

FARM INDUSTRY REVIEW BOARD

ANNUAL PERFORMANCE REPORT 2021-22



Chairperson's Message

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 2021-22 fiscal year.

The Farm Industry Review 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 as outlined in its multi-year performance-based activity plan. This report outlines the accomplishments of the Farm Industry Review Board from April 1, 2021 to March 31, 2022, with regards to its responsibilities under both the **Natural Products Marketing Act** and the **Farm Practices Protection Act**.

In 2021-22, the Farm Industry Review Board continued to support the 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 entire Board signifies the Board's accountability for the preparation of this report and the actual results reported.

Respectfully submitted,



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

As of March 31, 2022, 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 recruiting for new Board members.

Two positions, Manager and Economist, are FFA employees from the division of Agriculture Production and Research and provide support to the Board. Both positions are located at FFA's agriculture headquarters in Corner Brook.

Nine conference call Board meetings were held during 2021-22 in May, June, July, August, November, December and February. Audited financial statements are not required as the Board is budgeted through FFA. Remuneration to Board members for the 2021-22 fiscal year was approximately \$10,058. Travel expenditures for the Manager totalled \$1,166 while no travel costs were incurred by the Board members due to ongoing COVID-19 restrictions.

Key Statistics:

Expense Type	Description	2021-22	Change Since 2020-21
Farm Cash Receipts	Receipts paid to farmers for products produced on the farm.	\$150.9 million	17.4%
Crop Production Receipts	The portion of cash receipts made to producers for crop production.	\$29.2 million	45.3%
Livestock Production Receipts	The portion of cash receipts made to producers for livestock production.	\$117 million	12%
Direct Payments	Payments made directly to producers from federal, provincial and municipal agriculture programs. Including payments made under private sector programs.	\$4.8 million	15.8%

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

Farm Cash Receipts

Farm Cash Receipts increased 17.4 per cent in 2021-22 to \$150.9 million. Receipts for 2020-21 had been negatively impact by Covid-19 which saw receipts decline 8.7 per cent in that year.

Crop Production Receipts

Compared to last fiscal year, crop receipts increased 45.3 per cent (\$9.1 million) to \$29.26 million. The growth was mainly due to Statistics Canada recognizing Cannabis as an agricultural crop. Statistics Canada did not release a value for Cannabis production for Newfoundland and Labrador.

Floriculture and sod remains the largest crop commodity in the province with receipts of \$9.1 million – down 3.6 per cent from last fiscal year. Floriculture receipts had been trending downwards from \$10.3 million in 2017-18.

Receipts of vegetables rose 7.6 per cent to \$7.7 million. Potato remains the largest crop by area planted while rutabaga remains the largest by value of production.

Fruit receipts increased 47.1 per cent to \$1.7 million since last fiscal year. The growth was due to increased receipts from cranberries and strawberries. Strawberries remains

the largest fruit commodity (by value) accounting for 45.5 per cent of total fruit crop receipts with cranberries being second largest at 38.9 per cent.

Livestock Production Receipts

Compared to last fiscal year, livestock and poultry receipts increased 12 per cent to \$117 million. Dairy remains the largest livestock commodity at \$46.9 million, which rose 1.6 per cent in 2021-22.

Statistics Canada does not release a value for chicken production in Newfoundland and Labrador under their Farm Cash Receipt publication (Table 32-10-0046-01). However, Statistics Canada does provide a value statistic in Table 32-10-0118-01 "Fowl and Chicken Meat Production, Weight and Farm Value". This table reports annual data only and in 2021, the value of chicken production rose 4.5 per cent to \$42.5 million.

Egg receipts had been significantly impacted by COVID-19 in 2020-21 and experienced a decline of 31.5 per cent. Receipts recovered 51 per cent in 2021-22 to \$21.4 million which exceeded the pre-pandemic level (2019-20) of \$20.7 million.

Since last fiscal year, cattle and calves declined 39.6 per cent to \$2.7 million while sheep and lambs rose 3.9 per cent to \$0.6 million.

Direct Payments

Direct payments to producers increased 15.8 per cent in 2021-22 to \$4.8 million. The Dairy Direct Payment Program (\$3 million) and Agri-Stability (\$1.7 million) accounted for 98.1 per cent of direct payments in 2021-22.

