

CFO Report from the Nov. 26-27, 2013 CFC Board Meeting

Ontario chicken production growth to continue

Allocation increase of 1.5 % for A-123 wins unanimous CFC approval

The Chicken Farmer of Canada (CFC) Board agreed on a national allocation of +1.5 % relative to national adjusted base. For Ontario, the corresponding volume for Ontario is 52,699,341 eviscerated kilograms. With the interim differential growth agreement, Ontario's growth relative to adjusted base will be +1.7% relative to adjusted base in A-123.

Ontario, in the balanced and best interest for the industry, provided leadership in gaining unanimous support at +1.5% relative to adjusted base.

National system denies kosher consumer needs

Ontario's special request declined

The Chicken Farmer of Canada (CFC) Board declined Ontario's request for additional dedicated kilos to support the Ontario and Canadian kosher processing market. Canada's largest Jewish community has been without an adequate source of domestically grown chicken since May 2013 when Chai Poultry, the only Ontario-based kosher processor, closed its doors. This community was seeking national leadership in addressing this market disruption.

Since the closure, Chicken Farmers of Ontario (CFO) has been attempting to gain support from leaders of the national system to provide a supply of kilos of chicken to support the immediate opening of a new kosher processor in Ontario. A significant number of kosher consumers have expressed concerns over the quality and quantity of available kosher chicken products and national media reports have noted that the supply of kosher chicken was disappearing from grocery store shelves.

Ontario's unfulfilled demand for kosher chicken has also started to have an impact on kosher markets across the country, creating kosher chicken shortages in other markets with significant Jewish populations, such as Winnipeg.

Quebec and Alberta strongly opposed the Ontario request and voted against it along with representatives from the Atlantic and Prairie Provinces. Supporting the Ontario request were representatives from British Columbia, the Canadian Restaurant and Foodservices Association, the Further Poultry Processors Association of Canada, and the Canadian Poultry and Egg Processors Council.

“We thank the CFC Chair, CFC staff and those supporting and helping advance the Ontario request,” said Henry Zantingh, Chair of CFO. “It is, however, very disappointing that certain provinces on the national board did not express any interest or willingness to support Ontario, thereby demonstrating a narrow, parochial approach to addressing a very real national supply allocation issue.”

Richard Rabkin, Director of Marketing and Business Development for the kosher accreditation agency COR stated, “It is clear that most provincial chicken boards aren’t prepared to help address the very real shortage of kosher chicken in this country. Simply put, without an additional local source of kosher chicken, a large percentage of the Jewish community will have to begin importing kosher chicken from the United States or forego chicken on a regular basis.”

New CFC policy creates opportunity for Ontario markets

National specialty breeds policy approved

The Chicken Farmer of Canada Board agreed on a new policy that attempts to address chicken markets that are being served with specialty chicken breeds. The CFC Board has been working this policy since January 2013. Specifically, the Silkie chicken breed and a number of specialty chicken breeds that are traditionally marketed with head and feet attached are now deemed to be the only specialty chicken breeds to be eligible under the national CFC *Chicken Production Policy*.

Ontario has advocated a more market-responsive specialty chicken policy, but the CFC Board was only prepared to support these limited specialty strains and varieties while postponing consideration of other breeds. More information on the policy and its implications for Ontario growers in 2014 will be distributed as available.

Building support through effective advocacy

CFO engages MPs and political staff at CFC reception

CFO representatives joined colleagues from across the country in a successful parliamentary event hosted by CFO the evening of the Board’s November 26th Board meeting. The reception event was designed as an opportunity to engage with federal politicians and their staff and discuss some of the key issues facing the national chicken industry. In particular, the CFO team briefed Ontario MPs about the ongoing industry concern that the rapid increase in the fraudulent importation of broiler meat (mislabelled as “spent fowl”) is having a major economic impact on the domestic chicken growing and processing industry.

Representing CFO at the event were Chair Henry Zantingh, CFO Directors Adrian Rehorst (District 1), Henk Lise (District 4) and Tim Klompaker (District 9) and CFO staff Michael Edmonds, Director of Communication and Government Relations and Chris Horbász, Director of Policy and External Relations.

Restaurant industry looks to grow chicken consumption

Garth Whyte, President and CEO, Canadian Restaurant and Foodservices Association (CRFA), made a presentation on the restaurant and food services sectors. The presentation highlighted the economic contributions of these sectors, and the opportunities for growth of chicken as a preferred meal choice of restaurant goers and foodservice institutions. Mr. Whyte also highlighted the growing gap between the percentage of household food budget spent in restaurants in the US versus Canada and indicating this as signalling a future growth opportunity for the sector.

The CFO Board has also recently engaged the CRFA directly and is committed to building a strong relationship with the CRFA and its members.