

FARM INDUSTRY REVIEW BOARD

ANNUAL PERFORMANCE REPORT 2022-23



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 Loveless:

On behalf of the Farm Industry Review Board (the Board), I am pleased to present this annual performance report for the 2022-23 fiscal year.

The Board is classified as a category three entity under the **Transparency and Accountability Act**. As such, the Board is required to submit annual performance reports outlining its success in achieving the objectives and indicators in its multi-year performance-based activity plan. This report outlines the accomplishments of the Board from April 1, 2022, to March 31, 2023, with regards to its responsibilities under both the provincial **Natural Products Marketing Act (NPMA)** and the **Farm Practices Protection Act (FPPA)**.

In 2022-23, the Board continued to support the Agriculture Sector Work Plan to advance the agriculture industry and improve the province's food self-sufficiency. The Board was involved in the development of this work plan and will continue to support advancements in the industry. The Board continued to strengthen its relationship and provide oversight and support to each of the three commodity boards under its purview.

As Chairperson, and on behalf of the Board, I accept accountability for the achievement of its objectives. My signature on behalf of the entire Board signifies the Board's accountability for the preparation of this report and the actual results reported.

Respectfully submitted,



Tammy Pike-Farrell
Chairperson

Table of Contents

| | |
|---|---|
| Board Overview..... | 1 |
| Highlights and Partnerships | 5 |
| Report on Performance..... | 5 |
| Issue 1: Supervision of Commodity Boards | 5 |
| Issue 2: Monitoring and Support of Provincial Supply Management System..... | 7 |
| Issue 3: Dispute Resolution and Supports/Services for Stakeholders..... | 8 |
| Opportunities and Challenges | 9 |

1 Board Overview

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 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.

As of March 31, 2023, the Board was comprised of the following:

| Name | Title | Appointment Date | Expiry Date | Area |
|---------------------|------------------|------------------|-------------|---------|
| Pike-Farrell, Tammy | Chairperson | 2022/06/21 | 2025/06/20 | East |
| Kennedy, Sarah | Vice-Chairperson | 2022/06/21 | 2025/06/20 | West |
| Harte, Kevin | Member | 2022/06/21 | 2025/06/20 | East |
| Legge, Darryl | Member | 2022/06/21 | 2025/06/20 | East |
| Reid, Rodney | NLFA Member | 2022/06/21 | 2025/06/20 | Central |
| Vacant ¹ | Member | | | |
| Vacant ¹ | Member | | | |

¹ Position being advertised by the Public Service Commission.

Two positions, the manager and the economist, are Department of Fisheries, Forestry and Agriculture (FFA) employees from the Agriculture Production and Research Division and provide support to the Board. Both positions are located at FFA's agriculture headquarters in Corner Brook.

Six virtual board meetings were held during 2022-23 in April, May, September, October, December and January. Audited financial statements are not required as the Board is

budgeted through FFA. Remuneration to board members for the 2022-23 fiscal year was approximately \$12,089. Travel expenditures for the manager totalled \$8,739 and \$1,331 for the board members.

Key Statistics:

| Expense Type | Description | 2022-23 | Change Since 2021-22 |
|-------------------------------|---|-----------------|----------------------|
| Farm Cash Receipts | Receipts paid to farmers for products produced on the farm (excluding cannabis) | \$152.2 million | 7%* |
| Crop Production Receipts | The portion of cash receipts made to producers for crop production (excluding cannabis). | \$ 19.5 million | -1.9%* |
| Livestock Production Receipts | The portion of cash receipts made to producers for livestock production. | \$129.5 million | 10.2%* |
| Direct Payments | Payments made directly to producers from federal, provincial and municipal agriculture programs, including payments made under private sector programs. | \$3.2 million | -33.9%* |

Source: Statistics Canada. Table 32-10-0046-01, Farm cash receipts, quarterly (x 1,000).

* Due to source data timing, availability and revisions, figures may differ comparatively.

Farm Cash Receipts

Farm Cash Receipts (FCR) increased 7 per cent in 2022-23 to \$152.2 million mainly due to higher prices and increased production among several commodities.

Crop Production Receipts

Fresh vegetable receipts declined 11 per cent in 2022-23 to \$6.9 million. Potato receipts declined six per cent to \$1.2 million while field vegetables declined 12.7 per cent to \$5.3 million. Greenhouse vegetables increased one per cent to \$0.3 million. Statistics Canada price and volume of production data to determine the cause of the decline is unavailable; however, Statistics Canada is reporting a decline in vegetable acreage.

Receipts from fruits totaled \$1.7 million in 2022-23, an increase of 4.5 per cent over the record high reported in 2021-22. Strawberries remain the largest berry crop (by value) in the province and increased 8.9 per cent to \$0.8 million in 2022-23. This was closely followed by cranberries at \$0.7 million, which rose two per cent from 2021-22.

Floriculture and nursery is the largest crop commodity (excluding cannabis) in the province. It increased four per cent in 2022-22 to reach \$9.5 million. Total greenhouse area increased 0.4 per cent to 745,917 square feet, while nursery sod area decreased 0.8 per cent to 613 acres.

