



PORK PROMOTION-
RESEARCH AGENCY

Pork Promotion and Research Agency Annual Business Plan

2021-2022

**PORK PROMOTION and RESEARCH AGENCY
2021 – 2022 ANNUAL BUSINESS PLAN**

INTRODUCTION:

The Pork Agency's (Agency) overall objective for its first year of operation is to build the foundation that will ensure its long-term success.

The goals for the 2021 – 2022 fiscal year are:

1. Implement the policies and procedures required to enable the Members to fulfill their role.
2. Implement the policies and procedures necessary to guide the day-to-day operations of the Agency.
3. Implement a comprehensive stakeholder engagement strategy.
4. Collect the import levy.
5. Develop a positive working relationship with the Farm Products Council of Canada (FPCC).
6. Develop a five-year strategic research and promotion plan.
7. Create the solid foundation that will enable the Agency to adapt as its role begins to mature over the next 3 to 5 years.

The Agency is expected to be professionally managed in a manner that is administratively simple, minimizes overhead costs, respects its obligations to the Farm Products Council of Canada and generates significant value for the pork supply chain.

MEMBER'S ROLE:

The 12 Members of the Agency serve as its Board of Directors and are responsible for the Agency's overall operation. In 2021-22 the Members will be expected to:

- Provide strategic direction to the operation of the Agency.
- Approve the Agency's bylaws.
- Approve the Agency's five-year strategic research and promotion plan.
- Approve the Agency's annual business plan and levy order and submit these to the FPCC for approval.
- Approve the Members and Agency's operating procedures and policies.
- Approve contracts to manage the Agency's day-to-day operations and collect the import levy.
- Ensure the Agency meets its FPCC reporting obligations.

AGENCY OPERATIONS:

Day-to-Day Management of the Agency will be contracted to the Canadian Pork Council (CPC). To provide stability to both the Agency and the CPC, the contract will be adjusted after the first year to account for the lessons learned during the first year of operation. In the following years, a three-year contract will be implemented with the expectation that the “third year” of the contract will be negotiated annually.

The CPC Management contract will include the costs associated with an Agency Administrator, office expenses (e.g. rent), executive and financial oversight, media support, and administrative support. The CPC will be engaging an additional staff member to ensure adequate resources are available.

AGENCY ADMINISTRATOR:

The Agency Administrator will be responsible for the day-to-day operations of the Pork Agency.

- Supporting the Members in their role as Agency directors.
 - Development of the Agency’s operating policies.
 - Meeting agenda preparation and follow up.
 - Financial reporting, including the efficiency of levy collection.
- Communications with importers, Agency stakeholders and the public.
- Reporting to the Farm Products Council of Canada.
 - Levy order.
 - Annual business plan.
 - Annual Report.
- Financial management and reporting.
- Liaison with the Canadian Beef Cattle Checkoff Agency (e.g., import levy collection, policy development).
- Collaboration with funding recipients.

Collection of the Import Levy is expected to begin on June 1, 2021. Imports entering Canada during June 2021 will be subject to the levy and payable in July 2021.

The collection of the import levy will be contracted to the Canadian Beef Check-off Agency. Contracting with the beef agency has several advantages that will contribute to the goal of successfully launching the Pork Agency:

- The beef agency has an existing accounts receivable system for invoicing importers and collecting fees.
- It is a known entity and will be familiar to most pork importers.
- It has an established, positive working relationship with:

- Agriculture and Agri-Food Canada. The department supplies the data required to invoice the importer of record.
- the FPCC.
- the staff at the CPC.

To provide stability to both the Pork Agency and the Canadian Beef Check-off Agency, the contract will be adjusted after the first year to account for the lessons learned during the first year of operation. In the following years, a three-year contract will be put in place with the expectation that the “third year” of the contract will be negotiated on an annual basis.

