



MINISTRY OF AGRICULTURE, FOOD AND RURAL AFFAIRS

Ontario Farm Products Marketing Commission - Annual Report for Fiscal 2014-2015**Table of Contents**

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Message from the Chair

The Ontario Farm Products Marketing Commission (Commission) continued to actively implement its mandate and fulfill its regulated marketing and stakeholder collaboration initiatives and duties in fiscal 2014 - 2015. The Commission's Vision is "dynamic, competitive agri-food sectors". Our Mission is "to lead, supervise and direct Ontario's regulated marketing system to effectively adapt to change."

The Commission works to build solid relationships with boards, producers and processors to foster collaborative approaches that can resolve industry issues and challenges. For example, during fiscal 2014-2015, eight boards and one section 12 representative association attended meetings with the Commission to report on their priorities, activities and performance. In addition, Commission members and staff were in regular contact with all boards and representative associations, as well as processor groups and other value chain stakeholders. Members and staff attended the annual general meetings of the organizations under the Commission's authorities and monitored progress of industry initiatives.

The Commission offered formal and informal training for board and section 12 representative association members and senior staff. This included an annual full day session in March where participants received training on governance and the roles and responsibilities of boards and of board members.

The Commission continued to work with a number of sectors on efforts to improve relationships along the value chain. This included on-going leadership of industry advisory committees for the greenhouse vegetable, bean, hog, chicken, apple, and sheep sectors. The advisory committees included representatives from producers, processors and other stakeholders along the value chain.

To advance Ontario's interests in regulated marketing, the Commission participated in national meetings to ensure that Ontario's agri-food industry was well represented and to advocate for Ontario's interests relating to federal-provincial supply management agreements.

Provincial regulations for marketing boards often require amendments to meet the changing needs of Ontario's producers and buyers, and to adjust to changes in domestic and foreign marketplaces. Adjustments are also necessary to maintain orderly marketing that works in the best interests of Ontario's agri-food industry. In fiscal 2014 - 2015, the Commission amended ten regulations related to regulated marketing to ensure they met industry and consumer needs.

I am pleased with the achievements of the Commission during 2014 - 2015. Commission members and staff continue to provide exceptional leadership and service to the regulated marketing sector in Ontario.

Geri Kamenz, Chair

Overview

Profile

The Ontario Farm Products Marketing Commission (Commission) is a non-board governed provincial agency under the Agency and Appointments Directive (AAD). The Commission is established under the authority of the Ministry of Agriculture, Food and Rural Affairs Act. The Commission provides oversight and regulatory leadership to the province's 20 marketing boards and three section 12 representative associations established under the Farm Products Marketing Act (FPMA) and the Milk Act (MA). A complete list of the boards can be found in Appendix I.

By means of regulations, the Commission grants authorities to the boards related to regulated marketing. These authorities vary considerably among boards and may include powers to:

- promote their commodity to consumers and/or to those who purchase the product from the farm;
- provide marketing information to their producer-members;
- directly fund production and market research, or co-ordinate it from other sources;
- participate on industry advisory committees, as required, to improve their marketing system;
- negotiate the minimum price that will be paid to producers and/or other terms and conditions of sale;
- set the price that will be paid to producers of a specific commodity; and/or
- determine how much each farmer can produce and/or market through production quotas.

The Commission is administratively supported by staff members of the Ontario Farm Products Marketing Commission Secretariat (Secretariat). The Commission is directly accountable to the Minister of Agriculture, Food and Rural Affairs for its performance in fulfilling its mandate and its compliance with government policies and directives. The Minister, in turn, is accountable to Cabinet and the Legislature for the Commission's fulfillment of its mandate and for reporting on the Commission's affairs.

While policy development and supervision related to the FPMA and MA is a cornerstone of the Commission's agency mandate, the Commission also provides strategic leadership, advice and facilitation to industry producers, processors and other value chain participants. Working with the industry on regulatory changes to advance the sector is a critical component of the policy development process.

The Commission is the central figure in Ontario's regulated marketing system. Through its actions, it ensures that individual commodity systems operate in an effective and responsible manner. This is done with due regard to the impact of Commission decisions on the agri-food sector and consumers, while maintaining public policy goals of the legislation.

In addition, the Commission provides an education program that contributes to the effective operation of Ontario's regulated marketing structure and the boards that operate under the legislation. At a time when supply management systems throughout the country continue to face challenges on a number of fronts, the Commission represents Ontario's regulated marketing and supply management interests at national and interprovincial forums, ensuring that the voice of Ontario producers is clearly heard.

Vision

"Dynamic, competitive agri-food sectors"

Mission

"To lead, supervise and direct Ontario's regulated marketing system to effectively adapt to change"

Mandate

The mandate of the Commission is to:

1. Administer the provisions of the Farm Products Marketing Act (FPMA) and the Milk Act (MA) and certain regulations governing regulated marketing; make regulations under these Acts governing regulated marketing and supervise the activities of Ontario's Marketing Boards and Section 12 (of the FPMA) Representative Associations to ensure that:
 - Marketing Boards operate within the powers and authorities given to them;
 - The lines of accountability are maintained.

