




# ANNUAL REPORT

## 2023

Canadian Turkey Marketing Agency  
c.o.b. Turkey Farmers of Canada

A close-up photograph of a roasted turkey on a platter. The turkey is the central focus, with its skin glistening and browned. It is surrounded by fresh ingredients, including sliced apples and sprigs of sage leaves. The background is slightly blurred, showing more of the platter and the wooden surface it sits on.

The Fiftieth Annual Report of the Canadian Turkey Marketing Agency (c.o.b. Turkey Farmers of Canada) is prepared for presentation to the Federal Minister of Agriculture and Agri-Food, the Farm Products Council of Canada, and TFC Members.

Turkey Farmers of Canada  
7145 West Credit Avenue, Building 1  
Suite 202, Mississauga, ON L5N 6J7  
Tel: (905) 812-3140  
Fax: (905) 812-9326

[turkeyfarmersofcanada.ca](http://turkeyfarmersofcanada.ca)  
[canadianturkey.ca](http://canadianturkey.ca)  
[facebook.com/CanadianTurkey](https://facebook.com/CanadianTurkey)  
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# 50 YEARS OF TURKEY FARMERS OF CANADA

## Turkey Farmers of Canada's Timeline



1974

Federal Minister of Agriculture, Eugene Whelan, announces the establishment of the Canadian Turkey Marketing Agency by Parliamentary Proclamation on February 14, 1974.

1976

The Agency's first *Talking Turkey* cookbook is produced and distributed across member provinces.

1978

The Agency is restructured to extend efforts beyond supply management and import control to promotion, education, research and the analysis of market trends

1993

CTMA signs an agreement with the Canadian Poultry and Egg Processors Council acknowledging shared responsibility for the future growth and success of the Canadian turkey industry, and providing the basis from which CTMA and the CPEPC will work together to develop a domestic policy framework.





**2023**

Turkey Farmers of Canada's 50<sup>th</sup> Annual Report

**2003**

Work on the new CTMA On-Farm Food Safety Program© is completed and the program is submitted to the Canadian Food Inspection Agency for technical review. Work subsequently begins on the development of an auditable CTMA Flock Care Program for commercial turkey production based on the revised Code.

**2009**

The Agency adopts the name Turkey Farmers of Canada (TFC).

**2018**

The TFC On-Farm Food Safety Program© receives full government recognition for an ongoing commitment to producing the highest quality turkey products possible.

**2019**

The five year national marketing campaign encouraging consumers to THINK TURKEY™ was launched. The campaign is a partnership between Turkey Farmers of Canada and the Canadian Poultry and Egg Processors Council, Turkey Primary Processing Sector Members.

# ABOUT TURKEY FARMERS OF CANADA

## DELIVERING VALUE ON THE FARM AND BEYOND

Turkey Farmers of Canada (TFC) represents Canada's 510+ turkey farmers. Created in 1974 under the federal *Farm Products Agencies Act (FPAA)*, the Agency encourages cooperation throughout the Canadian turkey industry, promotes the consumption of turkey meat, and oversees the supply management system for turkey in Canada.

Mandated by Federal Proclamation, TFC's Board sets national turkey production levels in response to market activity and market forecasts, as well as expectations regarding imports and competing protein and input markets, to ensure that consumers have access to a secure supply of high-quality Canadian turkey products and that farmers earn a fair return on their investments.

The Board provides direction to national office staff and makes decisions on matters such as research, on-farm food safety, flock care, and the promotion of Canadian turkey, all in order to further promote a strong, efficient and competitive turkey production and marketing industry (as per S.21 of the FPAA).

TFC operations are funded by production-level levies remitted on each kilogram of turkey marketed.

The Agency is accountable to its members and partners and reports annually to Parliament through the Minister of Agriculture and Agri-Food Canada, and the Farm Products Council of Canada.

### FARM PRODUCTS AGENCIES ACT

#### Objects and Powers

S. 21. The objects of an agency are:

1. to promote a strong, efficient, and competitive production and marketing industry for the regulated product or products in relation to which it may exercise its powers; and
2. to have due regard to the interests of producers and consumers of the regulated product or products.

*Canadian turkey farmers are committed to ensuring the humane care and respectful treatment of their birds while providing wholesome and safe food to consumers.*

# VISION, MISSION, VALUES

## OUR VISION

Turkey Farmers of Canada is recognized for its collaboration with all stakeholders in creating a sustainable turkey industry that ensures a healthy, year-round food choice for Canadians.

## OUR MISSION

To promote research, knowledge sharing, efficiencies, and consumer awareness – the cornerstone of a thriving Canadian turkey industry – to contribute to the wellbeing of farmers, processors, the industry, and partners.

## OUR VALUES

The members of Turkey Farmers of Canada, guided by the *Farm Products Agencies Act*, S. 21, believe in:

- A national, orderly marketing system working towards growth of output and profitability for investors in the sector.
- A competitive and profitable economic model that benefits producers across Canada.
- Transparency of farm management practices, meeting the highest standards for health, safety, and animal welfare.
- Keeping pace with ongoing competitive changes in the Canadian marketplace.
- Satisfying the evolving expectations of the Canadian consumer through innovation and excellence in turkey production and processing, providing a high-quality and safe product to consumers at a fair price.
- An organization that operates ethically, respectfully, with integrity, and valuing employees, partners, and stakeholders.



# CHAIR'S MESSAGE



## DARREN FERENCE

As we reflect on the achievements and challenges of the past year, I am honored to present the 2023 Annual Report of the Turkey Farmers of Canada. This year holds special significance - it is our 50<sup>th</sup> edition. And, with that, the year ahead also marks the 50th Anniversary of Turkey Farmers of Canada.

In this Annual Report, we explore the milestones that shaped 2023, while also acknowledging the legacy that has defined the Turkey Farmers of Canada over the past five decades.

Despite challenges in 2023, our turkey farming community demonstrated remarkable strength and commitment. Our industry felt the ongoing presence of highly pathogenic avian influenza (HPAI) and market fluctuations; however, significant progress was made in 2023 on various fronts. Notable highlights include advancements in the National Allocation Policy, the fifth year of the National Marketing Campaign, developments on several legislative matters, the finalization of the Life Cycle Assessment of the turkey industry, and constructive discussions among the Directors regarding a new Strategic Plan for 2024-2026.

In 2023, we also saw moderate growth in farm output and domestic disappearance, even when considering losses due to HPAI. While multiple factors need to be considered in this regard (as detailed in the turkey industry statistics), I am pleased to note that our domestic disappearance of all turkey and turkey products increased to 134.8 million kg, a 5.3% rise over 2022.

Positively, the year commenced with the completion of the Lifecycle Assessment (LCA) of the turkey industry, analyzing data from the past 30 years and that of the year 2022. The LCA evaluates how current sectoral practices impact the carbon footprint and social performance of the turkey sector, serving as a benchmark to evaluate future work. We extend our gratitude to turkey farmers, breeders, the feed industry, and processors across Canada for their contributions to this study, conducted by Groupe AGÉCO. We know it has been a busy time for our industry, but this study is, and will continue to be, a key aspect of our sustainability journey as an industry. Thank you.

Progress was also made in 2023 on the development of a new National Commercial Allocation Policy. This policy was finalized at the TFC 275<sup>th</sup> General Meeting in September, with the final written text adopted at the TFC 276<sup>th</sup> General Meeting in November 2023. With this, the Allocation Policy review

process, initiated in the fall of 2016, moved significantly to completion, and the new Allocation Policy became effective starting with the 2023/2024 Control Period. Some work remains on a separate but related process, with hopes for completion in 2024.

In the past year, our system of supply management garnered increased media attention, though not always from a positive standpoint. At the same time, we saw more progress on Bill C-282, *an Act to amend the Department of Foreign Affairs, Trade and Development Act (supply management)*. The SM5 conducted multiple advocacy meetings during the fall, with a significant focus on lobby days on November 7 and November 23 in Ottawa concerning Bill C-282. Further details can be found in the advocacy section of this report. Despite the difficulties ahead with this Bill, I am proud of our industry's engagement and work in these meetings. Challenges persist with addressing media detractors, but the SM5 developed a robust plan for media and advertising through late 2023, continuing into 2024.

We know our consumers are crucial for further growth. To gain a better understanding of the Canadian turkey meat market and its dynamics, TFC commissioned an important consumer research project. Spanning 19 months starting in December, it is expected to uncover insights into consumer behavior that will benefit the sector in the years ahead while also contributing to our Think Turkey™ National Marketing Campaign.

As you read this Annual Report, we are also commemorating TFC's 50<sup>th</sup> Anniversary, marking a significant milestone for our industry – and a time for reflection. On February 14, 1974, Federal Minister of Agriculture Eugene Whelan, announced the establishment of the Canadian Turkey Marketing Agency by Parliamentary Proclamation. The eight-member provinces created a vision for the future. Their combined efforts, along with those of provincial and federal governments, led to the development of the Federal-Provincial Agreement, specifying how the Marketing Plan provisions would align.

As we look ahead to the next 20, 30 or 50 years, Turkey Farmers of Canada stands ready to embrace the opportunities and challenges that lie ahead. We have developed a new Strategic Plan for the Agency and look forward to implementing it over the next several years. We reaffirm our commitment to supporting our farmers and industry partners, advocating for their interests, and fostering the continued growth of the Canadian turkey industry.

On behalf of Turkey Farmers of Canada, I extend my thanks to our farmers, stakeholders, and partners for their invaluable contributions to our organization's success. Not just those with us today, but all those that came before.

Sincerely,



Darren Ference  
Chair

## EXECUTIVE COMMITTEE

DARREN FERENCE, CHAIR  
CALVIN MCBAIN, VICE-CHAIR  
JELMER WIERSMA, EXECUTIVE MEMBER

# BOARD OF DIRECTORS

The 11-member Board of Directors is comprised of eight farmer-elected Provincial Board representatives, along with two appointed members of the primary processing sector (Canadian Poultry and Egg Processors, CPEP) and one from the further processing sector (Further Poultry Processors Association of Canada, FPPAC).



