Allocating Growth in the Chicken Industry in Ontario

Stakeholder Consultation

Sponsored by Ontario Chicken Industry Advisory Committee

January 6 to February 6, 2015

On-Line Input Submitted by Stakeholders

Bryan Boyle & Associates

FACILITATING YOUR FUTURE

Table of Contents

Executive Summary

From January 6, 2015 to February 6, 2015 interested stakeholders had an opportunity to provide on-line input. The purpose of the on-line opportunity was to solicit input, feedback and advice on how future growth should be distributed to farmers and processors (farmer – member allotment and processor supply distribution) so as to position the chicken industry for economic growth and success. Respondents were offered two formats: 1) Complete a survey that was designed to reflect the process used at the 16 consultation meetings or 2) Provide their personal perspective in their own desired format. Seventy-five stakeholders provided on-line input. Thirty completed the survey, 37 allies of an organization called “Sustain Ontario” submitted very similar input and 8 stakeholders submitted their perspective in a unique format.

Respondents were asked, “What are the first one or two words that come to your mind when you hear the allocation of growth in the chicken market in Ontario". Their thoughts were focused around general perceptions, fairness and equity, expansion, production considerations and concerns. The participants’ perspectives about farmer-member allocation covered a wide range but had a definite negative trend, reflecting their concerns with the current system. Their perspectives of processor supply allocation also demonstrated a wide range and a negative trend.

When asked to identify their desired outcomes for the allocation of growth in the chicken market in Ontario to be successful and effective, the following emerged: production features, market realities, stakeholder relationships and sustained growth. Participants identified some strengths or positives and negatives or challenges that exist for the allocation of growth in the chicken market in Ontario in both the farmer-member and the processor supply allocations. They identified these strengths and challenges in the areas of system characteristics, production, marketing and stakeholder relationships.

Participants reflected on the implications or consequences, if any, of maintaining current policies for the allocation of future growth to producers and processors (farmer – member allotment and processor supply distribution) in the Ontario chicken market. Several implications were identified in both components of the allocation system.

The respondents prioritized the objectives that had been created by the Ontario Chicken Industry Advisory Committee to assure strong and vibrant allocation of growth in the chicken market in Ontario. Highlights of the objectives listed from their highest to lowest priority are:
1st: Create Value Serving Growing and Emerging Markets
2nd: Evolve the Allocation System of Farmers and Processors
3rd: Encourage Innovation, New Business-Building Ideas
4th: Encourage Quality, Efficiency and Value Creation
5th: Serve Existing Markets
6th: Develop a Predictable and Stable System

Participants suggested actions that will help the industry move towards strong and effective allocation of growth to farmers and processors in the chicken market in Ontario. These actions are designed to build on the strengths, reduce or eliminate the challenges keeping the desired outcomes in mind. Participants were encouraged to identify actions that will have a positive impact on the allocation of future growth in the chicken industry.

Their suggested actions were sorted by “To Whom” the market growth should be allocated. Any of the supporting information (Why? How? When? Objectives?) that participants provided was also noted.

With regard to farmer-member allocation of growth, the overwhelming priority of the respondents was to allocate the growth to a combination of non-quota holders and quota holders. Three other target groups were advocated by multiple respondents. In order, they include non-quota holders, small flocks and new entrants. Three other options generated some support. These included next-generation quota holders, producers serving emerging markets and producers contracting with Ontario processors.

With regard to processor supply allocation of growth, no strong priority emerged in the perspectives of the respondents. Five target groups generated some support. These included all processors on a pro rata basis, processors who apply, processors serving specialty markets, non-quota potential processors as well as small flock producers.

A wide range of on-line input was received. Many respondents feel quite strongly about their perspective. Through their valued input, participants took an important step in their quest for the effective allocation of growth to farmers and processors in the chicken market in Ontario.

