



**Prince Edward Island Marketing Council**

**ANNUAL REPORT**

**2017**

**For the year ended December 31, 2017**

# Table of Contents

<b>Table of Contents .....</b>	<b>Page 1</b>
<b>Letter to the Minister .....</b>	<b>Page 2</b>
<b>Introduction .....</b>	<b>Page 4</b>
<b>Mission Statement .....</b>	<b>Page 4</b>
<b>Vision .....</b>	<b>Page 4</b>
<b>Corporate Governance .....</b>	<b>Page 5</b>
<b>Operational Responsibilities .....</b>	<b>Page 6</b>
<b>Monitoring and Supervision Highlights .....</b>	<b>Page 7</b>
<b>Natural Products Appeals Tribunal.....</b>	<b>Page 9</b>

## Activity Reports

<b>Dairy Farmers of Prince Edward Island .....</b>	<b>Page 10</b>
<b>Egg Producers of Prince Edward Island .....</b>	<b>Page 11</b>
<b>Prince Edward Island Cattle Producers .....</b>	<b>Page 13</b>
<b>Chicken Farmers of Prince Edward Island .....</b>	<b>Page 14</b>
<b>PEI Hog Commodity Marketing Board .....</b>	<b>Page 16</b>
<b>Lobster Fishers of Prince Edward Island .....</b>	<b>Page 17</b>
<b>Prince Edward Island Potato Board .....</b>	<b>Page 20</b>
<b>PEI Wild Blueberry Growers Association .....</b>	<b>Page 23</b>
<b>Prince Edward Island Oyster Commodity Group ...</b>	<b>Page 25</b>
<b>PEI Strawberry Growers Association .....</b>	<b>Page 28</b>

Photo Credit: The picture of the three oyster boats and fishers on the front cover was submitted by Marney Mackinnon, Mermaid.

## LETTER TO THE MINISTER

February 28, 2018

The Honourable Robert Henderson,  
Minister of Agriculture and Fisheries

It is indeed a pleasure to submit Marketing Council's Annual Report to you for the year ended December 31, 2017 as required under subsection 2(11) of the *Natural Products Marketing Act*.

The report also contains brief summaries on the structures and activities of active commodity boards, commodity groups and the Natural Products Appeals Tribunal created under the *Act*. Additional copies of the report are provided so you can transmit the report to the Legislative Assembly during the next session as required under subsection 2(11.1) of the *Act*.

Council had a normal level of activity during the 2017 year similar to 2016.

The Potato Board was able to reach negotiated contract prices with potato processors, again in 2017, without having to go to arbitration. However, Council has continued to supply a list of mediators and arbitrators to assist the Board in the negotiation process with the processors should mediation and/or arbitration be required.

All provincial chicken producer boards and other related players in the chicken industry across the country have settled their outstanding differences on quota sharing at the national level. Discussions started in 2008 on the proper method of allocating new growth quota on the basis of comparative advantage. Chicken Farmers of Alberta withdrew from the National Plan in 2013 after feeling that not enough headway had been made on the sharing arrangements. Farm Products Council of Canada gave its final approval to the implementation plan for the sharing agreement in November of last year making way for Alberta to resign the deal on November 27, 2017.

Egg producers, locally and nationally, are working toward a rewrite of their Federal Provincial Agreement (FPA) on eggs to include several agreements on quota allocation and market sharing which have been negotiated and are being used in the calculations but which are not actually within the parameters of the FPA. Growth in the egg sector, measured in terms of table egg disappearance, has been over 4% in each of the past three years.

The Canadian dairy industry has been working tirelessly to manage production to meet the demands from the Canadian marketplace. In the 2017 year, production quotas increased by slightly over 8% for Island dairy producers and other producers in the P5 Pool. A new class 7 has been added to the classification system for dairy products in Canada and the harmonized billing system has been modified to ensure proper pricing is in place for both producers and processors. The new class 7 and billing system is more reflective of world prices especially for milk protein and ingredients. Processors have responded well to the new pricing system and the structural surplus from the previous year is slowly being utilized. Butter stocks have

been allowed to increase above previous levels to better manage the increased demand for butter leading into the fall and Christmas seasons.

With the increased production there is a need for increased dairy processing capacity. A new processing plant was opened in Manitoba in 2017 which allowed that province to issue 100% of production quota. A new plant is being brought on line in Ontario to meet demand for infant formula. Smaller plants continue to modernize and the major processor on PEI continues to operate at almost 100% capacity. More processing capacity is needed in Atlantic Canada to decrease the amount of milk being cascaded to central Canada following plant closures in eastern Canada in recent years.

Canada continues to meet its import requirements for butter from various countries to satisfy trade agreements. Following the implementation of the Comprehensive and Economic Trade Agreement (CETA) with the European Union, Canada has agreed to open up more of its markets to fine cheese imports from Europe. Full implementation of CETA may take five to seven years but implementation began on September 21, 2017. The Trans Pacific Partnership, which had been put on hold by the American Administration, has gained a new life as the Comprehensive and Progressive Agreement for the Trans-Pacific Partnership (TPP 11) and may have broad trade implications for Canada's agriculture sector since its approval in principal on January 23, 2018. However, even if it is formally signed in March of 2018 the implementation may take up to two years to complete.

The Cattle Producers of PEI have implemented a new levy structure similar to one in place in Nova Scotia and one being implemented in New Brunswick. Since there are many cattle crossing provincial boundaries it was felt that a harmonized levy structure for all three Maritime Provinces would treat all producers fairly.

The Island's newest commodity board, The Lobster Fishers of PEI, continues to move forward with their marketing and promotion plans. The Board has contracted with a St. Peters firm to supply services including an Executive Director, a Marketing Director and as a location to serve as their head office. The Board has now collected the penny-per-pound levy on all lobster landed for two years; they have invested some of that money in the marketplace to grow demand for PEI lobster and continue to work on their marketing plan. There has been little agreement yet on plans to work together with the processors for a joint campaign.

Marketing Council continues to participate in discussions with the National Association of Agri-Food Supervisory Agencies (NAASA) on issues of concern to all provinces.

There was one new member appointed to Marketing Council in 2017 and there were three members reappointed to serve their second three year terms. Training and orientation sessions are carried out for all new Council members. Ken Mellish was appointed as the Chair of Marketing Council following the expiration of Michael Carmichael's second three year term. Council is carrying out its supervisory and other responsibilities in a timely and efficient manner.

Respectfully submitted on behalf of Marketing Council:

Ken Mellish, (Chair)  
Lyndon Hardy  
Calvin Jollimore  
Charles Murphy

Steven Reeves, (Vice-Chair)  
David Harris  
Kathy MacDonald  
Karen Roche

## **MARKETING COUNCIL**

### **2017 ANNUAL REPORT**

#### **Introduction**

Pursuant to section 2(11) of the *Natural Products Marketing Act, R.S.P.E.I. 1988 Cap. N-3*, each year Marketing Council is required to present a report on Council's activities to the Minister responsible for the *Act*.

The *Act* also requires that a copy of the report be transmitted to the Legislative Assembly when in session or within fifteen days of the commencement of the next regular session of the Legislative Assembly.

The following report highlights activities of Marketing Council and the Appeals Tribunal for the period from January 1, 2017 to December 31, 2017. This report also highlights important events that have occurred during the year summarizing Activity Reports generated from active commodity boards, marketing commissions and commodity groups formed under the *Act*.

Several years ago, Marketing Council completed a Strategic Plan which it continues to use to guide its focus and activities. The Plan contains the following Mission Statement and Vision.

