/17 Quota	Base Allocations (CTMA Proclamation)	Provincial Over Base Allocations
Total	71,206,420	85,266,681	156,473,101	2,714,142	1,879,200	28,245,133	629,360	629,360	189,311,576	97,041,538	92,270,038
BC	11,082,072	9,301,507	20,383,579	10,000	-	1,292,411	-	136,829	21,822,819	9,298,642	12,524,177
AB	6,080,456	8,420,825	14,501,281	-	-	1,708,521	-	127,864	16,337,666	8,278,060	8,059,606
SK	3,140,585	2,040,583	5,181,168	-	-	603,252	-	34,067	5,818,487	3,628,738	2,189,749
MB	8,223,586	1,515,847	9,739,433	1,035,547	-	4,328,611	-	15,383	15,118,974	7,824,467	7,294,507
ON	20,401,532	42,305,745	62,707,277	1,636,043	1,879,200	16,536,613	629,360	-	82,129,773	41,730,492	40,399,281
QC	16,833,779	19,496,253	36,330,032	32,552	-	2,934,528	-	256,886	39,553,998	24,493,985	15,060,013
NB	1,391,286	2,185,921	3,577,207	-	-	370,726	-	32,225	3,980,158	653,173	3,326,985
NS	2,471,361	-	4,053,124	-	-	470,471	-	26,106	4,549,701	1,133,981	3,415,720
NS Adjust.	1,581,763	-	-	-	-	-	-	-	-	-	-

2016/2017 PROVINCIAL TURKEY ALLOCATIONS

Reflecting Decisions of May 2, 2016

	TOTAL	BC	AB	SK	MB	ON	QC	NB	NS
A) Commercial Allocation									
1) Whole Bird Reference Quota	75,111,683	11,955,435	6,559,649	3,388,090	8,871,676	22,009,349	18,160,427	1,500,931	2,666,126
2) Change from Reference	-5,487,026	-873,363	-479,193	-247,505	-648,090	-1,607,817	-1,326,648	-109,645	-194,765
3) Nova Scotia Adjustment Reference	1,706,420								1,706,420
4) Change from NS Adjustment Reference	-124,657								-124,657
5) Whole Bird Quota (A1+A2+A3+A4)	71,206,420	11,082,072	6,080,456	3,140,585	8,223,586	20,401,532	16,833,779	1,391,286	4,053,124
6) Further Processing Reference Quota	65,200,726	7,044,565	6,583,038	1,753,917	791,988	34,142,488	13,225,661	1,659,069	
7) Further Processing Requests	20,065,955	2,256,942	1,837,787	286,666	723,859	8,163,257	6,270,592	526,852	
8) Further Processing Quota (A6+A7)	85,266,681	9,301,507	8,420,825	2,040,583	1,515,847	42,305,745	19,496,253	2,185,921	
9) Total Commercial Allocations (A5+A8)	156,473,101	20,383,579	14,501,281	5,181,168	9,739,433	62,707,277	36,330,032	3,577,207	4,053,124
B) Multiplier Breeder									
1) Reference %			1.62%	0.60%	3.28%	2.13%	1.75%		
2) Reference Level (A9xB1)			234,921	31,087	319,453	1,335,665	635,776		
3) Egg & Poultry Cap						1,488,166			
4) Reference Level Total (B2+B3)			234,921	31,087	319,453	2,823,831	635,776		
5) Forecast Marketings	6,548,750	10,000	55,548		1,355,000	4,459,874	668,328		
6) Conditional Allotment (B5-B4, or "0")	2,714,142	10,000	1,035,547		1,636,043	1,879,200	32,552		
C) Primary Breeder	1,879,200								
D) Conditional Export Policy Allocations									
1) Section 1 - Upper Limit on Parts Exports	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	295,000					275,000			
3) Section 1 - Carry-Forward from 2015/2016									
4) Section 2 - Placements for Export	5,782,183		151,144				624,000		
5) Forecast Live Export Volume (evis.)	3,194,885				3,194,885				
6) Total Conditional Export Policy Allocations	28,245,133	1,292,411	1,708,521	603,252	4,328,611	16,536,613	2,934,528	370,726	470,471
E) 2013/2014 Overmarketing (see note)	-629,360					-629,360			
F) Redistribution of Overmarketing (see note)	629,360	136,829	127,864	34,067	15,383		256,886	32,225	26,106
G) Total 2016/2017 Allocations (A+B+C+D+E+F)	189,311,576	21,822,819	16,337,666	5,818,487	15,118,974	82,129,773	39,553,998	3,980,158	4,549,701
Base Allocations (as per the proclamation)	97,041,538	9,298,642	8,278,060	3,628,738	7,824,467	41,730,492	24,493,985	653,173	1,133,981
Over Base Allocations	92,270,038	12,524,177	8,059,606	2,189,749	7,294,507	40,399,281	15,060,013	3,326,985	3,415,720

Note: This represents 1/3 of the 2013/2014 overmarketing. As per the decision of May 2, 2016, the remainder of the penalty and redistribution are to occur in the 2017/2018 and the 2018/2019 Control Periods.