Allocating Growth in the Chicken Industry in Ontario

On-Line Stakeholder Consultation

January 6 to February 6, 2015   Compiled by Bryan Boyle

Purpose of the On-Line Opportunity

To solicit input, feedback and advice on how future growth should be distributed to farmers and processors (farmer – member allotment and processor supply distribution) so as to position the chicken industry for economic growth and success

Throughout this report whenever two or more participants offered the same or very similar comments they are noted with an "x" and the number, i.e. (x3).

There are two different approaches for the allotment of growth in the chicken market. One relates to the farmer-member and one relates to the primary processor. Throughout this report, when respondents made comments specifically about farmer-member allocation they are noted with an "F". Comments about processor supply distribution are noted with a "P". General comments that apply to both are noted with an "FP".

In this report, any terms relating quota to processors, e.g. "plant quota", "supply quota" or "processor's quota" expressed by participants are a reference to the official terms of "assurance of supply" or "assured supply".

Current Perceptions

Participants were asked to share the first one or two words that come to mind when they hear "Allocation of growth in the chicken market in Ontario".

Relating to Both Farmer-Member Allocation and Processor-Supply Allocation:

General Perceptions

- Great
- Works well
- Corporate interests
- Closed monopoly
- Corrupt monopoly
- Monopolization
- Factory farms
- Outdated
- Racket
- Finally
- Who and how?

Fairness and Equity

- Unfair control (x2)
- Not fair
- Unfair regulation
- Fairness for all
- What's best for the industry as a whole, not just large producers
- Not all chicken producers have access

Expansion

- Growing
- Growth is limited to a few producers
- New entrants
- Quota handout

Production Considerations

- Allow more small-scale chicken producers to grow (x4)
- Small flocks
- Sustainable
- Organic
- Pastured
- Family farm

Concerns

- Unresponsive to market demand
- Big business making it hard for local producers
- Limiting
- Processors win again
- Slow to happen
- Reality check

Participants' Perceptions of Allocation of Chicken Growth

On ballots numbered from 1 to 30, participants indicated the number that they feel most accurately describes the current status of the allocation of chicken growth.

#30 = "Top of our Game": A well-coordinated, effective and appropriate approach that provides strong value to its stakeholder groups, including producers, processors and consumers

#1 = "Dead in the Water": An uncoordinated, ineffective and inappropriate approach that provides limited value to its stakeholder groups, including producers, processors and consumers

Participants' Perceptions of Farmer-Member Allocation of Chicken Growth (F)

30
29
28 **F**
27
26
25 **F F F**
24
23
22
21
20 **F**
19
18
17
16
15 **F F**
14
13
12
11
10 **F F F C C O R**
9 **Average = 8.93**
8 **P**
7
6
5 **C O R**
4
3
2 **F C**
1 **F F F F F F F F C**

Key
F – Farmer
C – Consumer
O – Other
P – Processor
R – Retailer

Scale: 30 = Top of our Game
1= Dead in the Water

Participants' Perceptions of Processor Supply Allocation of Chicken Growth (P)

30	**F**
29	
28	
27	
26	
25	
24	
23	
22	
21	
20	**F F F C**
19	
18	
17	
16	
15	**F F F C**
14	
13	
12	
11	
10	**F C O**
9	
8	
7	
6	
5	**F F O C R F**
4	
3	
2	**F C P**
1	**F F F F F F**

Average = 8.96

Key
F – Farmer
C – Consumer
O – Other
P – Processor
R – Retailer

Scale: 30 = Top of our Game
1= Dead in the Water

Desired Outcomes

Participants were asked, "When we look at our chicken industry in the future, how will we know that we "got it right" for the allocation of chicken growth?"