#### **Mission Statement**

*Acting on behalf of the people of Prince Edward Island, Marketing Council supervises the creation and operation of producer boards, commissions and groups that regulate and control the production, sale, processing, marketing, transportation and pricing of natural products.*

#### **Vision**

*The Prince Edward Island Marketing Council is a forward-thinking, pro-active, efficient and accountable public agency that oversees orderly systems for the production and marketing of natural products.*

## Corporate Governance

**Authority** - The Prince Edward Island Marketing Council is a statutory body established pursuant to section 2 of the *Natural Products Marketing Act, R.S.P.E.I. 1988, Cap. N-3*. Under the *Act*, Council has very broad and far reaching powers, some of which include:

**General Powers** – Council may exercise such powers and perform such functions as are vested in it by the Lieutenant Governor in Council, and shall recommend to the Lieutenant Governor in Council the establishment, amendment and revocation of plans for the marketing of natural products and the constitution and powers of commodity boards or of marketing commissions to administer such plans.

**Supervisory Responsibilities** – Council is responsible for the general supervision of commodity boards, marketing commissions and commodity groups established under the *Act*.

**Composition** – Under subsection 2(1) of the *Natural Products Marketing Act*, Council shall consist of no fewer than three persons and not more than eight persons appointed by the Lieutenant Governor in Council. One new appointment was made to Council effective July 20, 2017 and three reappointments for a second three year term were effective as of December 9, 2017. A new Council chair was appointed on April 1, 2017.

At year end, Council consisted of:

<b>Name</b>	<b>Position</b>	<b>Location</b>	<b>Primary Interest</b>
Ken Mellish	Chair	New Perth	Dairy (retired)
Steven Reeves	Vice-Chair	Freetown	Dairy
Lyndon Hardy	Member	Foxley River	Lobster
David Harris	Member	O’Leary	Potatoes
Calvin Jollimore	Member	French River	Aquaculture
Kathy MacDonald	Member	New Glasgow	Sheep and Beef
Charles Murphy	Member	China Point	Potatoes
Karen Roche	Member	Vernon River	Consumer Representative

**Membership Changes** – In April of 2017, Michael Carmichael retired from Council and was replaced as chair by Ken Mellish who is a retired dairy farmer from New Perth. On July 20, 2017 Charles Murphy of China Point, a seed potato grower, filled the position left vacant by Michael Carmichael. On December 9, 2017 Steven Reeves of Freetown, David Harris of O’Leary and Kathy MacDonald of New Glasgow were all reappointed to serve a second three year term on Council.

**Staff** – In 2017, Marketing Council staff consisted of Ian McIsaac as Secretary & General Manager on a 60% time basis along with his 40% time responsibilities working with the AgriStability Program. Kerry Ellen Nantes, Administrative Assistant with the Agricultural Insurance Corporation, Department of Agriculture and Fisheries provided administrative support to Marketing Council as their Recording Secretary and this was greatly appreciated.

**Meeting Attendance** – Marketing Council has always achieved a very high attendance rate. Calendar year 2017 was no exception with an attendance rate of 87%.

**Meetings/Focus** – Council held four (4) meetings and conducted one training session during the year. Some Council members attended the annual meetings of some of the commodity boards and groups in addition to the ones they represent. Michael Carmichael attended the EPPEI AGM in Slemon Park in Summerside while Ken Mellish attended the Annual meeting of the Potato Board. Throughout the year, Council continued to monitor the activities of commodity boards and commodity groups to ensure they were in general compliance with the *Act* and their Regulations.

The Strawberry Growers Commodity Group continues to wait for an announcement on the formation of a national agency to be established under Part III of the *Farm Products Agencies Act* to carry out research and promotion activities for the benefit of all Canadian strawberry growers. The Oyster Commodity Group has struggled this year to maintain its focus due to leadership issues. However, Council has worked with the newly elected leaders to help them readjust their focus on the long term interests of its members.

## **Operational Responsibilities**

### **Monitoring and Supervision**

One of the most important responsibilities of Marketing Council is its role in monitoring and general supervision of commodity boards, marketing commissions and commodity groups formed under the *Natural Products Marketing Act*.

Monitoring activities include reviewing reports that highlight commodity board minutes, board orders, annual reports, audited financial statements and other material received from boards. Council was responsible for monitoring and supervising seven commodity boards and three commodity groups during the past year (see below). Although regulations are in place for a Turkey Marketing Commission, the Commission remains inactive.

### **Commodity Boards**

Chicken Farmers of Prince Edward Island  
Dairy Farmers of Prince Edward Island  
Egg Producers of Prince Edward Island  
Prince Edward Island Cattle Producers  
Prince Edward Island Hog Commodity Marketing Board  
Prince Edward Island Potato Board  
The Lobster Fishers of Prince Edward Island

### **Commodity Groups**

Prince Edward Island Oyster Commodity Group  
Prince Edward Island Strawberry Growers Association  
Prince Edward Island Wild Blueberry Growers Association

### **Marketing Commissions**

Turkey Marketing Commission (inactive)

# Monitoring and Supervision Highlights

Following are highlights of Council's activities during the 2017 calendar year.

## Activity Reports

The Council Secretary & General Manager reviews and prepares Activity Reports for Council summarizing each document received from a commodity board or group. Documents reviewed during the past year include minutes, board orders, agreements, audited financial statements, annual reports and material related to federal-provincial agreements discussed at the national meetings. Particular emphasis is placed on member attendance and participation in discussion at meetings, understanding of, and response to industry issues, proper preparation and approval of minutes, decisions and board orders, board reviews of unaudited financial statements at least on a quarterly basis, participation in provincial, regional and national organizations and committees.

## Ratification of Board Orders

During the year, Council ratified thirty board orders for publication in the Royal Gazette. Board Orders regulate and control various aspects of the production and marketing of a commodity based on powers conferred on a board by the Lieutenant Governor in Council. At the end of 2017, commodity boards created under the *Act* had the following number of orders in force:

<b>Commodity Board</b>	<b># Orders</b>
Chicken Farmers of PEI	7
Dairy Farmers of PEI	34
Egg Producers of PEI	12
PEI Cattle Producers	2
PEI Hog Commodity Marketing Board	3
PEI Potato Board	<u>7</u>
<b>Total Number of Active Orders</b>	<b>65</b>

## Commodity Board Elections

The Marketing Council Secretary & General Manager acts as Returning Officer for elections held by commodity boards required to hold mail-in-votes. During 2017, mail-in-votes were conducted to fill the following commodity board vacancies:

<b>Commodity Board</b>	<b>Vacancies Filled</b>
Dairy Farmers of PEI	3
Egg Producers of PEI	2
PEI Cattle Producers	2
PEI Potato Board	<u>4</u>
<b>Total Vacancies Filled</b>	<b>11</b>

Chicken Farmers of PEI and the PEI Hog Commodity Marketing Board conduct elections during their annual general meetings.

## Appointments to Commodity Boards

Marketing Council has the authority to appoint registered producers to fill vacancies on commodity boards where an elected producer is unwilling or unable to serve. The power to fill vacancies is normally exercised when only one registered producer expresses an interest in filling a vacancy. Generally, an election will be held when more than one producer expresses an interest in filling a vacancy. During the 2017 year, Council made one appointment and that was to the PEI Cattle Producers Board.

