

Chicken Farmers of Ontario New Entrant Chicken Processors Program

Stakeholder Engagement Workshop

May 26, 2017
Mississauga, Ontario



Bryan Boyle & Associates

FACILITATING YOUR FUTURE

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Executive Summary

On May 26, 2017 key stakeholders with a special interest in the New Entrant Chicken Processors Program met at the Meadowvale Hilton Hotel in Mississauga for a highly interactive workshop facilitated by Bryan Boyle. The purpose of the session was to identify and solicit valuable input from stakeholders to identify a new strategic market segment to provide new processing capacity for Ontario chicken.

Participants were asked, “What are the first one or two words that come to your mind when you hear “Chicken Farmers of Ontario’s New Entrant Chicken Processor Program”? Their thoughts were focused around opportunities, general attributes and concerns with program details. The participants shared their perspectives of the Chicken Farmers of Ontario’s New Entrant Chicken Processor Program. Participants’ scores displayed two clusters (one very positive and one mid-range) on the bar graph that was created. The average was quite positive.

Participants were asked, “How will we know that we “got it right” with a successful New Entrant Chicken Processor Program?” They gave several examples within independent chicken processing businesses, within the consumer community served by processors and within other key industry stakeholders.

Participants identified some merits or positives as well as negatives or challenges that exist for the New Entrant Chicken Processor Program. Merits related to positive impacts on the small processors and on consumers. The weaknesses or challenges for the New Entrant Chicken Processor Program focused on limited access to the program and subjectivity of the application process.

Participants suggested actions that will have a positive impact on the New Entrant Chicken Processor Program. These actions were designed to build on the merits, reduce or eliminate the challenges while keeping the desired outcomes in mind. These actions were clustered and organized into key areas of focus. The participants prioritized the key areas of focus that they had identified. Highlights of the areas of focus listed from their highest to lowest priority are:

- 1st: Support Small Independent Businesses
- 2nd: Increase the Number of Successful Applicants Annually
- 3rd: Enhance Quality throughout the System
- 4th: Increase Program Allocation
- 5th: Expand Markets and Reap the Benefits
- 6th: Improve Objectivity in Application Process

The workshop was a productive event, where the participants were very engaged. Through their valued input, the key stakeholders present provided valuable input to help ensure that the Chicken Farmers of Ontario’s New Entrant Chicken Processors Program is strong and effective.

Chicken Farmers of Ontario

New Entrant Chicken Processors Program

Stakeholder Engagement Workshop
Meadowvale Hilton Hotel, Mississauga
May 26, 2017 Facilitated by Bryan Boyle

Purpose of the Session

To identify and solicit valuable input from stakeholders to identify a new strategic market segment to provide new processing capacity for Ontario chicken

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

Welcome/New Entrant Chicken Processor Program Highlights

Ed Benjamins, Chicken Farmers of Ontario, Board Chair

New Entrant Chicken Processor Program Details

Mike Philp, Senior Director, Business Development and Markets, Chicken Farmers of Ontario

Current Perceptions

Participants were asked to share the first one or two words that come to mind when they hear "Chicken Farmers of Ontario's New Entrant Chicken Processor Program"?

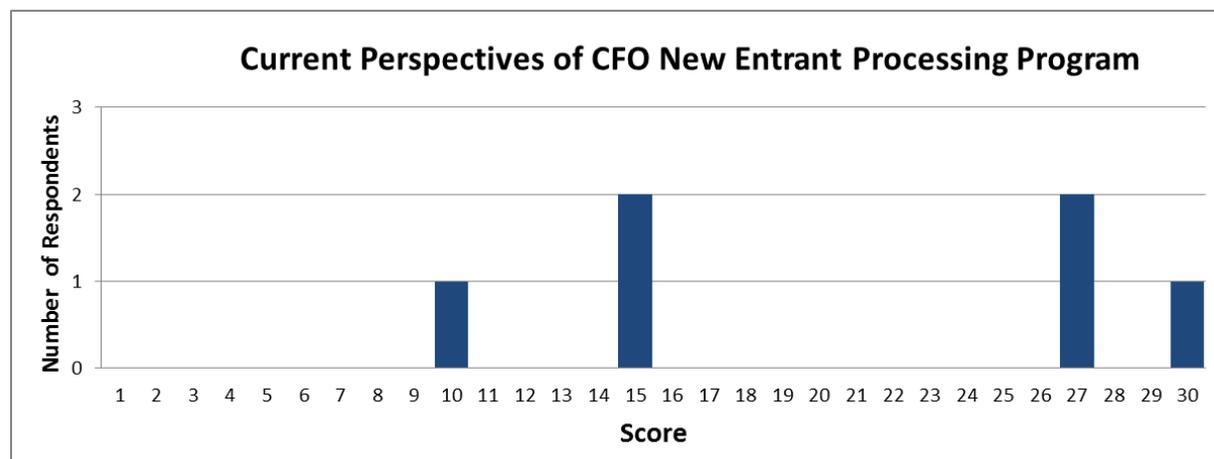
- Opportunity
- New opportunity
- Fresh opportunity
- Challenges
- Related to our business
- Growing for profitability
- Chance
- Too small

Participants' Perceptions of the New Entrant Chicken Processor Program

On ballots numbered from 1 to 30, participants indicated the number that most accurately describes the Chicken Farmers of Ontario's New Entrant Chicken Processor Program.

