



TFC
NEWSLETTER

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CPTPP Mitigation/Compensation Update

On November 28, Minister Bibeau announced mitigation funding for poultry and egg farmers, as was previously committed to by the federal government for market access concessions granted to our domestic market under the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). The CPTPP increased access to the Canadian turkey market by seventy percent over historical levels. TFC is pleased with this announcement and also that the government has accepted recommendations for the mitigation funds to be used for market development programs and to provide investment incentives for farmers' reinvestment in their operations.

The investment of \$691 million in our sectors is a step in the right direction towards supporting farmers as they make ongoing improvements to their operations and enhance the long-term efficiency and sustainability of their farms. The federal government has committed that the poultry and egg agencies will have an opportunity to work on the design of these programs and TFC will continue work with government in this regard.

TFC appreciates the work by Minister Bibeau and her office on behalf of Canadian poultry and egg farmers. We also appreciate the support of parliamentarians from all sides and senators for their ongoing engagement with us during our work with the government.

TFC will continue discussions with the federal government on mitigation needed as a result of the market loss created under the Canada-United States-Mexico Agreement (CUSMA).

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TFC Updates:

To keep updated on Turkey Farmers of Canada news visit: www.turkey-farmersofcanada.ca/media/news/.

TFC 264th Business Meeting Notes

The TFC 264th General Business Meeting was held by video conference November 25-26, 2020.

The Directors focused on a number of significant agenda items including an overview of the market status following Thanksgiving 2020; the ongoing and comprehensive review of the Allocation Policy; and updates on a number of ongoing priorities.

Zeno Group presented a detailed update on the Think Turkey National Marketing Campaign, an overview of the 2020 November/December Holiday program, and highlights for 2021. The results of engagement and impressions to date were detailed across all of the campaign media channels. Each element/channel of the campaign is meeting or exceeding goals for reach of the target audience.

Status reports were also provided on the TFC On-Farm Programs and Corporate and Consumer Communications initiatives.

R. Bonnet, Vice-Chair of the Farm Products Council of Canada (FPCC) presented updates on the Council activities. Bonnett noted that FPCC is resolute in their work to strengthen the communications with the players involved in supply management. Recently released sector profiles developed by the FPCC, are now available, and provide information and statistics related to the poultry and egg sector.

The TFC Allocation Policy Review Committee met on November 24 to continue working on a new Commercial Allocation Policy. The Committee is moving forward on its challenging mandate, and work will continue, with the next meeting anticipated in early 2021.

The 2021 Preliminary Budget was adopted and directions given to staff to prepare and forward the Levy Order submission to the Justice Department for blue-stamping and FPCC for prior approval.

