

Ontario Farm Products Marketing Commission

N e w s l e t t e r

November/December 2002 - Issue #99

Financial Reporting Seminar in Perspective

With a conference room full of board directors and staff, seminar leader, Robin Schwill, made

his point that, “recent lessons (Enron, etc) have taught us that the responsibility for clear financial

reporting lies with the board of directors. This accountability cannot be delegated away.”

Mr. Schwill was talking about transparency and reliability.

In his words, you only get one kick at the can with your financial statements. If those statements don't communicate

clearly to your members, the board has lost its opportunity to show how

“ As Directors, we need to know the right questions to ask. ”

Wayne Newman,
Ontario Pork Producers' Marketing Board

members' money was spent and what value was derived.

While boards also communicate about their activities in other forums like newsletters and county meetings, the financial statements in the annual report will always be the place where there is a scorecard on board activities comparing dollars spent to results achieved.

Given the opportunity to study annual reports from four marketing boards, participants found ample examples of

what he was talking about. The statements weren't as clear as participants thought they could have been and consequently, not as member-friendly.

Throughout his presentation on financial management, Mr. Schwill repeated the message that the board of directors is empowered to set the tone and general philosophy behind its financial

statements.

The auditors or accountants shouldn't be the tail wagging the dog.

n response to illustration from the floor about dealing

with accountants and the bafflegab that sometimes passes for answers, Mr. Schwill reminded directors to stick with it until they get a clear answer because, “if you don't get it, your members won't.”

continued on page 4



In This Issue

Financial Reporting Seminar in Perspective	1
Branding Production Practices Seminar	2

11th Annual Industry Seminar

Branding Production Practices

For the past 11 years, OFPMC has sponsored an annual industry seminar to bring food chain partners together to discuss a current issue or development. Here are the logistics of this year's event. The adjoining columns describe the theme and the speakers who will stimulate the discussion.

When: Tuesday, December 10, 2002

Where: Elm Hurst Inn, Ingersoll

Timing: Seminar 9:00 to 2:30
Reception 2:30 to 4:30

Cost: \$50 per person including lunch and reception

Branding Production Practices

About the Seminar

This year's seminar examines the opportunities and pitfalls associated with using production practices to carve out a brand for a commodity. Some of the questions that will be addressed include: "How successful is it?"; "Can it backfire on your industry?"; and "What happens if consumers drive it rather than the industry?"

Speakers

Cathy Lennon and **Jennifer Haley** are commodity association GMs with practical experience launching branding programs for Ontario lamb and veal respectively. They'll provide a behind-the-scenes account of what motivated the branding programs and how well they are working.

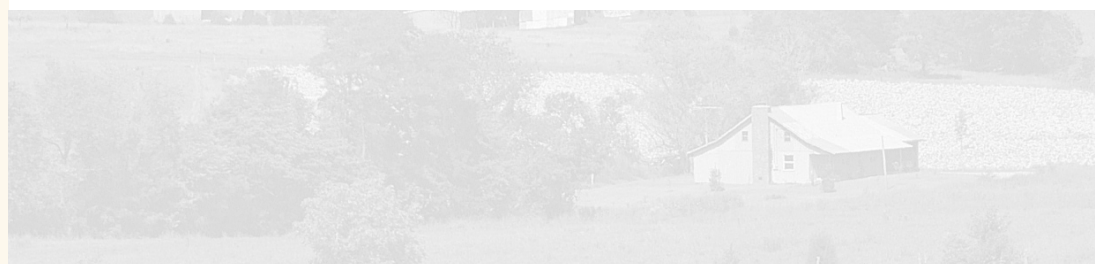
Danny Iuglie is a grocery category manager for Longo's Supermarkets in Metro Toronto. Mr. Iuglie has seen the effects of branding programs like Natural Lamb, Certified Veal, Prime Poultry and Certified Angus Beef. He'll give us the grocery retail perspective on the developing trend.

Jim Vidoczky will share his experience presenting the environmental stewardship practices of Ontario's pork producers with Field to Fork and what the measurable impact of the program has been.

To put these questions in perspective, the seminar brings you six perspectives from people with practical credentials. People who are involved in the strategies and the day-to-day, tactical operation of industries making moves in the area of branding production practices.

Mark Berman is going to show us what happens when the public grows dissatisfied with production practices and decides to force a consumer-based challenge. Mr. Berman represents the California-based Earth Island Institute who are best known for spearheading the most successful food boycott in recent history when they took on the world tuna industry over the impact harvesting techniques were having on the world dolphin population. When you see those "dolphin-friendly" logos on tuna cans, you are seeing their work. He will also talk about how they got to politicians and had laws passed.

