

# FARM INDUSTRY REVIEW BOARD

## Annual Performance Report

Fiscal Year 2016-17





# Chairperson's Message

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The Honourable Gerry Byrne  
Department of Fisheries and Land Resources  
Petten Building  
30 Strawberry Marsh Road  
P.O. Box 8700  
St. John's, NL A1B 4J6

Dear Minister:

On behalf of the Farm Industry Review Board (the Board), I am pleased to present this annual performance report for the 2016-17 fiscal year.

The Farm Industry Review Board is classified as a Category 3 entity, and is required, under the reporting component of the **Transparency and Accountability Act**, to submit annual performance reports to the Minister Responsible, on its success in achieving the objectives and indicators as outlined in its multi-year performance based activity plan. As such, this report outlines the accomplishments of the Board from April 1, 2016 to March 31, 2017 with regard to its responsibilities under both the **Natural Products Marketing Act** and the **Farm Practices Protection Act**. The Board participated in the preparation and approval of this report, and is accountable for the results herein.

The commodity boards in the province control the chicken, dairy and egg industries in conjunction with the Board. A core activity of the Board includes oversight of the commodity boards. During this past year, the Board continued to strengthen its relationship with each commodity board, and continues to provide oversight and support to the three commodity boards.

Progress towards the achievement of the commitments of Government related to the Department of Fisheries and Land Resources have been described in this report. As Chair of the Board and on behalf of the entire Board, I accept accountability for the achievement of its objectives. My signature on behalf of the Board signifies the Board's accountability for the preparation of this report and the achievement of its objectives.

Respectfully submitted,



Rita Legge  
Chairperson

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# 1 Board Overview

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The Farm Industry Review Board (the Board) is responsible for the general supervision of the operations of the three provincial supply-managed commodity boards: Chicken Farmers of Newfoundland and Labrador (CFNL), Dairy Farmers of Newfoundland and Labrador (DFNL) and Egg Farmers of Newfoundland and Labrador (EFNL), and also for reviewing agriculture-related nuisance cases.

The **Natural Products Marketing Act** requires that the Farm Industry Review Board shall consist of not less than five and not more than seven members appointed by the Lieutenant-Governor in Council, one of whom shall be nominated by the Newfoundland and Labrador Federation of Agriculture (NLFA). The Board reports directly to the Minister of Fisheries and Land Resources. Members of the Board are appointed for a three-year term and are eligible for reappointment. The Board is supported by a Board Manager and one employee. Both positions are located at the agriculture headquarters in Corner Brook.

The Board is currently comprised of six members, which is supported by the Board Manager. Representation as of March 31, 2017 is as follows:

Position	Name	Community	Start Date	End date
Chairperson	Ms. Rita Legge	Cartyville	5/29/2014	5/28/2017
Member NLFA	Ms. Elaine Wells	Robinsons	5/29/2014	5/28/2017
Member	Mr. Kevin Harte*	Goulds	6/20/2008	6/19/2011
Member	Mr. Donald MacInnis	Corner Brook	5/29/2014	5/28/2017
Member	Mr. Paul Lomond	Steady Brook	5/29/2014	5/28/2017
Member	Mr. Roosevelt Thompson	Point Leamington	5/29/2014	5/28/2017
Manager	Ms. Heather Randell	Corner Brook		
*The <b>Natural Products Marketing Act</b> permits a board member to continue serving until they are reappointed or replaced.				

A total of \$120,900 was allocated in the 2016-17 budget of the former Forestry and Agrifoods Agency for the carrying out of all board activities. Actual expenditures were \$105,644 in 2016-17 compared to \$124,747 in 2015-16. See **Appendix A** for the complete categorization of expenditures.

## 1.1 Key Statistics

Provincial farms reported farm cash receipts (cash income to farmers from farmed products) of \$130.1 million in 2016, a value that is up 0.1 percent from the previous year. Increases in the value of vegetables, berries and the supply managed commodities were offset by declines in value of furs, cattle, greenhouse and nurseries. The value of milk production rose 1.5 percent to \$47.9 million, while the value of egg production rose 1.4 per cent to \$18.1 million. Farm cash receipts for chicken farming are not available due to confidentiality restrictions, but data from the Chicken Farmers of Canada indicates that the volume of chicken produced in the Province in 2016 totaled 15.6 million kilograms, up 8.8 percent from 2015<sup>[1]</sup>. The three supply-managed commodities (dairy, chicken and eggs), are the top three farm cash receipts generators of all the agricultural commodities, covering approximately 75 percent of total cash receipts for 2016<sup>[2]</sup>. This highlights the tremendous importance of supply management to this province's agriculture industry.