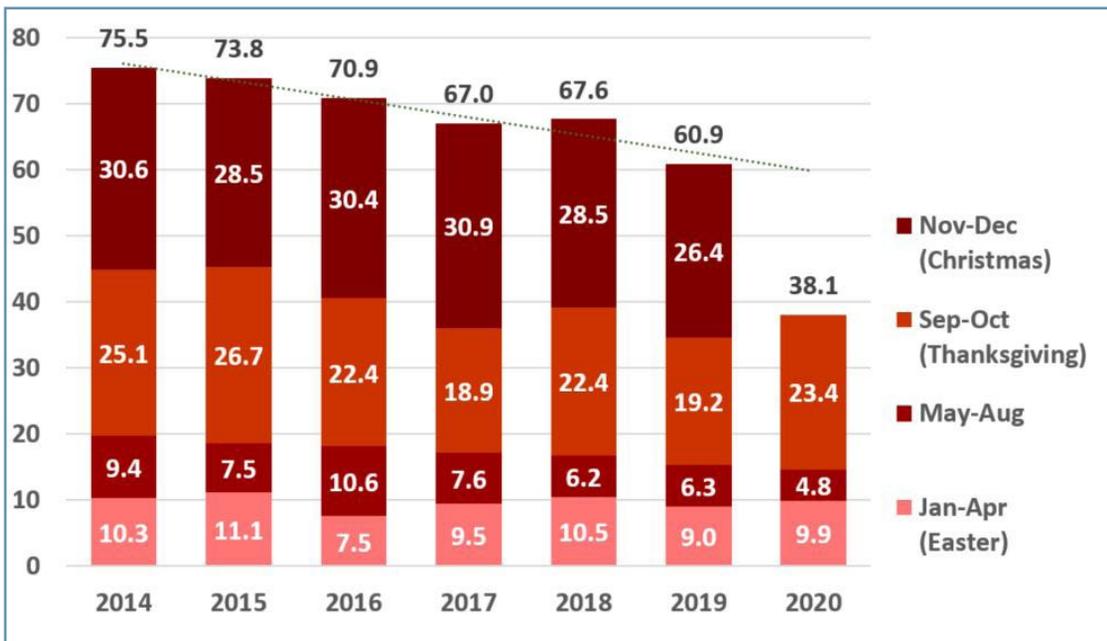
Market Insights

2020 so far

The market for turkey has been going through a period of rapid change over the past few years. Trends in recent years have shown and may well point to some continuation of a decline in whole bird consumption offset by a steady increase in breast meat and breast meat products consumption. However, as with many things, COVID-19 brought an unexpected change to the whole bird market in 2020.

Supply and disappearance data and data from Nielsen Canada both indicate decreasing whole bird sales over time. The chart below shows the disappearance of whole turkeys in the four-month periods of January-April and May-August, and the two-month periods of September-October and November-December since 2014. The shift due to demographic change, and substitution of other turkey products such as roasts is evident. Roast sales, based on AC Nielsen scan for the 12 months ended October were more than double from the same period in 2016/2017.

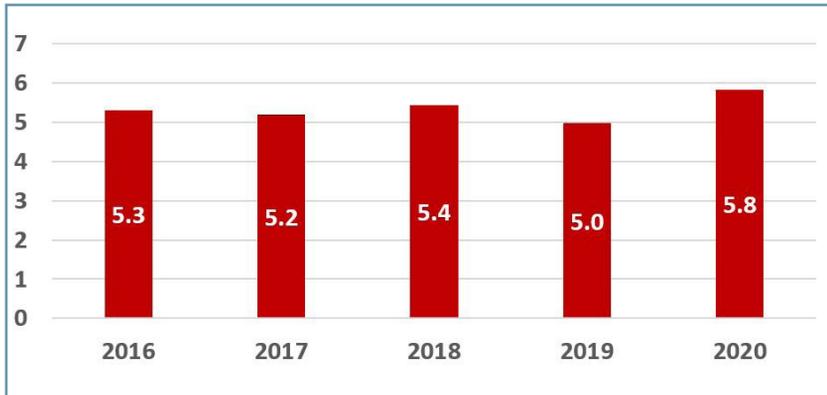
Domestic Disappearance of Whole Turkeys in Canada
(millions of kg)



Whole bird sales received a boost in mid-March this year as consumers stocked up in the early days of the pandemic. Weekly whole bird sales in mid-March, the two and three weeks before Easter, were higher than normal and was likely due to pandemic buying. Sales in the three weeks around Easter, which normally account for the bulk of seasonal sales, compared well to previous years.

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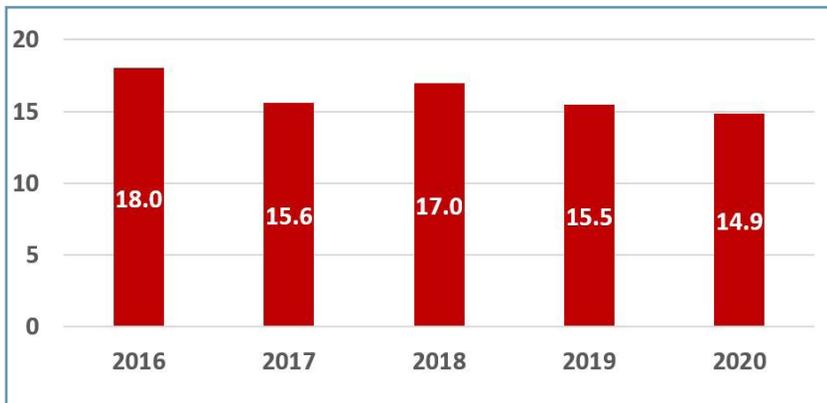
**Retail Movement of Whole Turkeys at Easter in Canada (millions of kg)
(Five weeks leading up to and including Easter)**



Source: Nielsen Canada*

Even though May-August showed lower whole bird disappearance, movement this past Thanksgiving (September and November combined) was reasonably high. Thanksgiving whole bird disappearance was 23.4 Mkg, the highest for the period since 2015. Even with fewer large family gatherings, it appears that many families had a traditional Thanksgiving meal for their immediate household. As indicated by stock levels, this benefitted sales of smaller whole birds and roasts.

