

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

## **Stakeholder Consultation Workshop**

Sponsored by Ontario Chicken Industry Advisory Committee

January 6, 2015  
CFO District 1  
Orangeville, Ontario



**Bryan Boyle & Associates**

*FACILITATING YOUR FUTURE*

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## Executive Summary

On January 6, 2015 chicken producers from District 1 met at the Best Western Hotel in Orangeville 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’ perspectives about farmer-member allocation were quite varied, with a slightly positive trend. Their perspectives of processor supply allocation were also quite widespread.

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>: Create Value Serving Growing and Emerging Markets
- 4<sup>th</sup>: Serve Existing Markets
- 5<sup>th</sup>: Encourage Innovation, New Business-Building Ideas
- 6<sup>th</sup>: Encourage Quality, Efficiency and Value Creation

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, clearly the highest priority of the participants was to allocate the growth so quota holders all receive the same amount. Allocating growth to all quota holders on a pro rata basis was substantially lower in second place on the priority list. Supporting new entrants garnered some support. The next eight highest options gained very limited support. Those included allocating growth to quota holders by farm premises, those producers in a position to grow, supporting niche emerging markets, displaying productivity or efficiency, producers and those producers with small operations, willing to pay, desiring growth or having mid-range operations.

With regard to processor supply allocation of growth, processors who could demonstrate they are meeting specific market demands were the participants’ highest priority. A very close second priority was all processors on a per capita basis. Other priorities at lower yet still significant levels included processors servicing specialty markets, all processors on a pro rata basis, small processors and new processors who currently hold no supply quota.

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: Best Western Hotel, Orangeville, Ontario  
 January 6, 2015 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

- Good for the industry
- Money (x2)
- More money
- Extra money
- More value
- Beneficial
- Percent
- What's my share?
- How much do I get?
- Happy

Fairness and Equity

- Fair (x3)
- Fairness (x3)
- Fair to all
- Fair distribution
- Equality
- Equity
- Good for all farmers
- Something for everyone
- Per capita versus pro rata (x3)
- Pro Rata (x2)
- Pro rata not fair
- Percentages: plus or minus
- Needs to go to the smaller producers

Expansion

- Growth (x2)
- Good growth
- Rate of change of growth

Production Considerations

- Enough square footage to grow it

Attributes

- New generation of farmers
- Increased family farm stability
- Stability
- Smaller beginning farm operations
- Profitable

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

- Fairness (x2)
- Pro rata (x2)
- Per capita
- Good for the industry
- Capacity
- Capacity growth
- Differential growth
- Growth by merit

- Rate of change of growth
- Finding a home for the product
- Processors meet the local market
- More profits

#### Market Related

- Innovative products
- Research and development
- New markets
- Fair growth

#### Concerns

- Can they handle it?
- Honesty?
- Lack of trust
- No innovation

#### Recommendations

- Need to grow capacity
- Pro rata versus bid pool

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

Average = 18.48

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

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

30	X	
29		
28		
27		
26	X	
25		
24		
23	X	
22		
21	X X	
20	X X	
19		
18		
17	X	
16	X X	
15	X X	
14	X X X	Average = 14.04
13		
12	X	
11		
10	X X X	
9		
8	X	
7	X X	
6		
5		
4		
3	X	
2		
1	X X	

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

### 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 Appealing, well-kept farms (x2)
- F Increased maintenance of facilities
- F Able to produce to fully service all processors
- F Lower average age of producer
- F Young farmers
- F New entries with younger generation producers

### Market Realities

- F Producers able to meet Ontario's demand for chicken
- P Every market is serviced
- P More competition between processors
- FP Expanding industry
- FP Market wants and needs are filled

### Stakeholder Relationships

- F Full-time family farmers
- F Succession plans in place
- F Succession planning with our children taking over and staying home
- F Positive image with other commodities
- F Happy chicken farmers
- F 85% to 90% of chicken farmers are happy
- P Happy chicken processors
- FP Processors and farmers continue to work together on good terms
- FP Our entire production and marketing system is accountable to the public; looks good to the consumer

### Sustained Growth

- F Future growth (x2)
- F Pro rata versus per capita or a combination of both
- F Evidence of growth
- F Signs of growth, e.g. new barns, industry moving ahead
- F Growth should be shared through existing growers
- FP Increased efficiencies, increased profit

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

#### System Characteristics

- FP Hopefully increase profits (x2)
- FP Opportunity to increase revenues and decrease debts
- FP Increased rate of income
- FP Everyone gets some growth
- FP We have a plan and know how we are going to distribute the growth

#### Production

- F All producers are growing
- F Growth is good but we need more farmers too
- F We are growing

- F Genetic diversity
- F Disease prevention
- FP Protection of the industry in case of a breakout or epidemic

