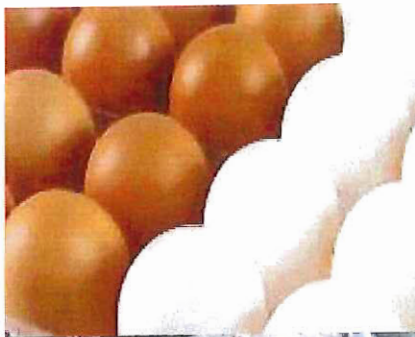




# Prince Edward Island Marketing Council



**Annual Report 2018**



**Prince Edward Island Marketing Council**

**ANNUAL REPORT**

**2018**

**For the year ended December 31, 2018**

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

## LETTER TO THE MINISTER

May 22, 2019

The Honourable Bloyce Thompson, Minister  
Department of Agriculture and Land

It is indeed a pleasure to submit Marketing Council's Annual Report to you for the year ended December 31, 2018 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 2018 year, similar to 2017.

In the spring of 2018, the Potato Board was able to reach negotiated contract prices with Cavendish Farms for the 2018 and 2019 calendar years without having to go to arbitration; most growers had signed contracts by late April of 2018. Contracts were reached with smaller buyers and processors as well with one group signing a two year deal while others just signed for the 2018 year. Council continues to supply a list of mediators and arbitrators to assist the Board in the negotiation process regardless of whether one or two year contracts are signed to fulfill its obligation under Order PB09-5.

The Chicken Farmers of PEI (CFPEI) is continuing its work to create a diversity class of chicken production to address the production of chicken for markets other than those for which quota has been issued in this province. CFPEI, along with its partners in other provinces, is following the lead of Chicken Farmers of Canada to ensure that anyone producing in excess of the provincial exemption, which in PEI is 499 birds per year, is following the on-farm food safety standards as well as the animal care provisions that all quota holders must follow to reduce health risks to consumers, to minimize the use of antibiotics and anti-microbials in the production of chicken and to ensure that birds are treated and handled humanely using industry accepted protocols.

Egg Farmers of PEI (EFPEI) continues to work with egg boards in other provinces to amend their National Plan to include working arrangements such as the QAC Agreement and the Forward-looking Piece, Comparative Advantage of Production and the Saskatchewan MOU which are presently operating outside of the National Plan. The provinces were pursuing an addendum to the National Plan to include these amendments however, those discussions have hit a roadblock; the provinces are now investigating the use of a principles-based approach to update their Federal Provincial Agreement. The advantage of the concept of a principles-based FPA include flexibility and the ability to grow with the industry providing a foundational document for future generations while still maintaining the roles, responsibilities and authorities of stakeholders.

The Canadian dairy industry has been working tirelessly to manage production to match the demands of the Canadian marketplace. The 2017 year saw production quotas increased by slightly over 8% for Island dairy producers and other producers in the P5 Pool however in 2018 producers had to reduce production through cuts to quota as well as reduced incentive days. The recently negotiated National Ingredients Strategy resulted in the creation of a new Class 7 which now has to be eliminated due to recently announced outcomes of the USMCA. The CDC, dairy producers and processors have formed a Technical Committee for the Elimination of Class 7 (TEC 7) to find solutions to pricing issues and prevent huge surpluses of skim milk powder. More processing capacity is coming on line in Canada, including a recent upgrade at ADL in Summerside, which will help in this regard.

Canada continues to meet its import requirements for butter from various countries to satisfy trade agreements. The Canadian Government continues to offer expanded market access for cheese imports however it is not yet clear, following the implementation of the Comprehensive and Economic Trade Agreement (CETA) with the European Union, what will happen if Brexit moves ahead and Britain leaves the European Union. Will Canada have to give up even more market access or will the access already negotiated be shared between Britain and the E.U?

The Cattle Producers of PEI have struggled with levy collections from some producers and drovers even though the levy is to be deducted from the producer selling the animals. In 2018 the Cattle Producers followed through with on-farm levy audits to improve the reporting and remitting of levies and this has had a positive impact on cash flow. The deadstock collection service requires many administrative hours by PEICP staff and there is still a shortfall in the amount of levies collected versus what is needed to deliver the service. All partners involved in this program are studying alternative ways to restore equality to the rate payers and beneficiaries. Island beef producers who do not pay the levy or have an approved on-farm disposal system are not eligible for some beef premiums paid by the Atlantic Beef Products Plant in Borden while off-Island cattle may be eligible for premiums and are not required to pay such a levy in a neighboring province.

The Lobster Fishers of PEI continues to move forward with their marketing and promotion programs. Lobster prices have improved significantly since the inception of the Board in 2016 and the penny-per-pound levy does not appear to be overly burdensome to achieve an industry voice advocating for lobster fishers. The mean average levy paid per fisher in 2016 was \$233/fisher, it was \$269 in 2017 and in 2018 the average was \$295/fisher which indicates that catches have been increasing and the levy is being used for the marketing and promotion of lobster. The firm of Cox and Paliner continues to serve as the Board's agent and they ensure that levies continue to be collected on all landings.