**DARREN FERENCE**



**CALVIN MCBAIN**



**JELMER WIERSMA**



**MATT STEELE**



**DEBBIE ESELL**



**MIKE REIMER**



**HUGO THERRIEN**



**STEVEN EADIE**



**DOUG HART**



**MICHEL P  PIN**



**ADAM POWER**



# TFC BOARD MEMBERS

## BOARD OF DIRECTORS

Darren Ference – Alberta Turkey Producers

Calvin McBain – Les Éleveurs de volailles du Québec

Jelmer Wiersma – Turkey Farmers of Saskatchewan

Matt Steele – Turkey Farmers of Ontario

Shawn Heppell / Debbie Etsell – British Columbia Turkey Marketing Board

Mike Reimer – Manitoba Turkey Producers

Michèle Levesque / Hugo Therrien – Turkey Farmers of New Brunswick

Steven Eadie – Turkey Farmers of Nova Scotia

Doug Hart – Canadian Poultry and Egg Processors

Michel Pépin – Canadian Poultry and Egg Processors

Adam Power – Further Poultry Processors Association of Canada

## ALTERNATE DIRECTORS

Debbie Etsell / Kalpna Solanki – British Columbia Turkey Farmers

Scott Olson – Alberta Turkey Producers

David Mandel – Alberta Turkey Producers (2nd Alternate)

Toby Mandel – Saskatchewan Turkey Producers

Leroy Loewen – Manitoba Turkey Producers

Duane Dietrich – Turkey Farmers of Ontario

Jennifer Paquet – Les Éleveurs de volailles du Québec

Hugo Therrien / Marco Volpe – Turkey Farmers of New Brunswick

Louis Martin - Turkey Farmers of New Brunswick (2<sup>nd</sup> Alternate)

Michael de Graaf – Turkey Farmers of Nova Scotia

Werner Barnard – Canadian Poultry and Egg Processors

Tony Tavares – Canadian Poultry and Egg Processors

Nik Zylstra – Further Poultry Processors Association of Canada

# EXECUTIVE DIRECTOR'S MESSAGE



## PHIL BOYD

In the face of a challenging second year marked by significant losses due to the spread of highly pathogenic influenza (AI), our sector has again been put under strain in 2023. However, the lessons learned in 2022 have proven valuable, with hatcheries, farmers, feedmills, processors, and CFIA officials working together effectively despite the circumstances.

Improved response practices, particularly in the hardest-hit provinces, have led to a positive turnaround from full barn euthanasia to repopulation. The increased integration of industry participants in the response activities has been a

key factor in this success, fostering heightened confidence in managing future outbreaks in 2024.

The adoption of a new Provincial Commercial Allocation Policy in fall 2023 was a significant achievement, setting the stage for further initiatives in 2024. The Agency members have conducted a strategic review in anticipation of important matters for the coming years, with plans for adoption by the end of the first quarter in 2024.

One major challenge looking back on 2023 and forward into 2024, will be the increase in imports of turkey meat as a consequence of the increased market access negotiated in the Comprehensive Progressive Trans-Pacific Partnership (CPTPP). The reality of that agreement is hitting the sector and the volume of live production from Canadian farms, as anticipated throughout the negotiations. All in all, the need to market Canadian turkey will only increase in importance if increased domestic volumes are to become a reality. The extension of the National Marketing Campaign in late 2023 represents a critical step in confronting the issue head-on. A necessary ancillary step is to see Bill C-282 passed into law to prevent further erosion of the domestic market and the accrual of share to imported turkey meat.

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These are just a few highlights of the year, with more detailed operational issues outlined through the balance of the 2023 Annual Report.

The Agency is well-prepared and committed to supporting its members and industry partners in the 51st year of supply management in the Canadian turkey sector. There is much to celebrate and much work to be done, and our national office is ready for the challenges ahead.

On behalf of my office colleagues, respectfully submitted.



Phil Boyd





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# TFC STAFF

Phil Boyd

**EXECUTIVE DIRECTOR**

Adriana Goldman

**DIRECTOR – CORPORATE SERVICES**

Lisa Cadeau

**DIRECTOR – NATIONAL MARKETING CAMPAIGN & BRAND PARTNERSHIPS**

Sateesh Ramkissoonsingh

**MANAGER – POLICY & TRADE**

John Sheldon

**MANAGER – MARKETS INFORMATION**

Maegan MacKimmie

**MANAGER – CORPORATE COMMUNICATIONS**

Caroline Gonano

**ASSOCIATE MANAGER – TECHNICAL AFFAIRS, SCIENCE & REGULATION, CERTIFIED PAACO  
POULTRY WELFARE AUDITOR**

Malenka Georgiou

**ASSOCIATE MANAGER – TECHNICAL AFFAIRS, ON-FARM PROGRAMS, CERTIFIED PAACO  
POULTRY WELFARE AUDITOR**

Scott Mitchnick

**MARKET & POLICY ANALYST**

Barb Weston

**FINANCE ADMINISTRATOR**

Lorna Morris

**EXECUTIVE SERVICES ADMINISTRATOR**

Cathy Lane

**CORPORATE SERVICES ADMINISTRATOR / INFORMATION TECHNOLOGY (IT)**

Elise Mereweather

**POLICY & DATA ADMINISTRATOR**

# PROVINCIAL MANAGERS COMMITTEE



Sonya Lorette, TFNS

Louis Martin, TFNB

Marie-Ève Tremblay / Richelle Fortin, ÉVQ

Jon-Michael Falconer, TFO

Helga Wheddon, MTP

Cinthy Wiersma, TFS

Cara Prout, ATP

Natalie Veles, BCTMB

# MEMBERSHIPS, PARTNERSHIPS, AFFILIATIONS

Advancing Women in Agriculture  
Animal Health Canada  
Canadian 4-H  
Canadian Agricultural Hall of Fame  
Canadian Agri-Marketing Association  
Canadian Centre for Food Integrity  
Canadian Federation of Agriculture  
Canadian Federation of Independent Grocers  
Canadian Poultry and Egg Processors  
Canadian Poultry Research Council  
Canadian Supply Chain Food Safety Coalition  
Further Poultry Processors Association of Canada  
International Poultry Council  
National Turkey Federation (U.S.)  
National Farm Animal Care Council (NFACC)  
Nutrient Rich Alliance  
Poultry Industry Council  
Turkey Research & Resource Bureau

## EXTERNAL APPOINTMENTS

Canadian Federation of Agriculture  
*Matt Steele, Director*

National Farm Animal Care Council  
*Astrid Stephenson (Alberta)*

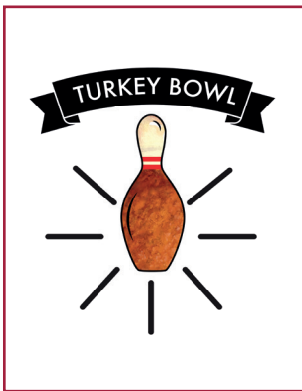
Canadian Poultry Research Council  
*Jelmer Wiersma, TFC Director, Vice-Chair*

Poultry Sustainability Value Chain Roundtable – Public Trust  
*Brian Ricker, Public Trust Committee*

# NATIONAL MARKETING CAMPAIGN

## THINK TURKEY™ YEAR IN REVIEW 2023

After four years of Think Turkey™ / Pensez Dindon<sup>MC</sup> inspiring Canadians to think and buy turkey through recipes and strategic partnerships, year five of the bilingual campaign gave Canadians even more reasons to choose turkey.



Early into 2023, Think Turkey partnered with Bowl Canada to launch the first-ever Turkey Bowl, inviting Canadians to visit a bowling centre and score three strikes in a row – also known as a “turkey” – for a chance to win prizes. This gave Canadians a reason to think turkey outside of traditional buying moments and encouraged them to visit [ThinkTurkey.ca](https://ThinkTurkey.ca).

Leading to Easter, the Veggies Love Turkey cast added a new member: the Potato. An advertising spot ran before Easter, featuring a jazz-singing spud on primetime programming, and through a robust social and digital campaign.

The Easter PR campaign focused on easy ways to cook with turkey with TV experts and creators providing cooking tips and recipes.

The grilling season started with ads featuring catchy jingles about turkey. These were part of TV and digital flight airing during sports programming including the NHL and Blue Jays baseball. To inspire newcomers to try turkey, Think Turkey adapted its Grilling ads in Hindi, Punjabi, Tagalog and Arabic.

Think Turkey also teamed up with Golf Canada to launch the Make Birdies Count challenge at the RBC Canadian Open and the CPKC Women's Open. Players at these events were called on to make 'turkeys,' – three birdies in a row or better – to benefit First Tee Canada. Canadian Golf broadcaster and former PGA player, Graham DeLaet and Quebec pro golfer, Maude-Aimée Leblanc helped raise the profile of the challenge through media, social and youth clinics.



Make Birdies Count challenge

*Continued on page 18.*



# NATIONAL MARKETING CAMPAIGN



For Thanksgiving, Think Turkey focused on a “farm-to-table” message featuring a farming family. The message was simple and memorable: Think Canadian Turkey, raised by Canadian farmers this Thanksgiving. The Think Turkey French campaign was significantly adapted for the Francophone market focusing on celebrating life with turkey while promoting the “buy local” message. Overall, the campaign centered on the idea that purchasing a turkey means supporting local farmers.

For the Holidays, Think Turkey launched the Wishbone Awards to honour eight Canadians who helped those in need around the holidays. French Canadian chef, Chuck Hughes served as the program Ambassador, calling for nominations.

Turkey was also prominently featured year-round through educational and entertaining TV integrations including interactive cooking demos, branded segments and in-show billboards. Stay tuned for what Think Turkey / Pensez Dindon is cooking up for 2024.



## NATIONAL MARKETING WORKING GROUP

DEBBIE ETSSELL, BC  
SCOTT OLSON, AB  
EMILY HARAMULE, ON  
CORINNA FORTIN POP, QC  
DOUG HART, CPEP  
CATHERINE LABELLE, CPEP

NICOLAS PAILLAT, CPEP  
HEATHER CAMERON, CPEP  
ADAM POWER, FPPAC  
TFC STAFF

# GOVERNMENT ADVOCACY AND CORPORATE COMMUNICATIONS

## WORKING WITH DECISION MAKERS



JOINT ANNUAL RECEPTION



BLOC QUÉBÉCOIS PRESS CONFERENCE ATTENDEES

In 2023, the Canadian turkey industry demonstrated our commitment to advocacy by fostering relationships with policymakers. As a national agency, an ongoing role TFC plays is ensuring government officials and those involved in policy are part of the dialogue on advancements in our industry, key issues, and opportunities within our sector.

Through proactive participation in consultations, meetings with MPs and Senators, and stakeholders, the Agency worked to ensure the voices of turkey farmers were heard and we saw progress on several key topics and events throughout 2023.