**Retail Movement of Whole Turkeys at Thanksgiving in Canada (millions of kg)
(Seven weeks leading up to and including Thanksgiving)**



Source: Nielsen Canada*

Sales of whole birds to the end of October appear to have been stronger than could have been expected at the beginning of 2020. In hindsight, perhaps this is due to the sharp, sudden decline in sales by the foodservice sector (including turkey sales) and the reduced number of large family gatherings, but instead consumers increased holiday meals with their immediate household.

Although Christmas is surrounded by some uncertainty due to the pandemic, the strong sales of turkey at Easter and Thanksgiving lead to cautious optimism for the holiday season.

2021, too is cloaked in uncertainty in terms of arresting the spread of COVID-19 and seeing some sense of normalcy return. For turkey, the pre-pandemic trend in whole bird sales may or may not resume, but remains to be seen. However, sales of turkey products such as roasts and parts that are tailored to changing demographics and cooking habits will respond to these market changes.

** Please note: Nielsen data represents approximately 80% of grocery sales in Canada. Even though the exact % of turkey data captured by Nielsen at retail is not known it provides a very good indication of overall trends.*

Think Turkey™ / Pensez Dindon^{MC}

The Think Turkey™ / Pensez Dindon^{MC} continues to get noticed with increasing numbers of eyes and impressions on all campaign elements.

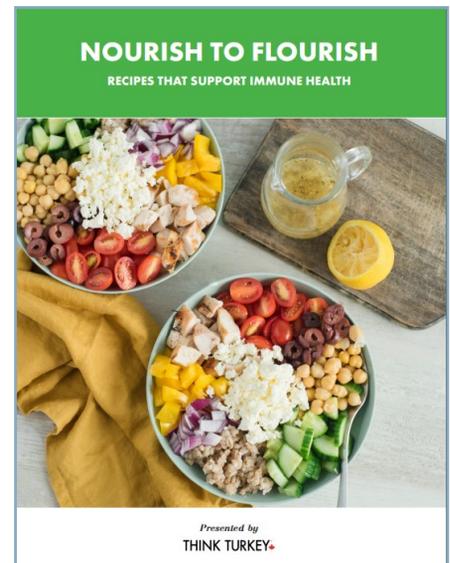
Thanksgiving was promoted in a number of ways

Think Turkey went on a 10-day pre-Thanksgiving TV blitz. The 30 second TV spot reminded our audience about the joys of Thanksgiving on English and French specialty channels as well as YouTube, Facebook and Instagram. Always on support to the campaign featured holiday messaging and recipe ideas by influencers across the country. Thanks ___ Giving creative encouraged people to embrace the spirit of coming together despite the distance and was broadcast in a digital campaign on all of our social channels.

With winter starting to settle in, it's the perfect time of year to increase our intake of nutrient-rich foods to help give our immune system a boost. We teamed up with Registered Dietitian Shannon Crocker to create a guide with five turkey dishes that help support strong immune health and are delicious and easy to make any day of the week.

You can download the guide, *Nourish to Flourish: Recipes That Support Immune Health* at:

canadianturkey.ca/resources and dindoncanadien.ca/resources.



Our holiday plans

A blend of video and static display assets will be used to reach holiday planners and principal grocery shoppers across Canada. A four-week campaign starts in early December to get Canadians "thinking turkey" in time for the upcoming holidays.

Campaign ads will target consumers through video, display and social media. Our roster of influencers will create content for our audience with delicious festive turkey menu options, no matter the size of the gathering.

Our 30 second TV spot will also be appearing across all of our social channels.

Stay tuned for news on exciting 2021 plans!



Three French hens?
What you really want is one Canadian turkey.



Consumer Communications

Asian and South Asian Program



TFC continues to engage Canadian consumers through bloggers under the Asian and South Asian programs.

The program posts covered the back-to-school and Thanksgiving periods, highlighting recipes that encouraged the audience to choose turkey even when celebrations are different.

In addition to the main messages, other strategic themes continued to be highlighted including nutrition, versatility, economy, and ease of preparation.

The recipes continue to highlight turkey's adaptability and versatility in traditional recipes as well as modern updates on traditional favourites. The bloggers use of traditional recipes created a comfort level using turkey with familiar traditional ingredients.



Canadianturkey.ca is THE go-to-resource for recipes and more

Recipes can be found at canadianturkey.ca/featured-recipes and provincial extensions.

Recipe videos can be found at canadianturkey.ca/videos.