Livestock Production Receipts

Cattle receipts rose 49.3 per cent to \$4.1 million mainly due to higher prices.

Sheep and lamb receipts declined 11.9 per cent to \$0.5 million. The decrease is due to a lower price as the number of animals marketed in 2022-23 was on par with the previous year. It should be noted that FCR from sheep and lambs was a record high in 2021-22.

Receipts from milk production increased 9.8 per cent in 2022-23 to \$52.1 million. The increase was due to higher milk prices as production had declined 0.5 per cent to 47.3 million litres.

Statistics Canada does not provide an estimate of FCR for chicken production. As such, while fiscal year data is unavailable, the Chicken Farmers of Canada (CFC) reports that production increased 3.7 per cent to 17.2 million kilograms (eviscerated weight) in 2022.

Farm cash receipts from egg production increased 14.5 per cent in 2022-23 to \$24.5 million. Production increased 6.3 per cent to 10.4 million dozen while the average price received rose 8.3 per cent.

Statistics Canada does not provide farm cash receipt estimates for Fur Pelts. As such, fiscal year data is unavailable. However, export data reveals that Mink pelt exports from Newfoundland and Labrador totaled \$6.8 million in 2022 – down from \$8.2 million in 2021.

Direct Payments

Total Direct Payments declined in 2022-23 to \$3.2 million. The decline was mainly due to lower AgriStability payments which declined from \$1.7 million in 2021-22 to \$0.04 million in 2022-23. The Dairy Direct Payment Program (DDPP), a program designed to support dairy producers as a result of market access commitments made under recent international trade agreements, declined 0.2 per cent to \$3 million.

Lines of Business:

Based on legislative requirements, the board has four lines of business as follows:

1. Supervisory Role
2. Appellate Role
3. Conflict Management Role (Farm Practices)
4. Signatory Role

Vision:

The vision of the board is of a regulated marketing system which operates effectively and efficiently in a sustainable farming environment that is cognizant of the interests of the public and the industry.

Contact Information:

For information about the board, commodity boards, farm practices dispute resolution or the regulated marketing system in Newfoundland and Labrador, please contact us at:

Farm Industry Review Board
P.O. Box 2006
2nd Floor, 192 Wheeler's Road
Corner Brook, NL A2H 6J8
Tel: 709-637-2416 Fax: 709-637-2589
E-mail: martinagallant@gov.nl.ca
Web: <https://www.gov.nl.ca/flr/agencies-boards-and-commissions/agriculture-and-lands/firb/>

This report is available in alternate formats. Please contact us at the above to request an alternate format.

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. **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. **Farm Practices Protection 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.

2 Highlights and Partnerships

The board works in partnership with the provincial commodity boards, industry and 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 the province by coordinating the efforts of producers for the purpose of promoting their common interest through collective action. As a result, one member on the board is appointed as a representative of the NLFA.

The board deals directly with the minister and senior FFA officials on various issues (e.g., commodity board updates, mandate and legislation). Additionally, the board advises the minister on all matters related to the operation of the three commodity boards (i.e., CFNL, DFNL and EFNL) 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 the 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

The following objectives and indicators, as outlined in the 2020-23 Activity Plan, have guided the Board in achieving its mandate during this reporting period. This is the third and final year of the 2020-23 planning period. For more information, please see the plan here: <https://www.gov.nl.ca/ffa/files/FIRBActivityPlan2020-23.pdf>

Issue 1: Supervision of Commodity Boards

The primary 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, including considering 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, 2023, the Board will have provided oversight for the three commodity marketing boards.

| INDICATORS | ACCOMPLISHMENTS 2022-23 – Issue 1 |
|---|--|
| Reviewed and approved price adjustments from commodity boards as requested. | During 2022-23, the Board reviewed and approved one annual request and one exceptional request for a price adjustment for fluid milk. |
| Reviewed and approved policy changes from commodity boards as requested. | The Board revisited the catastrophe policy previously approved by DFNL, which provides relief to producers who meet the established criteria that generally result in an unexpected inability to farm (e.g., sickness, death, destruction of facilities) in response to an ongoing concern submitted to the board by a producer. A review of the existing dairy quota exchange policy and procedures and milk quota movement outside the exchange was initiated as part of the board response to this review. The review continues into the new year. The change in milk importation policy and regulation approved in 2021-22 were reviewed again in response to objections by the processing companies to ensure they were within the authority of DFNL and in the best interests of the industry. |
| Prepared policy decision requests for legislative amendments as needed. | Prepared and implemented the necessary policy decision requests for legislative amendments to amend the regulations to establish new minimum milk prices for September 01, 2022, and February 01, 2023. No other policy decisions made during the 2022-23 fiscal year required legislative amendments. |
| Participated in meetings of commodity boards. | In 2022-23, a representative of the board attended 23 commodity board meetings and the CFNL, DFNL and EFNL annual general meetings, 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. |
| Provided commodity boards appropriate direction and feedback in support of their day-to-day operations. | The board supported and provided direction to the commodity boards on regulation changes, new entrant policy development, and quota management, as it relates to the relevant legislation under the NPMA. |

| INDICATORS | ACCOMPLISHMENTS 2022-23 – Issue 1 |
|------------|--|
| | <p>The board continued consultation with EFNL on the proposed Federal Provincial Territorial Agreement amendment.</p> <p>The board provided guidance to each of the commodity boards as to their duties and responsibilities under the NPMA and the Access to Information and Protection Privacy Act.</p> |

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

Under the NPMA, the schemes for the supply-managed commodity boards form the basis of how commodity groups market their respective commodities. The board continues to provide support and direction to the commodity groups implementing their respective schemes. This monitoring provides support and structure for supply management in this province.