There are about 125 wild blueberry growers (75 registered with the association) on PEI harvesting just over 6100 acres annually, however low prices have been a growing concern the past three years. Since 1980, wild blueberry production in Canada and the U.S. has increased from 40 million pounds to over 300 million pounds. In the past year alone, high bush blueberry production in North America has grown from 750 million to 800 million pounds increasing competition with wild blueberries for market share. The Island's wild blueberry crop has decreased in total yield the past two years as inventories were at an all time high after a record crop in 2016; producers hope this will be reflected in higher prices for the 2019 crop.

The Island's oyster industry employs about 1100 harvesters in total. These are divided into the cultured oyster harvesters, represented by the PEI Aquaculture Alliance, and the PEI Oyster Commodity Group which is established under the Natural Products Marketing Act and supervised by PEI Marketing Council. Not all licenses are actively fished but in 2018, 600 fishers paid a \$50 levy each on the sale of their first box of oysters which was remitted by buyers to the Oyster Commodity Group. The Oyster Commodity Group works co-operatively with the PEI Shellfish Association in spat (oyster seed) collection and distribution, marketing, promotion and research activities for the oyster industry.

Marketing Council continues to participate in discussions with the National Association of Agri-Food Supervisory Agencies (NAASA) on issues of concern to all provinces. In 2018 the Farm Products Council of Canada stepped up its involvement in the modernization of almost 90 Federal Orders under the Agriculture Products Marketing Act in an attempt to work more closely with the Standing Joint Committee for the Scrutiny of Regulations, Justice Canada and the Treasury Board Secretariat to update or rescind Orders that are outmoded.

There were no new members appointed to Marketing Council in 2018 but there was one member reappointed to serve a second three year term. Training and orientation sessions are carried out for all new Council members. Ken Mellish continues to serve as the Chair of Marketing Council and Steven Reeves serves as Vice-Chair. 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***

### ***2018 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, 2018 to December 31, 2018. 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.

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	Avondale	Consumer Representative

**Membership Changes** – In March of 2018, Karen Roche was reappointed to serve a second three year term on Council.

**Staff** – In 2018, Marketing Council staff consisted of Ian McIsaac as Secretary & General Manager on an 80% time basis with Darryl O'Brien and Jeremy Brimacombe assisting Council with administrative support at meetings in the first half of 2018. In September of 2018 Cindy Ferguson, Administrative Support with the Department of Agriculture and Fisheries, was appointed as Recording Secretary to Marketing Council and her assistance as well as that of Darryl and Jeremy have been greatly appreciated.

**Meeting Attendance** – Marketing Council meeting attendance this year was 67%. Council held three (3) meetings in 2018, a fourth scheduled for late December was postponed to 2019 due to poor driving conditions.

## 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



## Monitoring and Supervision Highlights

Following are highlights of Council's activities during the 2018 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 twenty 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 2018, commodity boards created under the *Act* had the following number of orders and amendments in force:

Commodity Board	# Orders
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 2018, elections were conducted to fill the following commodity board vacancies:

Commodity Board	Vacancies Filled
Dairy Farmers of PEI	2
Egg Producers of PEI	3
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. The Lobster Fishers elect their LFPEI Board Members at their local association annual meetings each year. Each association elects two members for a total of 12 Board Members.

### 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 2018 year Council made one appointment, Mr. Dennis Hogan to the PEI Cattle Producers Board.

### **Other Activities**

During calendar 2018, Marketing Council also:

1. Created a list of mediators and arbitrators to be used to select an individual or individuals to assist in negotiating acceptable production contracts between the Potato Board and potato processors.
2. The Potato Board has completed a rewrite of their Regulations and the changes have been forwarded to Legislative drafters. The Board structure was studied to see if the number of directors, the makeup of geographic districts and the definition of a registered producer still meet the expectations of growers.
3. In keeping with the process to attain more gender balance on commodity groups and commodity boards, established under the *Natural Products Marketing Act*, Marketing Council worked with legislative drafters to update gender wording and to implement some administrative amendments within the various Regulations for the Chicken Farmers of PEI, the Hog Commodity Marketing Board, the Potato Board, the and the Turkey Commission Regulations, even though the Turkey Commission is inactive at present.
4. Marketing Council also forwarded a second letter in October of 2018, as a follow up to the letter sent in December of 2017, encouraging more gender and age balance on commodity boards and groups. In light of the fact that although some progress had been made in the previous 10 months in training youth delegates and encouraging females to let their names stand for nomination, the fact that two commodity boards were making amendments to their board regulations and structure, Council felt it would be timely to reinforce the gender and age balance message.
5. In consultation with the Department of Agriculture and Fisheries Policy Management Team, it was identified that if the Marketing Council General Manager was not available, for whatever reason, to act as the returning officer for commodity board elections there was no backup person with the knowledge to carry out those responsibilities. Therefore, a process map was prepared to identify all the steps required to conduct commodity board elections; the newly appointed Marketing Council Recording Secretary was identified and appointed as co-returning officer for the upcoming 2019 DFPEI Elections.
6. On April 27, 2018 the PEI Strawberry Growers Association Commodity Group held their final meeting, at the AIC Boardroom in Kensington. The strawberry growers initially formed their commodity group to be able to work with a delegation from Quebec which was leading the charge to establish a national agency for strawberry growers to raise money for research and promotion work under the federal Farm Products Agencies Act. The strawberry growers worked for five years on this initiative which, in the end failed to gain agency status. At their final meeting, the strawberry growers passed two motions; the first was a motion to approve the 2016 financials and the second was a motion to disband the Strawberry Growers Association Commodity Group and to revert back to being the PEI Strawberry Growers Association. There was

no formal process outlined in the Act to dissolve a commodity group so the steps used to create the commodity group were followed in reverse to dissolve it.

