

**FARM INDUSTRY REVIEW BOARD**

**ANNUAL PERFORMANCE REPORT**

**2007-2008**

# MESSAGE FROM THE CHAIR

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The Farm Industry Review Board under the Transparency and Accountability Act is required each year to prepare and submit to the responsible minister an annual performance report on its activities for the preceding fiscal year.

The entire Board of Directors fully participated in the preparation, approval and are accountable for the results of the annual performance report for 2007-2008.

On behalf of the Farm Industry Review Board it gives me great pleasure to submit the annual performance report 2007-2008 to the Honourable Kathy Dunderdale, MHA, Minister Department of Natural Resources, Government of Newfoundland and Labrador.

Respectfully Submitted

A handwritten signature in black ink that reads "Martin J. Hammond". The signature is written in a cursive style with a large, looping initial "M".

Martin J. Hammond  
Chairperson

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# OVERVIEW

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The Farm Industry Review Board (the Board) is comprised of six members appointed by the Lieutenant-Governor in Council, one of whom was nominated by the Newfoundland and Labrador Federation of Agriculture. Members of the Board are appointed for a three year term and are eligible for reappointment. The board is supported by one permanent employee, who is located in the Avalon region.

Representation of the Board as of March 31, 2008 was as follows:

**Mr. Martin J. Hammond**

Chairperson  
St. John's  
Appointed for a 3 year term  
term  
Nov. 21/05 to Nov. 21/08

**Ms. Rita Legge**

Member  
Cartyville  
Appointed for a 3 year  
Nov. 21/05 to Nov. 21/08

**Ms. Violet Parsons**

Vice-Chairperson  
Bloomfield, Bonavista Bay  
Appointed for a 3 year term  
term  
Nov. 21/05 to Nov. 21/08

**Mr. Wayne Ruth**

Member  
Kippens  
Appointed for a 3 year  
Nov. 21/07 to Nov. 21/10

**Ms. Connie Stewart**

Member  
Goose Bay  
Appointed for a 3 year term  
Nov. 21/05 to Nov. 21/08

**Mr. Reg King**

Manager  
St. John's

**Mr. Mervin Wiseman**

Member  
North Harbour, Placentia Bay  
Appointed for a 3 year term  
Nov. 21/05 to Nov.21/08

The board was created in May 2005 and the membership was appointed in November, 2005. Its budget is included in the annual budget of the Department of Natural Resources and was \$161,700. Actual expenditures totaled \$157,879.

**Key Statistics:**

- Farm Gate Sales (2007) for Farming Industry for Newfoundland and Labrador was approximately \$102 Million. Some of the major sectors are as follows:
  - Vegetables---\$6.1 million
  - Floriculture and Nursery--\$7.4 million
  - **Total Crops---\$15.1 million**
  - Dairy---\$43.8 million
  - Chicken---\$21.3
  - Eggs---\$11.8
  - **Total Livestock---\$86.2 million** (source: Departmental Statistics for 2007)
- Supply management commodities represent approximately 75% of Farm Gate Sales (source: Departmental Statistics for 2006)

**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:

Farm Industry Review Board  
P.O. Box 8700  
Provincial Agriculture Building  
308 Brookfield Road, St. John's  
A1B 4J6

Tel: 729-3799      Fax: 729-6568  
Email: [regking@gov.nl.ca](mailto:regking@gov.nl.ca)  
<http://www.nr.gov.nl.ca/agric/farmboard/>

**Mandate:**

The Newfoundland and Labrador Farm Industry Review Board is an administrative tribunal - a statutory appeal body with additional responsibilities for the general supervision of marketing boards operating in the agriculture sectors. Please refer to Appendix B to view the legislated mandate for the Farm Industry Review Board in its entirety.

**The mandate of the Board is set out in 2 statutes:**

1. *The Natural Products Marketing Act* (the NPMA)
2. *The Farm Practices Protection (Right to Farm) Act* (the FPPA).

## **Under the NPMA:**

The Board is responsible for general supervision of the operations of commodity boards created under that *Act*; hearing appeals filed by any person who is aggrieved by or dissatisfied with orders, decisions or determination of the commodity boards; and acting as a signatory to federal-provincial agreements for supply-managed commodities.