The year prior had a strong focus on CUSMA compensation and commitments to supply management in trade negotiation, advocacy in support of supply management remained a cornerstone of TFC's efforts throughout 2023 with a different focus. We saw positive movement on Bill C-282, *an Act to amend the Department of Foreign Affairs, Trade and Development Act (supply management)*. In June 2023, the Bill passed Third Reading in the House of Commons and was later introduced in the Senate. TFC participated in press conferences held by the Bloc Quebecois early in the year. The SM5 held several advocacy meetings through the fall with a key focus on two lobby days on November 7 and November 23 in Ottawa. This presented a strong supply-managed voice in support of the Bill, while also allowing the identification of any concerns of the Bill by Senators for the SM5 to address.

*Continued on page 20.*

# GOVERNMENT ADVOCACY AND CORPORATE COMMUNICATIONS

A media and advertising campaign was also undertaken with information and facts about supply management. One aspect of the campaign was a survey conducted by Abacus Data looking at Canadians' perspectives on the food system and the value placed on supply management. This survey will strengthen work on Bill C-282 and proactive media into 2024.

Bill C-234 - *an Act to amend the Greenhouse Gas Pollution Pricing Act* was also a focus for TFC with much work through the Agency's membership with the Agriculture Carbon Alliance (ACA). In December, a late-stage amendment in the Senate to Bill C-234 sent it back to the House of Commons. Under the ACA, Parliamentarian and Senator outreach will continue in addition to a #ShowYourReceipts campaign encouraging Canadian farmers to show the cost of the carbon tax. TFC Chair, Darren Ference's MP stood in Question Period, in late-December, to outline the cost of the tax on his turkey farm in conjunction with other MPs providing examples of farms in their respective ridings.

## ADVANCING THE INDUSTRY



DOWNTOWN DINER

In partnership with Chicken Farmers of Canada, Egg Farmers of Canada, and the Canadian Hatching Egg Producers, together we hosted the annual Downtown Diner event in May 2023. This event generates positive awareness and celebrates how supply management ensures access to fresh, local

*Continued on page 21.*



# GOVERNMENT ADVOCACY AND CORPORATE COMMUNICATIONS

and high-quality food. Farmers and representatives from each commodity group met with key government stakeholders, local media, and members of the Ottawa public. Attendees tried food from each commodity with an opportunity to speak with representatives from all groups. Jennifer Paquet from the ÉVQ attended to represent TFC along with TFC staff member Maegan MacKimmie.

Visitors were encouraged to take a copy of *The Farmers' Times*, a take on *The Hill Times* - a popular newspaper among Parliamentarians. The publication featured articles from each organization in the theme of "*Canadian farmers for a sustainable future*". These communication pieces also ran in *Hill Times* to further promote supply management. The event was a success, with over 35 MPs and several Senators in attendance.

The SM5 again renewed our participation in the FCM Conference and Trade Show, which took place in Toronto, to speak with municipal leaders about supply management. This event is a joint effort amongst the national supply managed groups and included presentations, a booth activation with food from each commodity, and other networking opportunities.

Farmers and staff from the SM5, including Matt Steele, from TFO for TFC, were present at the booth to converse with councillors, Mayors, and federal leaders. Matt Steele also had an opportunity to briefly meet the Prime Minister at the event. This year, two panel sessions were held during the FCM schedule, with supply-managed farmers and academics sitting on both panels. Between the two panels, there were over 300 attendees with positive feedback on each.

TFC again participated in the Advancing Women in Agriculture Conference in November through a student sponsorship. This provides an opportunity for an agriculture student to attend the conference, aiding the next generation of agriculture to become more aware of opportunities in the industry and the organizations working within it. The sponsorship comes with several benefits such as branding and networking opportunities during the event, including a sponsor lunch.



PRIME MINISTER JUSTIN TRUDEAU SPEAKING WITH TFC'S REP. MATT STEELE



# POLICY AND TRADE

## TRADE WORLD TRADE ORGANIZATION (WTO) NEGOTIATIONS



SM5 DELEGATION - GENEVA, SWITZERLAND

On January 27, 2023, the WTO members confirmed a new Chair of the Agricultural Negotiations, Ambassador Alparslan Acarsoy of Türkiye - representatives from the SM5, Turkey Farmers of Canada, Chicken Farmers of Canada, Egg Farmers of Canada, Canadian Hatching Egg Producers and Dairy Farmers of Canada had the opportunity to meet twice with the Ambassador in 2023.

Discussions covered the state of play in the agricultural negotiations and his perspective on potential outcomes for the WTO's Thirteenth Ministerial Meeting (MC13), which was to be held from February 26-29, 2024 in Abu Dhabi, United Arab Emirates.

In addition to meeting with Ambassador Acarsoy, SM5 representatives met with Canada's Ambassador to the WTO, Nadia Theodore and trade officials from the European Union, China, United States, WTO's Agriculture & Commodities Division, Japan, India, Switzerland, Nigeria and Norway. The purpose of those meetings was twofold: to impart the important role supply management plays within Canadian agriculture with respect to food security, sustainability, and rural economic development, and to better ascertain what is expected leading to MC13 and potential areas where agreements could be reached. In addition, these meetings allowed the SM5 to understand the concerns of some more notable developing countries such as China and India, where food security is their number one concern.

With respect to the status of the agricultural negotiations in 2023, the overall picture is one of little change in the members' positions, and therefore, continuing deadlock on the seven (7) agricultural negotiating topics (domestic support, market access, export competition, export restrictions, cotton, public stockholding for food security purposes, special safeguard mechanism). Two proposals were tabled in 2023 to spur negotiations, one on domestic support and another on market access. The proposals are quite technical and will take time beyond MC13 for the members to fully digest and discuss in more detail.

*Continued on page 23.*

# POLICY AND TRADE

## INTERNATIONAL TRADE DEVELOPMENTS

Other notable trade activities in 2023 on the part of Canada included:

On March 31, the Comprehensive Progressive Trans-Pacific Partnership (CPTPP) accession negotiations were concluded with the United Kingdom (UK). For Supply Management, no additional access for supply-managed commodities was provided through the accession process.

Initiated by the United States in January 2023, the Americas Partnership for Economic Prosperity (APEP) is a new framework for cooperation and working together to advance mutual interests across the countries of Barbados, Canada, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, Mexico, Panama, Peru, the United States and Uruguay.

On April 11, Canada and Ukraine signed a joint declaration on the conclusion of the Canada-Ukraine Free Trade Agreement (CUFTA) modernization negotiations.

## POLICY

The development of a new National Commercial Allocation Policy for distributing allocation changes amongst the eight member-provinces of the Agency was concluded at the TFC 275<sup>th</sup> General Meeting on September 19 with the final written text being adopted at the TFC 276<sup>th</sup> General Meeting from November 29-30. This brought to completion an Allocation Policy review process initiated in the fall of 2016. The new Allocation Policy was effective starting with the 2023/2024 Control Period.

With the continued focus in most of 2023 on developing a new Commercial Allocation Policy, the review of other Agency policies have been prioritized for 2024, including Primary Breeder, Multiplier Breeder, Export and Inter-Provincial Leasing Guidelines.

As a result of continued outbreaks of highly pathogenic avian influenza (HPAI) in 2023 and its impact on turkey production, in December 2023 the Agency authorized up to 2.5 million kilograms of quota to be leased interprovincially from the provinces of British Columbia, Alberta and Quebec to the provinces of Saskatchewan and Ontario for the remainder of the 2023/2024 Control Period. Under the Agency's Leasing of Quota Guidelines, such transfers can be permitted where an unforeseen event significantly limits or prevents the production of turkey.

*Continued on page 24.*

# POLICY AND TRADE

## COMPLAINTS

On February 10, the Farm Products Council of Canada (FPCC) approved the recommendation of the Council's Complaint Committee to dismiss the Canadian Poultry and Egg Processors (CPEP) complaint against Turkey Farmers of Canada, regarding how the total commercial allocation volume of 146.0 mkg for the 2022-23 Control Period was established by TFC. Further, on March 17, the FPCC accepted a recommendation by the Council's Complaint Committee, to dismiss Turkey Farmers of Ontario's (TFO) complaint against Turkey Farmers of Canada on how the provincial distribution of the commercial allocation for the 2022-23 Control Period was established by TFC. With both complaints being dismissed, FPCC approved the Agency's Quota Regulation for the 2022-23 Control period.

## POULTRY & EGG ON-FARM INVESTMENT PROGRAM (PEFIP)

In the Spring of 2021, details of the Poultry and Egg On-Farm Investment Program (PEFIP) were announced by AAFC. The cost-shared program aims to help supply-managed poultry and egg producers adapt to market changes resulting from the implementation of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Canada—United States—Mexico Agreement (CUSMA). The program supports on-farm investments that increase efficiency or productivity, improves on-farm food safety, biosecurity, environmental sustainability, and responds to consumer preferences. By 2023, 63% of turkey producers have registered with the program, with 180 applications received totalling \$31.0 million in requested funding. To date, 102 turkey applications have been approved, and 97 claims paid equalling \$13.0 million.

### PRODUCERS' TRADE CONSULTANT

CHARLES AKANDE, GENEVA, SWITZERLAND

### SUPPLY POLICY COMMITTEE (2024)

CALVIN MCBAIN, CHAIR  
DEBBIE ETSSELL, BC  
TOBY MANDEL, SK  
MATT STEELE, ON  
JENNIFER PAQUET, QC

ADAM POWER, FPPAC  
JEAN-LUC HAMELIN, CPEP  
DOUG HART, CPEP

# SCIENCE AND RESEARCH

*Canadian turkey farmers continued to earn the trust of Canadians with respect to food safety, quality and animal care in 2023 as programs, standards and practices were diligently followed and enhanced.*

## TFC ON-FARM PROGRAMS

Implementation of the TFC On-Farm Food Safety Program© (OFFSP) and Flock Care Program© (FCP) continued in 2023 across provinces despite the ongoing avian influenza outbreak, which required some adjustments to the audit process. With both programs being mandatory, 99% percent of existing turkey farmers have been certified under the TFC On-Farm Programs, with new entrants undergoing the initial certification process.



Over the course of the year, a review was undertaken of the TFC On-Farm Programs for commercial and breeder production, which focused on assessing and strengthening the biosecurity requirements of the TFC OFFSP resulting from the experience with avian influenza. It also considered potential new science and regulations, feedback from management reviews, and comments received from Provincial Boards, auditors and producers since the last review for both the TFC OFFSP and FCP. Proposed edits stemming from the review underwent provincial consultation in November and December and will be published in 2024 following the receipt of necessary approvals from the TFC Board of Directors. The edits will also be presented to the Canadian Food Inspection Agency (CFIA) and the National Farm Animal Care Council (NFACC) to ensure continued recognition for the TFC OFFSP and FCP, respectively.