7. Council worked closely with the PEI Oyster Commodity Group (OCG) which had been struggling in recent years due to a lack of leadership and problems within the PEI Shellfish Association with which it has a close working relationship in oyster seed (spat) production and distribution. With the election of a new executive in early 2017 and by electing new directors with a desire to succeed, the OCG Management Team has put policies in place in 2018 to improve levy collections and has opened up communications with oyster buyers to improve oyster quality and best management practices. The OCG is now taking the first steps toward a role in promotion of their commodity through the production of a short video on harvesting wild oysters.
8. Marketing Council has worked with the Chicken Farmers of PEI in their endeavors to identify and regulate diversity chicken production in this province as mandated by their National Agency. Non quota holders, in this province, have traditionally been allowed to produce up to 500 birds per enterprise per year but in some cases that level has been surpassed. Whereas quota holders are required to follow certain on-farm food safety protocols as well as meet a list of animal care standards for raising poultry, non quota holders have not been held to these standards. In the interests of food safety and proper animal care it is important that producers marketing in excess of the 500 bird exemption are identified, in case of a reportable disease outbreak and follow protocols for food safety and animal care to reduce risks to consumers and farm animals.
9. Marketing Council has continued to monitor the rewrite of the Regulations for the Dairy Farmers of PEI. It has taken almost five years to have this work completed due to many other higher priority issues having taken priority such as negotiating a National Ingredients Strategy (now known as Class 7) to create a more competitive pricing mechanism for milk protein and to reduce stock piles of skim milk powder. Several trade deals such as the CPTPP, CETA and the USMCA have all impacted dairy markets and used up many hours in meetings and staff time to understand the implications of and react to the outcomes of each. DFPEI has also spent countless hours on proAction, their animal care program, on-farm food safety protocols and harmonization of policies at the P5 Pool level to maintain equity among pool partners and keep costs in line for administration and program delivery.
10. Due to the resignation of a director in late 2017, DFPEI had one vacant seat on its Board during the entire 2018 year. This position was advertised but remained unfilled until early 2019. The above noted amendment to the DFPEI Regulations will allow a greater pool of producers from which to draw to fill any Board vacancy.
11. In 2018 the hog industry on the Island lost two producers but gained two new producers. This sheds some light on an industry that has been under pressure with commodity prices fluctuating above and below the cost of production for a number of years.

**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, 2018, the Natural Products Appeals Tribunal consisted of the following members and staff:

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

Mary Kinsman, Secretary

**Appeal Activity**

For the year ending December 31, 2018, 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 30 November 2018 consisted of the following:

**District Directors:**

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

**Staff:** DFPEI staff included 8 full-time, two part-time and one summer student during 2018, including Douglas Thompson, General Manager.

**Industry Statistics** – There were 13,177.83 daily kilograms of butterfat quota issued as of 30 November 2018, a decrease of 4.9% from the same time last year. There were 163 active producers, representing a decrease of 2 producers or -1.12% for the same period.

During the 2018 fiscal year ended 30 November 2018, PEI dairy farms produced 120.74 million litres of milk, approximately 3.75 million litres more than the previous year. This generated farm gate receipts, net of transportation costs and levies, of \$92.52 million, an increase of approximately \$2.66 million dollars or +2.88% 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, 2018, the Board of Directors consisted of John Dennis, Chair; Tim Churchill, Vice-Chair; Nathan Burns, Secretary; Ian Simmons, Egg Farmers of Canada (EFC) Director; and Peter Stavert.

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

**Industry Statistics** – Seven (7) producers were registered with the Board at year end. Quota issued or available to registered producers was 144,254 layers. Farm Gate Receipts from registered producers during 2018 is estimated to be \$7.36 million compared to \$7.00 million during 2017, an increase of 5.14% mainly due to higher egg production and slightly higher egg prices in 2018 compared to 2017.

Of the 3.79 million dozen eggs marketed during 2018, 56.3% were consumed as table eggs in PEI and the Maritimes and the remaining 43.7% were exported to Nova Scotia for the table market or sold to Quebec and Ontario for processing.

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 Farmers of PEI 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 six face to face board meetings 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;

- ⇒ had its name officially changed from the Egg Producers of Prince Edward Island to Egg Farmers of PEI;
- ⇒ attended one Atlantic Directors' meeting to discuss the results of the 2015 Cost of Production;
- ⇒ 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, and producer leases;
- ⇒ established and collected levies and EFC service fees on quota allocations and made payments to EFC on behalf of registered egg farmers;
- ⇒ purchased and sold surplus eggs from registered egg grading stations and sold eggs 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 flocks from breeder birds to spent hens;
- ⇒ 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 farmers about changes to EFC's SCSC, Animal Care Program, quota allocations, and levy adjustments;
- ⇒ participated in various promotion activities and attended various venues, including: PEI Home Show; PEI Agriculture Sector Agriculture Awareness Day; Festival of Small Halls; Breakfast on the Farm; Close to Ground Concert Series; Agriculture Canada's Open House in Harrington; Crapaud Exhibition; Old Home Week; 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 two television commercials.