Nutritional information is available at canadianturkey.ca/nutrition.

Sign up for Canadian Turkey's Get Cooking with Canadian Turkey™ monthly e-Newsletter at canadianturkey.ca/e-newsletter.

Trade Update

World Trade Organization (WTO)

On October 28 the WTO announced that based on consultations with all the member countries, that the candidate best positioned to garner consensus and become the 7th Director-General (DG) of the WTO, replacing Roberto Azevêdo who officially resigned on August 31, was Ngozi Okonjo-Iweala of Nigeria. However, the United States under the Trump administration said it could not support the appointment of the Nigerian candidate, as they preferred the Korean candidate, Yoo Myung-Hee. With the election of Joe Biden as President of the United States starting January 20, the expectation is that the WTO will be without a new DG until early 2021. A meeting is expected early in the new year, at which point the WTO members will attempt to unlock the stalemate in the selection process.

With respect to the agricultural negotiations, there are seven working groups that have started discussions from where they left off earlier this year. The purpose of these working groups is to make progress on the contours of a potential negotiating outcome, through detailed technical work and analysis. For market access, these discussions will include tariff simplification, under-filled tariff rate quotas, and tariff transparency.

Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

Chile, the only signatory country at this time that is seen as capable of exporting turkey to Canada, is re-writing their constitution, which is not anticipated to be wrapped up before mid-2022. Therefore, it is highly unlikely their Senate will formally ratify CPTPP until then, which is required before they can export turkey to Canada under the CPTPP TRQ.

With the recent U.S. presidential election, speculation has emerged on if a Biden administration would rejoin CPTPP. It was the Obama administration with Biden as

the Vice President that negotiated the original agreement. Joining CPTPP could support the U.S. efforts to counter China's growing economic influence in Asia. China and 14 other countries (Indonesia, Malaysia, Philippines, Singapore, Thailand, Brunei, Cambodia, Lao People's Democratic Republic, Myanmar, Vietnam, Japan, South Korea, Australia and New Zealand) recently signed the Regional Comprehensive Economic Partnership (RCEP) trade agreement, which captures on-third of global economic activity.

Mercosur

Round 7 of the Canada/Mercosur (Argentina, Brazil, Paraguay, Uruguay) negotiations was held in Ottawa in late July 2019. Since that time, no additional negotiating rounds have occurred due in part to elections in the fall of 2019 in Canada, Argentina and Uruguay; and, the COVID-19 pandemic in 2020. Despite not being able to formally meet face-to-face, virtual technical discussions have taken place in 2020. Although no new face-to-face negotiating rounds are scheduled, further virtual sessions are anticipated. With respect to supply management the federal government has publicly stated on several occasions its commitment to not relinquish any further market access under future trade agreements. With the most recent commitment being made by the Minister of Agriculture in testimony to the House of Commons Agricultural Committee, on Thursday, November 26 and in the recent announcement for dairy, poultry and egg mitigation.

Canada/United Kingdom (UK)

Canada and the United Kingdom on November 21st reached a transitional agreement, to bridge the gap between the U.K. leaving the European Union and the negotiation of a more comprehensive trade agreement between the two parties. Although no built in expiration date, the agreement is transitional and includes a review clause. There are no trade implications to poultry and eggs from the transitional agreement.

Corporate Communications

Advocacy Work

As previously noted, TFC is pleased with the announcement by Minister Bibeau for compensation for poultry and egg farmers for concessions granted to our domestic market in the CPTPP agreement. The bulk of advocacy work recently has focused on both CPTPP and CUSMA mitigation.

The national SM4 has sent letters to all members of the House of Commons Standing Committee on Agriculture and Agri-Food on the urgency of poultry and egg mitigation, in addition to a meeting with Chairs and staff of the feather agencies and several MPs from the Liberal Rural Caucus.

In addition to a number of meetings with MPs from all parties prior to prorogation, the TFC Executive and staff have recently met with the new Conservative Shadow Minister of Agriculture MP Lianne Rood and the new Conservative Shadow Minister of Trade MP Tracy Gray to update them on the turkey industry and mitigation requirements. Follow up will continue with these offices. TFC Executive and staff have also met with key MPs that are involved with the agriculture file.

Work will continue on mitigation for poultry and egg farmers for concessions granted in the CUSMA agreement.

