

# **Allocating Growth in the Chicken Industry in Ontario**

## **Stakeholder Consultation Workshop**

Sponsored by Ontario Chicken Industry Advisory Committee

December 16, 2014

CFO District 3

London, Ontario



**Bryan Boyle & Associates**

*FACILITATING YOUR FUTURE*

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## Executive Summary

On December 16, 2014 chicken producers from District 3 in Elgin, Essex, Kent, Lambton, Middlesex and Oxford met at the Four Points Sheraton Hotel in London for a highly interactive workshop facilitated by Bryan Boyle. The purpose of the session 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.

Producers 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 about farmer-member allocation were focused around positive perceptions, fairness and equity, expansion, production conditions and attributes. Their thoughts about processor-supply allocation could be summarized as positive perceptions, relation to the market, concerns and recommendations.

The producers present were in general extremely positive about farmer-member allocation. Their perspective of processor supply allocation was also quite positive.

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 producers present 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:

- 1<sup>st</sup>: Evolve the Allocation System of Farmers and Processors
- 2<sup>nd</sup>: Develop a Predictable and Stable System
- 3<sup>rd</sup>: Serve Existing Markets
- 4<sup>th</sup>: Create Value Serving Growing and Emerging Markets
- 5<sup>th</sup>: Encourage Quality, Efficiency and Value Creation
- 6<sup>th</sup>: Encourage Innovation, New Business-Building Ideas

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. 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.

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 highest priority of the participants was to allocate the growth to all quota holders. The next five highest ranking groups were small producers, younger generation, producers with excess capacity, new entrants and producers servicing new markets.

With regard to processor supply allocation of growth, all processors were the participants’ dominant priority. There was a substantial priority expressed for processors who prove they have a specific market. At lower priority levels were small processors, specialty market suppliers, processors with unused processing capacity and upgraded plants.

The workshop was a productive event, where the participants were very engaged. 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

Stakeholder Consultation Workshop

Location: Four Points Sheraton Hotel, London, Ontario

December 16, 2014 Facilitated by Bryan Boyle

## Purpose of the Session

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 participants made comments specifically about farmer-member allocation they are noted with an “F”. Comments about processor supply distribution are noted with a “P” and 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”.

### 1) Relating to Farmer-Member Allocation (F):

#### Positive Perception

- Sustainable
- Nice
- Free money
- It's good
- Profit
- Stability
- Satisfied farmer, satisfied processor, satisfied consumer
- Finally
- Yeah!

### Fairness and Equity

- Pro Rata (x10)
- Equality (x2)
- Fair growth (x2)
- Based on quota
- Percentage based
- Share growth on a non-percentage basis
- Fair and balanced
- Evenly divided
- Share equal
- Share growth equally among farmers
- Allotment to those who have invested
- Existing producers should benefit

### Expansion

- Growth (x3)
- More units of quota (x3)
- How much growth?
- Timing of allotment
- More quota
- Based on current number of units
- Meet demand
- Support young farmers
- New entrant availability
- More units of quota
- Good farmers in future
- Support young farmers; let them grow
- Greater growth for smaller producers
- Keep going

### Production Considerations

- Barn space (x2)
- Production systems in place
- Efficiency

### Attributes

- Working fine
- Sustainable profits in current system
- Current system is working
- Why change the current system?
- Hard to get consensus with so many individuals

- Quota price
- Quota size
- Quota number
- Density

## **2) Relating to Processor-Supply Allocation (P):**

### Positive Perception

- Pro rata (x3)
- Quality
- Profit stability
- Stabilized
- Increased efficiency
- Quality
- Amount
- Expand new hiring
- Yeah!

### Market Related

- New markets (x2)
- Supplying specific demand
- Modular loading
- Growth should promote new markets
- Fill specialty markets
- Growth in small markets

### Concerns

- Plants need upgrading
- How will processors handle expansion?
- Where to place or sell our production
- Large corporations with their own interests
- Some processors' quality
- Why and how did this become our problem or is there a problem?