### **Other Activities**

During calendar 2017, Marketing Council also:

1. Created a list of mediators and arbitrators to be used to select an individual or individuals to assist in negotiating an acceptable production contract between the Potato Board and Potato Processors.
2. Recommended to LGiC changes to the Regulations for Egg Producers of Prince Edward Island. Council met with the General Manager of EPPEI to discuss progress on an amendment to the EFC National Plan to formalize the Quota Allocation Agreement, and to add the Northwest Territories as a signatory to the Plan. Following the amendment there is a good chance that there could be a re-write of the Federal Provincial Agreement on eggs which hasn't been done since 1984.
3. Worked with the PEI Cattle Producers on revising levy rates and implementing a new levy collection system which would see a levy paid each time an animal was sold rather than just one levy per finished animal at slaughter. Council also worked with the Cattle Producers and their legal Counsel to renew the five year Services Agreement and the Levy Collection Agreement with Canada Beef.
4. Monitored the developments of trade agreements mainly the NAFTA and TPP 11. The Implementation of the CETA trade deal with the European Union began in September of 2017. Council also worked with the Dairy Farmers of PEI to renew the five year Agreement on the Eastern Canadian Milk Pooling. By the end of the 2017 year there were still two provinces which had not agreed to all the terms. This may have to be followed up at a P5 signatories meeting.
5. Worked with the PEI Oyster Commodity Group to get a new executive in place and helped with communication and administrative duties as required.
6. Continued to work closely with the Chicken Farmers of PEI to improve their information gathering responsibilities on chick imports to PEI as part of its requirements under the national plan.
7. Hosted M. Laurent Pellerin, Chair of Farm Products Council of Canada, and his assistant Nathalie Vanasse to discuss areas of interest and ongoing efforts to solve challenges within the supply managed, except for dairy, and the non supply managed commodity production systems.
8. Discussed the issue of gender balance and young producers serving on commodity boards and commodity groups established under the *Natural Products Marketing Act*. The Province does not have a policy on gender balance on agencies, boards and commissions but Council would like to see 30% of positions on commodity boards filled by females and at least one young producer within five years. Currently there are 55 positions on seven boards filled by males while no positions are presently held by females. Council will continue to communicate with boards on this issue.

## **PRINCE EDWARD ISLAND NATURAL PRODUCTS APPEALS TRIBUNAL**

### **Statutory Responsibility**

The Natural Products Appeals Tribunal is a statutory body established pursuant to section 18 of the *Natural Products Marketing Act, R.S.P.E.I. 1988, Cap. N-3*.

The Tribunal is responsible for hearing appeals of orders, directions or decisions made by commodity boards and marketing commissions and of orders, directions or regulations made by Marketing Council.

### **Composition and Staff**

At December 31, 2017, the Natural Products Appeals Tribunal consisted of the following members and staff:

Donald Drake, Member  
Ralph Yeo, Member  
Brian Morrison, CA, Member

Mary Kinsman, Secretary

### **Appeal Activity**

For the year ending December 31, 2017, there were no appeals before the Natural Products Appeals Tribunal.



## Dairy Farmers of Prince Edward Island

**Mandate/Powers** – The powers of Dairy Farmers of Prince Edward Island are found in section 4 of the Natural Products Marketing Act and further clarified in the Dairy Farmers of Prince Edward Island Regulations. This section vests in the Board the powers necessary for it to effectively promote, control and regulate the marketing of milk within the province, including the power to prohibit any aspect of the marketing of milk. The Board has also been delegated federal powers to regulate the marketing of milk in interprovincial and export trade under the *Agricultural Products Marketing Act* (Canada).

Dairy Farmers of Prince Edward Island is participating, with its partners, in the Agreement on Eastern Canadian Milk Pooling (P5) to share markets and revenues. A committee of the P5 provinces (PEI, ON, QC, NB & NS), makes recommendations on producer quota issues to the provincial boards, which retain the power to implement the policies.

**Board of Directors and Staff** – at 31 December 2017 consisted of the following:

**District Directors:**

<b>West Prince</b>	Harold MacNevin, Chair;	Nelson MacKinnon
<b>Summerside</b>	Ronald Maynard, Secretary;	Ranald MacFarlane
<b>Charlottetown</b>	Brian Craswell;	Gary Hughes;
	Gordon MacBeath	
<b>Montague-Souris</b>	Dannie MacKinnon, Vice-Chair;	one seat vacant

**Management Staff:** Douglas Thompson, General Manager

**Industry Statistics** – At 31 December 2017, there were 13,859.30 daily kilograms of butterfat quota issued to 165 active producers, representing a decrease of 6 producers or -3.51% compared to the same date a year earlier.

During the 2017 fiscal year (ended 30 November 2017), PEI dairy farms produced 116.99 million litres of milk, approximately 7.66 million litres more than the previous year. This generated farm gate receipts, net of transportation costs and levies, of \$89.86 million, an increase of approximately \$6.3 million dollars or +7.02% compared to the same period one year earlier.

**Activities** –During the year, the Board:

- ⇒ administered producer quotas, including the quota exchange, credit transfer exchange and credit transfers;
- ⇒ administered policies for the production and transportation of raw milk;
- ⇒ administered policies for the licensing of transporters, bulk milk graders/transport vehicle operators, fluid milk distributors and dairy plants;
- ⇒ provided milk component test results to producers;
- ⇒ responded to interprovincial milk movement obligations;
- ⇒ established producer milk prices and minimum wholesale and home delivery fluid milk product prices;
- ⇒ administered the proAction® farm management practices program;
- ⇒ established bulk milk transportation rates; and
- ⇒ participated in numerous provincial, regional and national committees.

**Mandate/Powers** – Section 39 of the Egg Commodity Marketing Regulations confers on the Board the powers to promote, control and regulate the marketing of eggs within the province, including the power to prohibit any aspect of the marketing of eggs. The only powers in the Act not conferred on the Board are those found in subsections 4(3) (r), (s) & (t). The Board has also been delegated federal powers to regulate the marketing of eggs in interprovincial and export trade under the *Agricultural Products Marketing Act* (Canada).

**Board of Directors:** At December 31, 2017, the Board of Directors consisted of John Dennis, Chair; Peter Stavert, Vice-Chair; Nathan Burns, Secretary; Ian Simmons, Egg Farmers of Canada (EFC) Director; and Tim Churchill.

**Management Staff:** Michael Cummiskey is the Board's General Manager, Julie McCarron is Office Administrator and Janis MacKay is Promotion Coordinator.

**Industry Statistics** – Seven (7) producers were registered with the Board at year end. Quota issued or available to registered producers was 141,779 layers. Farm Gate Receipts from registered producers during 2017 is estimated to be \$6.99 million compared to \$6.78 million during 2016, an increase of 1.62% mainly due to slightly higher egg prices in 2017 compared to 2016.

Of the 3.64 million dozen eggs marketed during 2017, 52.8% were consumed as table eggs in PEI and the Maritimes and the remaining 47.2% were exported to Nova Scotia for the table market or sold to Quebec and Ontario for processing. During 2017 grading stations reported that they imported an additional 32,897 boxes and exported 29,592 boxes of 15 dozen graded eggs in order to supply shortages in both the PEI and NS table markets. This compares to 56,959 and 31,457 boxes of imports and exports for 2016.

Registered egg farms are rated on a HACCP based, Start Clean-Stay Clean (SCSC), food safety program and Egg Farmers of Canada Animal Care Program on an annual basis. Scores achieved by producers during an independent SCSC inspection are used to determine the compensation producers will receive for eligible losses in the event a flock must be destroyed due to a human health risk associated with salmonella enteritidis (Se). Commercial pullet farms and registered egg farms have their egg laying environments tested for Se once and twice respectively during the pullet growing phase and laying cycle.

The Egg Producers of Prince Edward Island continue to purchase administrative support services from the Dairy Farmers of Prince Edward Island Board.