2. Provide leadership in the form of advice, facilitation and direction to Ontario's Marketing Boards and Section 12 Representative Associations.
3. Develop and implement all policy related to regulated marketing in Ontario.
4. Provide education programs for Ontario's Marketing Boards, Section 12 Representative Associations and industry stakeholders that increase the effectiveness and efficiency of the regulated marketing system.
5. Make regulations under the Milk Act concerning the quality and safety of cow and goat milk and milk products.

The three strategic objectives of the Commission are to: ensure effective performance of marketing boards, foster enhanced stakeholder collaboration to achieve sector solutions and to advance Ontario's interests in regulated marketing.

The Commission is directly accountable to the Minister of Agriculture, Food and Rural Affairs for its performance in fulfilling its mandate and its compliance with government policies and directives. The Minister, in turn, is accountable to Cabinet and the Legislature for the Commission's fulfillment of its mandate and for reporting on the Commission's affairs.

Performance Measures: Strategic Objectives

#1: Ensure Effective Performance of Marketing Boards

Continuous changes in the agribusiness environment, demands from the food industry for differentiated products, and the array of conflicts facing the regulated farm products sector provided opportunities and challenges for participants in the regulated marketing system.

The Commission supervises and works to ensure marketing boards and section 12 representative associations are performing effectively. The Commission monitors financial stability, marketing system adjustments, cooperation and communication along the value chain, governance and strategic planning.

Strategies	Actions/Implementation	Measures of Success
Training is conducted for Marketing Board and Section 12 Association Board Members, General Managers (GMs) and senior staff	The Commission will deliver training annually for Marketing Boards and Section 12 representative associations. Chairs, Directors, GMs and senior staff are encouraged to participate. Commission staff will provide professional support and training to senior board staff that is specific to senior board staff that is specific to their positions/roles.	20 directors and senior board staff attended the governance training session provided by the Commission on March 30, 2015. Training included best practices, good governance, sound financial management, and effective value chain development. Stakeholder post-session surveys resulted in an 88% satisfaction rating including overall satisfaction with the governance training session, the facilitator, the engagement of participants and the session meeting the needs of the participants. In June 2014, Flowers Canada (Ontario) was provided with a dedicated governance training session. The Commission conducted an education needs survey of the boards and associations to determine what training they provide for their board members and/or staff. Of the eight boards that responded all indicated that they have training plans in place. The results were shared back with the boards.
Review approach to assessment of boards and assess their effective performance	Review approach to assessing boards Staff members	Eight boards and one section 12 representative association appeared before the Commission to report on their activities, and strategies for managing current industry issues (see page 13).

	complete an annual assessment of all boards using a common assessment approach. Ensure formal board presentations to the Commission as part of the Commission's oversight and accountability responsibilities for boards. Encourage boards to undertake long term planning to provide stability or growth to their sector and be better prepared to manage the challenges.	Annual assessments of financial statements and financial reserve policies were completed by Commission staff for all boards and associations. Boards demonstrated long-term planning and staff member assistance was offered to those boards which required additional support in this area.
Develop ongoing, enhanced communications with and among Boards and the rest of the value chain	Communications will be provided to boards regarding the Commission's assessment of their collaboration along the value chain to achieve sector solutions and recommendations about how to improve. The Commission continues to communicate its expectations regarding board effectiveness. Strengthen Industry Advisory Committees (IACs) Increased use of IACs to enhance communication along the value chain.	Commission held face to face meetings with boards and stakeholders to facilitate and enhance communications. Commission communications were appropriate to the needs of stakeholders and supported the Commission's objectives/strategies. The Commission continued to place a strong emphasis on IACs. Industry issues were discussed or resolved through regular and ongoing staff communication with boards and along the value chain.
Modernizing Commission Regulations (Marketing and Plan) to ensure they are relevant under current market conditions	Commission staff members conduct an ongoing review of the boards' plan and marketing regulations each year and provide a report to Commission members on any recommendations for change to improve the effectiveness and competitiveness of the sector.	The Commission amended 12 regulations related to regulated marketing to address industry and consumer needs (see Appendix III).
Commission leads by example - including improved Commission member knowledge of sector issues, interests and needs of stakeholders	Commission members develop and implement individual training and development plans. Training to include emphasis on integrity of regulated marketing,	A training system has been initiated for Commission members to enhance understanding of commodities and sectors. The Commission continued to set the example by providing all materials in advance to ensure preparedness for meetings and to provide the information necessary for

	best practices, good governance, sound financial management and effective value chain development. Commission follows other best practices (e.g. agendas prepared well in advance, material distributed in advance to allow effective preparations and open, honest and inclusive discussions to provide clear and reasonable decisions).	informed decision making. Negotiators and arbitrators were engaged to facilitate agreements regarding pricing and formulas. The Commission brought into force 43 agreements/awards for processing vegetables, chicken, potatoes, apples, grapes for processing and seed corn. 30 processing licences and one seed corn dealer licence were issued. Clarity was provided to some boards regarding their authorities granted by the Commission.
Assist organizations wishing to be regulated under the Farm Products Marketing Act to create new boards or section 12 designated associations	Manage the process of creating a new marketing board (i.e. consultation, expression of interest vote, analysis, etc.). Develop relevant regulations to meet the expressed needs of the sector as supported by producer expression of interest vote(s).	The Veal Farmers of Ontario marketing board was created during this fiscal but does not come into force until April 1, 2015. An expression of opinion vote was held to determine the support of oat and barley growers to join the Grain Plan.