### Recommendations

- Stick with current system (x3)
- Allow small processors to grow
- Get paperless faster
- Allow more smaller processors
- More processors
- Let processors decide

- Provide more opportunity for producers to change processors
- Keep as many processors profitable as possible
- Give extra quota for new market development
- Allow growth for new markets or new processors
- Do not allow imports

**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	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
29	X	X	X	X	X											
28	X															
27	X	X	X	X	X											
26	X	X	X	X												
25	X	X	X	X	X	X	X	X	X	X						<b>Average = 24.60</b>
24																
23	X															
22	X															
21	X															
20	X	X	X													
19																
18																
17																
16																
15	X	X														
14																
13																
12	X															
11	X															
10	X	X														
9																
8																
7																
6																
5																
4	X															
3																
2																
1																

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

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

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

Average = 18.00

<p>Scale: 30 = Top of our Game          1= Dead in the Water</p>
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### 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?"

### Production Features

- F Production will fully match market demand
- F More quality chicks with hatcheries showing responsibility
- F Guaranteed income
- F Farm production continues to grow

- F Farm production is profitable
- F Allotment of quota is based on growth and done pro rata
- F 2500 units allocated to every producer within three years
- F Pro rata allocation
- F Full barns

#### Market Realities

- F Producers able to meet Ontario's demand for chicken
- P Enough supply for processors
- P Sufficient supply to fill new product development
- P Maintain the current processors
- P Quota for specialty markets
- P Processors profits
- P New markets
- P New processors
- FP Affordable retail prices for Canadian consumers

#### Stakeholder Relationships

- F Farmers demonstrating they are good stewards of the land and their animals
- F Good news is common in the industry
- F Farmers can fill all future markets
- F Prosperous farmers
- FP Good public perception
- FP Fair share of the retail profit for all members of the supply chain (producers, processors, retailers)
- FP Profitability for both farmer and processor
- FP Less red tape
- FP System stability

#### Sustained Growth

- F More small farms
- F Even growth for everyone
- FP Continual growth (x2)
- FP More chicken on grocery shelves
- FP Expanded markets
- FP Stable level of increasing demand
- FP Responsible growth allocation

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

### System Characteristics

- F Price stability
- F Steady income
- F Money in the bank
- F More revenue on the farm
- FP Profitability
- FP Profitability and return on investment
- FP Growth
- FP Good news for the industry
- FP The roadmap is clearer with this allocation increase
- FP Increased profits
- FP Increased equity
- FP More profitability
- FP Growth
- FP Stability
- FP Pro rata is fair
- FP More income for the industry

### Production

- F A shorter week cycle
- F More KG's out the door
- F Efficiencies
- F Grow better chicken

### Marketing

- F Fair share of the market
- FP Opportunities
- FP Market stability
- FP Strong demand for chicken that is produced in Ontario
- FP Consumer perception of chicken as a safe, healthy food

### Stakeholder Relationships

- F Room for new producers
- F Better debt servicing
- F Grow the farm, stay home on the farm
- F Potential to make room for new entrants
- FP Big or small there's a chance for growth for all

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

### System Characteristics

- F Quota values rising too quickly
- FP More administrative paperwork
- FP Needs to be fair when buying quota

### Production

- F Chick availability and quality (x5)
- F Adequate barns space to grow increased demand
- F What to do when the barn is full
- FP Some new growth that is allocated is not used

### Marketing

- F Price of chicken shipped
- P With fast growth there could be a chance of over-marketing
- P Potential to flood the market
- FP Avoiding over-marketing

### Stakeholder Relationships

- F Competition with other agricultural sectors
- FP Sector can be fairly divided
- FP Negative ads in the mainstream press with respect to supply management
- FP Covering interest and principal on major investments; if growth stays with producers for example 3% per year debt will be serviced; if growth is negative the producers take equal losses

## 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)

- Bigger farms get bigger, smaller farms are pushed out
- Quota adjustments could be set every two years with no up, down or change
- Miss the chance to provide greater producer choice in the future
- Better communication with farmers of the timing of new allocations on a pro rata basis
- Unhappy smaller producers