**Activities** – The Board was involved in the following activities during the year:

- ⇒ held five face to face board meetings and one conference call in order to discuss and make recommendations on national, provincial, and producer issues;
- ⇒ held an Annual General Meeting to review the previous year's financial statements and report on the previous year's activities;
- ⇒ attended one Atlantic Directors' meeting to discuss EFC Speciality production, EFC Animal Care Program, NAFTA, TPP, Atlantic Research priorities and FPCC representation;

- ⇒ the Board Chairman, Board Manager and Egg Farmers of Canada (EFC) director and other directors participated in various EFC meetings and committees of EFC;
- ⇒ established producer, spot and wholesale egg prices;
- ⇒ allocated and administered producer quotas, quota credits, producer leases and quota transfers;
- ⇒ established and collected levies and EFC service fees on quota allocations and made payments to EFC on behalf of registered egg producers;
- ⇒ purchased and sold surplus eggs from registered egg grading stations, the eggs were sold to EFC through its Industrial Products Program;
- ⇒ participated in the Canadian Egg Industry Reciprocal Alliance (CEIRA) – poultry insurance program for Se, which provides coverage for hens from breeder flocks through to spent fowl;
- ⇒ reviewed various EFC documents and prepared comments in regards to proposed changes to EFC's Animal Care, SCSC program and Pullet & Layer Code of Practice;
- ⇒ informed producers about changes to EFC's SCSC and Animal Care Program as well as quota allocations, and levy adjustments;
- ⇒ participated in various promotional activities and attended various venues, including: PEI Home Show; PEI Agriculture Sector Agriculture Awareness Day; Festival of Small Halls; Close to Ground Concert Series; Crapaud Exhibition; Old Home Week; Upton Farm Open House; PEI Open Farm Day; Farm Day in the City and UPEI Health Fair in order to increase consumer awareness and the benefits of egg consumption. At these events, promotional and nutrition material along with recipe cards, microwave egg cookers and reusable grocery bags, featuring egg farmers on PEI, were distributed free of charge; and
- ⇒ promoted egg farmers and egg consumption via the T3 Transit busses, bus transit shelters, rink signage, reusable grocery bags and radio ads.



The PEI Cattle Producers (PEICP) held their Annual Meeting on April 6, 2017. Board members include Brian Morrison, Jeremy Stead, Peter Dixon, Holland Cahill, Kenneth MacEachern and Derek Annema. Ex-Officio Director, Ranald MacFarlane represents Dairy Farmers of PEI.

In April of 2017, the PEICP launched its sixth annual PEI Burger Love campaign. This campaign was established to raise the awareness and the importance of the PEI beef industry to agriculture and to PEI in general. This social media campaign saw an increase in all aspects of the campaign from the previous year. Eighty-four restaurants sold over 184,397 hamburgers or 78,000 lbs of Island beef during the month of April, again surpassing the number of burgers sold the previous year. It is estimated that the minimum overall economic impact since the inception of the campaign seven years ago is \$8.7 million in sales of burgers alone. This was the first year Canada Beef partnered in the campaign by promoting beef and the producers who raise it.

The PEICP continues to deliver the Verified Beef Production Program (VBP+) in Prince Edward Island by providing information and delivering workshops. While the number of producers attending VBP+ workshops has remained consistent, the number of audited operations remains low. We are carefully monitoring a pilot project through Cargill to see if the pull for VBP+ will come from the marketplace. If it does, it is likely that Atlantic Beef Products would eventually request their producers become audited as well. We are prepared to assist producers in becoming audited if this occurs. The PEICP continues to offer third party Age Verification; an important benefit from providing this service is that more producers are getting their Premise Identification Numbers (PIDs) and merging multiple CCIA accounts into one. All of this will assist producers in preparing for traceability when the new regulations come into force. The Livestock Development for Beef program was delivered through the PEICP. Funding for this program is provided through Growing Forward II and offers qualifying producers' money for programs such as premium sires, genetic heifer renewal, seed stock testing and assistance toward the purchase of scales and handling facilities. The fund was reduced to \$72 K this year, down from \$82K the previous year.

The PEICP coordinates the *Prince Edward Island Certified Beef* brand. Prince Edward Island beef is produced by those who are committed to quality, consistency and flavour, drawing on generations of experience. Beef farming and processing has long been a staple of our Island heritage and we take it very seriously. We have developed the *Prince Edward Island Certified Beef* brand based on these qualities and values. Today's consumers are knowledgeable and demand certain attributes from the food they eat. They want to know that the beef they consume has been raised responsibly, that the animals were treated humanely and that the beef is safe to eat. Each year new members are required to attend a Humane Handling Workshop delivered to producers by Jane Morrigan of Integrity Livestock Services. This practical overview offers a great reminder of why we need to keep animal welfare top of mind. The brand continues to grow steadily and includes feeders from all Atlantic Provinces. To date, there are approximately thirty-three feedlots and one hundred and twenty-three cow-calf producers on the brand.

The PEICP continues to administer the Deadstock Removal Service for beef producers. This \$850,000.00 service is cost shared with Dairy Farmers of PEI, and the Province of PEI. The Province contributes \$350,000.00 to the service each year. There has been uptake of just over 50% of all beef producers paying to use the service. Those who did not pay are not eligible for services and must arrange for proper disposal of their deadstock themselves.

The PEICP had its Registration and Cattle Marketing Levies Order published in the Royal Gazette and came into effect on April 1, 2017. Under this new Order, the levy increased to \$6.00/transaction for every animal sold. This was a significant change for PEI producers as they were accustomed to paying \$4.00/head levy upon slaughter only. This brings us in line with Nova Scotia who is already at \$6.00/head.

The PEICP is a member of the Maritime Beef Council (MBC). The MBC hosted a Maritime Beef Conference in March 2017 in Truro, NS. The conference had terrific speakers and was well attended. The next MBC Conference is scheduled for March 16-17, 2018 in Moncton, NB. Keynote speaker will be Temple Grandin, PH.D. The MBC continues to work on the development of a Maritime Beef Strategy. The main objective of the strategy is to expand the Maritime herd by 10,000 cows over the next five years. One of the strategies includes an examination of the feasibility of offering price insurance to producers in this region. A price insurance program like the Western Livestock Price Insurance Program offered in western Canada would provide producers in the region with another tool in the toolbox to help manage sudden drops in market prices.

Atlantic Beef Products (ABP) has been consistently processing 525 head per week; this includes fats as well as culls cows. ABP continues to sell Island View Farms branded beef through Sobeys stores across PEI. In addition to this brand, ABP has been selling Certified Island Beef, Blue Dot and True Beef brands.

We are pleased to have national representation as follows: John MacDonald, Canadian Cattlemen's Association Board of Directors; David Francis, Canada Beef Board of Directors and Ivan Johnson, Canadian Cattle Identification Agency Board of Directors. These representatives provide a valuable link between our provincial organization and our national organizations.

Respectfully submitted by: Rinnie Bradley, Executive Director of the PEI Cattle Producers

## Chicken Farmers of Prince Edward Island

### **Mandate**

The powers of the Board to regulate and control the marketing of poultry in Prince Edward Island are found at section 38 of the Poultry Meat Commodity Marketing Regulations. The Board has also been delegated federal powers under the *Agricultural Products Marketing Act* (Canada) to regulate the marketing of Prince Edward Island chicken in interprovincial and export trade.

### **Board of Directors:**

At December 31, 2017 the Board of Directors and staff were comprised of the following:

Kevin MacPhail, Chair	Andre Merks, Director
Andrew MacPhail, Vice Chair	Barry Uytterlinde, CFC Rep.
Dean Good, Secretary/Treasurer	

### **General Manager**

Janet Hilliard-Murphy

## **Industry Statistics**

In 2017, eight farmers shipped approximately 5.715 million kilograms, live weight with farm gate receipts of approximately \$9.0 million. Producer prices continued to trend downward in 2017 however volume continued to be strong. This is attributable to both the strength of the chicken market, with increased national allocation requirements, as well market recovery from corrections in the fowl imports that had been illegally entering the country.

