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NEWSLETTER

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Producer Votes to Consider People and Production

The Ontario Farm Products Marketing Commission is revising the way it will evaluate Producer Expression of Opinion Votes.

Expression of Opinion Votes are used by the Commission to gauge producer support for potential changes to the way farm products are marketed.

There have been five votes in the last ten years. Probably the highest profile vote concerned the potential creation of a beef marketing plan. In addition to the creation of a marketing board, Producer Votes are also used by the Commission on questions of retaining an existing board or making major changes to a board's marketing plan.

The Commission's revised policy on Producer Votes will evaluate both producers and production to determine the vote outcome. The Commission will use both benchmarks to assess the opinion of the producer sector.

The Commission's motivation is simple. The Commission wants to ensure that a significant majority of producers also represent a majority of production before making changes of importance to the marketing of a farm product. This is important to the Commission. We believe it should be important to producers, marketing boards and other stakeholders.

Considering production is a safeguard in the decision making process.

The Commission will continue to require the support of a significant majority of producers. That benchmark remains at 66 2/3% of producers casting ballots. Adding the requirement for 50% of production is consistent with the Commission's desire to see a clear expression of opinion before establishing, retaining or amending a marketing plan.

Why is the voting system so important to the Commission? Marketing legislation bestows far-reaching powers to boards. Before powers are delegated and when they are considerably altered, the Commission must be sure that each board's plan reflects the will of the producer sector. That's a responsibility that the Commission takes very seriously. That's why we have installed the added safeguard of gauging production as well as producers.

Our revised policy on Producer Expression of Opinion Votes is as follows: "The Ontario Farm Products Marketing Commission has the authority to conduct Producer Expression of Opinion Votes to determine the level of producer support for the regulated marketing of farm products. This policy will apply to votes dealing with establishing, retaining or amending marketing plans under the Farm Products Marketing Act or the Milk Act, as well as establishing, retaining or amending Section 12 representative associations under the Farm Products Marketing Act.

When such votes are held, the Commission will develop a question that seeks the level of support for the more regulated of the options being considered. Generally, the Commission will interpret a positive result as one in which the following criteria are met:

1. 66 2/3% of producers casting ballots vote in favour; and
2. 50% of the cumulative production represented by producers casting ballots is in favour.

Notwithstanding the preceding voting criteria, the Commission will retain the authority to interpret the outcome of a Producer Expression of Opinion and the discretion to take into account factors other than the vote when considering establishing, retaining or amending marketing plans and representative associations."

The Commission's "notwithstanding clause" is important when, for example, the turnout for a vote is unusually low and the Commission has to investigate the reason before making any decision on the vote.

Phrasing of Questions

When the Commission works with a marketing board on the phrasing of a Producer Expression of Opinion Vote, the question is always phrased in an affirmative tense. The following are a couple of real examples:

"Are you in favour of the continuation of the Ontario Sheep Marketing Agency?"

"Are you in favour of the changes to the Fresh Potato Board's method of price determination and amendments to the Board's marketing plan, which allow the appointment of agents to market fresh potatoes?"

Board Governance

Although separate from Producer Expression of Opinion Votes, the Commission feels that the principle of gauging people and production can also deliver benefits to a marketing board's governance structure.

For this reason, the Commission is encouraging marketing boards to examine their board governance structure.

There are various ways that both producers and production can be considered in governance. The Commission believes that each board needs to examine its own unique circumstances to determine how the concept might fit their profile and benefit them. The Commission is available to assist the boards in this area.

Is Considering Production a New Idea?

Not really. It appears that more boards, provinces and countries are moving the same way. They each have variations on the principle. In Ontario, both the Soybean Board and the Wheat Board have a formal way of letting producers and production determine the number of delegates each district gets. At the Saskatchewan Pork Board, they elect half of their board based exclusively on production ballots, and the other half of the board is elected solely on people votes. P.E.I.'s Potato Board issues ballots to farms based on production levels.

South of the border, marketing orders must be supported by either 66 2/3% of production or producers.

In New Zealand a successful producer vote must consist of a majority of both producers and production. In Australia, the Wheat Board considers also both producers and production.

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OFPMC October Update

AOCP Meeting

The Commission met with the Association of Ontario Chicken Processors (AOCP) to discuss their issues. Currently AOCP represents twelve processors who collectively slaughter 75% of the province's chicken. The association is required by regulation to recommend production levels for the province, and to negotiate prices for live chicken with the Chicken Farmers of Ontario.

At the present time, AOCP is actively discussing allocation policy with Chicken Farmers of Ontario. The Commission will hold hearings on the allocation issue for late September if the parties are not able to resolve the issue on their own. Those hearings are scheduled to take place from September 27 to October 1, 1999 at the Best Western - Carleton Place Hotel in Toronto.

AOCP is currently sponsoring a benchmarking study, which will examine where costs are in the system and compare that to the United States. At the present time, processors feel that if the border were opened, their up-to-date plants in Ontario would be competitive. Smaller processing plants would likewise survive, but would do so by serving niche markets.

Turkey Regulation Change

Regulation 437 was amended by the Commission to provide the Ontario Turkey Producers' Marketing Board with the authority to license processors.

Direct Wheat Marketing Program

The Commission accepted the direct producer marketing proposal put forward by the Ontario Wheat Producers' Marketing Board. Direct marketing allows Ontario wheat producers to market a total of up to

150,000 tonnes of wheat directly to buyers. Direct marketing is a means of providing additional marketing options to producers for the 2000 crop year and beyond. Eligibility for the direct marketing option will be granted to producers on a first come, first served basis.

Tender Fruit Governance

Regulation 434 was amended to provide the Ontario Tender Fruit Producers' Marketing Board with the authority to appoint a director-at-large in the event that a district fails to elect a director to the Board.

Commission Tour

In late October the Commission will tour several business operations in southwestern Ontario. Included in the tour are Family Tradition Foods which processes frozen vegetables; Feurth sheep farm and processing plant which is a vertically integrated lambing operation; and a number of greenhouse operations in the Leamington area. The Commission will also tour the tobacco auction and Imperial Tobacco in Tillsonburg.

Name Changes

The Commission has been asked to allow two Ontario boards to officially change their names. The Ontario Soybean Growers' Marketing Board would like to be officially known as Ontario Soybean Growers. The Ontario Seed Corn Growers' Marketing Board would like to change its official name to Seed Corn Growers of Ontario.

OBHECC Meeting

The Ontario Broiler Hatching Egg and Chick Commission discussed its efforts to ensure that Ontario's market needs are being met.

Grape Agreements

The Commission brought agreements into force for Class 1-3 grapes which are used to make beverage juice, frozen concentrate juice, jams and jellies. Motts' Cadbury is the main buyer of these grapes. Class 3 entails several varieties that are used in small volumes as a blending material by wineries.

Marketing and Biotechnology

The Commission's November 12th seminar will deal with the "Marketing Implications of Biotechnology." During the day long seminar, participants will look at media coverage, consumer attitudes and the resulting behavior of processors, retailers and governments around the world who are taking positions that will impact Ontario's agriculture and food industry.

Registration forms for the seminar will be sent to marketing boards and buyer/processor associations.

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