Performance Measures: Strategic Objectives

#2: Foster Enhanced Stakeholder Collaboration to Achieve Sector Solutions

Building stronger relationships along the value chain created trust, communication and cooperation which lead to increased business value. The Commission encouraged the use of IACs to facilitate a collaborative approach to identifying and managing issues facing sectors.

Strategies	Actions/Implementation	Measures of Success
Strengthen Industry Advisory Committees (IAC)	IACs are chaired by a Commission appointee. IAC meetings are held regularly, depending on the needs of the industry. Members and staff will continue to look for opportunities to establish additional IACs where appropriate. The Commission will examine and strengthen the role of IACs to support value chain relationships and	Boards involved with IACs confirmed the committees are making a valuable contribution to the functioning of their sector and are providing excellent value for the resources involved. Of the 17 IACs in regulation, seven were active committees with full participation of IAC stakeholders. IACs for greenhouse vegetables, sheep and chicken were particularly active. Two new IACs are in the process of being added to regulations. Improved relationships along the value chain at an industry leadership and individual enterprise level.

	collaboration.	
Utilize collective resources of Commission members and staff	Subcommittees will be used when they can make an effective contribution to Commission decision making and/or issue management. Members and staff employ a collaborative, joint approach to working with their assigned sectors. Each will communicate regularly and attend sector events.	Commodity updates were provided to Commission members via monthly Commission meetings and informally via other meetings, email, and phone conversations. All board or section 12 representative association annual general meetings were attended by members and/or staff. Numerous other stakeholder events were attended by members.
Increase inter-board networking and relationship building	Seek opportunities to increase inter-board networking and relationship building around common issues, concerns or circumstances.	Boards continued to engage in constructive interactions with other players in their value chains. Two stakeholder organizations appeared before the Commission to discuss industry issues.

Performance Measures: Strategic Objectives

#3: Advance Ontario's Interests in Regulated Marketing

Ontario's position on regulated marketing systems is that it must meet the needs of the entire industry. As a signatory to federal/provincial/territorial agreements on supply managed commodities, the Commission's goal was to ensure that national systems were responsive to the changing business and demographic environment and that they continued to serve Ontario's economic interests. Furthermore, the Commission encouraged fostering the relationships between producers, food processors, consumers, retailers and other sector stakeholders to work together in an open and transparent fashion to achieve Ontario's objectives.

Strategies	Actions/Implementation	Measures of Success
Promote a Team Ontario Approach in national discussions	Staff to work with the supply-managed sectors to develop plans to maintain and increase Ontario's share of national allocation. Support Ontario boards to strengthen non-supply managed national organizations. In addressing industry issues, where possible use a Team Ontario approach when dealing with stakeholders.	All supply managed commodities have developed a Team Ontario approach when dealing with interprovincial issues. In discussions with supply-managed boards, the Commission continues to reiterate the position that Ontario needs a strong presence at the national table with the objective of securing a larger share of national production in Ontario. The Commission was guided by a policy which defends Ontario's current national market share of supply-managed commodities when participating at national meetings.

Commission Activities

Appearances by Boards and Section 12 Associations

The initiatives described below reflect the Commission's ongoing commitment to its regulatory responsibilities

under the legislation - its supervisory role with marketing boards and section 12 representative associations, fostering collaboration and communication among the agri-food value chain, improvement of the regulatory framework to adapt to emerging market trends and to position regulated sectors to look ahead and to prepare for change by assisting in identifying opportunities for Ontario agriculture.

- Ontario Potato Board, April 9, 2014
- Ontario Pork Producers' Marketing Board, April 9, 2014
- Dairy Farmers of Ontario, May 15, 2014
- Ontario Ginseng Growers' Association, June 11, 2014
- Ontario Bean Growers, July 16, 2014
- Ontario Flue Cured Tobacco Marketing Board, November 19, 2014
- Ontario Fresh Grape Growers' Marketing Board, November 20, 2014
- Grape Growers of Ontario, December 10, 2014
- Turkey Farmers of Ontario, December 11, 2014

Appearances by Other Stakeholders

Commission members met with the Oat and Barley Representation Committee on July 16, 2014, regarding their request for an expression of opinion vote to gauge support for oat and barley producers to join the Grain Farmers of Ontario.

Commission Members met with representatives from Food and Beverage Ontario (FBO) on March 11, 2015 to discuss their priorities and industry issues facing the processing sector.

Agreements and Awards

The Commission has the authority to bring into force agreements and awards made by certain boards and processors. A summary of the agreements and awards that were brought into force by the Commission during fiscal year 2014 - 2015 can be found in Appendix II.