## **Under the FPPA:**

The Board is responsible for hearing complaints from persons aggrieved by odor, noise, dust or other disturbances arising from agriculture operations, and may also study and report generally on farm practices.

The Board is accountable to Government for its administrative operations, but is independent of Government in its decision-making. As an independent tribunal, the Board ensures that the public interest is served and protected.

## ***Lines of Business:***

The Farm Industry Review Board reports directly to the Minister of Natural Resources. The Board receives its mandate from two Acts, *the Natural Products Marketing Act and the Farm Practices Protection Act*. Based on legislative requirements, the Board has three lines of business.

### **1. Supervisory Role**

Today, there are three commodity boards administering three marketing schemes:

- ❖ Egg Producers of Newfoundland and Labrador
- ❖ Chicken Farmers of Newfoundland and Labrador
- ❖ Dairy Farmers of Newfoundland and Labrador

The Board meets regularly with commodity boards to discuss existing and emerging issues in the administration of the marketing schemes and to examine the policies and orders of the board to ensure they fall within the statutory authority of the board and do not unfairly impact individual producers or sectors of the industry. The Board may amend, vary or cancel the orders of a board. The Board may also review issues related to the administration of a marketing scheme or the regulated marketing system, exercise authority to correct irregularities in the composition or operations of a commodity board or take action to ensure compliance with *the Natural Products Marketing Act* (the NPMA) and the marketing schemes. The Board can administer a scheme where neither commodity board is constituted under the NPMA.

The Board's supervisory role also includes the registration of farmers within the Province. The Board is responsible for registering all producers every 3 years and maintaining contact information. New farmers are added as they enter the industry and are issued an identification number. This number is required by the Department of Finance for the administration of the rebate programs.

## **2. Appellate Role**

As a quasi-judicial appeal body, the Board is empowered to hear appeals from any person who is aggrieved by or dissatisfied by an order, decision or determination of a commodity board in Newfoundland and Labrador. The Board uses various forms of dispute resolution ("DR") processes to assist the parties to resolve issues by agreement. If DR is not used or is unsuccessful, a hearing is convened. After hearing an appeal, the Board may dismiss the appeal, confirm or vary the order, decision or determination being appealed, return the matter to the commodity board for reconsideration or make another order the Board considers appropriate in the circumstances.

The Board is also empowered to hear complaints from any person aggrieved by odor, noise, dust or other disturbances arising from farm operations. If DR is not used or is unsuccessful, a hearing is convened, after which, the Board must dismiss the complaint if the farm operation is determined to be following normal farm practices; or order the farmer to cease or modify his or her practices if the farm operation is not following normal farm practice.

Where possible, the Board promotes dispute resolution to provide all parties with impartial and fair resolutions to disputes, without the need for formal panel hearings. For farmers, neighbours, local governments, and the public, the Board is an impartial body that can determine whether a farmer follows "normal farm practices."

The Board adheres to the principles of natural justice and administrative law in this quasi-judicial role. Decisions may be appealed only to the Supreme Court of Newfoundland and Labrador, and only on a question of law or jurisdiction.

## **3. Signatory Role**

The Board, the Minister of Natural Resources, Intergovernmental Affairs Secretariat and the supply-managed commodity boards are the Newfoundland and Labrador signatories to agreements with the Federal Minister, other provincial and territorial ministers, and supervisory and commodity boards in Canada (federal-provincial agreements). These agreements provide for the cooperative use of federal and provincial legislation in managing the production and marketing of eggs, chicken and milk in Canada.

**Primary Clients:**

The Farm Industry Review Board identifies its primary clients as those individuals, groups, or organizations who are the principal users and/or beneficiaries of the Board's lines of business, and include the following:

- ❖ Commodity Boards and their members
- ❖ Non marketing board commodities
- ❖ Farmers
- ❖ Members of the general public who are aggrieved by odor, noise, dust or other disturbances arising from farm operations
- ❖ Member of the general public who are aggrieved by or dissatisfied by an order, decision or determination of a commodity board
- ❖ Members of the general public who are interested in obtaining information about the farming industry.

