

Chicken Farmers of Ontario

Regional Farmer-Member Consultation On Optimization of Chick Supply

June 23, 2016
London, Ontario



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Executive Summary

On June 23, 2016 farmer-members from Districts 2, 3 and 8 of the Chicken Farmers of Ontario met at the Four Points Sheraton Hotel in London for a highly interactive consultation workshop facilitated by Bryan Boyle. One of the purposes of the session was to generate valuable input from farmer-members to assist Chicken Farmers of Ontario Board of Directors understand farmer-member perspectives and their accountability on issues relating to procuring, placing and growing chicks.

Gwen Zellen from Chicken Farmers of Ontario provided a brief description of chick supply optimization and some of the related issues.

Farmer-members present were asked “How will we know that we “got it right” in procuring, placing, and growing chicks?

Examples of the desired outcomes identified for specific stakeholders include:

Hatcheries: fewer complaints from farmer-members, increased quality chicks, reduced adjustments, increase in business efficiency and profit

Farmer-Members: better quality chicks with lower mortality, less medication used, lower condemnation rates, achieve production targets

Processors: fewer condemnations, better quality product, increased profits, birds and production closer to specifications

Government: less antibiotic use, industry is socially responsible

Consumers: fewer antibiotics used, improved animal welfare, safe high-quality chicken, reasonably priced chicken.

Farmer-members shared their experiences with chick supply and proactive steps they have taken relating to those experiences. The experiences were clustered around inferior quality chicks, numbers of chicks, timing, chicks from the USA and the need for compensation.

Participants were asked, “What actions should farmer-members be taking to ensure an optimized chick supply to allow them to maximize their potential to grow safe, healthy and sustainable chicken?” Their actions were clustered into the key areas of: incentives and penalties, hatchery ownership, improved communication, enhanced breeder flocks, added regulation, sourcing and improved farmer-member animal husbandry.

The Chicken Farmers of Ontario farmer-member consultation workshop was a productive event, where the farmer-members present were very engaged. Through their valued input, participants shared their perspectives relating to chick supply optimization as an important step in helping to ensure a strong and vibrant Ontario chicken industry in the future.

Chicken Farmers of Ontario

Farmer-Member Consultation
Four Points Sheraton, London, Ontario
June 23, 2016 Facilitated by Bryan Boyle

Purpose of the Session

To generate valuable input from farmer-members to assist Chicken Farmers of Ontario Board of Directors understand farmer-member perspectives and their accountability on issues relating to procuring, placing and growing chicks

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

Optimization of Chick Supply

What is chick supply optimization?

Gwen Zellen provided a brief description of chick supply and some of the current issues relating to it.

Desired Outcomes

Farmer-members present were asked “How will we know that we “got it right” in procuring, placing, and growing chicks?” They looked at the desired outcomes from the perspective of various key stakeholders.

Hatcheries

- Fewer or no complaints from farmer-members (x4)
- Increased quality chicks (x2)
- Lower condemnations
- Lower 10- day mortality
- Less need to admit they are supplying inferior chicks
- More satisfied customers
- Reduced adjustments
- By providing more attention to breeder growers, able to “raise the bar” in production
- More efficient
- Improved hatchability
- Increased profits

Farmer-Members

- Better quality chicks with much lower mortality rates (x5)
- Less medication used (x3)
- Lower condemnation rates (x3)
- Achieve production targets (x2)
- Single breeder flock source
- No Uniprim used
- Chicks delivered on time, not up to three days late
- Improved feed conversion
- Consistent supply of quality chicks year-round
- Allocations much closer to 100%
- Increased investment in infrastructure
- Increased competition with more choice of hatcheries
- Increased profits

Processors (Our Customers)

- Fewer condemnations (x3)
- Better quality end product (x2)
- Increased profits (x2)
- Less waste
- Fewer antibiotics used
- Birds and production within specifications
- Less fluctuation in numbers of birds
- More uniform bird size and weight
- Increased and stable supply of kilograms of chicken

Governments

- Less antibiotic use (x2)
- Increased number of eggs and chicken produced in Canada
- Industry is socially responsible
- Apathetic

Consumers

- Fewer antibiotics used (x2)
- Improved animal welfare
- Access to reasonably priced chicken
- Safe high-quality chicken
- Don't know and don't care