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:

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This report is available in alternate formats. Please contact Martina Gallant, Board Manager, at: martinagallant@gov.nl.ca or call: (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 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 of FFA, Parliamentary Secretary 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. These same objectives and corresponding indicators will be reported on for 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, 2022, the Board will have provided oversight for the three commodity marketing boards.

INDICATORS	ACCOMPLISHMENTS 2021-22 – Issue 1
Reviewed and approved price adjustments from commodity boards as requested.	During 2021-22, the Board reviewed and approved one request for a price adjustment for fluid milk.

INDICATORS	ACCOMPLISHMENTS 2021-22 – Issue 1
Reviewed and approved policy changes from commodity boards as requested.	As part of an appeal application, the Board reviewed 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). A review of the existing dairy quota exchange policy and procedures was also completed as part of an appeal application in 2021-22.
Prepared policy decision requests for legislative amendments as needed.	Prepared and implemented the necessary policy decision requests for legislative amendments to amend the regulations related to milk importation and bring about the February 1, 2022, increase to the minimum milk price. No other policy decisions made during the 2021-22 fiscal year required legislative amendments.
Participated in meetings of commodity boards.	In 2021-22, a representative of the Board attended 17 commodity board meetings and the CFNL, DFNL and EFNL annual general meetings as well as the DFNL semi-annual meeting, 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.	<p>The Board discussed and arranged for trade and legal review of a DFNL request to amend regulations related to the importation of milk into the province. The Board supported and arranged for the amendment to legislation.</p> <p>The Milk Regulations, 1998, were amended effective February 1, 2022, to adjust the minimum price of milk appropriately.</p> <p>The Board began consultation with EFNL on the proposed Federal Provincial Territorial Agreement amendment.</p> <p>The Board reviewed the CFNL Executive Director performance evaluation and supported the CFNL Board-endorsed salary increase.</p> <p>The Board provided guidance to each of the commodity boards as to their duties and responsibilities under the Natural Products</p>

INDICATORS	ACCOMPLISHMENTS 2021-22 – Issue 1
	Marketing Act and the Access to Information and Protection Privacy Act.

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, 2022, the Board will have monitored and provided supports for the supply managed commodities system where appropriate.

INDICATORS	ACCOMPLISHMENTS 2021-22 – Issue 2
Attended meetings of the National Association of Agricultural Supervisory Agencies.	The Board Manager participated in the October and December 2021 and March 2022 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 included the Grocery Code of Conduct, food security, animal welfare standards, inspections and enforcement. There was a presentation and analysis of the roles and responsibilities of the various provincial supervisory boards. Also, the Board was presented with a demonstration on dynamic strategic planning and its benefits as a more effective planning tool with the aptitude to evolve and adapt quickly to a rapidly changing world.

INDICATORS	ACCOMPLISHMENTS 2021-22 – 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 2021-22 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.
Provided supports to commodity boards as requested.	Supports to commodity boards in 2021-22 included assistance in responding to the ongoing challenges of COVID-19 for each industry, arranging legislative changes as needed, clarification of applicable 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, 2022 the Board will have delivered dispute resolution services to stakeholders, in addition to other supports and services as appropriate.
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INDICATORS	ACCOMPLISHMENTS 2021-22 – Issue 3
Reviewed and responded to complaints received.	During 2021-22, the Board completed a review of one complaint carried over from the prior fiscal year. Another complaint was received in 2021-22 and processed from members of the public regarding farm practices during the year. The Board also received and determined two appeal applications submitted under the Agricultural Products Marketing Board Appeal Regulations under the Natural Products Marketing Act with a third application received and in progress at fiscal year-end. Throughout 2021-22, the Board discussed emerging issues 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 2021-22 fiscal year.
Updated the farm registration system as necessary.	In 2021-22, the Board continued to update and register farms in the farm registration system, totalling 200 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 acknowledges the opportunity to expand the provincial egg industry into Labrador where eggs are currently imported and have been assisting with the

development of a revised New Entrant program to help establish an egg producer in that region as the Board recognizes the potential of further developing commodity markets and secondary processing activities.

The Board also recognizes the continued necessity of and 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.

Challenges:

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.

The pandemic caused significant fluctuation in product demand and resulted in a need to adjust quotas and production practices. 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, has experienced a heightened level of challenges from industry on policy matters and from the public in regard to farm practices.