### **2018 Annual Report to the PEI Marketing Council**

The PEI Cattle Producers (PEICP) held their Annual Meeting on April 4, 2018. Board members included Brian Morrison, Jeremy Stead, Peter Dixon, Holland Cahill, Kenneth MacEachern and Derrick Annema. Ex-Officio Director, Ranald MacFarlane represented Dairy Farmers of PEI.

The current PEICP Marketing levy is \$6.00 (plus HST) per head per transaction (on each and every sale of a beef animal). This levy is collected for all cattle types including fats, feeders, cull cows, bulls and bob calves. However, dairy cattle sold for breeding purposes are exempt. The total levies collected in the fiscal year ending Sept 30, 2018 was \$99,731.10. The provincial portion of the levy, \$3.50 per head, is used for the administration of the office as well as the allocation payable to the Canadian Cattlemen's Association. Total provincial levy collected was \$57,148.17. The federal portion of the levy is sent to Canada Beef where it is allocated for various programs as follows: 30% Marketing and Promotion, 30% Research and 40% for Provincial Investment. The total federal levy collected during this period was \$42,582.93. The 40% Provincial Investment is returned to the PEICP to be used for pre-approved projects that fall under marketing and promotion or research. The Provincial Investment amount returned to the PEICP was \$11,123.93. In addition to the PEICP levy collected, \$2,149.00 in levies for other provinces were collected and redirected to Canada Beef on behalf of producers who had purchased cattle in other provinces.

In April of 2018 the PEICP launched its eighth annual PEI Burger Love campaign. This campaign was established to raise the awareness of the importance of the PEI beef industry to agriculture and to PEI in general. This social media campaign featured eighty-two restaurants; in total over 184,000 hamburgers, made from Island beef, were sold through this event. Burger Love is held each April and lasts for the entire month. It is estimated that the minimum overall economic impact to the Island's economy since the inception of the campaign seven years ago is over ten million dollars. The winning burger this year was created by the Pilot House, a restaurant that has supported the campaign since its inception.

The PEICP continues to deliver the Verified Beef Production Plus (VBP+) program 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 Cargill pilot project to see if the pull for VBP+ increases from the marketplace. Atlantic Beef Products introduced their own VBP+ premium program. We hope to see this program expand to the cow/calf sector when a data-management program is introduced. The PEICP continues to assist producers who want to qualify for and undergo an audit to earn a premium for eligible sales under this program.

The PEICP continues to offer Third Party Age Verification. This is very important to producers in the feedlot sector in PEI who generally feed animals to an older age



than their counterparts in the rest of Canada. This practice results in a higher number of animals determined to be over thirty months of age or OTM. A Birth Certificate can help to avoid a penalty of \$.20/lb if an animal is deemed to be OTM at Atlantic Beef Plant. As a result, we have seen an increase in the number of producers Age Verifying their animals. An important benefit from providing this service is that more producers are receiving Premise IDs and merging multiple CCIA accounts into one. These changes will assist producers in preparing for new traceability requirements when they are implemented.

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, RFID readers, scales and handling facilities. The program funding level this year was \$97,000 which was up slightly from the previous year.

The PEICP coordinates the *Prince Edward Island Certified Island Beef (CIB)* 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 CIB brand based on these attributes and values. Feeders from any of the Atlantic Provinces are now eligible for the brand, enabling producers from these provinces to participate. Many of the criteria for CIB are based on current practices so it is not overly burdensome to adjust to meet the standards for producers to join. Several key factors include; non-use of synthetic hormones; no antibiotics can be administered within the last 100 days on feed. The documentation of any treatments given and tracing of all animal movement is also required under the brand.

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 new CIB member is required to attend a Humane Handling Workshop delivered by Jane Morrigan of Integrity Livestock Services. This practical overview is a great reminder of why we need to keep animal welfare top of mind. The CIB brand continues to grow steadily. 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. 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 and must arrange for proper disposal of their deadstock themselves.

The PEICP is a member of the Maritime Beef Council (MBC). The MBC hosted a Maritime Beef Conference in March of 2018 in Moncton, NB. The conference featured Temple Grandin and was very well attended. The conference has gained a lot of attention from the beef industry over the years and has grown steadily each year.

The MBC continues to work on the development of a Maritime Beef Strategy. The main objective of the strategy is to grow and expand the Maritime herd over five years. There are many aspects to the strategy including professional development. To address this aspect, the Maritime Beef School was developed. Several feedlot sessions have already been offered with new modules planned for the coming year. Leadership development is another area of focus in the strategy. If producers take advantage of the Beef School and attend the various presentations at the MBC Conference, they will receive a wide array of valuable information they can use to implement positive changes on their farms.