**Values:**

The Farm Industry Review Board values a working environment of mutual respect, accountability and fiscal responsibility. In exercising its mandate, the Board will be guided by the following principles: proactive, flexible and cooperative leadership, open and transparent consultation, accessible and efficient practices and services, independent, impartial, timely and consistent dispute resolution and decision making, and an ongoing professional development of members and staff.

<b>Values</b>	<b>Action Statements</b>
Responsiveness	Every effort is made by the Board to ensure that client requests are processed in a timely manner as identified in the Acts
Communication	Clients and stakeholders are kept informed of the services provided by the Board
Transparency	The Board will operate in an open manner such that relevant information is readily available to clients and stakeholders

**Vision:**

The vision of the Farm Industry Review Board of a regulated marketing system which operates effectively in a sustainable farming environment that is cognizant of the interests of the public and the industry.

**Mission:**

By 2011, the Farm Industry Review Board will have enhanced its role in the farming industry.

**Measure:** Enhanced Role

**Indicators:**

- Conducted hearings (where required)
- Improved decision-making processes in the areas of:
  - Complaint resolution
  - Appellant resolution
- Provided dispute resolution strategies to resolve conflicts
- Advised parties on the results of hearings
- Clarified mandate of Board and commodity boards
- Improved support to the non-supply/demand markets
- Advised Government on farming-related issues
- Processed applications
- Assessed client needs
- Participated in trade shows
- Improved farmer registration system
- Increased number of pamphlets

In the development of the Board's Activity Plan for 2008/2011 the Farm Industry Review Board made changes to its mission statement. These changes can be seen in the Activity Plan for 2008/2011.

# SHARED COMMITMENTS

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- Department of Natural Resources
  - Consulted with Minister, parliamentary secretary, CEO, and ADM
  - Various issues (e.g. updates, mandate/legislation, financial)
- National Association of Supervisory Agency
  - Governance Principles
  - This work helped the Board address issue related to board processes
- Federation of Agriculture
  - Board members participated in a Land Use Symposium Workshop (Corner Brook)
  - Exploration of opportunities between the Federation and the Farm Industry Review Board (e.g. registration system)
  - Associations as opposed to full commodity boards
    - Assisting smaller commodity sectors
  - Invited and attended AGM of Federation of Agriculture
  - Invited and attended fur and vegetable industry meetings

These consultations did not have any material impact on working toward the Ministers strategic directions.

# HIGHLIGHTS AND ACCOMPLISHMENTS

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- Board members participated in tours with eggs, chicken, dairy, cranberries, ice cream plant, corn projects, vegetables, fur and speciality berry crops.
- Board was advised by OCIO of issues related to privacy and conflict of interest
- Implementation of recommendations made by the Board re: Fur Appeal

These consultations did not have any material impact on working toward the Ministers strategic directions.

## RESULTS OF OBJECTIVES

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The Board considered the following four objectives for its first activity plan 2007/2008. These included communications, farmer registration, mandate and Board processes. The Board's progress did not have an material impact on working toward the strategic directions of the Minister of Natural Resources.

### Issue 1: Communications

The Board identified the importance to communicate to stakeholders the makeup, mandate and role of the newly constituted Board. The Board is responsible for two Acts: The Natural Products Marketing Act and The Farm Protection Act.

<b>Objective:</b> By March 31, 2008, the Farm Industry Review Board will have increased its communications activities.
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**Measure:** Increased communication activities

INDICATORS	ACCOMPLISHMENTS 2007/08
Increased number of pamphlets	Pamphlets were distributed to all municipalities and local services districts, provincial commodities boards and made available at trade shows. These pamphlets detailed the <i>Farm Practices Protection Act</i> and how to process a complaint.
Distributed periodic newsletters	The Board provided information regarding their mandate and services to the Federation of Agrifoods for inclusion in their newsletter – Agriview. The Board

	investigated the cost of a newsletter and chose to put articles in existing agriculture newsletters.
Participated in trade shows	The Board was represented at three trade shows – the Humber Valley Vegetable and Handicraft Fall Fair, the Mount Pearl Agricultural Food and Trade Show, and the Trinity Conception Fall Fair.
Developed and distributed an annual report of its activities	The Board distributed its Activity Plan to all local commodity boards and its national counterparts. This document represents the Boards first annual report, which will be circulated nationally and made available on the website. The Board will continue to provide annual reports of its activities.
Update website	The Board created a new website which provides access to the Activity Plan, links to various commodity boards and national associations, the legislation, appeals decisions and contact information. The website address is: <a href="http://www.nr.gov.nl.ca/agric/farmboard/">www.nr.gov.nl.ca/agric/farmboard/</a>

## Issue 2: Farmer Registration

To date the province doesn't have an accurate/mandatory up to date listing of farmers. The Board considers this to be a priority if we are to develop programs for the farming industry.

