



Farm Products Council
of Canada

Conseil des produits agricoles
du Canada

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January 30, 2017

Mr. Ken Caldwell
Chair
Manitoba Farm Products Marketing Council
812 - 401 York Avenue,
Winnipeg, Manitoba R3C 0P8

Subject: Ministerial Mandated Priority: Establishing a Knowledge Infrastructure in
Supply Management for Poultry and Eggs

Dear Mr. Caldwell,

The Farm Products Council of Canada (FPCC) has been mandated by the Minister of Agriculture and Agri-Food to gather information on the inner functioning of national quota system. I am asking for your support in launching this substantive project.

The supply management system for chicken, eggs and turkey is based on three pillars: the management of production through the allocation of quotas to producers; pricing policies; and import tariffs. The first pillar is of particular importance.

Quota allocations are handled at the federal level by national marketing agencies with the oversight of the FPCC. After submitting their allocation requests, national agencies allocate quotas to provincial commodity boards. Once the quota allocation is received by provinces, no further information is relayed back to FPCC detailing the distribution process to producers. This leaves the FPCC with a substantial information gap.

Your collaboration is needed to provide information on the regulatory framework governing quotas management in your province. At this point in the project, FPCC would welcome any documentation you may have detailing the management of production quotas for chicken, eggs and turkey in your province, such as, but not solely, in regard to quota monitoring, distribution, exchange and value. FPCC would particularly like to receive information on the following:

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Production

- What are the policy documents/regulatory procedures/protocol's that guide the management of quota within your province?
- Once received from the National Agency, what is the typical allotment process?
 - How are producer' lists maintained and updated?
 - How is production tracked throughout the year?
- What is the provincial approval process for the distribution of federal quotas?
- How are federal allotments converted from the unit used at the federal level to your province unit?
 - When does this conversion take place?
 - How often is the conversion ratio updated?

Quota market

- How is the resale of quota managed and accounted for by provincial regulatory bodies?
- Is there a resale process in place, such as an auction run by the provincial board?
- How are quota resales tracked by the marketing/supervisory agencies?
- Does the province keep a record of quota sales?
- Does the province have a tracking system in place to monitor quota leasing or contracted production (within/outside the province)?
- Is there a cap on quota prices (low/high)

FPCC would welcome your answers to the questions listed above by March 20, 2017. FPCC staff will be readily available to answer any questions you may have in regard to the listed topics. This information will contribute to strengthening the system's transparency and contribute to improving the regulatory framework governing production of supply managed commodities.

I look forward to your input and to continuing this conversation at your earliest convenience. Should you have any questions, please do not hesitate to contact Nathalie Vanasse, Director of Council Operations and Communications at 613-759-1562 or by email at nathalie.vanasse@agr.gc.ca.

Sincerely,



Laurent Pellerin
Chairman