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 representation on national boards and agencies as follows:

John MacDonald - CCA Board of Directors

David Francis - Canada Beef

Ivan Johnson - CCIA 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, 2018 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 2018, eight farmers shipped approximately 6.183 million kilograms, live weight with farm gate receipts of approximately \$9.9 million. Producer prices were starting to recover towards the end of the year while production and consumer demand for chicken continue to be positive; indications lean towards moderate growth going forward.

### **Activities**

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

- Allocation of Quota to Producers;
- Antimicrobial Reduction Strategy
- Consumer Relations Strategy

Participation on provincial, national and regional committees, including:

- Chicken Farmers of Canada
- Chair, National CFC Finance Committee
- Atlantic Canada Regional Seat
- Canadian Broiler Council
- Life Cycle Assessment Committee
- National Farmer Alliance
- Federation of Agriculture
- Provincial Poultry Emergency Response Team

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

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

Pathogen reduction is a high priority for the government and the chicken industry. The chicken industry is working to proactively examine surveillance and mitigation measures for pathogens at different levels in the value-chain.



## 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, 2018, the board and staff consisted of the following:**

**Board of Directors**

Paul Larsen - Chair

Joel Van Gorp - Director

Dale Murray - Vice Chair

Ian Shaw - Director

Scott Dingwell - Secretary

Grant Doyle - Director

**Executive Director** – Tim Seeber

**Industry Statistics** - The Board reported that 17 commercial hog producers marketed just over 48,600 finished hogs during 2018 with a farm gate receipt value of approximately \$8.2 million. In addition to the market hog sales there were more than 12,000 Isowean piglets and just under 20,000 weaner pigs and feeder hogs exported from the province. These were sold mostly to Ontario and New Brunswick. When these sales are combined with over 3,600 breeding animals sold and 2,000 cull sows, the total shipments in 2018 are just over 86,000 head.

During the past year the de-pop / re-pop of a few finishing operations impacted market hog shipments in late spring and early summer but much of this loss in production was recovered in the last quarter as these same production sites realized better days to market through improved herd health, genetics, and feed efficiencies. The PEI industry experienced a return to respectable levels of genetic exports and the building, restoration and expansion of a few production facilities during 2018 hold promise for increased marketings in 2019. The forecast for 2019 is upwards of a 15% increase in market hog shipments as well as breeding stock exports that should almost double that of 2018 as this sector experiences a full calendar year of operation. These figures once again do not include approximately 2,000 hogs that are processed through provincial abattoirs annually.

Slaughter capacity in the United States continued to add hook space in 2018 and is scheduled to do so again in 2019 though at a lesser rate of expansion. Outbreaks of African swine fever in China and in Eastern Europe have led to the potential of increased export demand for North American pork into the Asian market which should support market pricing in the foreseeable future despite US hog production continuing to reach record highs. The danger of disease outbreak in North America

continues to overshadow producer optimism as Canadian industry stakeholders seek to work together to mitigate the risks presented by both international travel and trade. Outbreaks of Porcine Epidemic Diarrhea (PED), though less prevalent than in recent years continued to cause concerns in the Canadian industry and provoke continued attention to bio-security protocols domestically. The issue of wild pigs has also become a national item of concern, especially in the western provinces.



## Lobster Fishers of Prince Edward Island

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 2018 where we unveiled a new logo, website and tradeshow display to represent the Lobster PEI brand. A consumer market research study was completed to gather market intelligence and to aid in the direction of the LFPEI marketing efforts.

### **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 2018 included:

- Charlie McGeoghegan (Chair) and Malcolm Ferguson (Treasurer)- Central Northumberland Strait Fishermen's Association (CNSFA)
- Kevin Robertson (Vice-Chair) Stephen MacPhee- Eastern Kings Fishermen's Association (EKFA)
- Ryan Peters and Tyler Pickering- 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)
- Craig Avery and Ken LeClair - Western Gulf Fishermen's Association (WGFA)

Directors attended a total of eight (8) board meetings during 2018 and conducted an Annual General Meeting of lobster fishers on February 23<sup>rd</sup>, 2018.

Throughout the 2018 year, Analytic-OR provided administrative support to the Board in planning, marketing, implementation and administrative support, Vicki Bryanton was the Executive Director. In September 2018 the Board opted not to renew its contract with Analytic-OR and began searching for a new Executive/Marketing Director. Charlotte Campbell was hired at the end of December and is working out of a newly acquired office space at the Farm Centre.

### **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 2018, LFPEI Board undertook several 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.
- Led a spring and fall Love our Lobster Campaign with support from Agriculture and Fisheries
- Participated and sponsored the PEI International Shellfish Festival
- Hosted a Chef on Board series with Northumberland Ferries Ltd.
- Created social media pages for Lobster PEI
- Created several lobster recipes
- Participation on the Board of the Lobster Council of Canada
- Attended the North American Seafood Expo in Boston in March
- Sponsored the Canadian Culinary Federation Conference
- Worked with DIG Insights to complete a consumer market study
- Developed a website ([www.lobsterpei.ca](http://www.lobsterpei.ca))
- Began implementing a strategic plan, marketing strategy, marketing plan and social media marketing strategy

### **Strategic Plan**

In 2017 the Board adopted a Strategic Plan which was implemented throughout 2018. 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 to:

1. Promote and Market PEI Lobster
2. Ensure Accountability
3. Grow Board Capacity
4. Develop Partnership and Collaboration.