Objective: By March 31, 2023, the Board will have monitored and provided supports for the supply managed commodities system where appropriate.

| INDICATORS | ACCOMPLISHMENTS 2022-23 – Issue 2 |
|--|--|
| <p>Attended meetings of the National Association of Agricultural Supervisory Agencies.</p> | <p>The board manager participated in the NAASA meetings held in May and September, 2022 and in March 2023. At these meetings, the manager engaged in formal discussions and updated all provincial partners and national agencies on the industry status in Newfoundland and Labrador. The discussions included a review of an updated model for effective strategic planning, the Canadian role in food security, and inflation in the Agrifood supply. There was a presentation and analysis of the principal issues and challenges of the various provincial supervisory boards and the quota management practices in Canadian supply management commodities and analysis of quota systems and quota markets.</p> |

| INDICATORS | ACCOMPLISHMENTS 2022-23 – Issue 2 |
|--|---|
| Disseminated information on issues and trends on provincial, national and international supply and demand levels that affect the provincial supply management environment. | The board manager monitored national and provincial supply management activities through the NAASA meetings in 2022-23 and through regular correspondence from national and provincial bodies, which are part of the supply management system. This included annual reports from other jurisdictions and industry-related information and updates. Relevant information about industry happenings was disseminated to the Provincial Government and board members. The board attended a meeting with the provincial supervisory boards of Prince Edward Island and New Brunswick and its national supervisory board, Farm Products Council Canada (FPCC), to discuss regional concerns of the provinces and update provinces on the activities of the national commodity groups under FPCC. |
| Provided supports to commodity boards as requested. | Supports to commodity boards in 2022-23 included assistance in arranging legislative changes as needed; clarification of NPMA and related commodity board legislation; and, reviewing commodity board policies in relation to applicable legislation and policies that guide supply management. |

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

The board provides continuous support for both producers and the public in the province in instances where they are aggrieved by commodity board decisions or general farm practices. Another service provided by the board involves keeping a registration of agricultural producers and associated maintenance of the farm registration system. Ensuring these services continue to serve stakeholders appropriately and effectively will be a key focus for the board.

Objective: By March 31, 2023 the Board will have delivered dispute resolution services to stakeholders, in addition to other supports and services as appropriate.

| INDICATORS | ACCOMPLISHMENTS 2022-23 – Issue 3 |
|--|---|
| Reviewed and responded to complaints received. | During 2022-23, the board continued a review of one complaint carried over from the prior fiscal year from a members of the public regarding farm practices. The board closed an appeal application submitted under the Agricultural Products Marketing Board Appeal Regulations under the NPMA in the previous fiscal year. Throughout 2022-23, the board discussed emerging issues, addressed industry concerns, and monitored situations that could result in future complaints. |
| Provided supports, if necessary, 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 2022-23 fiscal year. |
| Updated the farm registration system as necessary. | In 2022-23, the board continued to update and register farms in the farm registration system, totalling 239 combined new registrations and renewals of existing farm registrations. Farm registrations are subject to a two-year expiry and as a result, all farms registered in the system are not updated annually. This registration system is not mandatory and consequently, is not representative of the total number of farms in the industry. The Department of Finance was continuously notified of registrations to help expedite the issuance of fuel tax exemption permits to registered farmers. |

4 Opportunities and Challenges

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.

Opportunities:

The board recognizes the continued necessity of an opportunity to improve its communication and collaboration with commodity boards through regular correspondence, participation in board and industry meetings, open exchange of valued information and ongoing consultation in efforts to properly carry out its mandate.

The board further recognizes the opportunity to establish clear guidelines for stakeholders on how to engage the board when seeking to have the board exercise its authority under its enabling legislation. This will ensure fair application of the process, clarity on thresholds to be met and advanced understanding of possible outcomes.

Challenges:

Higher interest rates, coupled with increased prices and lack of availability for product inputs, have created numerous challenges for farmers and a great deal of economic distress that has made it difficult to return to pre-pandemic farm plans and production. The board works to assist the commodity boards through government policy, programs and legislation in an attempt to alleviate the economic impacts on farms.

The board, like its counterparts across Canada, continues to experience a heightened level of challenges from industry on policy matters and from the public with regard to farm practices. Balancing the needs of existing producers with potential new entrants requires diplomacy and financial acumen. Most importantly, it relies on a collaborative relationship and open dialogue with the different commodity boards. Operating remotely compounds the challenges as we work through best ways to ensure transparency.

The expansion of the egg industry into other areas of the province will likely provide unique logistical obstacles and these challenges will need to be addressed.