### Processor Supply Allocation (P)

- Fewer processors
- Missed opportunity to become more market responsive in terms of new products

### Both Growth Allocation Systems (FP)

- The government may challenge our system with regards to new allocation
- No problem with current approach
- Problems will keep coming from the outside via media and politics
- Chicken will come from the USA unless we adjust our whole system for growth
- Our issues could become political and be solved by others beyond our control
- Quota adjustments set every two years with no up down or change
- Communication on quota change would suffer
- Consumer demand might not be supplied under the current system
- Missed opportunities

### **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
1 <sup>st</sup>	1	Evolve the Allocation System of Farmers and Processors	1375
2 <sup>nd</sup>	5	Develop a Predictable and Stable System	1045
3 <sup>rd</sup>	4	Serve Existing Markets	1040
4 <sup>th</sup>	2	Create Value Serving Growing and Emerging Markets	860
5 <sup>th</sup>	6	Encourage Quality, Efficiency and Value Creation	750
6 <sup>th</sup>	3	Encourage Innovation, New Business-Building Ideas	690

## 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 and processors 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)	Total Score
1 <sup>st</sup>	All	3480
2 <sup>nd</sup>	Small	580
3 <sup>rd</sup>	Younger Generation of Current Quota Holders	515
4 <sup>th</sup>	Producers With Capacity In Their Facilities	450
5 <sup>th</sup>	New Entrants	390
6 <sup>th</sup>	Producers In Agreement With Processor With New Market	285
7 <sup>th</sup>	Highest Bidder	25

Any supporting information that the table discussion groups 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. All Producers**

### **1.1**

**To Whom?** All current quota holders

**Why?** Appropriate for their size and dollars invested

**How?** Pro rata, percent per unit or kilograms per unit, not new units

**When?** Convert additional kilograms annually

**Objectives?** 1,2,4,5

### **1.2**

**To Whom?** Existing producers

**Why?** To satisfy the market

**How?** Pro rata and then number of units

**When?** Every six months but allow a grace period for producers to build if necessary

**Objectives?** 1,2,4,5

### **1.3**

**To Whom?** Existing producers

**Why?** Straightforward, would help the next generation farm full-time without second jobs

**How?** Equity for each farmer

**When?** Once a year

**Objectives?** 1,2, 5

### **1.4**

**To Whom?** All farmers

**Why?** Equity for the future

**How?** Pro rata

**When?** Every crop

**Objectives?** 1,3,4,5

### **1.5**

**To Whom?** All registered producing farmers who are quota holders

**Why?** Fair; does not give to non-farm speculators; most producers could handle 5% growth in a barn but perhaps not 25% for smaller producers

**How?** Pro rata; it is a fair representation of your capital investment

**When?** Every time you reach a certain percentage of stable growth, e.g. 3%

**Objectives?** 1,2,4

**1.6****To Whom?** All farmer members**Why?** Fair; the system works well now, so don't change it**How?** Same as we do now; pro rata**When?** Every three quota periods**Objectives?** 1,2,4,5,6**1.7****To Whom?** Existing producers**Why?** Fair; simple; flexible**How?** Increase quota factor; pro rata**When?** As needed**Objectives?** 1,5**1.8****To Whom?** All producers**Why?** Fair; predictable**How?** Increase unit size; pro rata**When?** Establish a set time that is predictable**Objectives?** 1,4,5**1.9****To Whom?** All producers**Why?** Growth**How?** Pro rata**When?** Based on need; increase or decrease when needed**Objectives?** 1,2,3,4,5,6**1.10****To Whom?** All chicken producers holding quota**Why?** Financially advantageous**How?** Pro rata; on a percentage basis**When?** As soon as possible**Objectives?** 1,2,5**2. Small Producers****2.1****To Whom?** All quota holders, with emphasis on smaller producers**Why?** Encourages smaller producers to expand; avoids big producers getting much bigger as small producers grow very little**How?** A bigger percentage of the growth would go to small producers with a smaller

percentage going to bigger producers; all producers would get some allocation of growth