Farmer-Members Experiences with Chick Supply

Inferior Quality Chicks

Personal Experience	Proactive Steps Taken
Poor quality chicks	Increased chick numbers in the next crop to compensate
Unthrifty chicks	Medicate with Uniprim
Encountered flock of poor quality chicks	Following flocks: fog barn; disinfect after each flock; Agri acid in the water to increase pH; add nutrients and probiotics to the feed; vaccinate
Poor quality chicks	Change hatchery
After two or three crops of quality concerns with chicks	Organize meeting with Ontario Broiler Hatching Egg and Chick Commission (OBHECC), chick supplier and processor
Lower quality chicks	Take blood samples and check with veterinarian
High mortality rate after the first week	Introduce feed additives
Disease hit flock very early in production cycle	Medicate entire flock
Missing 90% antibiotic free flocks	Communicate to hatchery that we must have healthy chicks to go antibiotic free
Breeder male chicks delivered	Unsure how to handle the situation so communicated with hatchery

Numbers of Chicks

Personal Experience	Proactive Steps Taken
Concern over payment	We never order supplemental chicks yet have to pay the same as producers who do
Chick supply short	Communicate with hatchery
Oversupplied with chicks	Shipped early to reduce kilograms marketed

Timing

Personal Experience	Proactive Steps Taken
No chicks were delivered at start of production cycle	Called processor who then called Chicken Farmers of Ontario
Chicks were three days late being delivered	Talked to another hatchery but they were completely booked

Chicks from the USA

Personal Experience	Proactive Steps Taken
Received unthrifty chicks from USA	Encourage regulators to ban importation of USA chicks
Aware prior to delivery that chicks would originate in the USA	Order an additional 4% extra to offset production losses
Chicks delivered from a hatchery that originated in the USA	Arrange for USA chicks to be delivered straight to our farm
Received poor quality chicks from USA	Encourage hatcheries to give advanced warning of American chicks
Chicks from USA delayed and held at the Canada-USA border	Tried to make contacts but mainly stood around and waited with the same feed and water for the chicks

Need for Compensation

Personal Experience	Proactive Steps Taken
Production losses related to chick quality	Pay the farmer without a hassle if there is high mortality
Experience high mortality and check vigor	Tried but found no fair compensation for poor quality chicks
Hatchery delivered chicks and invoice but not quality	Express frustrations to hatchery
Experienced high early mortality in chicks	Contacted hatchery with seven day mortality and was compensated immediately
Poor quality chicks with navel infections were delivered	Aggressively seek compensation
Missing production targets being either over or under	Establish who pays if the extra production is good quality and who pays if there is a production shortfall due to chick quality

Participants were asked, “What actions should farmer-members be taking to ensure an optimized chick supply to allow them to maximize their potential to grow safe, healthy and sustainable chicken?”

Incentives or Penalties

- Hold hatcheries financially accountable (x2)
- Discount for high mortality, high disease and low growth rate
- Institute a penalty on a hatchery for poor quality chicks
- Pay for our chicks based on the quality we receive similar to the way we are paid for quality when we ship chickens for processing
- Align incentives of hatcheries and producers
- Don't penalize farmers for becoming more efficient

Hatchery Ownership

- Build a hatchery that is farmer-member owned (x2)
- Buy a hatchery
- Organize a farmer-owned hatchery cooperative
- Restrict corporate hatcheries from taking over the market
- Make it easier for independent hatcheries to get started

Improve Communication

- Communicate our concerns to hatcheries (x3)
- Request flock information before flock arrival
- Report 10-day mortality to the hatchery
- Have average 10-day mortality shared by the hatchery

Enhanced Breeder Flocks

- Reward breeder farmers for great hatching and production results
- Encourage more breeder flocks
- Place enough breeders to keep up with growth in the industry
- Match growth in production in the last three years within Ontario Broiler Hatching Egg and Chick Commission's producers (4%) with Chicken Farmers of Ontario's growth (12%)

Add Regulations

- Hatchery should be required to update equipment for production efficiency
- Do not allow breeders to market floor eggs

Sourcing

- Buy chicks from Québec

Improve Farmer-Members' Animal Husbandry

- Ensure that our barns are ready to receive chicks
- Always maintain proper biosecurity on our farms

Summary

The Chicken Farmers of Ontario farmer-member consultation workshop was a productive event, where the farmer-members present were very engaged. Through their valued input, participants shared their perspectives relating to chick supply optimization as an important step in helping to ensure a strong and vibrant Ontario chicken industry in the future.