

FARM INDUSTRY REVIEW BOARD

ANNUAL PERFORMANCE REPORT

FISCAL YEAR 2019-2020



Chairperson's Message

The Honourable Elvis Loveless
Department of Fisheries, Forestry and Agriculture
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 2019-20 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 01, 2019 to March 31, 2020, 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.

In October 2017, the Province released its Agriculture Sector Work Plan, to advance the agriculture industry and improve the province's food self-sufficiency. The Board has been involved in the development of this Work Plan and will continue to support advancements in this industry. For each commodity board, the Board continued to;

- strengthen its relationship,
- provide oversight and support, and
- advance these duties in the coming year.

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

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** (NPMA) requires that the 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, Forestry and Agriculture (the Minister). Members of the Board are appointed for a three year term and are eligible for reappointment.

The Board is currently comprised of five members. Representatives as of March 31, 2020 are as follows:

Position	Name	Community	Start Date	End date
Chairperson	Ms. Rita Legge	Cartyville	5/29/2014	5/28/2017*
Member	Mr. Kevin Harte	Goulds	6/30/2008	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*
Member	Newfoundland and Labrador Federation of Agriculture Representative		Vacant**	

* Subsection 3(5) of the NPMA permits a board member to continue serving until they are reappointed or replaced.

** The Public Service Commission is actively recruiting for new Board members.

Two positions, Manager and Economist, are provided by the Agriculture Production and Research Division to support the Board. Both positions are located at the agriculture headquarters in Corner Brook.

Six conference call meetings were held this year in May, August, September, November and February. Audited financial statements are not required as the Board is budgeted through FFA. Remuneration to Board Members and reimbursement of travel expended by the Board Members and Manager for the 2019-20 fiscal year was approximately \$27,518.

1.1 Key Statistics*

Expense Type	Description	Q1-Q3 of 2019	Change Since 2018
Farm Cash Receipts	Receipts paid to farmers for products produced on the farm	\$107.1 million	+ 1.4 %
Crop Production Receipts	The portion of cash receipts made to producers for crop production.	\$13.1 million	- 0.8 %
Livestock Production Receipts	The portion of cash receipts made to producers for livestock production.	\$89.8 million	-1.1 %
AgriStability Payments	Federal-provincial cost shared program payments which provide agricultural producers with an ongoing whole-farm risk management tool that provides protection against large declines that threaten the viability of their farm and are beyond their capacity to manage. The 2019 payments were made mainly to producers in the fur industry due to a significant decline in the fur market.	\$4.1 million	+ 164.4 %

Vegetable producers in specific regions of the province faced challenging drought conditions in 2018 and 2019 resulting in a 9.2 per cent decline in receipts. This was partially offset by increases in Floriculture and Forage revenues. Receipts from livestock products declined from 2018 to 2019 primarily due to the continuing decline in the Fur industry.

Milk production in 2019 declined 0.9 per cent to 49.6 million litres while value remained unchanged at \$47.8 million. Farm receipts for chicken production are not published due to confidentiality restrictions, data from the Chicken Farmers of Canada indicates that the volume of chicken produced in the Province in 2019 totaled 22.7 million kilograms, up 1.5 per cent from 2018. Farm gate sales for eggs totaled \$19.3 million for 2019, up 3.9 per cent from the previous year, with production up 2.8 per cent to 10.2 million dozen eggs.

Comparatively, these statistics outline the importance of the supply-managed commodities to the agriculture and agri-food sector and to the overall economy of the Province. It is imperative that the Board work with all stakeholders to support a supply-managed system that is administered appropriately in order to maintain a sustainable sector that is fair to producers, processors and consumers.

* Source: Department of Fisheries, Forestry and Agriculture, Government of Newfoundland and Labrador.

Contact Information:

For information about the 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

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This report is available in alternate format. Please contact Ms. Martina Gallant, Board Manager, (709) 637-2416.