**When?** Annually

**Objectives?** 1,2,3,5,6

## 2.2

**To Whom?** All farmer members with preferential treatment of smaller quota holders

**Why?** Helps to sustain smaller farms

**How?** Provide a higher percentage of the growth to smaller farms

**When?** Over the next three years

**Objectives?** 1,5

## 3. Younger Generation of Current Quota Holders

### 3.1

**To Whom?** Only to younger family members of existing growers

**Why?** These individuals have a passion for chicken farming, e.g. take the risks, do the work, are committed, have the experience, have the mentors, etc.

**How?** Issue free quota for a period of time with the stipulation that they are not able to sell for 40 years or the quota goes back to the Board

**When?** The sooner the better (A-129)

**Objectives?** 1,2

### 3.2

**To Whom?** All current quota holders with younger generation getting involved in the farm

**Why?** Brings more family members into the farm; helps keep the chicken industry sustainable; helps with succession planning

**How?** Provide more kilos, not basic quota

**When?** Right now

**Objectives?** 1,2,3,5

## 4. Producers With Capacity in Their Facilities

### 4.1

**To Whom?** All producers who have the space in their barns

**Why?** They can produce the needed chicken

**How?** By identifying and filling barn space

**When?** Now

**Objectives?** 1,2,5

#### 4.2

**To Whom?** Current quota holders that have existing space available at their location  
**Why?** Meets market demand; makes more efficient use of facilities  
**How?** Producers with space would apply and be allocated a portion of the growth  
**When?** Annually  
**Objectives?** 1,2,5,6

### **5. New Entrants**

#### 5.1

**To Whom?** New entrants wanting to get into the industry  
**Why?** New young farmers should get a chance to grow  
**How?** Provide a percentage (e.g. 15%) to innovative new entrants; need to meet certain standards; a base amount (e.g. 30%) could be allocated to all farmers on a pro rata basis; the remainder could be allocated using a scale with smaller farmers getting a higher percentage and bigger farms getting a smaller percentage  
**When?** Annually  
**Objectives?** 1,2,3,4,5

#### 5.2

**To Whom?** New entrants  
**Why?** New young farmers have a desire to begin or expand the farming operation  
**How?** Modify the new entrant program to allow the new entrant to use the allotment for growth in conjunction with an existing producer's allocation  
**When?** Annually  
**Objectives?** 1,2,3,4,5

### **6. Producers in an Agreement With a Processor With a New Market**

#### 6.1

**To Whom?** To farmers that have signed agreements with Ontario processors  
**Why?** This would support the Ontario chicken industry  
**How?** Utilize the growth mechanism on a pro rata basis  
**When?** Each quarter period  
**Objectives?** 1, 2, 5

#### 6.2

**To Whom?** Producers doing innovative chicken farming, e.g. organic, silkies, free range or specialty; may be new entrants  
**Why?** This would meet a specific market demand  
**How?** It could be patterned after the New Entrant Program, but on a larger scale; perhaps utilize a lottery among qualified individuals

**When?** Annually  
**Objectives?** 1, 2, 4, 5

## **7. Highest Bidder**

### **7.1**

**To Whom?** Highest bidder who is a current quota holder

**Why?** Allocates the quota to the producers willing to spend the most

**How?** Offer the growth allotments for sale in an organized auction; apply the proceeds of the auction towards CFO Board fees for all quota holders

**When?** Annually

**Objectives?** 1, 3,6

<b>Rank</b>	<b>Processor Supply Allocation of Growth (To Whom)</b>	<b>Total Score</b>
<b>1<sup>st</sup></b>	All	2500
<b>2<sup>nd</sup></b>	Processors Who Prove That They Have a Specific Market	1365
<b>3<sup>rd</sup></b>	Small	775
<b>4<sup>th</sup></b>	Specialty Market	435
<b>5<sup>th</sup></b>	With Unused Processing Capacity	320
<b>6<sup>th</sup></b>	Upgraded Plants	305