#30 = "Top of our Game": A much-needed and well-developed program with excellent potential to help meet the needs of stakeholders wishing to provide additional processing capacity for quality Ontario chicken

#1 = "Dead in the Water": An unneeded, misguided or poorly-developed program with very limited potential to help meet the needs of stakeholders wishing to provide additional processing capacity for quality Ontario chicken.



Average = 20.67

Desired Outcomes

Participants were asked, "How will we know that we "got it right" with a successful New Entrant Chicken Processor Program?"

Within Independent Chicken Processing Businesses

- Number of successful applicants for the New Entrant Chicken Processors Program
- How many very small chicken processors were granted a license?
- How many successful businesses developed and are in business greater than five years?

Within the Consumer Community Served by Processors

- High-quality chicken is provided to consumers
- Diverse small processors meeting local needs
- Tracking quality and authenticity of the chicken grown and processed

Within Other Key Industry Stakeholders

- No monopoly of large processors controlling the market

Merits that Exist for the New Entrant Chicken Processor Program

These may be strengths (any factors or conditions that are considered positive and over which we have some control, e.g., skills, expertise, involvement, etc.) or opportunities (any factors or conditions that are considered positive, over which we have little or no control but may be seized by ourselves or others, e.g., demographics, funding, political timing, etc.).

- Recognition of evolving marketplace
- Stimulating growth
- Opens doors to new players in the industry
- Provides a financial break to small processors
- Providing scale-up opportunities
- Independent application evaluation
- A small processor has an improved success rate if they do not have processor supply base debt

Challenges that Exist for the New Entrant Chicken Processor Program

These may be either weaknesses (any factors or conditions that are considered negative and over which we have some control, e.g., inactivity, lack of direction, lack of citizen support, etc.) or threats (any factors or conditions that could negatively impact us, over which we have little or no control, e.g., political climate, municipal, national or world conditions, etc.).

- Size constraint making it difficult to establish an economically efficient or viable operation
- Slow take-up process
- The application evaluation may be subjective, e.g. Kosher application was awarded 800K
- Only one applicant will qualify for the New Entrant Chicken Processors Program even though many well-documented needs may exist

Participants' Suggested Actions

Participants were encouraged to identify actions that they would recommend to help ensure a strong New Entrant Chicken Processors Program. These actions are designed to build on the merits, reduce or eliminate the challenges as well as keep the desired outcomes in mind.

Key Areas of Focus

After many potential actions were identified, they were clustered into several areas of focus that could help ensure a strong and vibrant future for the New Entrant Chicken Processors Program. Participants confirmed or identified and then prioritized these areas of focus.

The participants prioritized these areas of focus using the following method: Each participant was given 100 points. They were asked to allocate their points to a number of areas of focus to show their relative importance. They based their allocation on where action would have the most positive impact on the future of the New Entrant Chicken Processors Program.

Rank	Areas of Focus	Total Score
1 st	Support Small Independent Businesses	175
2 nd	Increase the Number of Successful Applicants Annually	165
3 rd	Enhance Quality throughout the System	125
4 th	Increase Program Allocation	95
5 ^{th T}	Expand Markets and Reap the Benefits	20
5 ^{th T}	Improve Objectivity in Application Process	20

All suggested actions used to create the areas of focus are listed below. They are listed by area of focus in the same order of priority as the table above.

1. Support Small Independent Businesses
 - Increase support for small processors
 - Enable new processes to service local and niche markets
 - Guarantee supply
 - Create a stable business environment

2. Increase the Number of Successful Applicants Annually
 - Reconsider the single applicant approval per year
 - Increase number of successful applications
 - Base program application acceptance on growth rate in the industry

3. Enhance Quality throughout the System
 - Create transparency for consumers to build consumer confidence
 - Guarantee quality of our product
 - Enable vertical integration creating authenticity
 - Create networks among key stakeholders
4. Increase Program Allocation
 - Increase program allocation
 - Make allocation proportional to market needs
5. Expand Markets and Reap the Benefits
 - Create more jobs
 - Sell more quality, healthy chicken
6. Improve Objectivity in Application Process
 - Solicit feedback on the open criteria of selections
 - Reduce the red tape in the program

Summary of the Workshop

The workshop was a productive event, where the participants were very engaged. Through their valued input, the key stakeholders present provided valuable input to help ensure that the Chicken Farmers of Ontario's New Entrant Chicken Processors Program is strong and effective.