<u>Production Features</u>

F More options for new and small-scale farmers (x40)
F Similar to other provinces, Ontario increases the exemption numbers to allow farmers outside the quota system to meet consumer demands (x38)
F Small farmers will have the right to grow a few thousand birds per farm (x8)

F Small-scale farmers will be able to make a living, producing chicken in organic and alternative production systems (x3)
F Non-quota options in Ontario will be similar to those in Western Canada (x3)
F Diversity of farms with room for organic and free-run farms
F Greater numbers of small-scale producers
F New entrants will enter the industry with quota lease-to-own programs, auctions or below market sales
F New entrants might have an opportunity to begin farming without the help of a parent transferring and financing the family farm
F Small producers would have more of a chance to meet the demand for local, fresh chicken
F Consumers can purchase pasture raised chickens at farm gate or farmers' markets with traceability and safe food handling
F Small and specialty flock license system in place
F Smaller quota holding units are possible for new production models that serve a specific market demand
F Small producers would fill a niche market that is not currently filled by the larger farms
F The industrial model for chicken production is not the only model being used in Ontario
F Levies will be collected from quota holders in a fair and equal manner
F Number of broiler chicken growing cycles will be optimized
F Period of contracts will be extended to reduce the number of sign-up processes
F Chick orders will be balanced to improve utilization of all chicks hatched
F Input is solicited from The Ontario Broiler Hatching Egg and Chick Commission (OBHECC) to assure that the evolving plan for growth that involves supply through the sectors achieves the maximum benefit in the shortest time
F Any new suppliers in sectors of the value chain understand the need to be in compliance with all OBHECC regulations
P New entrant processors must either purchase calculated base, be approved as new entrants under the Chicken Farmers of Ontario New Entrant Policy or start under the specialty breeds policy
P Small abattoirs will succeed
P On-farm processing of up to 5,000 birds per year
FP Opportunities will be grasped to innovate within the current supply management system to meet the needs of emerging and underserved markets, e.g. organic, pastured, kosher, halal and direct market local chicken in regions such as Northern Ontario (x38)
FP Better access to abattoirs in Northern Ontario
FP Reach a benchmark where 70% of the chicken consumed would be local
FP Ways are found to allow smaller farms to participate in the local food system

Market Realities
F As a consumer, I can readily find a small organic farmer producing enough chicken to meet my family's needs (x2)
P Allocation of supply, including growth, should not encourage the payment of non-value

added premiums for the right to source supply; this only adds cost to the industry and in no way contributes to the overall growth of the Ontario chicken market

FP New and innovative approaches to supply management that allow for diverse practices have been initiated to serve emerging and differentiated markets (x37)
FP Consumers are well served with a variety of chicken options to meet their needs and expectations (x2)
FP Consumers will have a wide range of choices (x2)
FP Niche markets of non-specialty breeds which do not compete with existing markets; kosher should be considered a niche market but not organic and halal; niche markets should be added to the Chicken Farmers of Canada Specialty Breeds Policy
FP Local demand is met by local supply
FP Direct marketing and local distribution models will be available to producers
FP Consumers will have access to small flock, pasture birds beyond the farm gate
FP With the supply management system in place, 99% of the available markets are served
FP Kosher, halal and other ethnic markets need to be filled by quota holders

Stakeholder Relationships

F When producers don't have to buy quota or be a millionaire to "get in the game!"
F Small producers are well represented and have access to market
F When the farmers complain
FP Key reforms are made to the supply management system for the benefit of both consumers and producers (x37)
FP Supply management system maintains consumer support by showing that it is acting in the consumers' best interest
FP When we are no longer bombarded by "local chicken" activists, because small flock exemption has been raised to more reasonable and sustainable numbers upon which small-scale producers can rely
FP Real numbers and not wishful thinking are used because numbers don't lie
FP Farmers and other stakeholders grow together
FP Farmers and consumers get what they want
FP What is best for industry as a whole, not a select few
FP Non-quota holding farmers will not be penalized
FP Ontario Farm Products Marketing Commission should take leadership on this issue, engaging with stakeholders across the sector

Sustained Growth

F When the farmers get a little more of the growth
FP Growth needs to be sustainable and include the ethical treatment of chickens
FP Industry grows together, empowering the Province of Ontario
FP Growth means jobs for wage earning families
FP Both large and small producers investing back into our industry
FP Economic stimulation results from the growth in the chicken industry

What positives exist for the allocation of growth in the chicken market in Ontario?