#### Marketing

- P Finding new markets
- P Markets will be filled
- P Emerging markets available
- P Every processor gets to participate
- FP Rising demand for chicken
- FP Opportunity to fill new markets with Ontario chicken
- FP We've opportunities to capture more market share compared to other commodities

#### Stakeholder Relationships

- F Room for new producers
- F Positive future for the next generation

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

#### System Characteristics

- F Quota values rising too quickly
- FP Big get bigger
- FP Large producers and processors have the most to gain
- FP Cost of startup, including quota
- FP Lack of per capita allocation of growth makes it difficult for start ups

#### Production

- F Large-scale commercial farms overpower other producers
- F Cash flow problems with the quota price
- F More work but no more money or profit
- F Increased cost of production but decreased net income
- F No size maximum

#### Marketing

- P No competition
- P More efficiency or throughput means more money
- P Smaller processors don't get enough allocation
- FP Specialty markets not filled

#### Stakeholder Relationships

- FP Public perception

**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)

- Big get bigger (x2)
- Big get bigger and the small get out
- Big keep getting bigger
- Keep reviewing or we get complacent
- Concerns might not get addressed
- Innovative ideas normally don't have a voice
- We lose our voice with government and the public
- Our numbers may not look good to government

Processor Supply Allocation (P)

- Specialty markets will not get filled
- Lack of competition between processors

Both Growth Allocation Systems (FP)

- Fewer family owned farms and processors
- Present course could cause the demise of the quota system
- Lack of adaptability will lose markets
- We lose smaller markets

**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	810
2 <sup>nd</sup>	5	Develop a Predictable and Stable System	640
3 <sup>rd</sup>	2	Create Value Serving Growing and Emerging Markets	475
4 <sup>th</sup>	4	Serve Existing Markets	440
5 <sup>th</sup>	3	Encourage Innovation, New Business-Building Ideas	380
6 <sup>th</sup>	6	Encourage Quality, Efficiency and Value Creation	355

### **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 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 Quota Holders (Per Capita – Same Amount)	1395
2 <sup>nd</sup>	All Quota Holders (Pro rata – Same Percentage)	635
3 <sup>rd</sup>	New Entrants	270
4 <sup>th</sup>	All Farm Premises with Quota	145
5 <sup>th</sup>	All Quota Holders in a Position to Grow	135
6 <sup>th</sup>	Producers Supplying Niche or Emerging Markets	95
7 <sup>th</sup>	Most Productive or Efficient Producers	90
8 <sup>th</sup>	Small Producers	75
9 <sup>th</sup>	Producers Willing to Pay a Specified Fee	40
10 <sup>th</sup>	Producers Desiring Growth	10
11 <sup>th</sup>	Midsize Producers (Outliers Capped at Max or Minimum)	10

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 Quota Holders (Per Capita – Same Amount)

#### 1.1

**To Whom?** All current quota holders

**Why?** Ownership of units means security and further investment by farmers; fair and defensible; encourages succession planning and family farm; young people will build the community by building small farms; improved profit will increase production by smaller farms

**How?** Per capita; every quota holder shares an equal amount of the growth

**When?** One time for continual ownership of units

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

**1.2****To Whom?** All farmer-members**Why?** To be more fair to smaller farmers**How?** Per capita; equal amounts not equal percentage of growth**When?** Every quota period**Objectives?** 1, 2, 5, 6**1.3****To Whom?** All quota holders**Why?** Grows the smaller farms**How?** Allocate growth per capita; same amount to every producer**When?** Now**Objectives?** 1, 2, 3, 4, 5, 6**1.4****To Whom?** All farmers with quota**Why?** Fairness; shows social responsibility**How?** Per capita to give smaller farmers a break**When?** As needed**Objective?** 1**1.5****To Whom?** All quota holders**Why?** Helps control big getting bigger; once a year optics are better; brings new growth in young people to the market; more farmers means more strength in the industry keeps the government happy**How?** Blended system of allocating growth: 70% of the growth is allocated per capita and 30% of the growth is allocated pro rata**When?** Annually**Objectives?** 1, 2, 4**1.6****To Whom?** All farmer members**Why?** Provide some special assistance to smaller operations to help them remain or become viable**How?** Utilize a hybrid system partially per capita and partially pro rata**When?** Every quota period**Objectives?** 1, 2