## **Activities**

The Board reported on the following initiatives and activities during the year:

- Allocation of Quota to Producers;
- Atlantic Canada Safeguard Agreement-concluded
- Antimicrobial Reduction Strategy
- Consumer Relations Strategy

Participation on provincial, national and regional committees, including:

- Chicken Farmers of Canada (CFC)
- Chair, National CFC Finance Committee
- Atlantic Canada Regional Seat
- Canadian Broiler Council
- National Farmer Alliance
- Life Cycle Assessment Committee

Chicken farms on PEI continue to maintain their 100% certification status for:

- *Safe, Safer, Safest*, On-Farm Food Safety Program
- Animal Care Program

Animal welfare issues continued to dominate the industry in 2017. Due to the ongoing pressures from vegan activists, most Island producers have taken training and certification in euthanasia techniques for carefully disposing of sick or injured birds. Since catching birds is a particularly vulnerable part of the process, the Board is working with their processors on developing protocols to ensure the proper handling of the birds.

Amendments to the OFFSAP/ACP programs will now see PEI chicken farms undergo a *full* audit every year.

PEI participated for the first time in a National Price Comparison exercise, utilising data collected from all major food chains in Charlottetown.

The National Agreement was signed by the Quebec Government this year, allowing way for Alberta to also join back in.



## PEI Hog Commodity Marketing Board

**Mandate/Powers** – The mandate and powers of the Hog Commodity Marketing Board are found in the Hog Commodity Marketing Regulations. Section 40 of the Regulations vests in the Board the powers necessary to enable the Board to promote, control and regulate the marketing of hogs within the province, including the power to prohibit any aspect of the marketing of hogs. The Board has also been conferred federal power to regulate the marketing of Prince Edward Island hogs in interprovincial and export trade under the *Agricultural Products Marketing Act* (Canada).

At December 31, 2017, the board and staff consisted of the following:

**Board of Directors**

Paul Larsen, Chair

Joel Van Gulp, Director

Dale Murray, Vice-Chair

Ian Shaw, Director

Scott Dingwell, Secretary

David MacKenzie, Director

**Executive Director** – Tim Seeber

**Industry Statistics** - The Board reported that 17 commercial hog producers marketed just over 50,000 finished hogs during 2017 with a farm gate receipt value of approximately \$9.4 million. In addition to the market hogs there were almost 14,000 isoweans and a similar number of weaner and feeder hogs exported from the province mostly to Ontario and New Brunswick, which, when combined with breeding stock and cull sows, provided for total shipments of just over 80,000 head. The past year saw the sale of a large farrowing operation in PEI that expects to expand and transition into breeding stock sales which will provide a new source of local genetics for PEI producers as well as a somewhat larger market in New Brunswick.

The “natural” production model has continued to expand to new barns in PEI and NB and though the supply chain. The pricing formula that moved these animals into the value-added market changed somewhat in 2017 however, the end use market remains relatively the same. The forecast for 2018 should see relatively static production with an expected increase in breeding stock sales destined for markets outside of the province. These figures, once again, do not include approximately 2,000 hogs that are processed through provincial abattoirs annually.

The fall of 2017 saw new slaughter capacity come on-stream in the United States with further capacity slated for 2018 start-up. During 2017, US hog production reached record highs but in spite of huge pork volumes the export markets and domestic consumption seemed to keep supplies in check. Packers continued to support the hog price as they chased hogs in an effort to keep hook space full as packer cut outs generated strong positive margins. Porcine Epidemic Diarrhea (PED) continued to cause concerns in the Canadian industry. PED seemed to be brought under control early in the year in Ontario but then beginning in May it appeared on southern Manitoba farms and spread rapidly, eventually infecting over 80 farms by the end of October. In 2017, Health Canada and industry continued to push quickly for the reduction and control of Antimicrobial use in livestock in Canada. In 2018, we will see the implementation of a number of new protocols in this regard.



## Lobster Fishers of Prince Edward Island

### **Annual Operations Report 2017 to the PEI Marketing Council**

In compliance with *Lobster Marketing Board Regulations 5.(10)(a)*, the Lobster Fishers of PEI (LFPEI) Marketing Board is pleased to report a very successful year in 2017 where our critical strategic marketing plan was adopted, marketing research was expanded to the national and international levels and local marketing activities begun.

### **Mandate**

The Lobster Fishers of Prince Edward Island (LFPEI) was constituted as a commodity board under subsection 4(2) of the *Natural Products Act* to administer the lobster fishers' levy and the marketing of lobster from the province; and to represent and protect the interests of the province's lobster fishers at the provincial and national levels. All powers conferred on the Board can be found under section 28 of the Lobster Commodity Board Regulations.

### **Board Governance**

The LFPEI Marketing Board is made up of 12 directors who are registered lobster fishers duly elected by their peers. Two directors are elected from among the membership of each of the six (6) local Fishermen's Associations. Elected directors for 2017 included:

- Charlie McGeoghegan (Chair) and Malcolm Ferguson (Treasurer)- Central Northumberland Strait Fishermen's Association (CNSFA)
- Stephen MacPhee and Travis Gallant/Patrick Eastman (mid-year change) - Eastern Kings Fishermen's Association (EKFA)
- Jamie Gauthier (Vice-Chair) and Ryan Peters - North Shore Fishermen's Association (NSFA)
- James Cook and Lee Knox (Secretary) - Prince County Fishermen's Association (PCFA)
- Brodie Creed and Wayne Campbell - Southern Kings and Queens Fishermen's Association (SKQFA)
- Doug Fraser and Ken LeClair - Western Gulf Fishermen's Association (WGFA)

Directors attended a total of seven (7) board meetings during 2017 and conducted an Annual General Meeting of lobster fishers on March 17, 2017.

After a lengthy exploration process, the Board hired the company Analytic-OR (in September 2017) to provide planning, marketing implementation, and administrative support with Vicki Bryanton in the role of Executive Director.

On November 27<sup>th</sup>, the Board approved the first written Governing Policies Manual with policies for: Board Director's Code of Conduct, Conflict of Interest, E-voting, Expenses, Online Presence and Marketing Restrictions.

## Levy Collection and Accounting

The LFPEI Board continues to use an arm's length process to verify and collect the lobster levy paid by registered lobster fishers on PEI. The legal firm of Cox and Palmer manages the notifications to buyers charged with collecting the levy, and the remittance of the portion of the levy paid by the lobster fishers. Collected funds are submitted as a cheque from Cox and Palmer to LFPEI and no individual identifying information is provided.

Delinquent accounts are pursued by Cox and Palmer.

The firm of MRSB continues to provide accounting support to the Marketing Board and it is the auditor for this year's audited financial statements.