Industry Advisory Committees (IACs)

- Fresh Apple Industry Advisory Committee - The committee met once in April 2014. Participants included growers appointed by the Ontario Apple Growers and marketers appointed by the Ontario Apple Marketers Association. The Ontario apple industry is undergoing significant change with high density orchards being planted across the province. The Committee is very pleased with the support received from Foodland Ontario. The market conditions are closely assessed, taking into account production outside of Ontario. Promotional efforts are matched to market conditions to move product to Ontario consumers. Bette Jean Crews chaired this committee.
- Juice Apple Industry Advisory Committee - The committee did not meet in 2014-15. Individuals are appointed by the Ontario Apple Growers and juice processors operating in Ontario. Bette Jean Crews was appointed as the chair of this committee
- Bean Industry Advisory Committee - Committee members representing bean growers, dealers and vegetable processors met once in July 2014. A key focus of the committee is to continue strengthening the working relationship between the Ontario Bean Growers marketing board (OBG) and its value chain partners. Sector updates and forecasts were followed by a focused discussion on a number of priority issues identified in OBG's strategic plan. One of these issues included the long term status of the bean breeding program at the University of Guelph. Jim Clark chaired the committee.
- Chicken Industry Advisory Committee-The Committee met in October and November of 2014 and monthly from January to March 2015. The Commission appoints three Chicken Farmers of Ontario representatives, 3 processor representatives and 3 Commission representatives to participate on this committee. This active committee is an effective forum to address many issues which arise in managing the dynamic regulated chicken supply and pricing system. Geri Kamenz chaired the committee.

- Grain Industry Advisory Committee -The committee did not meet in 2014-15. The membership of the committee includes grain processors, the Grain Farmers of Ontario, the Ontario Agribusiness Association, flour millers and the Ontario Seed Trade Association. Bette Jean Crews chaired this committee.
- Grapes for Processing Industry Advisory Committee- The committee did not meet in 2014-15. The membership includes the Wine Council of Ontario, the Winery and Grower Alliance of Ontario, and the Grape Growers of Ontario. Deborah Whale was appointed as chair of this committee.
- Hog Industry Advisory Committee- The Committee met once in October of 2014. Representatives from Ontario Pork, processors, marketers, and transporters served on the committee. The main topics of conversation were financial protection mechanisms, traceability and Porcine Epidemic Diarrhea. Bette Jean Crews chaired this committee.
- Greenhouse Vegetable Industry Advisory Committee- The committee met three times during 2014-15. All major retailers consistently sent representatives to join with growers and marketers who are appointed by their respective organizations. Participants engaged in an open round table discussion of current issues affecting the sales of Ontario greenhouse vegetables at the beginning of every meeting. Meeting topics included joint promotional efforts, product quality, sizing and labelling, Foodland Ontario updates, post-harvest storage, organic market potential, competition from outside Canada and other factors in the industry. The goal of the committee is to work together to increase the sales of Ontario greenhouse vegetables. Elmer Buchanan chaired this committee.
- Sheep Industry Advisory Committee- The committee became active in 2014-15. It met three times during the year (June, September and January). Topics included labour issues for processors, accurate labelling of lamb at retail, and Foodland Ontario promotions. Participants represented producers, processors, retailers and auction markets. Elmer Buchanan chaired this committee.

Training

The importance of training for boards and section 12 representative associations continued to be recognized and valued. Annually the Commission provides a governance training workshop to marketing boards, section 12 representative associations and new Commission members.

On March 30, 2015, directors and senior board staff attended the training session lead by David Brown, Executive Director of Brown Governance Inc. There were 20 attendees in total which included both board members and staff from:

- Dairy Farmers of Ontario
- Grain Farmers of Ontario
- Ontario Sheep Marketing Agency
- Ontario Veal Association
- Seed Corn Growers of Ontario
- Turkey Farms of Ontario
- Ontario Farm Products Marketing Commission

Licences

Under the FPMA, the Commission has the authority to issue licences to processors of grapes, asparagus, potatoes, tender fruit and processing vegetables, and to dealers of seed corn. The table below reports the total number of active licences issued by the Commission, and the number of licences issued, by commodity, during 2014 - 2015.

Commodity	Total Active Licences as of March 31 2015	Total Active Licences as of March 31 2014	Licences issued or reissued by the Commission during the 12 months ending March 31 2015	Licences issued or reissued by the Commission during the

				12 months ending March 31 2014
Asparagus	4	4	1	1
Grapes	323	310	24	15
Potatoes	24	24	0	0
Tender Fruit	59	59	3	3
Processing Vegetables	20	20	3	2
Seed Corn	8	7	1	0
Total	438	424	32	21

Appointments

Commission Members

- Bette Jean Crews was reappointed as a Member of the Ontario Farm Products Marketing Commission for a three year term commencing on April 18, 2014.

