



Ontario

Ontario Farm Products
Marketing Commission

Newsletter

September 2003 - Issue #104

How Did We Get Here? ... Origins of Regulated Marketing

Marketing boards appeared in Canada after it was determined that co-ops were inadequately equipped to address producers' marketing needs.

In the 1920's, if you asked all the farmers in a room to stand up, thirty people would be on their feet while seventy remained seated. When you think about thirty percent of adult Canadians engaged in the same enterprise with common concerns, that represents a hefty block of like-minded people.

Commodity prices were on a downturn as the 1920's economy otherwise hummed

along. At the same time, consolidation in the food processing sector was widespread. Canada Packers was one of the new

and throughout the British Empire.

Governments would ultimately conclude that co-ops were too easy to opt out of and, by design, co-ops couldn't enforce the rules farmers sought as a way to restore order to the marketing of their commodities.



W.B. Somerset laid the foundation of marketing plans in Ontario.

The Dominion of Canada turned to Mr. Will Somerset. The self-made advertising man had recently sold his company and at the age of 47, returned to his roots, buying a large fruit and dairy farm near present-day Burlington. Somerset exported fruit to England and he frequently visited Covent Garden Market in London during the mid-1920's to investigate commissions and duties being levied by fruit importers. In 1927, the Ontario Government asked him to look into what was happening to other fruit exported from the province. He did this for a couple of years strictly as a volunteer.

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conglomerates to emerge. Canadian Canners Ltd was another.

Various co-operatives were formed by farmers trying to level the playing field to reduce the David and Goliath scenario they feared was developing in the marketplace.

But history shows that co-ops weren't up to the job. They failed to unite farmers here

How Did We Get Here? ... Origins of Regulated Marketing

Were These Marketing Plans?

We've had a lot of different commodity groups operate marketing plans in Canada since the 1930's. After you test your knowledge or intuition, check on page 4 for the right answer.

Name of Commodity or Plan	"Yes" it has belonged to or been a regulated marketing plan in Canada	"NO" it has never belonged to or been a regulated marketing plan in Canada
Red Cedar Shingles	☐	☐
Dry Salt Herring	☐	☐
Dry Salt Salmon	☐	☐
Cheddar Cheese	☐	☐
Burley Tobacco	☐	☐
Grand Manan Smoked Herring Scheme	☐	☐
Canada Jam Plan	☐	☐
Sugar Beets	☐	☐
Ontario Hog Producers' Marketing Scheme	☐	☐
Erie-St. Clair Onion Growers' Marketing Scheme	☐	☐
Ontario Strawberry Growers' Marketing Scheme	☐	☐
Ontario Raspberry Growers' Marketing Scheme	☐	☐
Ontario Soya Bean Growers' Marketing Scheme	☐	☐
Ontario Winter Celery Growers' Marketing Scheme	☐	☐
Ontario Honey Producers' Marketing Scheme	☐	☐
Ontario Fresh Fruit Marketing Scheme	☐	☐
Ontario Concentrated Milk Plan	☐	☐

In 1930, he was called upon to investigate fruit and vegetable marketing in Ontario. By 1931, he was an indispensable resource to policy makers and politicians alike so they hired him as Ontario's first Commissioner of marketing. Next he set his sights on the dairy industry and his report led to the establishment of the Ontario Milk Control Board in 1934.

After the Royal Commission on Mass Buying and Price Spreads held hearings in 1934, the practices of the new conglomerates were public knowledge for a nation reeling from the Great Depression. Farmers were convinced that the Depression alone could not explain the low prices their commodities fetched. Farmers demanded marketing organizations that would hold tighter control than the co-ops they belonged to. So in 1934, Canada joined other Commonwealth countries in passing legislation that would facilitate new, compulsory marketing plans.

That legislation was called the Dominion Natural Products Marketing Act. There was, however, one significant hiccup with the legislation. After twenty-two 'marketing schemes', as they were then called, were created under the Act, the Supreme Court

found the Act was unconstitutional. It was repealed in 1937.

Luckily, the unconstitutional part of the Act was not contentious to anyone involved in agriculture. It was a technicality. Since the provinces had jurisdiction over forms of trade and commerce, it was up to each province to pass a natural products marketing act of its own and by 1940, every province had done so except Quebec.

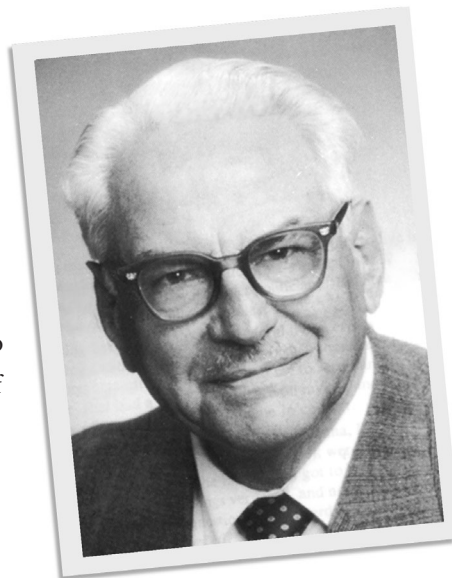
It's noteworthy that in Ontario, the Act to facilitate marketing "schemes" received the

unanimous approval of all members of the Ontario Legislature in 1937. Politicians of all stripes agreed this legislation was necessary.

In 1946, the Act was renamed to what we now know as the Ontario Farm Products Marketing Act.