The Board also created policies to address Code of Conduct, Conflict of interest, e-Voting, Online presence and Marketing.

### **Marketing Strategy**

In 2017 the Board approved the Marketing Strategy and in 2018 developed a 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 budgets.

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 2018-19**

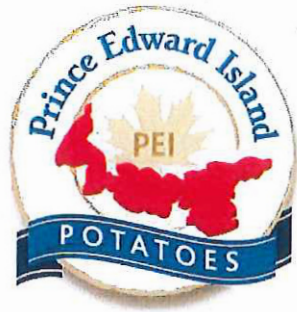
Activities under the 2019 Marketing Plan will be pursued in three key areas:

- Gather Market Intelligence
  - Develop metrics
  - Explore new markets
  - 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
  - Attend Canadian Seafood Show
- 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. ECMA's, Souris, Summerside, Fall Flavours, Lobster Party on the Beach)
  - Events (Chef on Board)

Respectfully submitted by:

Charlotte Campbell  
Executive and Marketing Director





## **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, 2018 consisted of the following:

### **District Directors**

#### **West Prince**

Craig Wallace

Glen Rayner

Harris Callaghan

#### **Charlottetown**

Billy Cameron

Mark MacMillan

Jason Hayden, Chair

#### **Summerside**

John Visser

John Hogg, Secretary/Treasurer

David Francis

#### **Montague/Souris**

Chad Robertson, Vice Chair

Wayne Townshend

Rodney Dingwell

**Young Farmer Representative (ex officio) Kyle Maynard**

**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 \$242 million in 2017 (most recent full year reported by Statistics Canada), down 2.8% from the \$249 million recorded in calendar 2016. In 2017, potatoes represented over 50% of farm cash receipts for PEI.

Growers planted 86,000 acres in 2018 and the growing season proved to be another challenging one for the Prince Edward Island potato industry. We experienced variable weather across the province including an extended dry spell again with extremely high summer temperatures, hail events in several areas and the worst harvest season that growers can remember due to excessive rainfall and cold conditions. The western end of the province was hit hard by drought conditions for the second year in a row and we had 6800 acres unharvested (a record number) due to a long harvest delayed by wet weather and early freezing temperatures. Island growers averaged 285 cwt / acre from 79,200 harvested acres resulting in a total production of 22,600,000 cwt in 2018 compared to 24,463,000 cwt in 2017, a 7.6% reduction. A number of other provinces including New Brunswick, Quebec and Manitoba also had a difficult harvest and in total (including PEI) as much as 15,000 acres were left unharvested across the country. Canadian production is down 2.6% compared to last year.

PEI movement is down slightly year-to-date compared to both last season and our three year average. Fresh Pricing is strong and above last year. 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. All contracts were successfully settled for 2018 through the negotiation and mediation process. Cavendish Farms growers accepted a two-year offer: 5% increase on all base prices for 2018 and a further 4% increase on base for 2019, (both percentages calculated using 2017 base price schedules). This was in addition to the Prospect seed index carryover from the 2017 agreement. The PEI Potato Board approved the 2018 McCain Foods New Brunswick contracts in May and McCain's PEI growers knew their contracted volume prior to the beginning of planting. This was also a two year contract. On the chip stock side of the business, in April, Island growers who supply WD Potato Limited (Frito Lay) agreed to an extension into 2019 of their two-year agreement for the 2017 and 2018 crops and growers who supply Monaghan Farms Ltd (Frito Lay) accepted a contract offer for 2018 that was an extension of their 2017 contracts. The quantity of Frito Lay contracted chip volumes held by PEI growers grew again, for the third year in a row.

The cooperative effort between the Cavendish Farms contract growers, Cavendish Farms and the PEI Department of Agriculture & Fisheries - the Agronomy Initiative to Increase Marketable Yields, has been operating for over two years now. This initiative is filling the gap of farm based research and demonstration work and extension efforts that was identified by growers. The goal of the new initiative is to improve marketable yields of processing potatoes and profitability of potato growers in PEI while also improving environmental sustainability of the industry.

Marketing efforts for PEI Potatoes reached a milestone for this 2017/18 marketing year. We set out at the beginning of the summer, filming different locations on farms and fields around PEI with the goal of cutting the finished film into a commercial. The filming, editing and spot preparation work was completed by Furrow Creative along with the cooperation of many potato growers who took the time to participate. We also worked with media agency MW360 in Halifax (with the help of Fresh Media) to tailor and execute a media plan with the goal of getting as many views as possible. Our media plan included TV (primarily locally) and an online media buy in Ontario, Maritimes and Newfoundland. Results have been very positive. This promotion continues in 2018/2019.

Besides this major initiative the Board continued with other activities such as the online marketing programs, Potato Lovers' Month in February, participation in trade shows and sponsorship of local events such as the Festival of Small Halls, PEI Burger Love, the Potato Blossom Festival and, for the third year in a row, we were the major sponsor of Farm Day in the City.