**Objective:** By March 31, 2008, the Farm Industry Review Board will have improved its farmer registration system.

**Measure:** Improved farmer registration system

INDICATORS	ACCOMPLISHMENTS 2007/08
Consulted commodity boards	Discussions were held with the commodity boards to identify how better to meet the farmer registration needs of the province.
Revised registration system	The Farmer registration system continued in its present format. The Board reviewed this system to determine deficiencies, worked with the Department of Finance and reviewed the registration practices of other jurisdictions. Revisions to the registration system requires legislative changes, which the Board will recommend to the Minister.

### Issue 3: Mandate

The present Act was proclaimed in 1970 with minor changes since then. All provincial acts in the other provinces have been updated since 1990 to meet the global changing agriculture industry. It is mandatory that our legislation be compatible with the provisions in the new and proposed federal/ provincial agreements.

**Objective:** By March 31, 2008, the Farm Industry Review Board will have clarified its mandate and the mandates of its commodity boards.

**Measure:** Clarified mandate

INDICATORS	ACCOMPLISHMENTS 2007/08
Met with responsible minister	On various occasions throughout the year, the Board met with the Minister and Executive to discuss issues related to their mandate.
Consulted with commodity boards	Throughout the year, the Board engaged the three commodity boards to explore potential areas for improvement (e.g. composition of boards, inspection and enforcement in the egg industry, pricing issues, empowerment of other commodity areas, facilitating the growth of the industry).

At year end meetings were ongoing with the Minister and executive concerning the Board's mandate and the outcome will be reported in the next fiscal annual report.

## Issue 4: Board Processes

Policies and procedures will be developed by the Board in compliance with the Transparency and Accountability Act and other Government legislation. The Board will continue to work towards the development and implementation of governance process policies.

**Objective:** By March 31, 2008, the Farm Industry Review Board will have enhanced their business processes.

**Measure:** Enhanced business processes

INDICATORS	ACCOMPLISHMENTS 2007/08
Board policy document on the resolution of complaints is implemented	The Board reviewed other jurisdictional practices related to the resolution of complaints and appeals. They also participated on a national level, in the development of governance policies. The Board will continue to work towards the development and implementation of governance process policies in the next fiscal year.
Board policy document on the resolution of appeals is implemented	
Board orientation program is developed/revised	The Board developed a collection of relevant legislation and commodity schemes which will be provided to new board members. Current board members participated in various agricultural tours ....

Due to scheduling difficulties the Board didn't meet until after the end of the fiscal year to approve the policy documents.

# OPPORTUNITIES AND CHALLENGES

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- Code of Practice for Farmers (Farm Practice Protection Act)
- Outdated legislation and an inability to meet provincial and national industry needs
- Participation in meetings with other commodities
- Federal Provincial Agreement for Eggs – establishes parameters for the operation of the egg industry
- Potential development of other commodity markets (e.g. fur, beef, vegetable etc.)
- Food security

# APPENDIX A: FINANCIAL STATEMENTS

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Expenditure and revenue figures included in this document are based on public information provided in the Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund for Fiscal Year Ended 31 March 2008 (Unaudited).

	<u>Actual</u>	<u>Estimates</u>	
		<u>Amended</u>	<u>Original</u>
	\$	\$	\$
<b>3.2.02 Marketing Board</b>			
01. Salaries.....	57,116	67,400	71,400
02. Employee Benefits.....	-	300	300
03. Transportation and Communications.....	50,051	50,100	17,800
04. Supplies.....	8,402	11,400	2,200
05. Professional Services.....	<u>42,310</u>	<u>42,500</u>	<u>70,000</u>
<b>Total: Marketing Board</b>	<u>157,879</u>	<u>171,700</u>	<u>161,700</u>