System Characteristics

- F Creates jobs
- F Stability
- F Easy to administer and understand to make future plans
- F Current system really works as long as the cost of production allowance stays in line
- FP Supply management and the quota system are critical to building strong and vibrant local food systems in Ontario where consumers enjoy a stable supply of safe, affordable chicken and farmers receive a fair price for their products (x38)
- FP How the quota has been distributed in the past (x2)
- FP OBHECC has a responsibility to ensure that future growth in the value chain sectors they regulate is accomplished in a competent and orderly manner. Hatching eggs and chicks are produced in keeping with the standards required to efficiently supply a safe, quality product.
- FP Supply for specialty breeds is not part of the growth distribution discussion because the supply for specialty breeds is allocated to Chicken Farmers of Ontario by the Chicken Farmers of Canada over and above the authorized domestic production volume and is allocated by Chicken Farmers of Ontario to specific farmers and processors.
- FP Efficiency
- FP Bio security
- FP Control of the market
- FP Organization research and depth of knowledge of Chicken Farmers of Ontario and key stakeholders
- FP Ability exists to change the rules and mandates

Production

- F Traceability
- F Increased farming opportunities
- F Allows for local food consumption and sustainability
- F Price protection and security for some producers
- F Potential to expand into free range
- F 300 birds without quota is a small but inadequate start

Marketing

- FP Current willingness to adapt to the changing market
- FP System is market responsive
- FP Market is growing and the competition is strong
- FP Local markets
- FP Beginning to open doors for heritage breeds

- FP Diversification to meet the demand for organic, free run, Genetically Modified Organism (GMO) free, halal and pastured chicken
- FP Specialty markets receiving specifically grown poultry
- FP Northern Ontario has land for food production and residents really want local chicken

Stakeholder Relationships

- FP As allies of Sustain Ontario, we are thrilled with these consultations with stakeholders and the public on new ways to allocate growth in Ontario's chicken industry (x37)
- FP These consultations are an important conversation for supply management to remain viable and responsive to needs of farmers, processors and consumers (x37)
- FP Stability for the farmer and improved supply for the consumer
- FP Do not see any positives in the current system; I don't think that the Chicken Farmers of Ontario know where Dryden, Ontario is located

What challenges exist for the allocation of growth in the chicken market in Ontario?

System Characteristics

- F Only responds to one model of agriculture
- FP Stifles the market
- FP Concentration of power, decision-making and market control
- FP Decisions are made by highly invested quota holders
- FP Quota system dramatically favors large commercial producers
- FP Too restrictive; doesn't allow small farmers or processors a chance
- FP "Nearsighted" planning
- FP Current approach will reduce the growth in the chicken industry, reduce the number of farmers and concentrate lenders' control
- FP Quota system is designed for Southern Ontario's population density and production Characteristics; Northern Ontario is left out of the consideration

Production

- F Most new entrants are smaller farmers who hope to diversify their operations cannot afford the initial investment (about $1.75 million) to purchase the minimum amount of quota required under the current supply management system (x39)
- F The current exemption of 300 broilers is not high enough for those who hope to scale up their operations to reach economic viability (x37)
- F The current model for financing and allocation of quota is based on conventional practices which don't fit with production systems for differentiated market (x37)
- F Large barriers to young producers who cannot move into the industry (x4)
- F Little or no chance for small producers, who may disappear(x2)
- F Gap between 300 chickens and minimum quota level is too large

