

National Chicken Volume for A-135 and A-136 Set at +5.0%

November 11, 2015 - Chicken Farmers of Canada (CFC) continues to recognize that the market is strong, growing, and in need of more chicken. At its Board meeting in Ottawa on October 15, 2015, CFC approved allocations of 5% above the adjusted bases of A-135 and A-136. Those quota periods cover the 16 weeks from January 24 to May 14, 2016.

Chicken Farmers of Ontario advanced a fact-based, consumer driven analysis to CFC which made the case that chicken is now the preferred meat protein, and that the market has undergone a protein shift driven by consumer attitudes and preferences as well as chicken's price advantage over competing meats. Also, that the shift will be sustained and even accelerate with lifestyle and demographic trends, and aided by the production advantage that chicken enjoys over competing meats, especially beef.

CFO urged all industry stakeholders to work to capitalize on the tailwinds from this shift for sustainable and profitable growth for chicken.

CFO recommended a national volume of +5% relative to adjusted base for both quota periods in respecting the anticipated growth rate provision of the Operating Agreement which limits the maximum growth rates for these periods to +5%. However, fact-based analysis shows the market is very tight and needs a higher volume.

For Ontario, the corresponding volumes are 56,178,309 eviscerated kilograms for A-135 and 57,671,488 eviscerated kilograms for A-136. The national allocation of 5.0% over adjusted base provides a corresponding allocation for Ontario of 5.5% over adjusted base in both A-135 and A-136.

With the allocations for A-135 and A-136, the year-to-date growth volume growth for Ontario would be 5.6% assuming a quota utilization rate of 100% compared to comparable timeframe in 2015.

Ontario remains committed to the 2 quota period approach and anticipates that volume allocations for the A-137 and A-138 quota periods will be set at the February 2, 2016 CFC Board meeting.