On February 28, 2023, a virtual On-Farm Programs Auditor Training Meeting was held, with participation of auditors from all provinces. The training included two industry expert speakers to provide information on current bird health, management and welfare topics, and discussions on relevant auditor items. It was the second time that a virtual training meeting was offered in lieu of an originally planned face-to-face meeting and group audit for all auditors, which had to be postponed first due to COVID and then due to the ongoing avian influenza situation but is now intended to take place in 2024.

Additional activities related to the TFC On-Farm Programs in 2023 included:

- training of new and existing on-farm programs auditors, provincial program administrators and certification agents;
- internal audits of two provincial program administrators and the TFC national office;

*Continued on page 26.*



# SCIENCE AND RESEARCH

- witness audits of several on-farm programs auditors; and,
- a management review to evaluate the effectiveness of the TFC On-Farm Programs management system.

These internal review processes helped to uphold the effective management system in place for the TFC On-Farm Programs in 2023 and to prepare for the 60-month review by the Canadian Food Inspection Agency (CFIA), expected to start at the beginning of 2024. The CFIA review is required to maintain full government recognition for the TFC OFFSP under the Food Safety Recognition Program (FSRP), which was first obtained in 2018. It serves as a formal declaration that the TFC OFFSP meets the requirements of the FSRP; is technically sound in that it promotes the production of safe food at the farm level and adheres to Hazard Analysis Critical Point (HACCP) principles; and supports its effective implementation, administration, delivery and maintenance. To uphold the full recognition status, TFC needs to participate in an ongoing 5-year review cycle, which includes evaluations by CFIA at 20-month intervals.

## TFC ON-FARM PROGRAMS PORTAL

Throughout 2023, producer registrations for the TFC On-Farm Programs portal ([tfconfarmprograms.ca](https://tfconfarmprograms.ca)) continued to gradually increase and TFC provided news updates through the site. The portal is maintained as a tool for farmers, On-Farm Programs auditors and Provincial Boards to access essential information and help implement the TFC On-Farm Programs, as well as news and announcements. It hosts the electronic version of the TFC OFFSP and FCP, as well as related resources, including: a library of Turkey Farming Info Sheets; research resources; and information on disease and flock health, medication, and antimicrobial use.

## THIRD-PARTY AUDITS FOR THE TFC FLOCK CARE PROGRAM® (FCP)

Third-party audits for the TFC Flock Care Program® (FCP) continued in 2023 through NSF Canada Agricultural Certification Company, an internationally recognized, third-party certification body with Professional Animal Auditor Certification Organization (PAACO) certified auditors. Third-party audits were initiated in 2017 to demonstrate transparency and provide further assurance to retailers, restaurants, and consumers that turkeys in Canada are raised humanely, and that the TFC FCP is an effective national standard to represent animal care on-farm.

Verification audits were done on a statistically valid random sample of turkey farms across all provinces, in addition to the annual audits required to maintain a producer's certification under the TFC FCP. Since the initiation of the third-party audit program, it has been consistently concluded by NSF that

*Continued on page 27.*

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# SCIENCE AND RESEARCH

the National Flock Care Program had been implemented effectively and that animal care measures were consistently applied, and producers demonstrated compliance and continuous improvement to the program requirements, with support from Provincial Board representatives. In 2023, with delays experienced due to Highly Pathogenic Avian Influenza, some audit activities were moved forward to 2024 and the 2023 final report will be made available once completed.

## AVIAN INFLUENZA

The Highly Pathogenic Avian Influenza (HPAI) outbreak persisted globally. The Canadian Food Inspection Agency (CFIA), along with provincial stakeholders and industry continued response efforts. 2023 saw HPAI H5N1 detected in 8 provinces, affecting 132 commercial and small flocks and 4.3 million birds. Commercial detections made up about 77% of total detections with the most being turkey and broiler flocks, being similarly affected, followed by layers and ducks at comparable levels, then broiler breeders. This was compared to 281 commercial and small flock detections in 2022 with 6.7 million birds being affected.

Focus at TFC was on supporting response efforts and playing a coordinating role from the national perspective with CFIA and provinces in conjunction with the national poultry groups (NPG). Joint industry-government topic-specific and policy working groups also continued for information sharing, capacity building, and streamlining processes based on lessons learned. In addition, communication efforts from TFC were maintained to keep members up to date, including weekly summaries of confirmations of HPAI, biosecurity reminders, and mental health resources.

At TFC, a Farmer AI Committee was established, with a representative from each province, to share information and act as an avenue for providing practical feedback on developed communication materials. The Committee set several priority work items for the year, which included a preparedness guidebook that incorporated details on the AI response in Canada, as well as a farm-specific preparedness planning section with SOPs and other resources to get producers thinking about their farm-specific protocol if AI is detected on their farms. Committee members continue to be a valuable resource for practical information and support for other farmers.

TFC also participated in the HPAI Vaccination Task Force, established this year. The Task Force is a joint industry, cross government and academic task force that serves as a forum for discussion, information sharing and consensus building on issues relating to the potential use of vaccination against HPAI in Canada. The task force will consider the veterinary, scientific, economic, and practical implications of a vaccination policy, and identify any trade implications associated with the implementation of vaccination.

*Continued on page 28.*

# SCIENCE AND RESEARCH

## ANTIMICROBIAL USE AND RESISTANCE

2023 saw the continued implementation of the Canadian turkey industry antimicrobial use (AMU) strategy. The strategy focuses on the elimination of the preventive use of antibiotics important to human medicine to respond to the increased global attention to the threat of antimicrobial resistance (AMR). It works to maintain and build consumer confidence in Canadian turkey and to meet the needs of processors, restaurants, and retailers, while ensuring options to maintain the health and welfare of turkeys remain available. The strategy is implemented through the TFC On-Farm Food Safety Program<sup>®</sup> (OFFSP).

TFC maintained its support of the surveillance activities for AMU and AMR through the Canadian Integrated Program for Antimicrobial Resistance Surveillance (CIPARS) of the Public Health Agency of Canada (PHAC). CIPARS results are used to inform progress and the impacts of the Turkey Industry AMU Strategy over time. TFC received the preliminary results for the 2022 CIPARS Turkey Industry Report for farm surveillance covering animal health, AMU, AMR, pathogen recovery. Due to AI, in 2022, there were fewer than expected flocks sampled in certain provinces.

The results showed the total decrease in AMU of 63% between 2021 and 2022. Category II, III and uncategorized antimicrobials decreased by 69%, 84% and 45%, respectively. The trends of decreasing AMU and AMR are suggestive that the turkey AMU strategy is achieving its desired impact.

Implementation of the strategy is a sector wide approach from hatchery to farm to processing, including veterinarians and feed mills. Support in implementation from each level has been key to the success of the strategy. The industry continues to incorporate lessons learned from the strategy implementation and TFC has initiated a review of the AMU Guidelines to better reflect current practices, new products since the implementation of the strategy, and any additional AMU framework needed.

In late June, the federal, provincial, and territorial Ministers of Health and Agriculture announced the release of the Pan-Canadian Action Plan (PCAP) on Antimicrobial Resistance. The PCAP is meant to serve as a 5-year (2023-2027) blueprint for coordinated action across jurisdictions and sectors in Canada. The agriculture and agri-food industries outlined role within the PCAP is to advance appropriate AMU, promote infection prevention and control and good animal management practices, and establish some control programs in farmed animal production to protect the health of animals and to preserve the quality of the food supply. TFC participated in the consultations on the development of the PCAP, works to align industry efforts on AMU with the PCAP, and has been involved in recent strategic planning efforts on the PCAP implementation, coordinated through Animal Health Canada (AHC).

*Continued on page 29.*

# SCIENCE AND RESEARCH

## RESEARCH

### CANADIAN POULTRY RESEARCH COUNCIL (CPRC)

*To the end of 2023, CPRC Members committed more than \$5.8 million through regular funding programs in support of 114 research projects at universities and federal government laboratories across Canada “leveraged” at a ratio of greater than 5:1 to more than \$33 million.*

Early in 2023, the Canadian Poultry Research Council (CPRC) submitted the poultry science cluster application to Agriculture and Agri-Food Canada (AAFC). The Cluster will run under the Sustainable Canadian Agricultural Partnership AgriScience Program. The themes in the cluster application are Climate Change and Environment, Economic Growth, and Sector Resilience. The proposal reflects projects that were selected by the CPRC Board of Directors, the Science Advisory Board’s (SAB) reviews of the Board’s selections, and maximum budget considerations. TFC’s feedback on projects was collected through the TFC Research Committee based on industry priorities, perceived benefit and impact to the industry, and the results of the technical and peer reviews. The application also includes projects on

Knowledge translation and transfer (KTT).

Work also continued a review of the governance structure to strengthen CPRC’s governance model to help the Board of Directors carry out its oversight with organizational growth and additional operational demand. In 2023, CRPC approved a new governance model, which included the establishment of a Finance and Auditing Committee and Governance and Nominating Committee and the addition of two new non-member directors.

CPRC also initiated an update to the CPRC National Research Strategy for Canada’s Poultry Sector. The Strategy, originally released in 2012, aimed to enhance the long-term viability of the Canadian Poultry Value Chain by supporting a profitable and sustainable industry through research. The Strategy will be updated to better reflect current industry research priorities and progress made since its initial release.

### TFC INVOLVEMENT IN REGULATORY MODERNIZATION AND POLICY INITIATIVES

TFC monitored and contributed to a number of regulatory and policy initiatives and consultations, including:

- Coming into force of the new Canadian Hatchery Regulations and Canadian Hatchery and Supply Flock Testing Standards
- Renewal of the Canadian Feeds Regulations
- Veterinary Drugs Regulatory Modernization
- Inspection Modernization

- Review of the Food Safety Recognition Program (FSRP)

TFC remained involved in the joint government-industry Working Group on the Control of Salmonella and Campylobacter in Poultry, which focuses on developing action plans to reduce Salmonella and Campylobacter in live poultry and poultry products, in the Canadian Animal Health Surveillance System (CAHSS) Poultry and AMU/AMR Network Groups, as well as the Canadian Livestock Transport (CLT)

*Continued on page 30.*



# SCIENCE AND RESEARCH

Training Advisory Committee, which consults on the training content and delivery.