- F Too many restrictions on non-quota holders, e.g. flock size and marketing limits
- F Quota system does not apply to small holdings and diversified market farms
- F Large-scale production units where chickens live in less than ideal conditions
- F Large producers are getting more allocation of growth and not investing back into the industry
- F Big producers grow much faster than small producers because of pro rata distribution of growth
- P Abattoirs are not available geographically for small local market oriented farms
- P High cost of changing regulations limits small processors
- P There are not enough birds in the non-quota exemption to justify the cost of installing a poultry abattoir in remote locations
- P In remote and smaller communities, access to food is often heavily reliant on food trucked in from bigger population centres
- FP Current programs for new entrants and small flock exemptions choose limited numbers of successful applications and the criteria for selection is unclear (x37)
- FP Quota is too costly (x2)
- FP Ignoring food deserts where there is no quota holding producer in the immediate vicinity; hurts the economy of a small town
- FP Poultry disease outbreak
- FP Cost of entrance into the industry

Marketing

- F Small flock farmers cannot grow or sell anything beyond 300 chickens despite the local market demand
- F Marketing and advertising restrictions for chickens
- P Limited processing facilities
- FP Although the specialty chicken marketing program recognizes the importance of emerging markets, it was launched without due consideration for some of the operational conditions of the unlicensed suppliers of the chicks to the licensed chicken producers
- FP Takes too long to respond to market demand
- FP Consumers’ wishes are not respected
- FP High prices and low availability of verifiable organic chicken
- FP Ontario chicken growers are not being allowed to fill the kosher market
- FP Loss of trust in the product by the consumer
- FP Processor is more financially rewarded than the producer

Stakeholder Relationships

- F The “little guy” suffers
- FP Quota does not serve the consumer well
- FP The big get bigger; larger operations see opportunity where the average sees work

What are the implications or consequences, if any, of maintaining current policies for the allocation of future growth to producers and processors?

Farmer-Member Allocation (F)

- New entrants in the business or small producers scaling-up face significant barriers (x6)
- Detrimental effect on small producers attempting to fill niche markets (x2)
- Small farms will struggle to achieve viability
- New Entrants and Small Flock Exemptions programs do not allow enough flexibility to address demand
- If we don't provide an avenue for young people to enter the industry with some assistance, family farms will struggle to survive and mega-farms will prevail

Processor Supply Allocation (P)

- No processors will be attracted to Northern Ontario
- Processors may monopolize the industry
- Processors may cater mainly to the large producers

Both Growth Allocation Systems (FP)

- Lack of choice for consumers (x4)
- Small, emerging and underserved markets such as organic, pastured, kosher, halal, etc. will not be met (x4)
- Very limited supply of locally produced quality chicken available to the consumer(x3)
- Consumers looking for local food will become disgruntled and less supportive of the current non-transparent and protectionist system (x2)
- Chicken Farmers of Ontario will look more and more ignorant of the consumers' needs
- If Chicken Farmers of Ontario does not take some proactive approaches they (and supply management) may be under threat from an apathetic or unsympathetic public
- Chicken products will not be available where the consumers are living
- Marketing obstacles benefit the big operations supplying lesser quality products at a lower price
- Farming is a business; the good old days are over; Canadian farmers are exposed to the world

Key Objectives

After considerable discussion, the Ontario Chicken Industry Advisory Committee has identified some objectives relating to the allocation of growth to farmers and processors in the chicken market in Ontario:

1) Evolve the allocation systems of both farmers and processors to improve the flexibility and responsiveness in capitalizing on growth opportunities in the chicken market place
2) Create value by serving the needs of growing and emerging markets
3) Encourage innovation, new business-building ideas
4) Serve the needs of existing markets taking into consideration their size, importance and historical investment
5) Develop a system that is predictable and stable that aligns the interests of key stakeholders in the chicken industry
6) Encourage quality, efficiency and value creation

The participants prioritized these objectives using the following method:
Each participant was given 100 points. They were asked to allocate their points to a number of objectives to show their relative importance. They based their allocation on where action would have the most positive impact on the allocation of growth to farmers and processors in the chicken market in Ontario. Each participant allocated a score between 0 and 40 for each objective.