2 Mandate

The Board is a regulatory and adjudicative body, responsible for general supervision of provincial agricultural commodity boards, and for hearing complaints from those aggrieved by board decisions, or by farm practices.

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

1. The **Natural Products Marketing Act** (NPMA)
<https://www.assembly.nl.ca/legislation/sr/statutes/n02.htm>

The Board is responsible for general supervision of the operations of commodity boards created under this **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.

2. The **Farm Practices Protection (Right to Farm) Act**. (FPPA)
<https://www.assembly.nl.ca/legislation/sr/statutes/f04-1.htm>

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.

3 Highlights and Partnerships

The Board works in partnership with the provincial commodity boards, 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. As a result, a seat is available on the Board for a representative of the NLFA.

The Board deals directly with the Minister, parliamentary secretary, and senior officials of the Department of Fisheries, Forestry and Agriculture 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 the three commodity boards; Chicken Farmers NL, Dairy Farmers NL, and Egg Farmers NL, established under the NPMA 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. Additional information detailing the activities with NAASA are provided in Issue 2 of the Report on Performance section of this report.

4 Report on Performance

The following objectives, as put forward in the 2017-20 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 2017-20 Activity Plan, and support Government’s sustainability in the agriculture and agrifoods sectors.

Issue 1: Supervision of Commodity Boards

The main function of the Board is to provide general supervision to the commodity boards. As such, it is crucial that the Board continue to make this a leading priority in the future, and also to consider ways to enhance this role. The Board is committed to reviewing and improving its control mechanisms, with the intention of enhancing its supervisory function.

Objective:	By March 31, 2020, the Board will have continued its oversight role for commodity marketing boards, and enhanced this role as appropriate.
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INDICATORS	ACCOMPLISHMENTS 2019/20 – Issue 1
Provided commodity board decisions and activities	The approval of procedures and policy for a dairy quota exchange program which provides a regulated forum for the sale of dairy quota within the province. A price adjustment was made for milk and service fees were increased for egg and chicken. The Board/Manager attended ten commodity board meetings and three AGMs, continuing to show its presence and strengthen communication pathways. As is normal procedure, the Board also reviewed all commodity board minutes, reports and audited financial statements.
Reviewed the legislation governing FIRB and the commodity boards, for the purpose of identifying areas in need of update and improvement	Currently, the legislation governing the Board (NPMA and FPPA) is being included in the broader regulatory review of all agricultural legislation. FIRB continues to note areas of concern in anticipation of the review process during which FIRB will be consulted on any proposed changes to the NPMA and its subordinate legislation.

INDICATORS	ACCOMPLISHMENTS 2019/20 – Issue 1
<p>Provided commodity boards with appropriate direction and feedback in support of their day-to-day operations</p>	<p>When possible, the Board provided support to the commodity boards by reviewing, approving, and facilitating the execution of legislative amendments requested by commodity boards.</p> <p>The Consolidated Chicken Farmers of Newfoundland and Labrador Order under the Newfoundland and Labrador Chicken Marketing Scheme was amended effective May 01, 2019, to adjust the service charge for chicken in keeping with the CFC national increases.</p> <p>The Egg Scheme, 2000 was amended August, 2019, to increase the levy paid on dozens of eggs as a result of national increases.</p> <p>The Milk Regulations, 1998 were amended effective February 01, 2020, to adjust the minimum price of milk appropriately.</p>

Issue 2: Monitoring and Support of Provincial Supply Management System

Under the NPMA, the schemes for the supply-managed commodity boards form the basis for how the commodity groups will market their respective commodities. The Board continues to provide support and direction to the commodity groups implementing their respective schemes; this monitoring provides supports and structure for supply management in this Province.