In addition, TFC continued its participation in the Animal Health Canada (AHC) working group, which was tasked to assist with the transition from the National Farmed Animal Health and Welfare (NFAHW) Council to AHC, including the development of a governance and budget structure of the new entity and membership expansion. By fall 2023, the working group concluded its work, and AHC started to function within its expanded organizational role. As the year progressed, a dedicated emergency management division was created, with the intent to facilitate shared government-industry plans and actions in a disease outbreak situation, with the initial focus on African Swine Fever, Foot-and-Mouth Disease and HPAI. Consultations were initiated with the national poultry groups to identify opportunities to support HPAI preparedness and response efforts, and on how to integrate HPAI into the organizational structure of the new emergency management division.

TFC also joined the Animal Protein Table (APT) Regulations Working Group as a representative for the poultry sector. The group was established in May 2023 to implement work identified under the regulations theme of the APT strategic plan, including the review of long-standing policies and regulations to consider if the objectives have been achieved; create and maintain an evergreen list of priorities for action; identify the top three regulatory issues by animal protein species in the supply chain; and, take timely action on priority policies or regulations based on the results of the review. Over the course of the summer, a consultation was held to gather industry priority issues to assist with determining the top regulatory barriers, with the results to be presented to the APT once analyzed.

TFC appreciates the government's efforts to streamline and update existing regulations and policies and is committed to maintain its engagement as the various initiatives further progress.

## RESEARCH COMMITTEE

ADAM POWER, FPPAC  
STEVEN EADIE, NS

JELMER WIERSMA, SK  
LEROY LOEWEN, MB

## ON-FARM PROGRAMS COMMITTEE

SCOTT OLSON, AB, CHAIR  
SHAWN HEPPELL, BC  
DARREN KORNELSON, MB  
GREG LANSINK, ON

JENNIFER PAQUET, QC  
HUGO THERRIEN, NB  
ED FETTING, CPEP

## AVIAN INFLUENZA COMMITTEE

CALVIN MCBAIN, CHAIR  
SHAWN HEPPELL, BC  
MARK THERRIEN, AB  
JELMER WIERSMA, SK  
COLE REIMER, MB

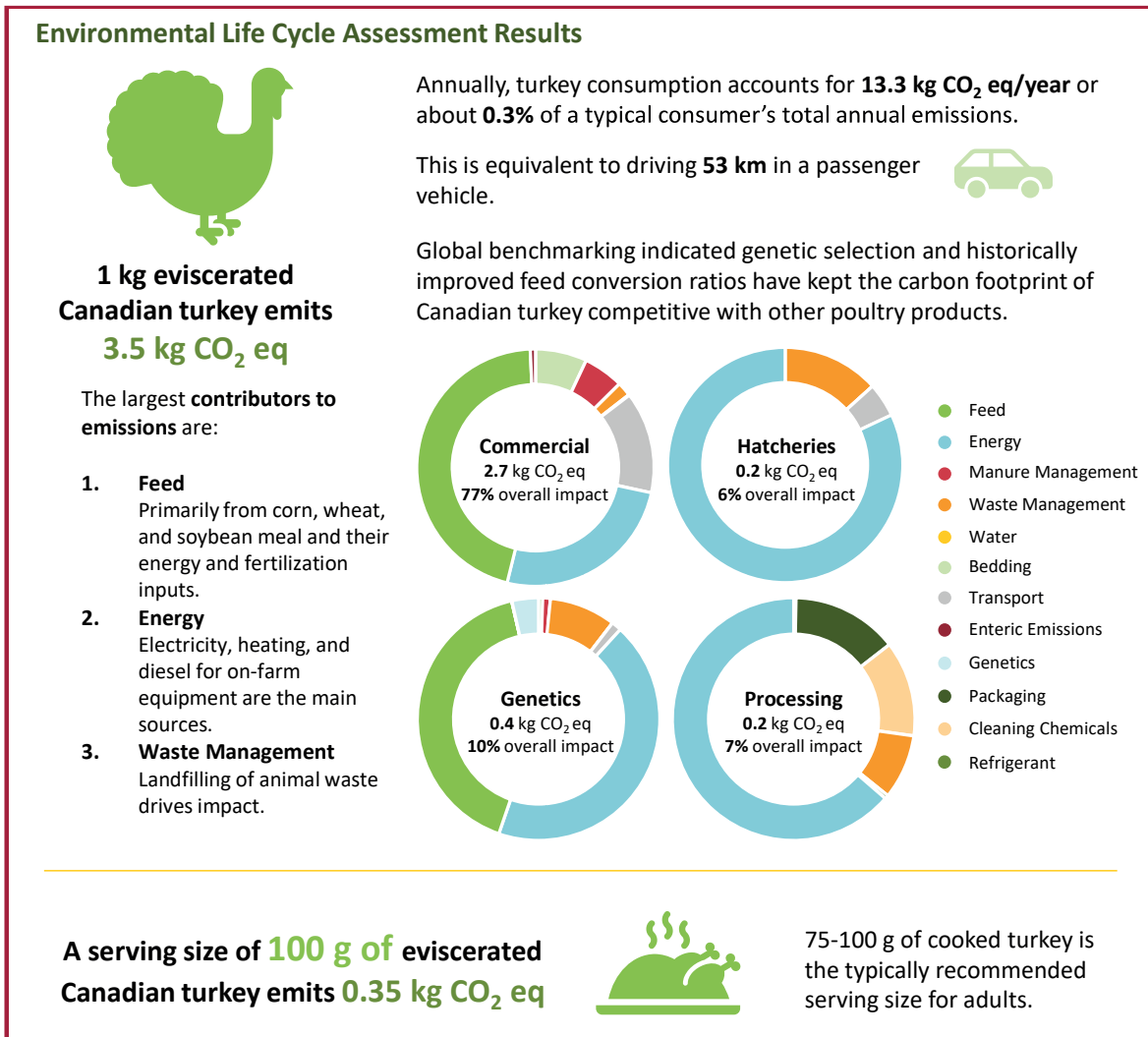
JEREMY RODER, ON  
LUCAS MCCARTNEY, QC  
MARCO VOLPÉ, NB  
ANDRE MERKS, NS

# SUSTAINABILITY

TFC’s Lifecycle Assessment (LCA) of the turkey industry was completed in 2023. Turkey farmers, breeders, hatcheries, the feed industry and processing sector from across Canada worked together to participate in this study.

The LCA establishes how current practises contribute to the carbon footprint and social performance of the turkey sector. The study provides a benchmark from which to evaluate future work. The LCA also demonstrates the continued progress of environmental efficiency of turkey farming. As a result of genetic improvements to commercially grown turkeys, developments in the nutritional profile of feed rations, and husbandry have reduced the amount of feed consumed per bird to get to market weight. The LCA infographic is available on the TFC website: [turkeyfarmersofcanada.ca/on-the-farm/sustainability/](https://turkeyfarmersofcanada.ca/on-the-farm/sustainability/).

The sustainability journey will be ongoing for TFC, building on the work of this first LCA for our industry.



# TURKEY INDUSTRY STATISTICS

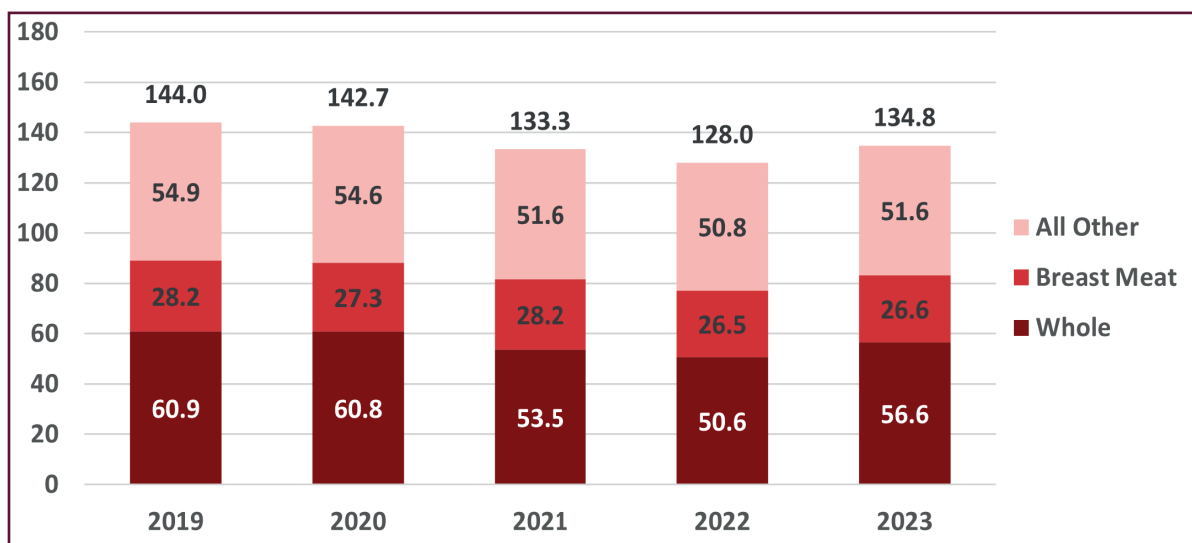
## DOMESTIC DISAPPEARANCE

In 2023, domestic disappearance of all turkey and turkey products increased to 134.8 million kg (mkg), which is an increase of 5.3% from 2022. During the holiday seasons (Easter, Thanksgiving and Christmas), total domestic disappearance of all turkey and turkey products increased by 5.4 mkg to 88.3 mkg. After holding steady for 3 years at 22.3 mkg, Easter movement declined to 21.4 mkg, but was significantly offset by increases in disappearance at both Thanksgiving and Christmas.

Whole bird domestic disappearance increased by 6.0 mkg, to 56.6 mkg in 2023. The increase in whole bird disappearance for the year can be attributed to improved disappearance at Thanksgiving and Christmas, which combined, accounts for 39.0 mkg of annual volume. Easter whole bird movement declined slightly to 7.4 mkg and movement in the non-festive seasons held steady at 10.2 mkg. In late 2022, avian influenza (AI) had a much stronger impact on supply than in 2023 and there were some supply issues in 2022 that limited sales. The improvements in whole bird movement in 2023 may, in part, be seen as a return to normal levels.