Continuing efforts are put into ensuring that our exporters and dealers meet license 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 growers and dealers in summary form each week. The Board also conducts a weekly PEI tablestock call, Canadian call, grower information sessions, and provides newsletters and North American Potato Market News. Prince Edward Island continues to be a strong supporter of United Potato Growers of Canada and its sister organization, United Potato Growers of America, in the efforts to bring

potato supply in line with demand. 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 also works on market access and phytosanitary efforts in order to diversify markets and help grow our presence internationally.

The Board continues to invest in research projects aimed at improving return for Island growers as well as improving the economic and environmental sustainability of our industry. In 2018 we were pleased to be a part of the newly negotiated National Potato Research Cluster which will run from 2018 to 2023. Research priorities include wireworm control, soil health, rotation crops, yield variability, variety evaluation, 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.

Seed acreage remains stable although we continue to see some shifts in varieties. Shipments within Canada have been increasing while shipments to the US were up in 2016/2017 and down slightly in 2017/2018. Post-harvest test results have on average been very good the last two years with low aphid populations and minimal virus spread. The Elite Seed Farm at Fox Island continues to produce early generation seed for Island growers and adjust varieties to meet grower demand.

Current events in the area of climate change, extreme weather and the resulting impact on farmers have been quite discouraging over the past year. The Potato Board continues in its efforts with the Federation of Agriculture to work with the various levels of government to change environmental regulations so that farmers are not held liable for the impact of extreme weather events. To date progress has been limited and very slow.

Over the past year, the Potato Board represented the growers on many key issues. For example the Board:

- met with the Federal Minister of Agriculture, Hon. Lawrence MacAulay, to discuss market access and potential for new markets such as South Korea and Japan. We requested support for export market development and direct federal resources to access new markets;
- presented to the Standing Committee on Communities, Land & Environment on land challenges and concerns, including rising prices, non-resident investment impacts and the importance of adhering to the spirit of the Lands Protection Act.
- met with the Provincial Minister, Hon. Rob Henderson and Deputy Minister of Agriculture, John Jamieson, on numerous occasions to discuss ongoing environmental issues and concerns, carbon pricing and potential enhancements to the current unit price for potatoes under Crop Insurance.
- met with the federal Finance Committee to present industry position regarding issues that impact our competitiveness.
- requested AgriRecovery for farmers badly hurt by the challenges of the 2018 season.

We continue to work to build and maintain strong partnerships within the Island's agricultural industry, across various levels of government, local and national organizations and educational institutions.

Recently elected to the Chairman position for 2018/19 is Jason Hayden from the Pownal area. Vice-Chairman is Chad Robertson and Secretary-Treasurer is John Hogg. The Board welcomed new Directors Billy Cameron, Craig Wallace and John Visser. Returning Directors are Wayne Townsend, Rodney Dingwell, Mark MacMillan, David Francis, Harris Callaghan and Glen Rayner. Kyle Maynard is the new Young Farmers Representative to the Board.



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

**Prince Edward Island Wild Blueberry Growers Association**

**Board of Directors** - On December 31, 2018, the Board consisted of:

Rob MacLean - President	Colin MacAulay, Treasurer
Patrick Byrne - Vice President	Benny Nabuurs, Secretary
Jill Walsh	Peter Handrahan
Leigh Jenkins	John MacDonald

**Executive Assistant** - JoAnn Pineau

**Industry Statistics** - In total, PEI produced 18,669,099 lbs of blueberries in 2018. As the production base is estimated as 6,150 acres, the provincial yield/acre is estimated as 3,036 lbs/ac, down from 3,802 lbs/ac in 2017.

PEI produced 23,400,342 lbs in 2017; 34,310,573 lbs of blueberries in 2016; 27,897,006 lbs in 2015 and 22,741,762 lbs in 2014. Prices have increased slightly from their steep decline in recent years. Field prices were 25 to 30 cents/lb in 2018; prices ranged from 20 to 22 cents/lb in 2017, and averaged about 30 cents in 2016.

**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 second Marketing and Production Workshop, where national and international experts provided the attending growers insight into production trends, market situations and promotional efforts.

The 2018 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 weed management, integrated disease management, global blueberry market changes, Asian markets, biological pest control, and business management tools.

The Association partnered with the grower associations of Nova Scotia and New Brunswick to host the second Maritime Blueberry Field Day in July in Parrsboro, Nova Scotia. Over 275 attendees (and over 13 from PEI) took in a variety of key

topics such as weather events and international markets, 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 to this initiative is \$2000, 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. Management of an online consumer promotional effort for education and promotion of local consumption continued throughout 2018.

**Research:** A central objective of the PEIWBGA is to facilitate research initiatives that benefit the wild blueberry industry as a whole. PEIWBGA is currently funding an integrated pest management project through the Dalhousie Agricultural College, as well as supporting a research student associated with the University's programs. In late 2018 the PEIWBGA also approved contributions to a local research project in the Prince County area focusing on the incorporation of marine plants into wild blueberry nutrient management. 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). Several research projects taking place across the Atlantic Provinces are currently under consideration by 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 \$136,127 in 2018. Through support from the PEIDAF's Buy PEI initiative, the PEIWBGA was able to complete production on several short promotional videos focusing on pollination, harvest, and the farm-to-table story of wild blueberries.

**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 and Peter Handrahan 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.