Any supporting information that the table discussion groups 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**

### **1.1**

**To Whom?** All processors

**Why?** All processors promote products

**How?** Utilize the current system which works well

**When?** Each quota period

**Objectives?** 3,5

### **1.2**

**To Whom?** All current processors

**Why?** The system works, so do not change it

**How?** Use current features

**When?** Every quota period

**Objectives?** 1,2,3,4,5

**1.3**

**To Whom?** Emphasize allocation to all processors with some allowance for specific processors

**Why?** Processors would remain competitive; new markets would be met; industry would remain stable

**How?** 75% of the allocation of growth would go to all current processors; 25% would be dedicated to processors servicing new markets, new processors and smaller processors

**When?** Every quota period

**Objectives?** 1,2,3,4,5,6

## **2. Processors Who Prove That They Have a Specific Market**

**2.1**

**To Whom?** Processors who prove that they have a new market

**Why?** Promotes growth in the industry with new markets

**How?** Use the same system that is currently in place, but make it only available to processors to prove they have a specific market

**When?** Every quota period

**Objectives?** 1,2,4,6

**2.2**

**To Whom?** To the processors who prove that they have created market demand; remainder to all current processors

**Why?** Grows the market and keeps the current processors engaged

**How?** Allocate 50% of the growth to the processors who prove that they have created market demand and 50% to all current processors

**When?** Every quota period

**Objectives?** 1,2,3, 4,5

**2.3**

**To Whom?** To the processors who can verify that they are meeting a new demand or have created a new product; remainder goes to all processors

**Why?** Encourages processors to develop new markets or new products

**How?** Use the current system, but make sure the verified markets are met first; the remainder is allocated to all processors pro rata

**When?** Every quota period

**Objectives?** 1,2,4,6

**2.4**

**To Whom?** To the processors who can demonstrate a new need; the rest goes to all processors

**Why?** Assures that the new markets are met; and all existing processors get some growth

**How?** Use the existing system, filling the demonstrated needs first; the rest is allocated to all processors pro rata

**When?** Every quota period

**Objectives?** 1,2,3,4,5,6

**3. Small Processors****3.1**

**To Whom?** Smaller processors

**Why?** They need more quota to be competitive

**How?** Allocation growth could be directed towards processors under a certain size

**When?** As soon as possible, every quota period

**Objectives?** 1,2

**3.2**

**To Whom?** Smaller processors

**Why?** Larger processors are not willing to accommodate smaller markets

**How?** Change the allocation formula to favor smaller processors

**When?** As soon as possible

**Objectives?** 1,4

**4. Specialty Market Processors****4.1**

**To Whom?** Processors willing to serve unexplored or underserved markets

**Why?** Grows our industry; does not lose specialty market or the integrity of supply management

**How?** Processors could make applications to CFO to indicate which specialty markets they are planning to service

**When?** Immediately

**Objectives?** 1,2,3,6

**4.2**

**To Whom?** Processors who cater to the specialty markets

**Why?** Processors are rewarded for developing and servicing new specialty markets

**How?** These processors would be a priority for allocating growth; some allocation of growth would still be directed to all other processors on a pro rata basis

**When?** As needed

**Objectives?** 1,2,3,4,5

## **5. Processors With Unused Processing Capacity**

### **5.1**

**To Whom?** Processors that have unused plant capacity

**Why?** This will allow processors to improve plant efficiency without making major capital expenditures

**How?** Match allocation of growth with documented unused processing capacity

**When?** Each quota period

**Objectives?** 1,3

## **6. Processors With Upgraded Facilities**

### **6.1**

**To Whom?** Processors who have new or recently upgraded plants

**Why?** Rewards processors for state-of-the-art technology and strong quality standards

**How?** Complete plant inspections to identify potential candidates

**When?** Every quota period

**Objectives?** 1,3

### **Summary of the Workshop**

The workshop was a productive event, where the participants were very engaged. 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.