Breast meat movement increased slightly to 26.6 mkg from 26.5 mkg from the year prior. Although breast meat movement is more evenly spread throughout the year, there is still seasonality in this market. Breast meat movement at the holiday seasons declined to 13.6 mkg, from 13.8 mkg a year earlier.

## DOMESTIC DISAPPEARANCE OF TURKEY (CALENDAR YEAR - BY MAJOR CATEGORY AND TOTAL - MILLIONS OF KG - EVisCERATED)



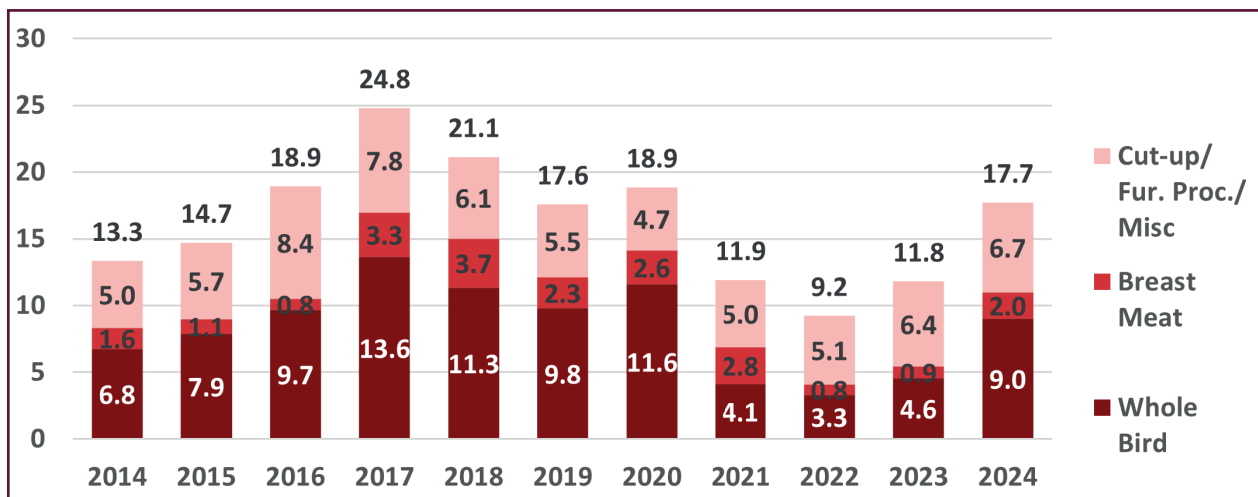
# TURKEY INDUSTRY STATISTICS

## STOCKS

January 1 stocks had been in the range of 9.2 mkg to 11.9 mkg over the past three years, however, total January 1, 2024, stocks were 17.7 mkg, an increase of 5.9 mkg from year earlier. Total whole bird stocks were 9.0 mkg, up from 4.6 mkg a year earlier. The increases in whole bird stocks were in all categories from broilers (under 5 kg) to heavy toms (over 11 kg). Stocks of boneless, skinless breast meat were just under 2.0 mkg, which is up 1.1 mkg from a year earlier.

## JANUARY 1ST TURKEY STOCKS

(CALENDAR YEAR – BY MAJOR CATEGORY AND TOTAL – MILLIONS OF KG – EVISCERATED)



## TURKEY PRODUCTION

Canadian turkey production in 2023 was 158.9 mkg, which is an increase of 9.0 mkg from 2022. Year-over-year changes in production normally correspond to changes in commercial quota levels. It would normally be expected that production in 2023 would have been slightly lower than in 2022 given the quota levels in place during 2023, when compared to year earlier. However, in 2023, the impact of AI, while still considerable, was much less than in 2022. These impacts can be better understood by looking at 2023 in two parts, the first 1/3rd of 2023 and the last 2/3rds of 2023.

- In the first 1/3rd of 2023, January to April, production was 48.6 mkg, which is an increase from 2022 of only 0.4 mkg. Given the quota allocation in place at that time, it would normally be expected that production would be about 2.0 mkg or 5% higher than year earlier.

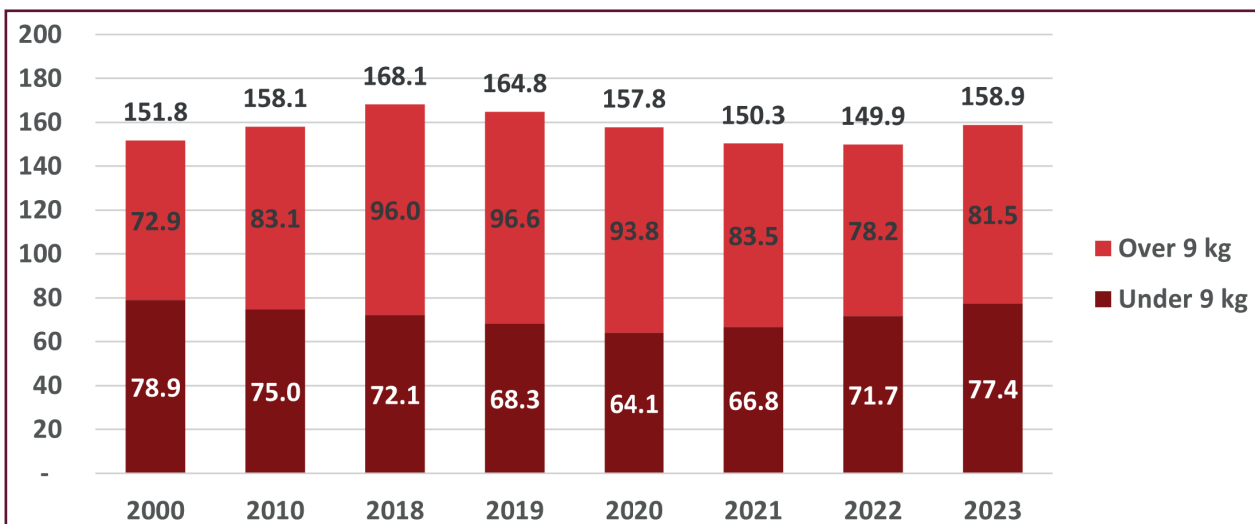
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# TURKEY INDUSTRY STATISTICS

- In the last 2/3rd of 2023, production was 110.3 mkg, which is an increase of 8.6 mkg from 2022. This production increase occurred in a period when the commercial allocation was 3% lower than the year earlier. Despite the losses to avian influenza in the latter part of 2023, they were still much lower than in the same part of 2022.

## TURKEY PRODUCTION IN CANADA

(CALENDAR YEAR – UNDER 9 KG/OVER 9 KG AND TOTAL – MILLIONS OF KG – EVISCERATED)



## IMPORTS

With Chile joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), imports occurred under this pool of Tariff Rate Quota (TRQ) for the first time in 2023. Imports under CPTPP started in mid-March and entered Canada at a rapid pace for four weeks. Due to avian influenza in Chile, no further imports were possible until July. Also in 2023, imports under WTO returned to their historic levels after being reduced in 2022 due to challenges presented by avian influenza in the USA. In 2023, 5.4 mkg of TRQ was used under WTO, about 96% of the total available, which is consistent with past years, but an increase from usage of 4.4 mkg in 2022 or 79% of the total available.

Imports of products on the import control list were 3.4 mkg, up from 2.2 mkg in 2022. In both years, we

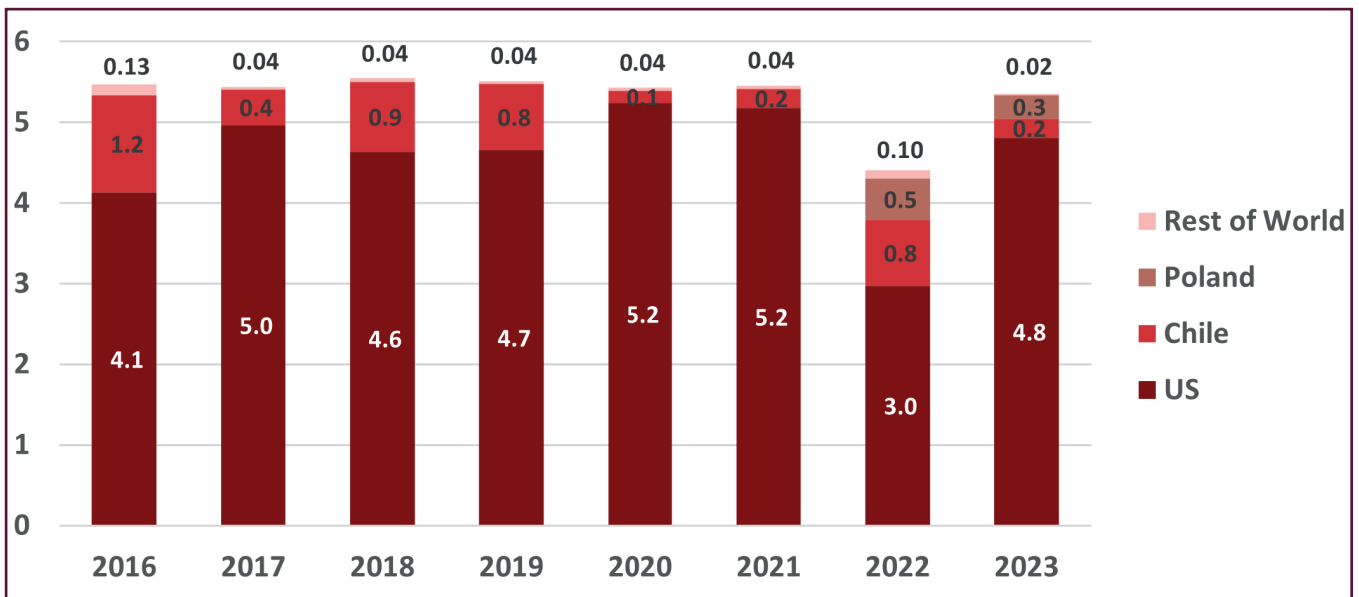
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# TURKEY INDUSTRY STATISTICS

saw avian influenza reduce the volume of imports that would have occurred otherwise. In 2022, imports were reduced from the U.S. due to avian influenza. In 2023, while avian influenza did pose challenges for U.S. production, import volumes from the U.S. returned to normal levels. As it was not possible for turkey to be exported from Chile from April to July, it is likely that imports from Chile would have been higher had it not been for the presence of avian influenza in that country.