## Activities

In 2017, LFPEI Board undertook a number of marketing activities:

- Advertising with Welcome PEI, the Culinary Guide, the Charlottetown Airport and the Charlottetown Seaport
- Sponsorship of the Summerside Lobster Carnival, the PEI Lobster Festival in Souris and the Lobster on the Wharf in Tignish.
- Development of corporate logo
- Participation on the Board of the Lobster Council of Canada
- Attendance at SEAFEX trade show in Dubai, UAE
- Issuance of consumer market study request for proposals
- Development of a website ([www.lobsterpei.ca](http://www.lobsterpei.ca))
- Adoption of a strategic plan, marketing strategy, marketing plan and social media marketing strategy

## Strategic Plan

On November 13, 2017, the Board adopted a Strategic Plan. The Board recognizes that the prices paid to fishers for lobster is the result of a complex set of events that make up the value chain for this product. The LFPEI Marketing Board is now working under a stated Vision of a future where:

**PEI lobster is consistently sought after as a highly valued product, selling at premium prices that are received equitably by the fishers who harvest them.**

Our Mission to support the Vision is that:

**The Lobster Fishers of PEI lead and drive the demand for PEI lobster to maximize the value for the benefit of our members.**

Further, the Marketing Board has identified Values and Principles to guide the work to be done that ensures that:

- ❖ We will emphasize the quality of PEI lobster
- ❖ We will not make decisions without having good evidence to support our actions
- ❖ We will get the right thing done in the right place at the right time
- ❖ We will visually represent PEI lobster and PEI lobster fishers
- ❖ We will be transparent in how our work is done
- ❖ We will identify and respond to consumer expectations (value, food safety and quality, and social values)
- ❖ We will be accountable to our members by measuring our success
- ❖ Will collaborate with other marketing programs where it will increase our impact
- ❖ We support sustainability and care for the environment
- ❖ We believe communications increase understanding of what we do

To ensure that we develop a successful marketing strategy, that we are representing the needs of lobster fishers in PEI, and are accountable to government and our members, our overall strategic directions are: 1. Promote and Market PEI Lobster, 2. Ensure Accountability, 3. Grow Board Capacity, and 4. Develop Partnership and Collaboration.

## **Marketing Strategy**

On November 13, 2017 the Board approved the Marketing Strategy and 2018 Marketing Plan. The Strategy defines our product, the market overview (locally, nationally, and internationally), the unique selling proposition for PEI lobster, brand strategy, our multi-year marketing strategy, promotions channels, and budget for 2018.

The Marketing Plan has four Strategic Marketing Objectives:

1. Increase demand for Prince Edward Island lobster
2. Engage consumers with unique brand
3. Strengthen the competitive position of fishers
4. Leverage external partnerships to maximize impact

## **Marketing Plan Highlights 2017-18**

Activities under the 2018 Marketing Plan will be pursued in three key areas:

- Gather Market Intelligence
  - Develop metrics
  - Consumer market research study
  - Explore collection of pricing data
- Develop Connections
  - Shared assets project
  - Culinary Institute and Smart Kitchen recipe project
  - Explore joint marketing efforts with other Island food industry groups
  - Attend Seafood Expo North America
- Drive Promotions
  - Create brand story (logo, creatives, video, recipes)
  - Online (social media, website)
  - Advertising (e.g. - Welcome PEI, Seaport and Airport)
  - Festival sponsorships (e.g. - Souris, Summerside, Fall Flavours)
  - Events (e.g. - Chef on Board)

With the results of the consumer market study to be released in early 2018, LFPEI is poised to move forward with a strong strategic generic marketing campaign for Prince Edward Island lobsters.



## **PRINCE EDWARD ISLAND POTATO BOARD**

**Mandate** – General and specific authority for the Potato Board to regulate and control the production and marketing of potatoes in Prince Edward Island is found at section 45 of the Potato Marketing Plan Regulations.

**Board of Directors and Staff** – at December 31, 2017 consisted of the following:

### **District Directors**

#### **West Prince Summerside**

Darryl Wallace,  
Glen Rayner  
Harris Callaghan

Chair Fulton Hamill  
John Hogg, Secretary/Treasurer  
David Francis

#### **Charlottetown Montague/Souris**

Alex Docherty  
Mark MacMillan  
Jason Hayden, Vice-Chair

Chad Robertson  
Wayne Townshend  
Rodney Dingwell

#### **Young Farmer Representative (ex officio) Ashton Perry**

**Management Staff:** Greg Donald, General Manager.

### **Industry Statistics**

Approximately 186 potato farms grow potatoes on Prince Edward Island. Potatoes are the most significant agricultural product produced in PEI, with farm cash receipts of \$249.1 million in 2016 (most recent full year reported by Statistics Canada), up 6.6% from the \$233.7 million recorded in calendar 2015. In 2016, potatoes represented 51.1% of FCR for PEI.

The 2017 year has been an interesting year for the Prince Edward Island potato industry. Variable weather across the province and an extended dry spell resulted in an 8% decrease in production from 2016. Island growers averaged 272 cwt / acre from 87,000 harvested acres resulting in a total crop of 23.7 million cwt. Production in New Brunswick and Quebec was up, and Ontario production increased by 18.6% over their drought reduced volume in 2016. PEI movement is down slightly year-to-date compared to last season but is above our three year average. Price is strong and slightly above last year.

The PEI Potato Board continues to provide high quality market information to growers and industry. Participation together with other member provinces in the United Potato Growers of Canada has also been important in helping growers make the best production and marketing decisions.

Due to the local reduction in volume, potatoes were trucked to PEI this fall for processing use from as far away as Alberta. Local contract details for quality PEI potatoes were agreed upon, just prior to the start of arbitration in mid-April. Most of the French fry contracts saw a reduction to base

prices ranging between 1-2%. However, some contracts (both French fry and chip stock) had increases to their values through improvements to contract language. As well, one major buyer acknowledged growers' demand for improved operating margins by reducing the cost of fertilizer purchased by contract growers from that buyer's retail outlets. When this action with this particular buyer is taken into consideration, some feel the overall contract values for 2017 on PEI were up, with some contracts being flat with the previous year's valuation and other contracts having increased. The Potato Processing Committee continues to be active in collecting information from across North America as well as representing Island processing growers in negotiations with processors.

In 2016, a cooperative effort between the Cavendish Farms contract growers, Cavendish Farms and the PEI Department of Agriculture & Fisheries was initiated to pursue research and extension activities with the goal of encouraging local production changes that will increase marketable yields of processing potatoes in PEI. An overall steering committee, made up of representatives from the three funding partners as well as leaders from local research and educational institutions, oversees the activities of working groups on Soil Management, Seed Management and Science & Technology. Several research projects were initiated and extension sessions on topics of crop rotation, soil health and seed handling took place in 2017. Further activities are scheduled for 2018. PEI Potatoes had another successful marketing year. A major undertaking this past year was the project to develop up-dated video assets for promotion purposes and the filming of several promotion spots for use on TV and on social media. Filming took place over the growing season with the participation and support of many local growers. We thank all of our partners and the table stock committee for the support to make this happen.

The potato industry continued to be active in reaching out to PEI residents and local consumers through continued participation in Open Farm Day and as title sponsor of Farm Day in the City in 2017. Two potato farms opened their doors on Open Farm Day and served as positive ambassadors for the industry. Over 30 potato producers, family members and Board staff helped to run the information booths, and French fry and baked potato stations at Farm Day in the City in October. It was estimated that over 15,000 people attended the event. Many one-on-one conversations were held with consumers and neighbors to provide factual information about potato growing on PEI. Over \$4,600 was raised through French fry and baked potato sales. This money was donated to the PEI 4H Council and PEI Family Violence Prevention Services as a result.

This is the final year of a project conducted in partnership with the provincial and federal governments to assist growers and packers with purchasing foreign material detection equipment. As well, many packing sheds on PEI have taken advantage of federal interest free loan programs to update packing equipment that increases the flexibility, versatility and efficiency of packing lines so they can better respond changing customer requirements.

The Board continues to invest in local and national research projects aimed at improving returns for Island growers as well as improving the economic and environmental sustainability of our industry. Wireworm continues to be a major research priority for growers, along with addressing yield variability, storage optimization, variety evaluation, crop rotations, nutrient management, and more. Additionally, the Board continues to support and promote Fertilizer Canada's Farming 4R Island Nutrient Stewardship initiative in collaboration with the Federation of Agriculture, the provincial government and the Kensington North Watershed Group.