Federation of Canadian Municipalities Sustainable Communities Conference

TFC and the national poultry and egg agencies participated in the Federation of Canadian Municipalities (FCM) virtual Sustainable Communities Conference from October 20-23. The event brought over 500 municipal leaders and practitioners to the virtual conference. The conference brought together a number of experts in the areas of sustainability and touched on a range of topics—from building more resilient communities through to the UN Sustainable Development Goals.

As part of the SM4's sponsorship, the feather agencies had a virtual booth at the conference with literature on each organization, supply management and sustainability. The virtual booth also allowed attendees to talk to staff via a video or chat function with over 83 municipal leaders visiting the booth during the conference.

Advancing Women Conference

TFC participated in the Advancing Women in Agriculture Conference through a student sponsorship. The virtual conference ran from November 24-25 and allowed women in agriculture and the food industry to hear from a variety of conference speakers, as well as connect through coaching, mentoring, and networking opportunities.

TFC's sponsorship brought a university student involved in agriculture to the conference this year. TFC also had a virtual booth at the conference with information on the agency.

SM5 Canadian Comfort Campaign

The national supply-managed agencies (SM5) are participating in a joint campaign to promote buying Canadian. This campaign will run through the month of December and focus on the theme of "Canadian Comfort" while making consumers aware of the Canadian turkey, chicken, eggs and dairy available at the grocery store. Once the campaign launches, watch for updates on TFC's Twitter account @TurkeyFarmersCA.

CPRC Update

Ventilation at a cost

Research looks at how new tools impact air quality on poultry operations

Air quality can be difficult to manage in Canadian poultry operations because two main challenges – ammonia levels and particulate matter – are often at opposite ends of the ventilation spectrum. Ammonia, which typically builds up when poultry manure in litter stays wet, can be alleviated by drying it out through better ventilation. But drier conditions – along with natural bird activities such as dust bathing – contribute to more particulate matter in the air, an issue the World Health Organization ranks among its top environmental issues.



Bill Van Heyst, professor of Environmental Engineering in the School of Engineering at the University of Guelph, says each type of poultry operation has its unique environmental challenges, and there are a number of tools available to help balance acceptable levels of ammonia and particulate matter in barns.

“Producers are interested in trying new things to save on costs, and anecdotally we hear they are noticing improvements in air quality and other factors,” says Van Heyst. “It’s important to study these practices so we understand what the implications down the road will be – does it make sense environmentally as well?”

In 2017 and 2018, Van Heyst’s team conducted the first scientific study to evaluate the impact of a centralized heat exchanger (Clima+ 200), installed for use under minimum ventilation conditions, had on the air quality within a broiler chicken facility.

“Heat exchangers were coming in from Europe, and broiler producers were using them to recover some of the heat that is typically exhausted at the start of a cycle,” says Van Heyst. “Early adopters were using them, and anecdotal evidence suggested they were reducing ammonia production. We were able to scientifically assess air quality levels in their barns, compared to the baseline we had built up over years of research.”

The team sampled four crops of broilers with detailed ammonia and particulate matter measurements taken along with litter samples. They found that in comparison to similar Ontario broiler facilities, the centralized air exchange system does control ammonia emissions better, but at the cost of higher particulate matter emissions.

“Typically newer barns are getting centralized heat exchangers,” he says. “Older barns tend to be leakier, and when you do a heat exchange, they’re losing heat through walls that may not be insulated as well as they could have been. For older barns, there’s probably better bang for your buck if you’re looking to save energy.”

Van Heyst’s team continues to build air quality base information on other poultry flocks, including turkeys, layers and broiler breeders. He notes as Canada’s egg industry transitions from battery housing to cage-free systems, there is important work to be done to understand the environmental implications in barns.