## TARIFF RATE QUOTA USE BY COUNTRY FOR IMPORTS OF TURKEY INTO CANADA (CALENDAR YEAR - BY COUNTRY - MILLIONS OF KG - EVISCERATED)



## RETAIL SALES

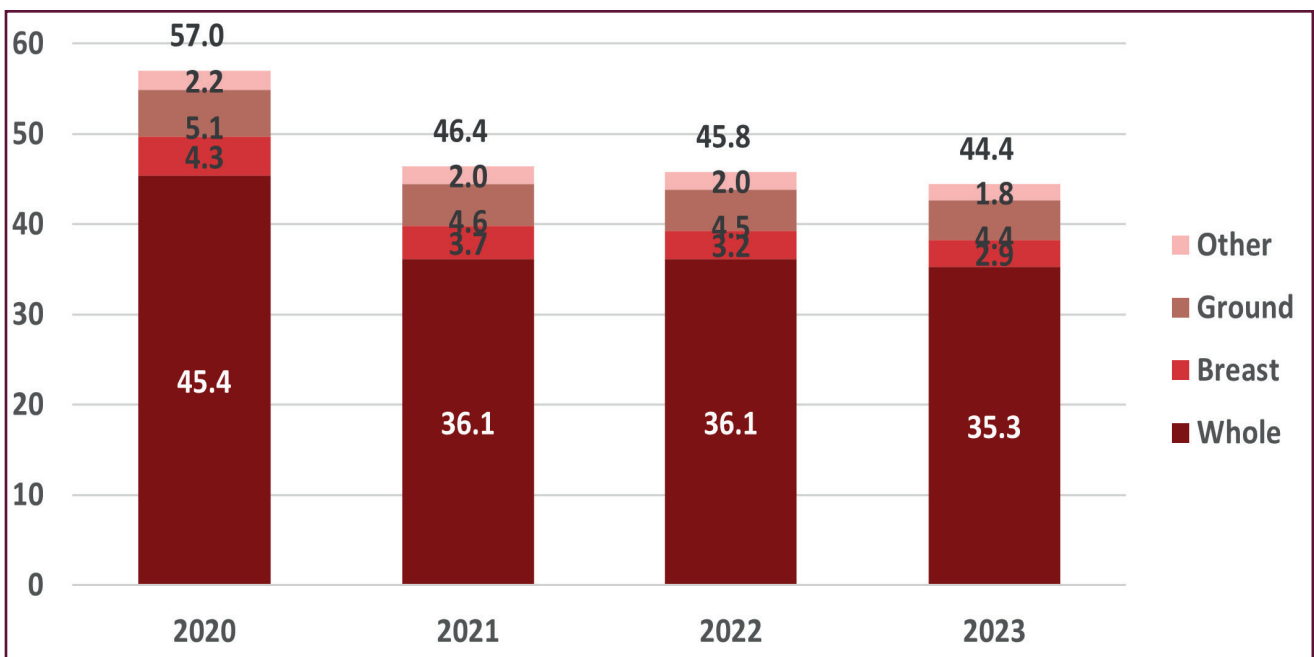
The ACNielsen Company of Canada reports on the sales of whole turkeys, ground turkey, breast meat products and other turkey products, but not deli meat, at retailers that represent approximately 80% of grocery sales in Canada. For the products tracked by ACNielsen, total retail sales volumes of turkey products decreased by 3.0% from 2022 to 44.4 mkg.

*Continued on page 36.*

# TURKEY INDUSTRY STATISTICS

## RETAIL SALES OF TURKEY AND TURKEY PRODUCTS

(MAJOR RETAIL BANNERS EXCLUDING WAREHOUSE CLUB STORES – MILLIONS OF KG – ANNUAL)  
(DOES NOT INCLUDE DELI MEATS SOLD AT RETAIL OR FOODSERVICE)



### TURKEY MARKET ADVISORY COMMITTEE

SATEESH RAMKISSOONSINGH, CHAIR (TFC)  
NICOLAS PAILLAT, CPEP  
NIK ZYLSTRA, FPPAC  
JOHN SHELDON, TFC

KEVIN GRIER,  
THIRD-PARTY MARKET ANALYST

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# FINANCIAL STATEMENTS

CANADIAN TURKEY MARKETING AGENCY  
C.O.B. TURKEY FARMERS OF CANADA

For the year ended December 31, 2023

## **AUDIT & FINANCE COMMITTEE**

CALVIN MCBAIN, CHAIR, ÉVQ  
SHAWN HEPPELL / DEBBIE ETSSELL, DIRECTOR, BCTMB  
MIKE REIMER, DIRECTOR, MTP



Gail C. Almand, CPA, CA  
Brian L. Braun, CPA, CA  
Kyle D. Kroeker, CPA, CA  
Jamie R. Mitchell, CPA, CA, CBV  
David J. Straughan, CPA, CA

## INDEPENDENT AUDITORS' REPORT

To the Members of Canadian Turkey Marketing Agency c.o.b. Turkey Farmers of Canada

### *Opinion*

We have audited the financial statements of Canadian Turkey Marketing Agency c.o.b. Turkey Farmers of Canada (the "Agency"), which comprise the statement of financial position as at December 31, 2023, the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Agency as at December 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Agency in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Agency or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Agency's financial reporting process.

## INDEPENDENT AUDITORS' REPORT, CONTINUED

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on The Agency's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause The Agency to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



CHARTERED PROFESSIONAL ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS

Mississauga, Ontario  
March 1, 2024





**TURKEY FARMERS OF CANADA**

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

	2023	2022
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 8,103,660	\$ 3,088,390
Short-term investments (note 3)	824,198	1,495,830
Accounts receivable (notes 4 & 11)	1,743,588	3,438,995
Prepaid expenses	<u>143,625</u>	<u>102,021</u>
	10,815,071	8,125,236
<b>Long-term investments (note 3)</b>	1,191,429	1,259,895
<b>Property and equipment (note 5)</b>	<u>22,095</u>	<u>33,857</u>
	<u>\$ 12,028,595</u>	<u>\$ 9,418,988</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 575,060	\$ 254,601
Government remittances payable	<u>82,390</u>	<u>85,111</u>
	<u>657,450</u>	<u>339,712</u>
<b>COMMITMENTS (note 6)</b>		
<b>FUND BALANCES</b>		
<b>Internally restricted fund (note 2)</b>	10,356,556	2,747,687
<b>Unrestricted fund</b>	992,494	6,297,732
<b>Funds invested in property and equipment (note 2)</b>	<u>22,095</u>	<u>33,857</u>
	<u>11,371,145</u>	<u>9,079,276</u>
	<u>\$ 12,028,595</u>	<u>\$ 9,418,988</u>

Approved on behalf of the board

Director *Warren Scourse*

**TURKEY FARMERS OF CANADA**

## STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2023

	<i>General Operations</i>	<i>National Marketing Campaign</i>	<i>2023 Total</i>	<i>2022 Total</i>
<b>Revenue</b>				
Producer levies	\$ 3,674,011	\$ -	\$ 3,674,011	\$ 3,364,574
Marketing levies	-	4,935,988	4,935,988	4,606,945
Investment gain (loss)	269,921	-	269,921	(53,974)
Project funding	9,900	-	9,900	70,419
Market Development Funding (note 11)	2,375,402	-	2,375,402	5,000,000
	<u>6,329,234</u>	<u>4,935,988</u>	<u>11,265,222</u>	<u>12,987,964</u>
<b>Expenses</b>				
Administration (Schedule 1)				
Directors' and staff expenses	696,699	-	696,699	444,279
Remuneration to Directors and staff	1,742,601	-	1,742,601	1,578,401
Other administrative	790,583	-	790,583	945,685
	<u>3,229,883</u>	<u>-</u>	<u>3,229,883</u>	<u>2,968,365</u>
Marketing (Schedule 2)				
Provincial marketing programs	400,000	-	400,000	400,000
Market development and research	321,285	-	321,285	207,386
Public relations and communications	174,285	-	174,285	173,510
	<u>895,570</u>	<u>-</u>	<u>895,570</u>	<u>780,896</u>
Other expenses				
National Marketing Campaign expenses (note 9)	-	4,647,900	4,647,900	4,930,386
Special promotion (note 12)	200,000	-	200,000	-
	<u>200,000</u>	<u>4,647,900</u>	<u>4,847,900</u>	<u>4,930,386</u>
	<u>4,325,453</u>	<u>4,647,900</u>	<u>8,973,353</u>	<u>8,679,647</u>
Excess of revenue over expenses for the year	<u>\$ 2,003,781</u>	<u>\$ 288,088</u>	<u>\$ 2,291,869</u>	<u>\$ 4,308,317</u>



**TURKEY FARMERS OF CANADA**

STATEMENT OF CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2023

	<i>Internally Restricted Funds</i>	<i>Unrestricted Fund</i>	<i>Funds Invested in Property and Equipment</i>	<i>Total 2023</i>	<i>Total 2022</i>
<b>Balance, beginning of year</b>	\$ 2,747,687	\$ 6,297,732	\$ 33,857	\$ 9,079,276	\$ 4,770,959
Excess (deficiency) of revenues over expenses	2,512,235	(208,604)	(11,762)	2,291,869	4,308,317
Appropriations	<u>5,096,634</u>	<u>(5,096,634)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Balance, end of year</b>	<u>\$ 10,356,556</u>	<u>\$ 992,494</u>	<u>\$ 22,095</u>	<u>\$ 11,371,145</u>	<u>\$ 9,079,276</u>

See accompanying notes to the financial statements



**TURKEY FARMERS OF CANADA**

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
<b>Cash flows from operating activities</b>		
Excess of revenue over expenses	\$ 2,291,869	\$ 4,308,317
Adjustment for items which do not affect cash		
Amortization	11,762	17,323
Change in non-cash working capital items		
Accounts receivable	1,695,407	(2,371,733)
Prepaid expenses	(41,604)	(57,598)
Accounts payable and accrued liabilities	320,459	171,771
Government remittances	(2,721)	(23,508)
	<u>4,275,172</u>	<u>2,044,572</u>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	-	(2,875)
Sale of investments, net	740,098	72,511
	<u>740,098</u>	<u>69,636</u>
<b>Increase in cash</b>	5,015,270	2,114,208
<b>Cash beginning of year</b>	<u>3,088,390</u>	<u>974,182</u>
<b>Cash, end of year</b>	<u>\$ 8,103,660</u>	<u>\$ 3,088,390</u>

See accompanying notes to the financial statements



## TURKEY FARMERS OF CANADA

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED DECEMBER 31, 2023

#### 1. NATURE OF OPERATIONS

##### Nature and Purpose of Agency

In fiscal 2009, the Agency adopted the name Canadian Turkey Marketing Agency c.o.b. Turkey Farmers of Canada ("TFC" or the "Agency"). TFC is a tax-exempt corporate body established under the Farm Products Marketing Agencies Act (Canada) to promote a strong, efficient and competitive production and marketing industry for turkey in Canada.