Stakeholder Communications are a critical to ensuring a successful startup. The objectives of the year one communications will be to inform:

- **import levy payers** of the legitimacy of the Agency, how the levy will be collected, the funds dispersed and the opportunity for the import community to ensure it needs are considered in the operation of the Agency and the research and promotion programs that it supports.
- **provincial pork organizations** of the progress made in establishing the agency and ensure each organization understands/fulfills its role.
- **pork producers** of the goals of the Agency and its linkages to provincial pork organizations, Canada Pork and Swine Innovation Porc.
- **Farm Products Council of Canada** of the operations of the Agency, its results and plans for future years.
- **National Pork Board (NPB)** operates a similar research and promotion agency in the United States. Given the integrated nature of the Canada-US pork supply chain, it will be important to establish a close relationship with the NPB to capitalize on opportunities for collaboration and avoid duplication of effort.

A website will be utilized to ensure all interested parties can easily find the information required to understand the Agency’s role and the value it provides to the pork sector.

Funding of promotion and research proposals is unlikely to happen during the first year of operations as it is necessary to collect the funds prior to committing them towards proposals.

Among the issues to be addressed will be the development of a 5-year strategic plan that will signal the research and promotion priorities of the pork supply chain. The development of criteria to support the allocation of funding between research and promotion will need to be considered.

FUNDING RECIPIENTS:

Swine Innovation Porc and Canada Pork have a significant leadership role in helping the Agency achieve its objectives.

The groups will:

- Contribute significantly to the development of the Agency’s five-year strategic research and promotion plan. This includes the identification of the research and promotion priorities.
- Outline in their respective annual business plans the strategies and tactics needed to achieve the Agency’s research and promotion priorities.
- Undertake the projects/activities outlined in their respective plans.
- Provide the necessary reports to enable the Agency to meet its responsibility to report to the FPCC.

In the development and implementation of the Agency’s five-year strategic plan priorities may be identified that align more closely with the Canadian Pork Council’s mandate (e.g. on-farm animal care, animal health, environment). Should this arise the Council may also be a recipient of funding.

BUDGET:

The Agency’s fiscal year is from April 1, 2021 to March 31, 2022.

On the assumption that no funds are expended on specific research or promotion products, the Agency’s operating budget for 2021 – 2022 is \$266,000.

• CPC Management Contract	\$ 100,000
• Members Meeting Expenses (two face-to-face meetings)	
○ Travel	\$24,000 (average \$1,000/member)
○ Hospitality	\$ 2,000 (\$1,000 per meeting)
○ Total	\$ 26,000
• Communications	\$ 25,000
• Legal Fees	\$ 25,000
• Annual Financial Audit	\$ 20,000
• Levy Collection (Beef Checkoff Agency)	\$ 70,000
• Grand Total	\$ 266,000

The Canadian Pork Council will pay the Agency’s expenses associated with its first year of operations beginning April 1, 2021. These funds will be repaid to the Council.

There will be no cost recovery of the expenses incurred by the CPC prior to April 1, 2021.

FARM PRODUCTS COUNCIL OF CANADA:

The FPCC supervises the operations of the Agency. A member of the FPCC Board and a staff member attend the Agency meetings.

- The Agency is required to provide the FPCC:
 - Draft levy order.
 - Annual Business Plan.
 - Long-term Strategic Plan.
 - Annual report.
 - Annual audited financial statements.

These reports will be prepared by the Canadian Pork Council as part of its administration agreement with the Agency.

EVALUATING PROGRESS:

The key performance indicators for 2021 -22 are:

1. The Members are providing appropriate direction and have approved the Agency's:
 - a. Bylaws
 - b. Operating policies
 - c. Financial policies. The Agency receives a clean audit.
 - d. Signed, formal operating agreements between the Agency and the provincial pork organizations are in place.
2. The levy order and annual business plan have been approved by FPCC.
3. Import levy collection started.
 - a. 85% of expected levies are being collected.
 - b. 50% of importers are paying their levies on time.
 - c. Pork importers recognize the Agency as a legitimate entity.
4. A five-year, research and promotion strategy has been completed.
5. Swine Innovation porc and Canada Pork have identified their proposed 2022 - 23 strategies and tactics for consideration by the Members.