Commission Member Appointments to IACs

- Tom Richardson was appointed as the Chair of the Turkey Industry Advisory Committee and Chair of the Negotiating Agency for Turkeys on April 10, 2014, for a one year term.
- Jim Clark was appointed as the Chair of the Bean Industry Advisory Committee on April 10, 2014, for a one year term.
- Deborah Whale was appointed as the Chair of the Grapes for Processing Industry Advisory Committee on April 10, 2014, for a one year term.
- Bette Jean Crews was appointed on April 10, 2014, Chair of the Grain Industry Advisory Committee for a one year term.
- Bette Jean Crews was appointed Chair of the Hog Advisory Committee on June 11, 2014, for a one year term.
- On December 11, 2014, Bette Jean Crews was appointed as the Chair of the Hog Industry Advisory Committee for a one year term starting January 1, 2015, and ending December 31, 2015.
- On December 11, 2014, Elmer Buchanan was appointed as the Chair of the Sheep Industry Advisory Committee for a one year term starting December 16, 2014, and ending December 15, 2015.
- On December 11, 2014, Geri Kamenz, Elmer Buchanan and Sophia Dinnissen were appointed to the Chicken Industry Advisory Committee for a one year term starting January 1, 2015, and ending December 31, 2015.
- On December 11, 2014, Geri Kamenz was appointed as the Chair of the Chicken Industry Advisory Committee for a one year term starting January 1, 2015, and ending December 31, 2015.
- On December 11, 2014, Elmer Buchanan was appointed as the Chair of the Greenhouse Vegetable Industry Advisory Committee for a one year term starting December 1, 2014 and ending November 30, 2015.
- On January 21, 2015, J. Clark was appointed as the Chair of the Turkey Industry Advisory Committee and as Chair of the Negotiating Agency for Turkeys for the period of April 1 to October 31, 2015.
- On February 24, 2015, Bette Jean Crews was appointed as the Chair of the Juice Apple Advisory Committee and Chair of the Fresh Apple Advisory Committee for a term starting March 1, 2015 and ending February 29, 2016.

Industry Appointments to IACs

- On June 11, 2014, the following individuals were appointed to the Hog Industry Advisory Committee: Amy Cronin, Rob McDougall, Andrew Marks, Brad Zantingh, and Allen Van Ravenswaay for a term expiring December 31, 2014.
- On June 19, 2014, Mathew Peters was appointed to the Hog Industry Advisory Committee expiring December 31, 2014.
- On July 16, 2014, Oliver Haan was appointed to the Hog Industry Advisory Committee expiring December 31, 2014.
- On December 11, 2014, the following individuals were reappointed to the Hog Industry Advisory Committee: Amy Cronin, Rob McDougall, Andrew Marks, Brad Zantingh, Oliver Haan, Mathew Peters and Allen Van Ravenswaay for a term expiring December 31, 2015.

Marketing Board Appointments

- On September 16, 2014, Don Taylor was reappointed as the Chair of the Ontario Greenhouse Vegetable Growers' for a one year term from November 1, 2014-October 31, 2015.
- On November 19, 2014, Fred Neukamm was reappointed as Chair of the Ontario Flue-Cured Tobacco Growers' Marketing Board for a one-year term effective January 1, 2015-December 31, 2015.
- On November 19, 2014, Harry Vergeer was reappointed as Vice Chair of the Ontario Flue-Cured Tobacco Growers' Marketing Board for a one-year term effective January 1, 2015-December 31, 2015.
- On November 19, 2014, Trish Fournier and Dennis VanHooren were appointed as Members to the Ontario Flue-Cured Tobacco Growers' Marketing Board effective January 1, 2015-December 31, 2015.
- On February 24, 2015, the following individuals were appointed to the Veal Farmers of Ontario: Pascal Bouilly, Judy Dirksen, Randy Drenth, Joyce Feenstra, Brian Keunen, Tom Oudshoorn, Tom Kroesbergen Jr., and Chris Vervoort. Appointments shall come into effect on April 1, 2015.

Other Appointments

- On October 15, 2014, Jim Greenwood was reappointed as an inspector for Ginseng.
- On October 15, 2014, Deborah Whale and Bette Jean Crews were appointed as scrutineers and Geri Kamenz was appointed as an alternate scrutineer for the Oat and Barley expression of opinion vote.

Arbitrator and Conciliator Appointments

- On January 22, 2015, the following individuals were appointed as conciliators: Barry Arbus, Peter Cathcart, Christopher A.L. Caruana, Genevieve Chornenki, Lisa Feld, Patrick T. Galligan, John (Jack) Dawson Ground, William G. Horton, Marvin Huberman, Paul Jacobs, John Judge, Michael Kelly, Richard Krempulec, Dennis Lane, Barry Leon, Bruce MacDougall, Edward McDermott, Richard McLaren, Derry Millar, Kathryn, Munn Norman, Pickwell, Allan Stitt, Lynda C. E. Tanaka, and Richard Weiler.
- On January 22, 2015, the following individuals were appointed as arbitrators: Barry Arbus, Peter Cathcart, Christopher A.L. Caruana, Genevieve Chornenki, Lisa Feld, Patrick T. Galligan, John (Jack) Dawson Ground, William G. Horton, Marvin Huberman, Paul Jacobs, John Judge, Michael Kelly, Richard Krempulec, Dennis Lane, Barry Leon, Bruce MacDougall, Edward McDermott, Richard McLaren, Derry Millar, Kathryn Munn, Norman Pickwell, Allan Stitt, Lynda C. E. Tanaka, Richard Weiler and Brian Casey.
- On June 11, 2014, Lisa Feld was appointed as the arbitrator for Juice Apples.