As at March 26, 2009, the Canadian Turkey Marketing Agency operates under the name "Turkey Farmers of Canada".

##### The Turkey Research and Resource Bureau

The Agency is deemed to control the Turkey Research and Resource Bureau ("TRRB") by virtue of TFC's right to appoint the eight provincial producer member Board of Directors. The Agency does not consolidate the financial statements of TRRB. TRRB is a not-for-profit organization established to facilitate turkey related research. At present, TRRB maintains several escrow accounts on behalf of some provincial boards as security for liquidated damage obligations under the Promotion Agreement. The financial position of TRRB reflects assets of \$402,470 (2022 - \$398,983), liabilities of \$401,090 (2022 - \$397,995), and net assets of \$1,380 (2022 - \$988). The results of operations of TRRB are total member contributions of \$1,600 (2022 - \$1,400), total expenses of \$1,208 (2022 - \$1,463), and surplus of contributions over expenses of \$392 (2022 - \$63 deficiency). Cash flow from operating activities is an inflow of \$392 (2022 - \$63 outflow).

#### 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

##### (a) Property and equipment

Property and equipment are stated at cost less accumulated amortization. Amortization based on the estimated useful life of the asset is calculated as follows:

Furniture and equipment	Declining balance	20%
Computer equipment	Declining balance	30%
Leasehold improvements	Straight-line	10 years

Costs incurred directly related to the development of internally-generated intangible assets are expensed by The Agency when incurred.

##### (b) Funds Invested in Property and Equipment

Funds Invested in Property and Equipment represent funds provided for the acquisition and financing of property and equipment. The financing of investments in property and equipment is transferred from the unrestricted fund on an annual basis. All amortization of property and equipment is charged to this account.





## TURKEY FARMERS OF CANADA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

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#### 2. SIGNIFICANT ACCOUNTING POLICIES, continued

##### (c) Internally Restricted Funds

The Board of Directors has approved the restriction of a portion of the Agency's net assets as a contingency to cover six months of operations. The Board of Directors has proposed that this restricted amount will be \$2,393,000 (2022 - \$2,330,000), increasing to \$2,475,000 in 2024.

A special marketing fund was established in 2016 by the Board of Directors to segregate funds related to an arbitration award reached with Turkey Farmers of Ontario. All future liquidated damages will also be included in this fund. These funds are internally restricted and mandated by the Board of Directors to be used for incremental marketing expenses that promote the consumption of turkey meat in Canada. The balance in this is fund is \$54,234 (2022 - \$254,234).

A research fund was previously established by the Board of Directors to accumulate funds for future research needs. The balance in this fund is \$366,295 (2022 - \$350,773).

A special marketing fund was established in 2019 for the National Marketing Campaign. These funds are internally restricted and mandated by the Board of Directors to be used for marketing expenses that promote the consumption of turkey meat in Canada. The balance in this fund is a surplus of \$100,768 (2022 - \$187,320 deficit).

A market development fund was established in the current year for the Market Development Funding received from Agriculture and Agri-food Canada (AAFC) described in Note 11. These funds are internally restricted and mandated by the Board of Directors to be used for future market development initiatives. The balance in this fund is a surplus of \$7,442,259.

##### (d) Revenue recognition

The Agency follows the deferral method of accounting for externally restricted contributions.

Producer and marketing levies are accrued monthly based on the live weight of turkey production submitted by Agriculture and Agri-Food Canada.

Investment income relates to interest earned and changes in market value on investments held and is recognized as it is earned.

Project funding relates to funding received for specific projects and is recognized as it is earned.

##### (e) Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported at cost or amortized cost, except for investments, which are measured at fair value as determined by quoted market values at year-end. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.



## TURKEY FARMERS OF CANADA

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

#### 2. SIGNIFICANT ACCOUNTING POLICIES, continued

##### (f) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these financial statements are accounts receivable and accounts payable and accrued liabilities.

#### 3. INVESTMENTS

- (a) Short-term investments consist of nil (2022 - \$91,052) in cash and mutual funds held in RBC Investment Savings and \$824,198 (2022 - \$1,404,778) in strip bonds guaranteed by the Government of Canada with interest rates ranging from 1.02% to 1.07% (2022 - 0.26% to 4.02%), that mature on December 1, 2024 (2022 - June 2023 to December 2023).
- (b) Long-term investments consist of \$1,191,429 (2022 - \$1,259,895) in strip bonds guaranteed by the Government of Canada with interest rates ranging from 1.05% to 4.45% (2022 - 1.02% to 1.07%) that have maturity dates ranging from June 2025 to December 2025 (2022 - December 2024 to December 2025).

#### 4. ACCOUNTS RECEIVABLE

	2023	2022
Producer levies	\$ 386,171	\$ 388,163
Marketing levies	527,284	530,711
Market Development Funding (note 11)	816,640	2,500,000
Life Cycle Assessment Funding	-	19,030
Accrued interest	13,036	-
Other receivables	457	1,091
	<u>\$ 1,743,588</u>	<u>\$ 3,438,995</u>

#### 5. PROPERTY AND EQUIPMENT

	<i>Cost</i>	<i>Accumulated Amortization</i>	<i>2023 Net</i>	<i>2022 Net</i>
Computer equipment	\$ 62,377	\$ 49,262	\$ 13,115	\$ 18,735
Furniture and fixtures	139,952	131,353	8,599	10,749
Leasehold improvements	176,809	176,428	381	4,373
	<u>\$ 379,138</u>	<u>\$ 357,043</u>	<u>\$ 22,095</u>	<u>\$ 33,857</u>



**TURKEY FARMERS OF CANADA**

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

**6. COMMITMENTS**

The minimum annual lease payments for rent, office equipment, automobile and funding commitments for future years are as follows:

2024	\$ 467,322
2025	288,838
2026	201,738
2027	193,358
2028	193,358
Subsequent	<u>79,179</u>
	<u>\$ 1,423,793</u>

**7. CREDIT FACILITY**

The Agency has a revolving demand facility of \$595,000 that is due on demand and bears interest at the bank's prime rate plus 1%. It is secured by all present and after acquired personal property of the Agency. As at December 31, 2023, this facility has not been used (2022 - nil).

**8. CAPITAL MANAGEMENT**

The Agency's capital consists of its net assets. The Agency's primary objective of capital management is to ensure that it has sufficient resources to continue to provide services to its members. Annual budgets are developed and monitored to ensure the Agency's capital is maintained at an appropriate level. The Agency is not subject to any externally imposed capital requirements. The Agency's restricted funds of \$10,356,556 (2022 - \$2,747,687) are subject to internally imposed capital restrictions.

**9. NATIONAL MARKETING CAMPAIGN EXPENSES**

National Marketing Campaign expenses include marketing and other administrative expenses related to the promotion and consumption of turkey meat in Canada.

**10. FINANCIAL INSTRUMENTS**

Financial instruments include cash, investments, accounts receivable, accounts payable and accrued liabilities and government remittances. The carrying value of these instruments approximates their fair value due to their immediate or short-term liquidity.

It is management's opinion that the Agency is not exposed to significant interest rate, currency, liquidity or credit risks arising from its financial instruments.

Management believes the exposure to the above risks have not changed in the past year.



## TURKEY FARMERS OF CANADA

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

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#### 11. MARKET DEVELOPMENT FUNDING

Market Development Funding reflects the Comprehensive & Progressive Trans-Pacific Partnership (CPTPP) mitigation monies for Market Development received from Agriculture and Agri-food Canada (AAFC) to offset the hurt to the Canadian turkey production sector as a result of the final Agreement. In the current year, the Agency was granted \$2,375,402 (2022 - \$5,000,000) as a reimbursement for past expenditures in developing the market for Canadian turkey meat under the provisions of the AAFC Market Development Program for Turkey and Chicken; of this amount \$816,640 (2022 - \$2,500,000) is included in accounts receivable at year-end.

#### 12. SPECIAL PROMOTIONS

Special promotions expense represents promotions and marketing expenditures incremental to normal operating promotion and marketing activities, utilizing segregated funds from liquidated damages.



**TURKEY FARMERS OF CANADA**

## SCHEDULE 1 - ADMINISTRATION EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
Directors' and staff expenses		
Directors, Alternates and Board Managers' expenses	\$ 361,626	\$ 206,032
Staff expenses	209,794	154,028
Meeting expenses	124,229	83,169
Travel insurance	1,050	1,050
	<u>696,699</u>	<u>444,279</u>
Remuneration to Directors and staff		
Staff salaries	1,198,888	1,115,736
Directors' fees	278,917	227,267
Employee benefits	264,796	235,398
	<u>1,742,601</u>	<u>1,578,401</u>
Other administrative		
Contract projects and external consulting	231,080	311,192
Rent, property tax and maintenance	191,188	186,534
Translation and interpretation	174,437	147,765
Legal	48,657	122,483
IT, office leases and supplies	39,674	68,348
On-farm programs	38,540	41,414
Audit and accounting	19,850	17,850
Telephone	15,216	15,046
Insurance	13,485	12,039
Amortization	11,762	17,323
Postage and courier	2,320	3,111
Sundry administration	2,254	1,920
Trade consultation	2,120	660
	<u>790,583</u>	<u>945,685</u>
	<u>\$ 3,229,883</u>	<u>\$ 2,968,365</u>

See accompanying notes





**TURKEY FARMERS OF CANADA**

## SCHEDULE 2 - MARKETING EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
Provincial marketing programs		
TFC provincial marketing supplement	\$ 400,000	\$ 400,000
Market development and research		
Turkey research	94,632	95,050
Consumer research	90,000	-
Market research	69,987	65,669
Canadian Poultry Research Council	66,666	46,667
	<u>321,285</u>	<u>207,386</u>
Public relations and communications		
Memberships	97,155	92,215
Marketing and communications	58,701	69,938
National sponsorships and promotions	13,551	5,884
Subscriptions	4,878	5,473
	<u>174,285</u>	<u>173,510</u>
	<u>\$ 895,570</u>	<u>\$ 780,896</u>

See accompanying notes





# TURKEY FARMERS OF CANADA

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TFC's 50<sup>th</sup> Annual Report