In 1957, the word "scheme" was dropped from the legislation after lobbying by farm groups. They felt that a marketing "scheme" sounded underhanded and henceforth, all arrangements were to be known as "plans." The next step in this evolution was delayed until the 1990's when many marketing boards shortened their legal names to drop the "marketing board" portion.

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**The Honourable Bill Stewart
championed many of Ontario's
marketing plans.**

Meet Canada's Most Innovative Grocers

at their place on October 25th

When? Saturday, October 25th from 8:00 a.m. to 3:00 p.m.

Who? Sponsored by Grocery Innovations Canada and the Ontario Farm Products Marketing Commission

How much? \$25 fee covers coach transportation from Guelph



About the Tour:

This is an opportunity to meet with Canada's most innovative grocers in a small group setting with other marketing board directors and senior staff. The guided, Toronto-area tour will visit 4 stores on Saturday, October 25th. Our hosts at each store want to show you what keeps them in front of the competition. Discussions will be open and tailored to your interests.

This is a special tour being put on for us by the organizers of Grocery Innovations Canada, the hugely successful grocery trade show which runs from Oct 26th to 28th at the Metro Toronto Convention Centre. They run a similar tour for grocers coming to the trade show from across Canada.

Marketing Board/Association _____

Address _____

Registration Contact Person _____ Telephone # () _____

Directors and Senior Staff	Directors(✓)	Senior Staff(✓)	Phone #	Fax #
1.				
2.				
3.				
4.				
5.				
6.				

Please plan to pay by cash on the day of the tour.

(Your registration fee is applied directly to the travel coach expenses for this tour)

Forward registration no later than October 10, 2003 to: Doreen Hardie, Ontario Farm Products Marketing Commission, 1 Stone Road West, 5th Floor SE, Guelph, Ontario N1G 4Y2 Phone (519) 826-3437 Fax: (519) 826-3400

If you want more information about the Grocery Innovations Canada conference apart from this special tour, you can contact Aliko Rekoumas of Grocery Innovations Canada at 1-800-387-0175.

How Did We Get Here? ... Origins of Regulated Marketing continued from page 2

By 1960, the Act had granted far reaching authorities to a supervisory body then called the Farm Products Marketing Board. The supervisory body was empowered to intervene in the business of marketing boards including limiting their powers and revoking regulations or orders. The Farm Products Marketing Board was further empowered to take over the assets of a marketing agency and to carry out any phases of its marketing program deemed advisable during an interim period of reorganization or liquidation. The Honourable Bill Stewart would later recount, in his memoir, that his decision to enact this power over the White Bean Marketing Board in 1966 was, “the toughest decision I had to make,” although he also recalled the rumor that he was once burned in effigy at one of the tobacco exchanges over another decision he made. These were the turbulent 1960’s according to the late Mr. Stewart’s widow, Edythe.

In a recent interview with Mrs. Stewart, she recalled her husband’s passion for agriculture and his admiration for the men and women who crisscrossed the side roads to convince their fellow producers of the need to organize together. An excerpt from the January 1976 issue of Ontario Milk Producer cites Stewart as the “gentleman who designed and created the legislation to co-ordinate all dairy producers into one province-wide organization.” Other boards would likewise show their respect for the man who was Ontario’s Minister of Agriculture and Food from 1961 to 1975 and a champion of Ontario’s marketing system.

In his autobiography, Rural Roots and Beyond, Bill Stewart recounts his last trip to market with his father in 1943, just months before his father would pass away. Stewart wrote, “the marketing of hogs left much to be desired. Farmers took what they were given at the packing plants or drover’s yard. On the last trip my father made with me to Coleman’s packing plant we unloaded 12 market hogs. I asked what the price would be. The buyer, after tattooing the hogs, advised me the price would be a dollar per cwt. less than the price Canada Packers was paying that day in Toronto. On our way home to the farm, Father remarked that this was a terrible way to do business. He felt that some method should be devised where farmers could have some input collectively in marketing.”

Editor’s Note:

The 1960’s and 1970’s represented another growth period in the establishment of marketing plans under the watchful eye of Minister Stewart. Early in 2004, we’ll bring you a look at that seminal period in a feature article entitled, “The Stewart Years.” ■

All the commodities and plans listed in our chart on page 2 were, at one time, covered by a marketing plan or scheme with the exception of the Ontario Fresh Fruit Marketing Plan which was rejected by growers in a vote held in 1960. ■

Answers to
Quiz

Upcoming Annual Meetings and Conventions 2003

Date	Organization	Location	Telephone
Oct. 24-25	Ontario Sheep Marketing Agency Annual Meeting	Guelph	(519) 836-0043
Oct. 26-28	Canadian Federation of Independent Grocers - Grocery Innovations Canada	Toronto	(416) 492-2311
	Ontario Greenhouse Vegetable Growers		(519) 326-2604
Oct. 29	District One	Leamington	
Oct. 28	District Two	Ancaster	

This information is provided strictly for our readers’ convenience. Please note that organizations may restrict attendance to some or all of their agenda items. Please contact each organization for more information on programs, agenda items open to non-members, and location. While the Commission endeavours to ensure this information is correct, readers are responsible for confirming its accuracy with individual organizations before making any plans to attend.

Ontario Farm Products Marketing Commission

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For more information about this newsletter please email us at graham.howe@omaf.gov.on.ca

This newsletter is available on our website <www.gov.on.ca/OMAFRA/english/farmproducts/index.html>