Movement of seed potatoes from PEI to Canadian and US markets increased in 2016/2017 due to good seed quality and demand for varieties being produced on PEI to meet a variety of markets. The Elite Seed Farm at Fox Island continues to produce early generation seed for Island growers and adjusts varieties to meet grower demand. Seed marketing activities are taking place through collaboration with Trade Team PEI and the Potatoes Canada project.

After discussion and evaluation of options, the Board of Directors decided to close the Borden Inspection Station in 2017. The Board retains ownership of the facility and would be able to reactivate inspection services if this were deemed necessary in the future. For the present time, part of the building houses rental tenants and the Board is seeking to rent the remaining available space. Many thanks to the loyal staff who worked at the station for the 20 years it was in operation.

On the environmental front, we were able to work with the Department of Communities, Land and Environment to achieve changes to the Pesticide Storage and Transportation Regulations to make them more workable for potato farmers. We continue to try to work collaboratively with the Department to make positive change for growers.

The Board has also spent considerable effort this past season working with the Canadian Potato Council to respond to several proposed decisions on various important active ingredients made by the Pest Management Regulatory Agency. These decisions have a huge impact on the tools available to growers for pest control. Grower participation in industry responses by answering usage questionnaires is very valuable and we thank all growers who take the time to respond.

Continuing efforts are put into ensuring that our exporters and dealers meet licensing requirements. Licenses are renewed each year at the end of July. As well, the Board continues to collect shipment volume and price information which it is able to supply to growers and dealers in summary form each week. This information is complemented by information we receive as a member of United Potato Growers of Canada. UPGC works closely with its sister organization, United Potato Growers of America, to provide bi-national market intelligence. These efforts are made to provide growers with as much information as possible to enable them to get the best return available from the marketplace.

The Board continued to work with Agriculture & Agri-Food Canada, the Canadian Food Inspection Agency, the PEI Department of Agriculture & Fisheries, and other agricultural groups such as the PEI Federation of Agriculture and the Canadian Horticultural Council on issues of importance to the industry.

Darryl Wallace, Cascumpec, was recently elected as the new Chairman of the PEI Potato Board. Jason Hayden was elected as Vice-Chairman while the new Secretary-Treasurer is John Hogg. The Board also welcomed a new director, Chad Robertson, who replaces Owen Ching. Owen retired after serving two three year terms as the table stock Director for the Souris-Montague area. Other directors are Wayne Townshend, Mark MacMillan, Alex Docherty, David Francis, Fulton Hamill, Harris Callaghan, Rodney Dingwell and Glen Rayner. Ashton Perry is the Young Farmers Representative to the Board.



## Prince Edward Island Wild Blueberry Growers Association

A commodity group under the PEI Natural Products Marketing Act Part III.

**Board of Directors** - On December 31, 2017, the Board consisted of:

John Handrahan, President  
Phillip Jennings III, Vice President  
Benny Nabuurs  
Leigh Jenkins  
John MacDonald

Colin MacAulay, Treasurer  
Rob MacLean, Secretary  
Kevin Carver  
Patrick Burns

**Executive Assistant** - JoAnn Pineau

**Industry Statistics** - In total, PEI produced 23,400,342 lbs of blueberries in 2017. As the production base is estimated as 6150 acres, the provincial yield/acre is estimated as 3802 lbs/ac, down from 5,279 lbs/ac in 2016. PEI produced 34,310,572 lbs in 2016, 27,897,006 lbs of blueberries in 2015 22,741,762 lbs in 2014 and 16,183,752 lbs in 2013. Prices have continued their steep decline, field prices being 20 to 22 cents/lb in 2017, from 30 cents in 2016, and 50 cents in 2015.

**Activities** - An annual levy of \$0.008 per pound is collected from wild blueberry growers by processors to fund the PEI Wild Blueberry Growers Association (PEIWBGA) and its activities. In the past year the PEIWBGA continued to be engaged in a broad range of educational, promotional, research and industry advocacy activities. The Association continues to work toward achieving the goals set in its five-year business plan. The Association delivers its activities with help from the PEI Federation of Agriculture through two MOU agreements to provide required services.

**Education and Communication:** The PEIWBGA continues to hold producer information sessions, demonstrations and tours in cooperation with the PEI Department of Agriculture & Forestry.

In January the PEIWBGA hosted its first Marketing and Production Workshop, where national and international experts provided the attending growers insight into production trends, market situations and promotional efforts.

The 2017 PEI Blueberry Information Day and Annual General Meeting of the PEIWBGA had a significant turnout with more than 75 attendees. A wide range of presentations focused on issues such as leaf spot diseases, creeping perennial weeds, global blueberry market changes, Asian markets, sucking bugs, and pollination.

The Association partnered with the grower associations of Nova Scotia and New Brunswick to host the first Maritime Blueberry Field Day in July in Parrsboro, NS. Over 130 attendees (and over 20 from PEI) took in a variety of key topics such as pest identification and pesticide planning, as well as a field tours research plot demonstration. A very large equipment and services trade show was also present for attendees.

The PEIWBGA continues, along with the wild blueberry associations of NS and NB, to support the Atlantic Tech Transfer Team for Apiculture project. This project supports a team of experts to educate participating beekeepers in modern best management practices, and conduct research to investigate identifying best practices. PEIWBGA's contribution is over \$800, in addition to the \$800 it contributes annually to the PEI Beekeepers Association.

PEIWBGA augments its educational activities with active use of newsletters, a website, Facebook and Pinterest. The PEIWBGA board authorized a redesign of the Association's websites, and a new online consumer promotional effort for education and promotion of local consumption.

**Research:** A central objective of the PEIWBGA is to facilitate research initiatives that benefit the wild blueberry industry as a whole. PEIWBGA continues to fund 5 research projects at the Dalhousie Agricultural Collage, and supports a research student associated with the University's programs. The PEIWBGA will continue to address issues of importance to the industry and welcomes input. The research budget was over \$9,600.

The Association, in cooperation with the other two grower associations of NS and NB, now funds regional research through the Canadian Wild Blueberry Research Innovation and Development Institute (CWBIRDI).

**Promotion:** The Association, in cooperation with the other three grower associations of NS, NB and Quebec and the major processors, continues to fund national and international promotions through Wild Blueberry Association of North America (Canada). This organization funds promotional activities in major export countries, including the US, EU, Japan and China. WBANA also hosts information tours from visitors from those areas. WBANA Canada also, in cooperation with its sister organization WBANA US, funds ongoing research into the health benefits of consuming wild blueberries. The PEIWBGA's promotional budget was \$144,518 in 2017.

**Advocacy:** PEIWBGA is a proud member of the PEI Federation of Agriculture, with whom it cooperates to advocate for its own sector and all of PEI agriculture.

The PEIWBGA participates in national advocacy as a member of the Canadian Horticultural Council (CHC). Delegates attended that organization's annual meeting, and members participate on two of the active working groups. John MacDonald represented the PEIWBGA on the CHC's November advocacy visit to Parliament Hill where a wide range of topics were discussed with Members of Parliament and top bureaucrats.

The Association submitted a briefing paper to the Pesticide Management Regulatory Agency (PMRA) in response to the PMRA's announcement that the registration of Imidan was under review to be cancelled for the use in wild blueberries. The Association strongly advocated for the continued use of Imidan, as it did for Bravo in 2016.