2016/2017 PROVINCIAL TURKEY ALLOCATIONS - POUNDS

1 KG = 2.2046229

Reflecting Decisions of May 2, 2016

	TOTAL	BC	AB	SK	MB	ON	QC	NB	NS
A) Commercial Allocation									
1) Whole Bird Reference Quota	165,592,937	26,357,226	14,461,552	7,469,461	19,558,700	48,522,315	40,036,894	3,308,987	5,877,802
2) Change from Reference	-12,096,823	-1,925,436	-1,056,440	-545,655	-1,428,794	-3,544,630	-2,924,759	-241,726	-429,383
3) Nova Scotia Adjustment Reference	3,762,013								3,762,013
4) Change from NS Adjustment Reference	-274,822								-274,822
5) Whole Bird Quota (A1+A2+A3+A4)	156,983,305	24,431,790	13,405,112	6,923,806	18,129,906	44,977,685	37,112,135	3,067,261	8,935,610
6) Further Processing Reference Quota	143,743,014	15,530,609	14,513,116	3,866,726	1,746,035	75,271,311	29,157,595	3,657,622	
7) Further Processing Requests	44,237,863	4,975,706	4,051,627	631,990	1,595,836	17,996,903	13,824,291	1,161,510	
8) Further Processing Quota (A6+A7)	187,980,877	20,506,315	18,564,743	4,498,716	3,341,871	93,268,214	42,981,886	4,819,132	
9) Total Commercial Allocations (A5+A8)	344,964,182	44,938,105	31,969,855	11,422,522	21,471,777	138,245,899	80,094,021	7,886,393	8,935,610
B) Multiplier Breeder									
1) Reference %			1.62%	0.60%	3.28%	2.13%	1.75%		
2) Reference Level (A8xB1)			517,912	68,535	704,274	2,944,638	1,401,645		
3) Egg & Poullet Cap						3,280,845			
4) Reference Level Total (B2+B3)			517,912	68,535	704,274	6,225,483	1,401,645		
5) Forecast Marketings	14,437,523	22,046	122,462		2,987,264	9,832,340	1,473,411		
6) Conditional Allotment (B5-B4, or "0")	5,983,659	22,046			2,282,990	3,606,857	71,766		
C) Primary Breeder	4,142,927					4,142,927			
D) Conditional Export Policy Allocations									
1) Section 1 - Upper Limit on Parts Exports	41,828,454	2,849,279	3,433,429	1,329,943	2,499,438	24,812,092	5,049,751	817,311	1,037,211
2) Section 1 - Whole Bird Exports	650,363					606,271	44,092		
3) Section 1 - Carry-Forward from 2015/2016									
4) Section 2 - Placements for Export	12,747,534		333,216		7,043,517	11,038,633	1,375,685		
5) Forecast Live Export Volume (evis.)	7,043,517								
6) Total Conditional Export Policy Allocations	62,269,868	2,849,279	3,766,645	1,329,943	9,542,955	36,456,996	6,469,528	817,311	1,037,211
E) 2013/2014 Overmarketing (see note)	-1,387,501					-1,387,501			
F) Redistribution of Overmarketing (see note)	1,387,501	301,656	281,892	75,105	33,914		566,336	71,044	57,554
G) Total 2016/2017 Allocations (A+B+C+D+E+F)	417,360,636	48,111,086	36,018,392	12,827,570	33,331,636	181,065,178	87,201,651	8,774,748	10,030,375
Base Allocations (as per the proclamation)	213,940,000	20,500,000	18,250,000	8,000,000	17,250,000	92,000,000	54,000,000	1,440,000	2,500,000
Over Base Allocations	203,420,636	27,611,086	17,768,392	4,827,570	16,081,636	89,065,178	33,201,651	7,334,748	7,530,375

Note: This represents 1/3 of the 2013/2014 overmarketing. As per the decision of May 2, 2016, the remainder of the penalty and redistribution are to occur in the 2017/2018 and the 2018/2019 Control Periods.

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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