Annual General Meetings

All boards and section 12 representative associations held annual general meetings during 2014-2015. Members and Commission staff represented the Commission at these meetings.

In addition, Commission representatives attended the Annual General Meeting of the Ontario Veal Association, the Ontario Dairy Council's Annual Convention, the Cuvee 2015 Wine Council of Ontario event, two meetings of the National Association of Agri-Food Supervisory Agencies (NAASA), and meetings of the national supply managed commodities.

Regulatory Changes

The Commission is established under the Ministry of Agriculture, Food and Rural Affairs Act and receives its authority to make regulations under the FPMA and the MA. Each marketing board established under the FPMA and the MA has a Plan and Marketing regulation. Significant changes to the plan regulation such as the addition or deletion of farm products require approval from the Lieutenant Governor in Council after support is received from the Commission and the Minister of Agriculture, Food and Rural Affairs. Lesser changes such as the redefinition of the electoral districts can be made by the Commission with approval from the Minister. The Marketing regulations are amended solely by the Commission.

The Commission has extensive regulation making authority including various powers to establish, amend and/or revoke provisions in over 60 regulations. Each year, boards, section 12 representative associations and other stakeholders approach the Commission with proposals to amend or revoke existing regulations or to make new ones. Ten regulatory amendments completed in the 2014/2015 fiscal year. A summary of the regulatory amendments by the Commission appears in Appendix III.

New Marketing Boards and Expansion of Authorities

Veal Board

During the course of the 2014-2015 fiscal year, the Commission established a new marketing board, the Veal Farmers of Ontario, representing veal cattle producers by creating new Plan and Marketing regulations under the FPMA.

In 2013, veal cattle producers indicated that they were strongly in favour of the creation of a marketing board for veal cattle, and as an organization independent from the Beef Farmers of Ontario. Over the course of 2014/15 there was considerable discussion at the provincial and federal level - both within the industry and government agencies in order to ensure these complex regulatory initiatives and changes were achieved.

The Plan and Marketing regulations supporting formation of the Veal Farmers of Ontario will come into force on April 1, 2015. As well an amendment to Regulation 54 under the Beef Cattle Marketing Act was required in order to exempt producers of veal cattle from paying licence fees to the Beef Farmers of Ontario. The Commission appointed the first eight member board.

Within both the plan and marketing regulations is the requirement for a review after two years of operation.

The voluntary members of the Ontario Veal Association voted in March 2014 to dissolve their organization and transfer all assets to the new marketing board once it was created. This process is underway.

Oat and Barley Expression of Opinion Vote

The Commission conducted one Expression of Opinion vote for a proposed addition of commodities to an existing marketing board. In response to the proposal submitted by the Ontario Oat and Barley Representation (OBR) Committee, the Commission conducted an Expression of Opinion vote in October 2014 to gauge the support of oat and barley producers to join the Grain Farmers of Ontario Plan. The Commission's guideline for producer votes is that 66.66% of producers must be in favour of the question and of those that voted yes, their production must equal 50% of the total production represented by the vote. The results exceeded the Commission's guidelines and the vote strongly indicated the support for the addition of oats and barley as regulated products under Regulation 484/09 Grain (Grain, Corn, Soybeans and Wheat) - Plan and under Regulation 485/09 Grain(Grain, Corn, Soybeans and Wheat) - Marketing . Work on amending the grain regulations began in December 2014. The amendments to include oat and barley in the existing grain regulations are expected to come into force on July 1, 2015.

2014-15 Highlights

Tobacco Authorities

On January 1, 2015, under the Tobacco Tax Act, the Ministry of Finance took over the roles previously delegated to the Ontario Flue-cured Tobacco Growers' Marketing Board with respect to licensing producers and regulating the production and sale of raw leaf tobacco. The Commission has initiated the process of making appropriate amendments to Ontario Regulation 208/09 (Tobacco - Powers of Local Board), and in the meantime, directed the board to only use authorities relevant to production up to and including 2014.

Changes to Minimum Live Pricing of Chicken

In January 2015, the Commission approved amendments to Regulation 402 (Chickens - Marketing) made under the FPMA. These amendments outline a new cost of production formula (COPF) that will be used to negotiate minimum live prices for chicken in Ontario. The changes took effect beginning with the first full quota period in 2015 (A-129).

The filing of the regulatory changes to reflect a new COPF concluded work that began in 2012/13 by Chicken Farmers of Ontario (CFO) and the Association of Ontario Chicken Processors (AOCP). The new COPF consists of 13 cost elements and the values are based on either comprehensive producer survey or model farm analysis. Feed and chick prices represent the majority of the total cost of production and continue to be updated each quota period. Eight elements are updated annually and three are fixed for the life of the COPF. The COPF also includes three annual efficiency adjustments.