After multiple late frost events in early June of 2018 were unfortunately timed with a full bloom stage in many wild blueberry fields across PEI, members of the

PEIWBGA Board worked with the PEIFA and Provincial and Federal government representatives, as well as other affected commodities, to secure late registration to the Agri-Stability program. PEIWBGA representatives also advocated for increased financial support for those experiencing widespread crop damage from the weather events. As a result of these events, it was brought to the attention of the Board that several barriers exist to the successful participation of growers in the wild blueberry crop insurance plan, so the Board met with crop insurance agents to submit change requests for the program.

The 2018 year has been one of significant advancements and PEIWBGA is looking forward to hosting the 2019 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): Section 7.3(a), 7(3)(b) and 7(3)(c) this Act requires all persons who sell and/or market oysters to pay a onetime (1) annual fee of \$50.00 to the PEI Oyster Commodity Group. Fees are collected at federally registered shellfish plants across PEI and recorded in specifically designed OCG receipt booklets. Collected fees are due and payable to the PEIOCG by December 31 of each calendar year.

At a Glance

The PEIOCG was formed to collect funds designed as a mechanism to partner with PEI Shellfish Association 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.

2018 Oyster Commodity Group Management Team

We held a very successful Annual Meeting in March of 2018 electing three year one directors and filling several vacancies on the Management Team following some upheaval in the industry the previous year. The Management Team met seven times during the 2018 year, aside from the AGM, and consisted of the following

Directors:

Table with 3 columns: Year one, Year two, Year three. Rows list names and titles: Chris Bernard (Pres), Barry Nippard, Zelda Bernard (Rec Sec'y), Scott Denis (Vice Pres), Eric Clements (Treas), John LeLacheur, Nathan Jeffery, Jason Boylan, Emmett A'Hearn.

Administrative Support was provided by: Susan Milligan

Industry initiatives

Levy collection continues to allow industry contributions to meet the 10% percent funding threshold required by the PEI Department of Agriculture and Fisheries in partnership with PEI Shellfish Association for Enhancement project funding. This project design allows partners to replenish public fishing grounds across PEI. The program 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 program supports and sustains one of the last traditional shellfisheries in Canada. This partnership provides an opportunity to protect and support a growing industry whose roots stretch back 150 years. The Enhancement program demonstrates that sustainability is achievable when good practices are developed and utilized.



### **OCG Mandate**

- To contribute to industry driven initiatives across PEI;
- To promote the oyster fishery as defined under Section 1(f) of the *Natural Products Marketing Act*;
- To provide communication and transparency that clearly demonstrates the benefits obtained by all industry participants from levy support and to continue to improve levy collection and remittance;
- To undertake Strategic Planning Initiatives as defined by industry to ensure best management practices are followed; and
- To develop opportunities and build relationships that enables the wild oyster industry to flourish in a sustainable manner.

Using a collaborative approach and positive dialog, the OCG will remain focused on its main objective which is “to promote and protect the interests of all industry players, 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 value to industry from the \$50 annual levy paid by harvesters and deducted and remitted by buyers and processors and how much this contributes to the sustainability of the industry and the overall value added to our PEI oyster industry. The reality in the oyster industry is that harvesters need processors and processors need harvesters so we must work together. All oysters must go through a federally registered plant before entering the market place. Consumer confidence must be our highest priority.

### **OCG New collection practices**

In 2018 the OCG drafted and approved a new policy on levy collection and redesigned the receipt books to include more individual contact information. This helped us mail out reimbursements on a timelier basis to those fishers who paid the levy more than once.

In April two directors met face to face with all buyers and processors to deliver receipt books and discuss the new levy collection policy. Processors were very cooperative and most were very thankful to have a policy in place. The Management Team feels that this initiative resulted in a significant improvement in cash flow for the 2018 year as follows: the approximate levy income for 2018 was \$28,250 from 603 fishers (not-audited at the time this report was written). There were 38 reimbursements for double payments (fishers selling to more than one buyer). No fishers have requested a refund of their initial levy payment. The increase in cash allowed us to increase financial support to the PEISA for their Oyster Enhancement Project.

### **OCG Moving Forward**

There has been much discussion amongst the board about projects we wish to undertake including:

- Creation of a short video, promoting the oyster industry, to be played at the Shellfish Festival and other events;
- Organizing oyster quality workshops for fishers and processors to discuss best management practices to ensure the oysters that reach the marketplace are of the best quality;

- Undertaking more oyster enhancement activities which may include: shell spreading, de-silting, shore relay, among other things.

We will be asking the membership for input at our AGM.

Overall I feel the OCG has had a very successful year!

Chris Bernard, OCG President

## 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.

The Strawberry Growers decided that, since it was very unlikely that a national promotion and research agency would be established under the Farm Products Agencies Act for Strawberry producers, their main goals would not be accomplished. It was decided to request that the Province of PEI dissolve their status as a commodity Group under the Natural Products Marketing Act and resume their previous status as the PEI Strawberry Growers Association.

The dissolution of the PEI Strawberry Growers Association Commodity Group was published in the Royal Gazette on March 16, 2019 effective February 29, 2019.

# **Prince Edward Island Marketing Council**

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