<p>Objective: By March 31, 2020, the Board will have monitored and provided supports for the supply managed commodities system where appropriate.</p>

INDICATORS	ACCOMPLISHMENTS 2019/20 – Issue 2
<p>Attended meetings of the National Association of Agricultural Supervisory Agencies and exchanged information with federal and provincial supervisory boards regarding their respective marketing boards.</p>	<p>The Manager of the Board participated in the October 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, continued exploration to expand the egg industry in the province, the implementation of a dairy quota exchange program, the progress of the secondary processing for the milk initiative and on-going requests from parties outside NL to import milk products. The Manager subsequently relayed to Board members and the Agriculture and Lands Branch, of Fisheries, Forestry and Agriculture, the issues that were discussed. The March, 2020, meeting was cancelled due to the COVID-19 pandemic.</p>
<p>Continued to monitor issues and trends on provincial, national and international levels that affect the Province’s supply management environment; and facilitated 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 meeting, 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. Consultation with federal and provincial governments and commodity boards on the setting of Tariff Rate Quotas (TRQ) under the incoming Canada United States Mexico (CUSMA) trade agreement. 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 the ever-evolving environment of the supply management system and its requirements</p>	<p>Supports to commodity boards for the fiscal year were limited as the Board Manager position was vacant for nine months. Once in place, the Board Manager worked with EFNL towards developing a revised New Entrant Policy and aided DFNL in further refining the quality assurance program.</p>

Issue 3: Dispute Resolution and other Supports/Services for Stakeholders

The Board provides supports for both producers and the general public of the Province. One of the Board’s responsibilities includes hearing appeals of regulated marketing board orders, decisions and determinations under NPMA, as well as hearing farm practices complaints from persons aggrieved by disturbances arising from agricultural operations under the FPPA. Complaints received by the Board present varying degrees of complexity, and accordingly, require varying timelines to fully address. The Board works with the complainant throughout the process to ensure their satisfaction with progress which dictates whether completion is considered timely or not. Aside from the supply-managed commodities, the Board supports all farm commodities through the administration of the FPPA. Another service provided by the Board involves registering producers and maintenance of the farm registration system. Farms must be registered with the Board to be eligible for a Gas Tax Exemption from the Department of Finance. The registration system is not mandatory thus is not representative of the number of farms in the province. Continuing these services in a manner that is effective, continues to be a central activity of the Board.

Objective: By March 31, 2020 the Board will have continued to deliver dispute resolution services to stakeholders, in addition to other supports and services as appropriate.

INDICATORS	ACCOMPLISHMENTS 2019/20 – Issue 3
When required, reviewed complaints and responded in a timely manner.	The Board continued to investigate a complaint received from a producer prior to the 2019-20 year. The report was drafted, reviewed and approved by the Board. The final report was given to the producer for their information. The Board discussed emerging issues and monitored situations in the event that complaints may arise from them.
Provided supports, as required, to other non-supply-managed farming groups that are not governed by marketing boards.	The Board was available to respond to any inquiries regarding the establishment of new marketing boards; however, no proposals were submitted during the 2019-20 fiscal year.

INDICATORS	ACCOMPLISHMENTS 2019/20 – Issue 3
Continued to update the farm registration system and improved its accessibility to farmers.	Continued to update and register farms, totalling approximately 93 (new registrations, and renewal of existing farm registrations) for the 2019-20 fiscal year. Farm registrations with the Board are subject to a 3-year expiry, and thus all farms registered in this system are not updated each fiscal year. This registration system is not mandatory and thus is not representative of the total number of farms in the industry. In an effort to provide a greater quality of service to farmers, the Department of Finance were notified of registrations as they were completed, instead of weekly as was the former practice. This immediate notification expedites the issuance of fuel tax exemptions from Department of Finance.

5 Opportunities and Challenges

Challenges

The development of the egg industry into other areas of the province will likely provide unique logistical obstacles that will need to be addressed.

To support and aid in the stability of the supply managed commodity systems during and after the global COVID-19 pandemic.

Opportunities

The Board acknowledges the opportunity to expand the provincial egg industry into areas of the province that currently import eggs from elsewhere and the potential in further developing commodity markets and secondary processing activities.

The Board realizes the continued necessity of having better communication and collaboration with the commodity boards in order to properly carry out its mandate.

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.