

# FARM INDUSTRY REVIEW BOARD

## ANNUAL PERFORMANCE REPORT 2020-21



# Chairperson's Message

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The Honourable Derrick Bragg  
Department of Fisheries, Forestry and Agriculture  
Petten Building  
30 Strawberry Marsh Road  
P. O. Box 8700  
St. John's, NL A1B 4J6

Dear Minister Bragg:

On behalf of the Farm Industry Review Board, I am pleased to present this annual performance report for the 2020-21 fiscal year.

The Farm Industry Review Board is classified as a Category 3 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 as outlined in its multi-year performance-based activity plan. This report outlines the accomplishments of the Farm Industry Review Board from April 01, 2020, to March 31, 2021, with regards to its responsibilities under both the **Natural Products Marketing Act** and the **Farm Practices Protection Act**.

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 Farm Industry Review Board was involved in the development of this Work Plan and will continue to support advancements in the industry. For each commodity board, the Board continued to strengthen its relationship and provide oversight and support.

As Chair and on behalf of the Farm Industry Review 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 such as those related to odours or noise.

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 (FFA). Members of the Board are appointed for a three-year term and are eligible for reappointment.

As of March 31, 2021, the Board was comprised of the following:

Position	Name	Community	Start Date	End date
Chairperson	Rita Legge	Cartyville	5/29/2014	5/28/2017*
Member	Kevin Harte	Goulds	6/30/2008	6/19/2011*
Member	Donald MacInnis	Corner Brook	5/29/2014	5/28/2017*
Member	Paul Lomond	Steady Brook	5/29/2014	5/28/2017*
Member	Roosevelt Thompson	Point Leamington	5/29/2014	5/28/2017*
Member	NLFA Representative		Vacant	

\*Note: 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 FFA's agriculture headquarters in Corner Brook.

Five conference call meetings were held during 2020-21 in April, June, August, October and December. Audited financial statements are not required as the Board is budgeted through FFA. Remuneration to Board members for the 2020-21 fiscal year was approximately \$2,955. There were no travel expenditures incurred for the Board members or the Manager due to COVID-19 restrictions.

## Key Statistics\*:

Expense Type	Description	2020	Change Since 2019
Farm Cash Receipts	Receipts paid to farmers for products produced on the farm.	\$124.1 million	-12.8 %
Crop Production Receipts	The portion of cash receipts made to producers for crop production.	\$17.2 million	-4.9 %
Livestock Production Receipts	The portion of cash receipts made to producers for livestock production.	\$105.8 million	-10.0 %
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.	\$0.9 million	-77.4 %

Farm Cash Receipts declined 12.8 per cent in 2020 to \$124.1 million. A combination of reduced program payments and COVID-19 restrictions had a significant impact on the 2020 receipts in Newfoundland and Labrador.

Program payments had reached a record high in 2019 of \$6.5 million with AgriStability accounting for \$4.1 million and the Dairy Direct Payment Program (DDPP) accounting for \$2.1 million. In 2020, payments declined to \$1.1 million with AgriStability decreasing to \$0.9 million and no payments received under the DDPP.

Measures introduced in Canada, as well as in other countries, to contain COVID-19 have had a significant impact on numerous industries including the agriculture and food industry. The fur sector was among the first agricultural commodities impacted by COVID-19. Restrictions introduced by various countries to contain the virus saw auction houses greatly limit or temporarily cease their activities in 2020. The impact on sales of fur pelts was extraordinary and to the point where Statistics Canada has not produced an estimate of the 2020 receipts. However, trade data released by Economic Development Canada reveals that the value of exports of mink pelts declined 78 per cent in 2020.

The greenhouse and nursery receipts declined 19.9 per cent in 2020 to \$7.6 million. Spring is the main selling season for the greenhouse and nursery sector which was

also the period that saw the most intensive efforts to control the spread of COVID-19 in 2020.

Farm cash receipts from milk production declined 2.9 per cent to \$46.4 million while receipts from eggs declined 23.8 per cent to \$15.7 million. Statistics Canada does not provide an estimate of chicken receipts but production declined 5.2 per cent to 15.8 million kilograms (eviscerated weight).

Despite these challenges, some sectors saw improvements in 2020. Farm cash receipts in the fruit and vegetable sector rose 9.7 per cent to \$8.3 million, cattle receipts increased 14.4 per cent to \$3.4 million, and lamb receipts grew 36.6 per cent to \$0.5 million. Additionally, the 2021 farm cash receipts are projected to return to pre-pandemic levels.

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

### **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 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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This report is available in alternate formats. Please contact Martina Gallant, Board Manager, at: [martinagallant@gov.nl.ca](mailto:martinagallant@gov.nl.ca) or by calling: (709) 637-2416.