At the 2016 AGM the membership authorized the establishment of a reward regarding information that would lead to a conviction(s) regarding a 2015 incident of vandalism to blueberry harvest equipment in the Mount Steward area. An amount of \$10,000 was authorized, as well as an additional \$2,000 that was contributed by members. As of Aug 1<sup>st</sup>, 2017, the Association was not aware of any information being made available to the police and the program expired with minimal cost to the Association. 2017 has been a year of significant advancements and the PEIWBGA is looking forward to hosting the 2018 Blueberry Information Day and AGM in April.



Prince Edward Island Oyster Commodity Group

**Part III - PEI Natural Products Marketing Act.** Pursuant to the *Natural Products Marketing Act (R.S.P.E.I. 1988, Cap. N-3)*, Sections 7(3) (a, b and c) require all persons who sell and/or market oysters to pay an annual fee of \$50.00 to the PEI Oyster Commodity Group (OCG). Fees are collected at federally registered shellfish plants across PEI and are recorded in specifically designed OCG receipt booklets. Collected fees are due and payable to the PEI OCG by December 31 of each calendar year.

**Management Committee Members as of December 31, 2017:**

<u>Year 1 of 3:</u>	<u>Year 2 of 3:</u>	<u>Year 3 of 3:</u>
Barry Nippard	Zelda Bernard (Secretary)	Chris Bernard (Chair)
Eric Clements (Treasurer)	vacant	Scott Dennis (V-Chair)
Martin Smith (* appointed)	vacant	Alan Acorn

**Administrative Support:** Susan Milligan

(\*Martin Smith was appointed to fill a vacancy and his term will be up at the annual meeting in March, 2018.)

In 2017, two Management Committee directors offered their resignations to the Management Team due to being inactive and a third offered his resignation due to conflicting views over long term direction of the industry. All three resignations were accepted by the Management Team. A new executive was elected but there are currently two vacancies on the Board of Directors. The Management Team hopes to have these two vacancies filled at the Annual Meeting in March 2018.

### **At a Glance**

The PEIOCG was established to collect a levy as a mechanism to partner with PEI Shellfish Association (PEISA) in various initiatives including but not limited to:

- 1) Enhancement activities
- 2) Services and programs that increase training opportunities as identified by industry
- 3) Marketing strategy partnerships for PEI wild oysters

### **Industry initiatives**

The collection of the levy continues to allow industry contributions to meet the ten percent funding threshold required by the PEI Department of Agriculture and Fisheries, in partnership with PEISA, for Enhancement Project funding. This Project design allows partners to replenish public fishing grounds across PEI. The Project is administered at the Bideford Shellfish Station and recognized by harvesters (public & private) for the value it brings to the wild oyster industry. Unique to PEI, this Project supports and sustains one of the last traditional shellfisheries in Canada. The Enhancement Project provides a tremendous opportunity to protect and expand an industry whose roots stretch back 150 years. The Enhancement Project demonstrates that sustainability is achievable when good practices are developed and utilized. Levy dollars also provide cost sharing opportunities for programs which increase the ability to offer safety training as identified within the industry sector as a whole. This education help keep harvesters current in safety requirements as identified by provincial & federal bodies.

### **OCG Mandate**

1. Education & promotion of the oyster fishery as defined under Section 7(2) of the *Natural Products Marketing Act*;
2. Communication that clearly demonstrates the benefits to all fishers from paying the oyster levy;
3. Continuation of a strategic planning initiative as defined by industry to ensure industry longevity
4. Development of opportunities and relationships that enable the wild oyster industry to flourish in a sustainable manner; and
5. Continuing to contribute to oyster industry driven initiatives across PEI.

Using a collaborative approach and positive dialog, the OCG will remain focused on its objectives which are to promote and protect the interests of all industry participants, to assist in the production, research and marketing of quality PEI oysters and to encourage efficiency in all branches of the industry. The OCG will continue to promote the importance of the commodity levy. Oyster harvesters, processors and all governmental agencies need to be aware of and embrace the added value to our PEI oyster industry due to levy contribution. The reality in the oyster industry is that harvesters need processors and processors need harvesters. All oyster products must go through a federally registered plant before entering the market place. Consumer confidence is a high priority.

### **OCG management activities 2017**

There was one informal and three formal meetings of the OCG Management Team between April 1, 2017 and December 31, 2017. Paula Walfield sent a letter of resignation to the OCG in October of 2017 and following Paula's resignation, Susan Milligan was hired on a part time basis in December 2017 for administrative support.

Directors remain committed and will continue to invest the time required to educate all sectors of the oyster industry regarding the importance of the levy as it related to them. Contact with oyster processors is ongoing and in most cases positive, they have been asked to collect and remit on a timely basis. Accountability and transparency remain key priorities in the collection of the annual levy.

### **OCG New collection practices**

The 2017 OCG numbered receipt books now demonstrate a clear record of what each processor receives. We are coming up with a policy on collection, so buyers and fishermen will have a better understanding of the OCG levy collection process. The approximate levy contributions by harvesters for 2017 were \$15,650.00 (unaudited) from 313 fishers. No fishers have asked for reimbursement.

### **OCG challenges**

The processing sector, in some areas, continues to struggle with misinformation on who is required to pay the levy as stated by the Act. Processors in most cases have opted to collect from everyone. Some unfortunately are of the understanding that all sections of the *Act* do not apply to them. In 2018 the Management Team will continue to provide further clarity on this issue. Efforts remain ongoing to create a universal declaration to bring standardized information to all harvesters. The Management Team hopes that the implementation of a policy will provide a better understanding of the levy collection process for all involved.

### **OCG Successes:**

We feel that the reconfiguration of the board was a highlight of 2017. The new board is committed to the goal of a thriving oyster industry. The OCG contributed funds to the PEI Shellfish Association's Enhancement project for 2017 and also to the PEISA's business plan to insure future funding of the Enhancement project.

Compilation of detailed list of the names, addresses and contact information of all levy contributors remains a work in progress so the Management Team can continue its effort to keep membership informed in 2018 and beyond.

## The PEI Strawberry Growers Association

### **Mandate**

The Prince Edward Island Strawberry Growers Association was designated as a commodity group under Part III of the *Natural Products Marketing Act* on July 3, 2013.

### **Board of Directors**

As of December 31, 2017 the Board consisted of the following individuals:

President: Matt Compton

Vice President: Alan Rennie

Secretary/Treasurer: Matt Hughes

Member at large: Barry Clohossey

Strawberry Growers Representative on the PEI Federation of Agriculture Board:  
Barry Clohossey

### **Levies**

A twenty dollar membership fee was established by the Association in 2015. In addition, a refundable levy of five dollars per thousand strawberry plants purchased was put in place for all growers who purchased one thousand or more plants starting in 2014.

### **Principal Activities**

The PEI Strawberry Growers Association was reorganized primarily to respond to an initiative by Québec strawberry producers to form a National Strawberry Marketing (research and promotion) Agency. Our Association continues to monitor progress by our colleagues in Quebec in their efforts to establish this agency. Our Association sees merit in this project because it would bring some order to the importation and marketing of foreign strawberries. The proposed agency would also generate some revenue by way of a levy on imported and domestic strawberries to be used for much needed research and promotion activities. A final decision on the formation of a National Promotion and Research Agency under Part III of the Farm Products Agencies Act rests with Federal Minister MacAulay.

The Annual Meeting was held in Kensington on March 13, 2017.

The prospect of having a National Research and Promotion Agency created under the *Farm Products Agencies Act* is not looking like it will get a green light to proceed. Minister MacAulay has reviewed the proposal but most importers are not on side with paying an import levy while not all Canadian provinces are on side with collecting provincial levies. This leaves the Strawberry Growers commodity group in a state of limbo wondering whether or not to continue.

Financial Statements for the 2016 year have been completed while information on the preparation of the 2017 financials is being collected.

Respectfully submitted by: Matt Compton