Kathryn Cooper of the Guelph Food Technology Centre will update us on the SQF 2000 program which originated out of Australia's agriculture and food sector. The program marries both food safety and quality measures and controls.



Registration Form

O F P

Branding Production Practices

R E G I S T R A

OFPMC Seminar Registration Form

Board/Association: _____

Address: _____

City: _____

Province: _____

Postal Code: _____

Phone: _____

Fax: _____

Contact Person Co-ordinating Registration: _____

E-Mail: _____

Names of Registrants

1. _____

5. _____

2. _____

6. _____

3. _____

7. _____

4. _____

8. _____

- ▶ Event is scheduled from 9:00 a.m. to 2:30 p.m. with reception to follow. Location is the **Elm Hurst Inn**.
- ▶ Please make cheques payable to **Elm Hurst Inn**. Registration fee is \$50.00 per person including lunch and reception.
- ▶ Please forward your registration and cheque no later than December 6th to **Doreen Hardie**, Ontario Farm Products Marketing Commission, One Stone Road West, 5th Floor, Guelph, Ontario N1G 4Y2
Phone (519) 826-3437 Fax: (519) 826-3400

Financial Reporting Seminar in Perspective *continued from page 1*

The seminar content can be summarized into three key areas:

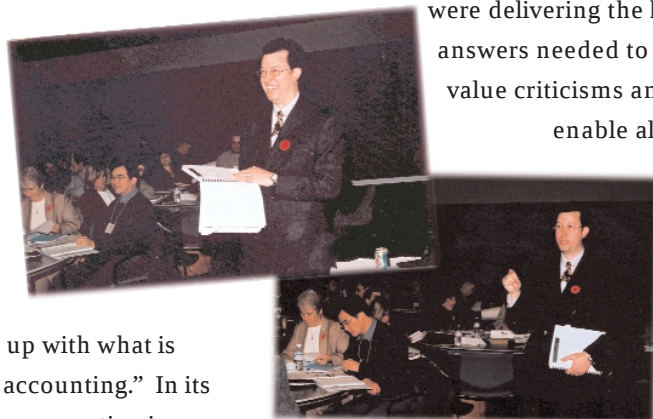
First, accounting rules provide a lot of latitude. You can choose various ways to report your financial situation and still satisfy accounting rules. Put that together with the normal, human tendency to want to depict events in the rosier light possible and you end up with what is known as “aggressive accounting.” In its worst form, aggressive accounting is fraud. But in most cases, aggressive accounting is just a decision to report certain transactions in the least damning way possible.

The second issue is transparency. If your board of directors stresses transparency, you will not allow the true picture to be distorted by aggressive accounting tactics. The board of directors should work with their staff and auditors to design financial statements that are understandable to members.

Third, once a board of directors has addressed transparency, the next step is to introduce measures to convey the value members derive from the way the board directs its spending.

From a director’s perspective, it has to be frustrating giving up your business and personal time if your contribution and sacrifice is under appreciated. The hackneyed expression, “so what have you done for me lately,” is bitter medicine administered from dissatisfied members.

This seminar let everybody take a step back from that confrontation. Directors and staffers had an opportunity to pour over various financial statements to see if the financial statements were delivering the kind of answers needed to reply to value criticisms and if they enable all



members to engage in meaningful discussion about board priorities and strategies.

By the end of the November 8th event, learning-weary participants offered feedback. “This made me more aware of irregularities and questions to ask about our own financial statements,” commented one director. Although an exhausting amount of technical information was covered, the general feeling was one of value for the time invested.

If you would like to access the Power Point presentation used by Mr. Schwill at the seminar, you can visit the Commission’s web site at:

www.gov.on.ca/OMAF/english/farmproducts/index.html

The September issue of our newsletter is likewise dedicated to this subject and can be found at the same site. ■

Upcoming Annual Meetings and Conventions 2002

Date	Organization	Location	Telephone
Nov. 23	Ontario Asparagus Growers' Marketing Board – Annual Meeting	Ingersoll	(519) 246-1640
Nov. 25-27	Ontario Federation of Agriculture - Annual Meeting	Toronto	(416) 485-3333
Nov. 26	Ontario Bean Producers' Marketing Board District 3	Mitchell Seaforth Shetland Coldstream Com. Centre	(519) 652-3566
Nov. 26	District 4		
Nov. 27	District 1		