

National Allocations for A-137 and A-138 Set at +5%

Chicken Farmers of Canada (CFC) approved national allocations for A-137 (May 15 to July 9) and A-138 (July 10 to September 3) to be +5% relative to adjusted base at its February 2, 2016 meeting in Ottawa. This marks allocations of 5% for six consecutive quota periods spanning A-133 to A-138.

The recommendations of Chicken Farmers of Ontario (CFO) for A-137 and A-138, as in prior periods, had been framed on a public policy of “balanced best interest” and informed by deep quantitative and broad qualitative analysis of the market.

CFO’s analysis of market data across multiple distribution channels shows the market has been undergoing a “quiet transformation”: chicken has overtaken beef as the meat of choice and continues to gain ground at a rapid pace. The most drastic change has been taking place in the foodservice channel through 2014 and 2015.

Consumer preference for chicken over other meat proteins is a major market environment shift that provides sustainable growth opportunities for chicken. CFO’s position paper, *The Protein Shift*, asserts that chicken is now the preferred meat protein, with the shift being driven by consumer attitudes and preferences as well as chicken’s price advantage. Also, that the shift will accelerate with lifestyle and demographic trends along with the production advantage that chicken enjoys over competing meats. *The Protein Shift position paper* is available at <http://www.ontariochicken.ca/Farmer-Member-Resources/Publications.aspx>

CFO urged all industry stakeholders to work to capitalize on the tailwinds of this protein shift for sustainable and profitable growth for chicken.

To satisfy national market needs, CFO recommended allocations of 5% for A-137 in respecting the anticipated growth rate maximum and 5.5% above the adjusted base for A-138.

The approved national allocations of 5.0% over adjusted base provide a corresponding allocation to Ontario of 5.6% over adjusted base in both A-137 and A-138. The corresponding volumes for Ontario are 58,171,394 eviscerated kilograms for A-137 and 57,570,967 eviscerated kilograms for A-138.

The year-to-date growth in allocated volume for Ontario (A-135 to A-138) versus a comparable timeframe in 2015 is 5.3%.

Ontario’s next volume allocation recommendations for periods A-139 and A-140 will be set at the June 1, 2016 CFC Board meeting.