## **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 (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.

## **2 Highlights and Partnerships**

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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 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 of FFA, Parliamentary Secretary, and senior officials of FFA 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 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.

### 3 Report on Performance

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The following objectives and indicators, as put forward in the 2020-23 Activity Plan, have guided the Board in achieving its mandate during this reporting period. These objectives and corresponding indicators will be reported on each year covered by the 2020-23 Activity Plan.

#### 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, 2021, the Board will have provided oversight for the three commodity marketing boards.

INDICATORS	ACCOMPLISHMENTS 2020-21 – Issue 1
Reviewed and approved price adjustments from commodity boards as requested.	The Board reviewed and approved requests for a price adjustment for fluid milk and an increase in service fees for chicken.
Reviewed and approved policy changes from commodity boards as requested.	The Board reviewed and approved procedures and policies for a dairy quota over/under production penalty program, which provides a regulated forum for the sale of dairy quota within the province.
Prepared policy decision requests for legislative amendments as needed.	The legislative changes needed to invoke the February 01, 2021, price adjustment for milk and the increase in service fees for chicken effective for May 10, 2020, were prepared and



INDICATORS	ACCOMPLISHMENTS 2020-21 – Issue 1
	implemented. No other policy decisions made during the 2020-21 fiscal year required legislative amendments.
Participated in meetings of commodity boards.	The Board/Manager attended 27 commodity board meetings and the EFNL virtual annual general meeting, continuing to show its presence and strengthen communication pathways. The DFNL and CFNL annual general meetings were cancelled due to the COVID-19 outbreak and resulting restrictions implemented in mid-March 2020. 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.	<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 Chicken Farmers of Newfoundland and Labrador Order under the <b>Newfoundland and Labrador Chicken Marketing Scheme</b> was amended effective May 10, 2020, to adjust the service charge for chicken in keeping with the Chicken Farmers of Canada national increases.</p> <p>The <b>Milk Regulations, 1998</b> were amended effective February 01, 2021, to adjust the minimum price of milk appropriately.</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, 2021, the Board will have monitored and provided supports for the supply managed commodities system where appropriate.

<b>INDICATORS</b>	<b>ACCOMPLISHMENTS 2020-21 – Issue 2</b>
<p>Attended meetings of the National Association of Agricultural Supervisory Agencies.</p>	<p>The Manager of the Board participated in the October 2020 and March 2021 NAASA meetings. 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 at both meetings were dedicated to discussions on the challenges and outcomes due to the COVID-19 pandemic, noting that most provinces had similar experiences with disruptions in production, transportation challenges and volatility in markets.</p>
<p>Disseminated information on issues and trends on provincial, national and international supply and demand levels that affect the provincial supply management environment.</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. The Board participated in consultations with the federal and Provincial government and commodity boards with respect to the setting of Tariff Rate Quotas under the Canada United States Mexico (CUSMA) trade agreement. This information was disseminated, as appropriate, to the Provincial Government, and the Board members at Board meetings keeping members well-informed of industry happenings.</p>
<p>Provided supports to commodity boards as requested.</p>	<p>Supports to commodity boards for the fiscal year included assistance in responding to the challenges of COVID-19 for each industry, arranging legislative changes as needed, processing requests for Board member appointments, and clarification of applicable commodity board legislation.</p>

### 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, 2021 the Board will have delivered dispute resolution services to stakeholders, in addition to other supports and services as appropriate.

INDICATORS	ACCOMPLISHMENTS 2020-21 – Issue 3
Reviewed and responded to complaints received.	The Board received and started investigations into two complaints received from members of the public during the 2020-21 year. The appropriate procedures as stipulated in the <b>Farm Practices Protection Act</b> are being followed but the investigations are not yet concluded. The Board discussed emerging issues and monitored situations in the event that complaints may arise from them.
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 2020-21 fiscal year.
Updated the farm registration system as necessary.	Continued to update and register farms, totalling approximately 79 (new registrations, and renewal of existing farm registrations) for the 2020-21 fiscal year. Farm registrations with the Board are subject to a two-year expiry, and accordingly all farms registered in this system are not updated each fiscal year. 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 notified of registrations as they were completed to help expedite the issuance of fuel tax exemptions to registered farmers.

## 4 Opportunities and Challenges

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### **Challenges:**

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

The COVID-19 pandemic caused significant fluctuation in product demand and resulted in a need to adjust quotas and production practices. With their emphasis on dealing with demand fluctuation and implementing public health measures, farms were forced to set aside most of their farm plans and will be working to return their operations to pre-pandemic production and return to developing their farms according to their farm production plans.

### **Opportunities:**

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

The Board recognizes the continued necessity of improving 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.