Rank	Objective Number	Objective	Total Score
1st	2	Create Value Serving Growing and Emerging Markets	620
2nd	1	Evolve the Allocation System of Farmers and Processors	480
3rd	3	Encourage Innovation, New Business-Building Ideas	455
4th	6	Encourage Quality, Efficiency and Value Creation	375
5th	4	Serve Existing Markets	245
6th	5	Develop a Predictable and Stable System	225

Action Planning

Participants were encouraged to identify actions that will have a positive impact on the allocation of future growth in the chicken industry. They spent some time diverging or sharing a range of ideas for action and then some time converging or focusing in on which of those actions they felt would be most effective.

Participants were encouraged to answer the following questions relating to each allocation action:

To Whom?
Why?
How?
When?
Objectives? Identify which one or more of the six objectives that this action will help the chicken industry in Ontario achieve.

Farmer-Member Allocation or Processor Supply Allocation? Participants focused on farmer-member allocation for the first part of this session and then focused on processor supply allocation for the second part of the session.

Participants' Suggested Actions

Their suggested actions were sorted by "To Whom" the market growth should be allocated. Any of the supporting information (Why? How? When? Objectives?) that participants provided was also noted. The participants prioritized their actions based on the "To Whom" titles using the following method:
Each participant was given 100 points. They were asked to allocate their points to whom the allocation of growth to farmers would have the most positive impact on the chicken market in Ontario. Each participant allocated a score between 0 and 100 for each action.

Rank	Farmer-Member Allocation of Growth (To Whom)	Respondents Advocating
1st	Blend of Non-quota Holders and Quota Holders	38
2nd	All Quota Holders (Pro Rata – Same Percentage)	6
3rd	Non-quota Holders	5
4th	Small Flocks	4
5th	New Entrants	2
6th	Next Generation of Quota Holders	1
7th	Producers Serving Emerging Markets	1
8th	Producers Contracting With Ontario Processors	1

Any supporting information that the respondents provided on farmer-member allocation of growth is noted below. Information can be found under the "To Whom" title where it fits most appropriately. The supporting information is provided in the same order as the ranking in the table above.

1. Blend of Non-Quota Holders and Quota Holders (x38)

1.1

To Whom? A blend of non-quota holders and quota holders

Why? Maintains the integrity of the supply management system; meets the needs of emerging and underserved markets; allows small operations to scale up; recognizes alternative methods of financing and production; aligns with non-quota limits in other provinces; meets needs of both producers and consumers; grasps an opportunity to innovate within the current system

How? Allocate a portion of the growth to small producers to allow them to produce chicken in the range between the current 300 bird minimum and the 14,000 unit level as a quota minimum

When? As soon as possible

Objectives? 1, 2, 3

2.Quota Holders (Pro Rata– Same Percentage or Per Capita– Same Amount) (x6)

2.1

To Whom? All quota holders

Why? To make the Ontario chicken industry stronger heading into the future; all farmers would benefit equally if an equal number of new units was distributed to each quota holder; current quota holders are the ones who made the major investment; the current system has proven itself to be effective

How? Allocate the growth either pro rata – same percentage or per capita – same amount, or a combination of both; turn the growth into farmer quota units since more quota units make the industry more fluid, allowing more new farmers to start-up or existing farmers to expand

When? Whenever supply is not meeting demand

Objectives? 1, 2, 3

3. Non-quota Holders (x5)

3.1

To Whom? All producers who are currently not quota holders

Why? To meet the fast-growing demand among consumers for pastured, organic and culturally appropriate chicken sourced directly from farmers in various regions of the province; allows small producers to participate in a free market; provides more opportunities; allows more diversity; alleviate the constraint in the current system

How? Increase the quota exemption numbers to allow farmers outside the quota system to meet market demands; allow unlimited heritage breeds to be produced

When? As soon as possible

Objective? 1, 2, 3

4. Small Flocks (x4)

4.1
To Whom? Small flock producers
Why? Serves a niche market that may be too small for the current system to effectively handle; avoid the consequences of inaction and reduce the challenges to the current supply management system
How? Increase the current non-quota exemption numbers substantially; align limits of non-quota production with other provinces; allow expanded sale of meat birds direct to consumers at farm gate or farmers' markets; develop a progressive, graduated system of production and regulation depending on the size of these small flock operation
When? Immediately
Objectives? 2, 3