### **Contact Information:**

For information about the Farm Industry Review Board and its work, the regulated marketing system in Newfoundland and Labrador, the commodity boards, or about farm practices dispute resolution, please contact us at:

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<http://www.faa.gov.nl.ca/agrifoods/firb/index.html>

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<sup>[1]</sup> Source: *Chicken Farmers of Canada, Chicken Data Booklet, 2017; Economic Research and Analysis Division, Department of Finance, Government of Newfoundland and Labrador*

<sup>[2]</sup> Source: *Statistics Canada. Table 002-0001 - Farm cash receipts, annual (dollars), CANSIM (database).*

## 2 Highlights and Partnerships

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The Farm Industry Review Board works in partnership with industry, government and national agencies to build on opportunities, address challenges and manage a system that provides fairness and balance to all stakeholders.

The NLFA represents all commodities in the agriculture industry in Newfoundland and Labrador by coordinating the efforts of producers for the purpose of promoting their common interest through collective action. Having a representative from the NLFA on the Board creates a direct link between industry and government and facilitates the exchange of information between the two.

The Board deals directly with the Minister, parliamentary secretary, and on a go-forward basis, senior officials of the Department of Fisheries and Land Resources (previously the Forestry and Agrifoods Agency) on various issues (e.g. commodity board updates, mandate and legislation). In addition, the Board advises the Minister on all matters related to the operation of commodity boards established under the *Natural Products Marketing Act* with a view to ensure that all activities are carried out in accordance with existing legislation.

The Board is a member of the National Association of Agricultural Supervisory Agencies (NAASA). This association was formed in 1997 with membership comprising of Farm Products Council of Canada, all Provincial/Territorial Supervisory Agencies and the Canadian Dairy Commission. NAASA members have adopted a set of supervisory principles that guide its members in the supervision of commodity boards and other agencies within their national and provincial jurisdictions. It provides provincial and federal governments with a forum to discuss issues pertaining to regional or national matters and to build consensus on moving the industry forward in a regulatory framework that supports the needs of industry as a whole.

### 3 Report on Performance

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The following objectives, as put forward in the 2014-17 Activity Plan, have guided the Board in achieving its mandate during this period. These objectives, including the corresponding indicators, are reported on each year covered by the 2014-17 Activity Plan, and support Government’s sustainability in the agriculture and agrifoods sectors. By providing support to the provincial commodity boards, the Farm Industry Review Board ensures that the regulated marketing system operates in the interests of producers, processors and consumers.

**Issue 1: Supervision and Control of Commodity Boards**

The main line of business for the Farm Industry Review Board involves supervision of the commodity boards. The Board is continually strengthening this role in order to foster relationships with commodity boards. The Board is committed to making this a leading priority in the future.

**Objective:** By March 31, 2017, the Farm Industry Review Board will have continued supervision/control of commodity boards and strengthened supervisory/ control mechanisms, where appropriate.

INDICATORS	ACCOMPLISHMENTS 2016/17
<p>Provided oversight of commodity board decisions and activities. Attended commodity board meetings and/or reviewed minutes; ensured boards adhere to planning, reporting and other regulatory requirements; reviewed annual reports and financial statements, etc.</p>	<p>The Farm Industry Review Board attended all commodity board meetings and annual general meetings, continuing to show its presence and strengthen communication pathways. The Board also reviewed all commodity board minutes, reports and audited financial statements. The development of a “summary report” of each commodity board meeting file has been initiated to keep all Board members up to date on the issues as they happen.</p>
<p>In collaboration with commodity boards, continued to review the legislative/regulatory framework governing Board and commodity board operations in the Province.</p>	<p>The Board, in collaboration with the Dairy Farmers of Newfoundland and Labrador (DFNL), reviewed and identified preliminary areas in both the <b>Milk Scheme</b> and <b>Milk Regulations</b>. Areas for modernization</p>

	are currently being drafted for publishing. Review of legislation for the Egg Farmers of Newfoundland and Labrador and the Chicken Farmers of Newfoundland and Labrador has not yet been completed, but will form part of the broader regulatory review taking place within the Agriculture and Lands Branch.
Began drafting guidelines that provided enhanced clarity for commodity boards in terms of the Board’s role, responsibilities and authority with respect to commodity board operations and the supply management system in the Province.	The Board has drafted an outline of a “clear language” information document which will break down the legislative mandate of the Board for its members and other stakeholders. The Board has continued to discuss priority areas that require attention.
Provided direction, feedback and other information, as appropriate, to commodity boards, as a means of providing support of overall commodity board operations.	The Board provided support to the commodity boards by reviewing, approving, and facilitating the execution of legislative amendments requested by commodity boards. In addition to this, the Board has provided support to commodity boards through the development of profiles for the new board appointment process. A producer has appealed a decision of the commodity board. The Board has initiated discussions with both parties on this issue.

**Issue 2: Monitoring and Support of Provincial Supply Management System**

Under the **Natural Products Marketing Act**, the schemes for the supply-managed commodity boards form the basis for how the commodity groups will market their respective commodities. The Farm Industry Review Board is working to provide support and direction to the commodity groups implementing the schemes; this monitoring provides support and structure for supply management in this Province.