Reconsideration Hearing

While producer and processor representatives successfully negotiated the new minimum live prices for chicken beginning in January 2015, CFO requested a reconsideration hearing before the Commission to reconsider certain aspects of the COPF. This request prompted a similar request by AOCP on a different set of issues. The Commission held a preliminary hearing in late March to address a number of procedural issues. The reconsideration hearing will be held during the second quarter of 2015.

Chicken- Managing the Growth

At the request of the Minister of Agriculture, Food and Rural Affairs, the Commission worked with CFO and AOCP, as members of the Chicken Industry Advisory Committee (CIAC), to consult with industry stakeholders to determine the best way to allocate new growth to producers and processors. A jointly designed comprehensive engagement and consultation effort was completed to gather stakeholder input on how growth can be allocated to farmers and processors to meet demand in both established and emerging markets. From December 2014 through to February 2015, Bryan Boyle, of Bryan Boyle and Associates, facilitated a total of 17 consultation meetings across the province including a virtual consultation in seven locations across Northern Ontario. Online written submissions were also received. Through CIAC, recommendations are being developed on allocating growth to farmers and processors to guide CFO which is responsible for regulating chicken production and allocation. The full strategy is expected to be complete by June of 2015.

Financial Performance

The Commission operates under a budget allocation by the Ministry of Agriculture, Food and Rural Affairs and therefore does not have its own audited financial statements. The Commission's resource requirements are incorporated into the ministry's business plan. Commission expenditures are part of the annual Ministry of Finance audit of the ministry's expenditures. A summary of the Commission's financial performance is presented below. The Commission was allocated \$1,460,400 for its operations for fiscal year 2014-2015. At fiscal year end, the Commission's total expenditure was above its allocation by \$72,864 due to both staff and board member changes during the year.

OFPMC 2014-2015 Fiscal Year End Financial Performance

Category	Allocation 2014-15	Actuals to March 31, 2015	Variances	Actuals to March 31, 2015
Salaries and Wages	\$ 877,300	\$ 884,712	\$ 7,412	\$ 802,628
Employee Benefits	\$ 103,800	\$ 233,762	\$ 129,962	\$ 102,435
Transportation and Communications	\$ 127,883	\$ 71,481	(\$ 56,402)	\$ 98,978
Services	\$ 334,417	\$ 317,831	(\$ 16,586)	\$ 278,639
Supplies and Equipment	\$ 17,000	\$ 25,478	\$ 8,478	\$ 15,836
Grand Total	\$ 1,460,400	\$ 1,533,264	\$ 72,864	\$ 1,292,517

Commission Members 2014 - 2015

In 2014-2015 the Commission was comprised of a Chair and six members. The Chair and Commission

members are private citizens who are directly involved in the agricultural sector and have diverse backgrounds and experience working in areas such as primary production, primary and further processing, food service, food distribution and grocery retail.

Commission members are appointed by the Lieutenant Governor in Council. The Commission members administer the FPMA and the MA, including providing advice, facilitation and direction to boards and associations and developing, formulating, analyzing and implementing policies designed to improve and stimulate the marketing of farm products. The Commission meets monthly and conducts Commission business throughout the province of Ontario.

- Geri Kamenz, Chair, Appointed December 10, 2008, Current Appointment Expires December 9, 2018
- Deborah Whale, Vice-Chair, Appointed March 10, 2004, Current Appointment Expires June 19, 2015
- Elmer Buchanan, Vice-Chair, Appointed June 20, 2007, Current Appointment Expires June 24, 2018
- Jim Clark, Vice Chair, Appointed June 20, 2007, Current Appointment Expires February 25, 2016
- Valerie Hobbs, Member, Appointed December 17, 2013, Current Appointment Expires December 16, 2015
- Bette Jean Crews, Member, Appointed April 18, 2012, Current Appointment Expires April 17, 2017
- Tom Richardson, Member, Appointed March 23, 2005, Appointment Expired March 22, 2015

Secretariat Staff 2014 - 2015

The Commission is supported by staff members of the Commission Secretariat. Staff members provide administrative support, policy analysis, information and advice on issues to support the Commission in making well informed decisions. Staff serving the Commission, 2014-2015:

Commission Secretariat:

Incumbant	Position	Tenure
Arva Machan	A/Secretary to the Commission & Director, OFPMC	April 2014 - May 2014
Arva Machan	Manager, Commission	April 2014 - May 2014
Paul Glenney	Marketing Analyst	April 2014 - September 2014
Sophia Dinnissen	Marketing Analyst	April 2014 - March 2015
Rob Gamble	A/Secretary to the Commission & Manager	June 2014 - September 2014
Mike Relf	Secretary to the Commission & Manager	October 2014 - March 2015
Gordon Stock	Team Lead	May 2014 - March 2015
Fiona Somerville	Coordinator	April 2014 - March 2015
Marilyn Sewell	Marketing Analyst	April 2014 - March 2015
Laurinda Lang	Marketing Analyst	April 2014 - March 2015
John Fitzgerald	Marketing Analyst	April 2014 - March 2015
Rob Gamble	Marketing Analyst	April 2014 - March 2015
Emily MacDonald	Administrative Services Representative	October 2014 - January 2015
Janet Thatcher	Administrative Services Representative	April 2014 - August 2014
Holly Yurek	Administrative Services Representative	July 2014- October 2014 & March 2015

Original signed by: Geri Kamenz, Chair of the Ontario Farm Products Marketing Commission and Hon. Jeff Leal, Minister of Agriculture, Food and Rural Affairs.