5. New Entrants (x2)

5.1
To Whom? New entrants into the quota system
Why? To decrease entry barriers into supply management; supply the growing demand for alternative poultry products;
How? Allocate growth to new entrants by reducing the restriction on purchase of quota and the cost of quota; by putting a cap on maximum on the current pro rata distribution to all quota holders, a pool of quota could be created for new entrants
When? Phased-in over a two-year period
Objective? 1, 2, 3, 4, 5, 6

6. Next Generation of Quota Holders

6.1
To Whom? Sons and daughters of current quota holders
Why? Encourages the farm to stay in the family; get young people involved in industry before they leave the farm for another career; utilizes the production and business mentorship of the older generation
How? Allocate a specific amount of quota at a fraction of the current market value
When? As soon as possible
Objectives? 1, 2, 3

7. Producers Serving Emerging Markets

7.1
To Whom? Producers serving emerging markets
Why? Emerging market demand would be met; producers would have greater flexibility and expansion
How? Reduce the minimum quota holding requirement
When? As soon as possible
Objectives? 1, 2, 3, 5

8. Producers Contracting With Ontario Processors

8.1
To Whom? Only producers who contract with Ontario processors
Why? Allows allocation of growth to be allotted based on past and future contribution to Ontario markets; aligns with the design of the agreement that provides Ontario with additional product to meet processing and consumer needs in Ontario; producer who contract with Québec processors do not contribute to achieving the goals of the differential growth allotted to meet Ontario's growing needs
How? Allocate growth to producers who contract with Ontario processors
When? As soon as possible
Objectives? 1, 2, 3, 5

Rank	Processor Supply Allocation of Growth (To Whom)	Respondents Advocating
1st	All Processors (Pro rata – Same Percentage)	1
2nd	Processors Who Apply	1
3rd	Processors Serving Specialty Markets	1
4th	Non-Quota Potential Processors	1
5th	Small Flock Producers	1

Any supporting information that the respondents provided on processor supply allocation of growth is noted below. Information can be found under the "To Whom" title where it fits most appropriately. The supporting information is provided in the same order as the ranking in the table above.

1. All Processors (Pro Rata – Same Percentage)

1.1
To Whom? All Processors
Why? Current processors are well established and set up to handle growth; current system is working well
How? Continue to allocate on a pro rata basis or same percentage to all processors
When? Each quota period
Objective? 1, 4, 5

2. Processors Who Apply

2.1
To Whom? Processors who apply for allocation of growth
Why? Allows growth to go to the processors who want and need it; processors can partner with producers to meet consumer demands
How? Accept applications to process growth whenever it is available; establish specific criteria for successful applicants
When? As soon as possible
Objectives? 1, 2, 3

3. Processors Serving Specialty Markets

3.1
To Whom? Processors serving specialty markets
Why? Meets a substantial need in the marketplace
How? Develop a bidding or application system to assess needs and requirements
When? Annually
Objectives? 1, 3, 5

4. Non-Quota Potential Processors

4.1
To Whom? Any processor who can meet the quality standards for processing
Why? Opens up the markets; provides additional consumer choice
How? Potential processors would be required to prove they can meet quality standards and can serve a market
When? Annually
Objectives? 1, 4, 5

5. Small Flock Producers

5.1
To Whom? All small flock producers
Why? Reflects market demands; creates a desired outcome where a growing number of consumers want to be more connected to the source of their food
How? Allow small flock producers to process their birds on their farm
When? As soon as possible
Objectives? 1, 2, 3

Summary of the On-Line Stakeholder Input

A wide range of input was received. Many respondents felt quite strongly about their perspective. Through their valued input, participants took an important step in their quest for the effective allocation of growth to farmers and processors in the chicken market in Ontario.