Objective: By March 31, 2017, the Farm Industry Review Board will have continued to monitor and provide support for the Provincial supply management system.

INDICATORS	ACCOMPLISHMENTS 2016/17
<p>As signatory to federal-provincial agreements, attended meetings of the National Association of Agricultural Supervisory Agencies and exchanged information with federal, provincial and territorial supervisory boards regarding their respective marketing systems.</p>	<p>The Manager of the Board participated in the fall NAASA meeting. At this meeting, the Manager engaged in formal discussions and updated all provincial partners and national agencies on industry status, challenges and opportunities in Newfoundland and Labrador. The Manager subsequently relayed to Board members and the Agriculture and Lands Branch, the issues that were discussed, and discussed potential application of outcomes for Newfoundland and Labrador's supervisory board.</p>
<p>Monitored issues and trends on provincial, national and international levels and facilitate information transfer among commodity boards, the Provincial Government, national supply management partners and other stakeholders, as appropriate.</p>	<p>The Board Manager monitored national and provincial supply management activities through the NAASA meetings, and also through regular correspondence from national and provincial bodies which are part of the supply management system, including annual reports from other jurisdictions and industry-related information and updates. This information was disseminated, as appropriate, to Provincial Government and the Board members at Board meetings keeping members well-informed of industry happenings.</p>
<p>Provided supports to commodity boards in addressing challenges associated with the supply management system, along with other industry-related issues (e.g. food traceability, animal care standards).</p>	<p>The Board drafted proposed legislative changes to the <b>Milk Scheme</b> in consultation with the Dairy Farmers of NL and Legislative Counsel. These changes, which were approved by the Board, have allowed DFNL to add an additional elected director to their board in order to be able to fulfill the duties and obligations of their board within the Canadian supply</p>

	management system. These proposed changes were <i>Gazetted</i> by Legislative Counsel in October of 2016.
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**Issue 3: Dispute Resolution and other Supports/Services for Stakeholders**

The Farm Industry Review Board provides support for both producers and the general public. One of the Board’s responsibilities includes hearing appeals of regulated marketing board orders, decisions and determinations (*Natural Products Marketing Act*), as well as hearing farm practices complaints from persons aggrieved by disturbances arising from agricultural operations (*Farm Practices Protection Act*). Aside from the supply-managed commodities, the Farm Industry Review Board supports all farm commodities through the administration of the *Farm Practices Protection Act*. Another service provided by the Farm Industry Review Board involves registering producers and maintenance of the farm registration system. Continuing these services in a manner that is effective continues to be a central activity of the Farm Industry Review Board.

Objective:	By March 31, 2017, the Farm Industry Review Board will have continued to provide effective dispute resolution for farming-related issues along with other supports, as appropriate, for stakeholders.
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INDICATORS	ACCOMPLISHMENTS 2016/17
When required, reviewed complaints/disputes and responded in a timely manner.	The Board reviewed and responded to one complaint/dispute file during the 2016-17 fiscal year by creating a new industry policy to address the situation should it arise in the future. The dispute was completed to the satisfaction of the complainant.
Provided supports, as required, to farming groups not governed by commodity boards.	The Board was available to respond to any inquiries regarding the establishment of new marketing boards; however, no proposals were submitted during the 2016-17 fiscal year.
Continued to update the farm registration system as required.	Continued to update and register existing and new farms. Initiated regular weekly updates with the Department of Finance on updated farm registrations. Updated the farm registration form.

## 4 Opportunities and Challenges

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### Challenges

- The Board is currently undertaking a review of all relevant legislation governing supply management in Newfoundland and Labrador. When this work is completed, the Board will recommend appropriate regulatory changes to the Minister. This work is challenging, given that there are multiple pieces of legislation governing both the Board and commodity boards, all of which are in need of modernization by way of consultation with each of the supply-managed commodity groups.

### Opportunities

- The Board recognizes the continued necessity of having better communication and collaboration with the commodity boards in order to properly carry out its mandate.
- Potential development of other developing commodity markets (e.g. fur, cranberry, vegetable)

The Board recognizes the challenges and opportunities within the industry and acknowledges the roles and responsibilities of the various stakeholders. The Board's commitment is to continue to work within its mandate and with all stakeholders to build a sustainable farming environment that is cognizant of the interests of the public and the industry.

## Appendix: Financial Statements

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Expenditure figures included in this document are from the Public Accounts document *“Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund”*

	2016-17	
	Budget	Actual
<b>Farm Industry Review Board</b>	<b>\$120,900</b>	<b>\$105,644</b>
Salaries	77,300	75,297
Employee Benefits	300	0
Transportation and Communication	16,900	13,409
Supplies	2,100	9,997
Professional Services	24,300	6,935
Purchased Services	0	6