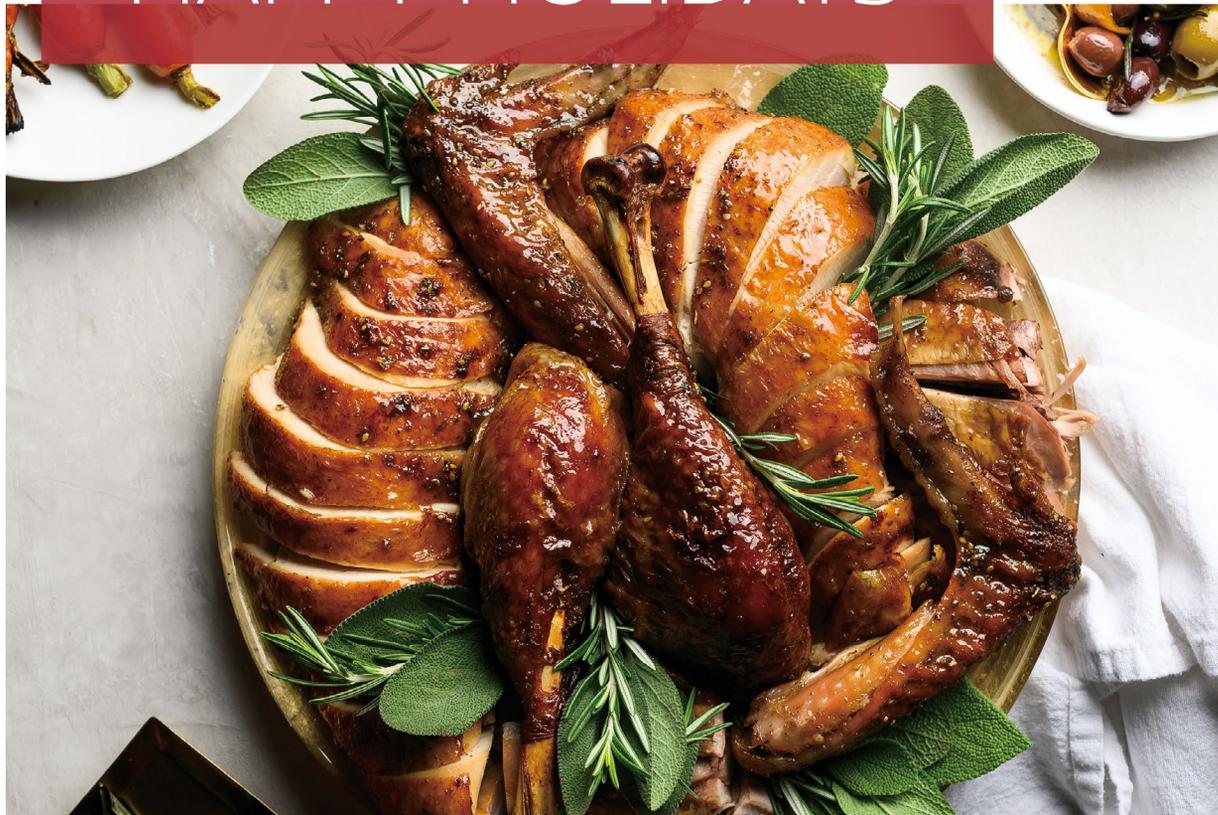
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"A lot of barns are being retrofitted, but that's not always the best option," says Van Heyst. "Some older barns may not have heaters because with higher stocking densities, the birds would heat it themselves. With cage-free systems and lower stocking densities, producers need to look at the entire structure to make sure that ventilation and heating are appropriate."

As his team continues to do the baseline work for various poultry operations, he says they're building important data to allow them to test what technologies have the best environmental impact. "We need to keep doing the baseline work so we can scientifically prove what technologies make the most environmental and economic sense as an industry, together," Van Heyst says.

This research was funded by the Canadian Poultry Research Council as part of the Poultry Science Cluster 2, which was supported by AAFC as part of Growing Forward 2, a federal-provincial-territorial initiative. Additional funding was provided by Egg Farmers of Canada, Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) / University of Guelph Partnership Agreement, and the School of Engineering, University of Guelph.

HAPPY HOLIDAYS



The holidays will look different this year, but we can still celebrate the tradition with Canadian turkey at the table.

Wishing you a safe and happy holiday season.

Staff Announcement

TFC Board members and staff would like to congratulate Phil Boyd, Executive Director on his 40th Anniversary with Turkey Farmers of Canada. We thank Phil for his direction, dedication and work at TFC.

All were pleased to recognize this milestone at the TFC 264th virtual Business Meeting at the end of November. Boyd commented, that the TFC is a remarkable organization and he has always appreciated what TFC stands for and for its role in Canadian agriculture. He also expressed appreciation to those he has worked with and for over the years at TFC, and across the Provincial Boards and processing associations, respecting the role that all must play. He paid particular tribute to the turkey farmers he has grown to know, many of whom he has worked closely.

TFC Holiday Hours

Please note that the TFC office will be closed from December 24, 2020 - January 3, 2021 for the holiday season.

Due to the pandemic, office staff continue to be working remotely and can be reached via email.

Upcoming Meetings

TFC 265th Business Meeting and
TFC 47th Annual Meeting
March 23-25, 2021

TFC 266th Business Meeting
July 7-8, 2021



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