Appendices

Appendix I: Boards and Associations as of March 31, 2015

Marketing Boards

The Milk Act provides authority to one Marketing Board that regulates milk and cream.

- Dairy Farmers of Ontario

The Farm Products Marketing Act governs the other nineteen marketing boards in Ontario as well as the three representative associations designated under Section 12 of the act.

- Asparagus Farmers of Ontario
- Chicken Farmers of Ontario
- Egg Farmers of Ontario
- Grain Farmers of Ontario
- Grape Growers of Ontario
- Ontario Apple Growers
- Ontario Bean Growers
- Ontario Broiler Hatching Egg and Chick Commission
- Ontario Flue-Cured Tobacco Growers' Marketing Board
- Ontario Fresh Grape Growers' Marketing Board
- Ontario Greenhouse Vegetable Growers
- Ontario Pork Producers' Marketing Board
- Ontario Potato Board
- Ontario Processing Vegetable Growers
- Ontario Sheep Marketing Agency
- Ontario Tender Fruit Growers
- Ontario Tomato Seedling Growers' Marketing Board
- Seed Corn Growers of Ontario
- Turkey Farmers of Ontario

Section 12 Representative Associations

- Flowers Canada (Ontario) Inc.
- Ontario Canola Growers Association
- Ontario Ginseng Growers Association

Appendix II: Agreements and Awards

- 5 agreements between the Seed Corn Growers of Ontario and various companies for 2014.
- 1 agreement between the Seed Corn Growers of Ontario and one company for 2015.
- 6 agreements between the Ontario Potato Board and various processors.
- 20 agreements between the Ontario Processing Vegetable Growers and various food processors for the 2014/15 crops of tomatoes, pumpkin, lima beans, green peas, green and wax beans, butternut squash, sweet corn, carrots, cucumbers and Spanish onions.
- Agreement between the Chicken Farmers of Ontario and licenced processors for the producer margin during period A124-A129.
- Agreement between the Chicken Farmers of Ontario and licenced processors for A-124.

- Agreement between the Chicken Farmers of Ontario and licenced processors for live chicken A-125.
- Agreement between the Chicken Farmers of Ontario and licenced processors for A-126.
- Agreement between the Ontario Apple Growers and apple juice processors for a minimum price for fall juice apples for the 2014 crop.
- Agreement between the Grape Growers of Ontario and the processors for classes 5-10F.
- Agreement between the Grape Growers of Ontario and the processors for grape classes 1, 2, and 3 relating to juice pricing.
- Agreement between the Chicken Farmers of Ontario and licenced processors for A-127.
- Agreement between the Chicken Farmers of Ontario and licenced processors for A-128.
- Agreement between the Chicken Farmers of Ontario and licenced processors for A-129.

Appendix III: Regulatory Changes

Under the Ontario Farm Products Marketing Act

Name of Regulation	Regulation Number	Commission Action	Effective Date
Designation - Ontario Ginseng Growers' Association	Ontario Regulation 340/01	Increase licence fee from \$75/acre to \$100/acre.	January 1, 2015
Processing Vegetables - Marketing	Regulation 440	Clarifying French version of the regulation.	December 3, 2014
Processing Vegetables - Plan	Regulation 441	Clarifying French version of the regulation.	December 3, 2014
Chicken - Marketing	Regulation 402	Creation of a new COPF for the minimum price of live chickens.	January 14, 2015
Fresh Grape - Plan	Regulation 411	Revise the governance structure of the board, reducing the number of districts from 5 to 2.	January 14, 2015
Grain - Plan	Ontario Regulation 484/09	Amend the first meeting date of the board.	January 1, 2015
Tender Fruit - Marketing	Regulation 433	Governance changes to the IAC and name change to board.	January 14, 2015
Tender Fruit - Plan	Regulation 434	Governance changes to the IAC and name change to board.	January 14, 2015
Veal Cattle - Plan	Ontario Regulation 272/14	Creation of a new marketing board for veal cattle	April 1, 2015
Veal Cattle - Marketing	Ontario Regulation 58/15	Give the new marketing board for veal its powers	April 1, 2015

Under the Milk Act

Name of Regulation	Regulation Number	Commission Action	Effective Date
Milk and Milk Products	Regulation 761	Minister directed the Chair of Commission to lead work to clarify the permit and licensing process, and make necessary amendments.	September 28, 2014
Grades, Standards, Designations, Classes, Packing and Marking	Regulation 753	Three litres was added to the list of eligible consumer fluid milk container sizes.	November 19, 2014

Alternate formats of this document are available upon request.

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