## **2. All Quota Holders (Pro rata – Same Percentage)**

### **2.1**

**To Whom?** All quota holding farmer members

**Why?** Fair; easy to administer

**How?** Pro rata or the same percentage of the growth to every producer

**When?** Twice per year to allow flexibility as to which periods to grow in

**Objectives?** 1, 4, 6

### **2.2**

**To Whom?** All farmer-members

**Why?** Equitable

**How?** Pro rata; everyone gets exactly the same percentage of the growth

**When?** Annually or every quota period

**Objectives?** 1, 2, 5

### **2.3**

**To Whom?** All producers

**Why?** Fair; gives some benefit to small and average sized producers

**How?** Same percentage for all quota holders up to a maximum cap

**When?** Yearly

**Objectives?** 1, 2, 5

### **2.4**

**To Whom?** All quota holders

**Why?** Spreads the growth; helps smaller producers grow

**How?** Allocate growth on a split between pro rata and per capita

**When?** Whenever the CFO Board feels it is required or ideal

**Objectives?** 4, 5

### **2.5**

**To Whom?** All quota holders, including current and future participants in the Ontario New Chicken Farmers' Entrant Policy who own less than 14,000 quota units

**Why?** Would benefit all producers

**How?** Increase the basic quota allotment i.e. kilograms of quota per unit; cap large producers at a specific amount of kilograms (perhaps 100,000 kg's per year)

**When?** Annually

**Objectives?** 1, 5

**2.6****To Whom?** All farmers**Why?** Equitable but still give some advantage to smaller producers**How?** Adjust the percentage slightly so that smaller producers get a greater percent and larger producers get a smaller percent**When?** Annually**Objectives?** 1, 2, 5**3. New Entrants****3.1****To Whom?** New entrants**Why?** Market responsive relating to specialty chickens**How?** Issue quota for new types of production to new entrants who make application**When?** Annually**Objectives?** 1, 2, 3, 5, 6**3.2****To Whom?** New entrants**Why?** Maintain strong producer numbers; introduce new blood to the industry**How?** Utilize current Ontario New Chicken Farmers' Entrant Policy, but offer it to more members, e.g. five or more**When?** Annually**Objectives?** 3, 5**3.3****To Whom?** New entrants**Why?** Encourage new entrants and young producers**How?** Make it easier than it is currently to enter the industry; provide some free quota to strong candidates**When?** Annually**Objectives?** 1, 3, 5**3.4****To Whom?** New entrants who wish to be farmer members**Why?** To get more new farmers**How?** Utilize a blended system where 25% of the growth is allocated to new entrants and 75% is allocated to all quota holders**When?** Semi-annually or annually**Objective?** 3

**3.5****To Whom?** New entrants**Why?** Remove the current barriers to entry into the industry**How?** Use the current Ontario New Chicken Farmers' Entrant Policy, but also offer a Specific portion of the growth to new entrants**When?** Over five years**Objective?** 3**4. All Farm Premises with Quota****4.1****To Whom?** All farm premises where growers produce chicken**Why?** To give small operations a fair chance**How?** Allocate quota units for growth to each farm premise; restrict larger operations**When?** When extra allocation kilograms reach major numbers; as often as every quota period**Objectives?** 1, 2, 5**5. All Quota Holders in a Position to Grow****5.1****To Whom?** All quota holders in a position to grow**Why?** Addresses welfare and capacity issues**How?** Any additional allocation could be leased to those who want to grow and are in a position to do so**When?** Per quota period**Objectives?** 1, 2, 5, 6**6. Producers Supplying Niche or Emerging Markets****6.1****To Whom?** Farmers supplying niche, emerging or specialty markets**Why?** We need to fit them into our system to help it remain viable**How?** Create alternative quota to allow them to get started, e.g. roaster quota; amalgamate the alternative quota with the mainstream quota once the system and the market is established**When?** Each quota period**Objectives?** 1, 3, 5**6.2****To Whom?** Producers supplying niche markets**Why?** To meet the expanding market for chicken

**How?** Provide quota to those who have demonstrated ability to create niche markets  
**When?** Annually  
**Objectives?** 1, 2, 4, 5

## **7. Most Productive or Efficient Producers**

### **7.1**

**To Whom?** The most productive or efficient producers  
**Why?** Promote quality of production; reward those who reach certain standards  
**How?** Set standards, e.g. feed efficiency, % condemnns, etc.; determine by audits  
**When?** Annually; evaluate every five years  
**Objectives?** 2, 3, 6

## **8. Small Producers**

### **8.1**

**To Whom?** All producers, with a preference towards smaller producers  
**Why?** Encourages smaller producers to get larger  
**How?** Allocate growth in a percentage to all producers but establish a cap, e.g. 100 units; design the process to help small producers and discourage huge farms  
**When?** Annually  
**Objectives?** 1, 2, 6

## **9. Producers Willing to Pay a Specified Fee**

### **9.1**

**To Whom?** All quota holders willing to pay a specified fee  
**Why?** Provides better optics for the public; quota holders don't get the quota "for free"  
**How?** Establish a fee, e.g. \$50 per unit; offered to all quota holders willing and able to expand  
**When?** Bi-annually  
**Objectives?** 1, 2, 3

### **9.2**

**To Whom?** All growers  
**Why?** Allows driven farmers to grow  
**How?** Charge a fee (small value vs full market value) for the newly allocated quota based on growth; use the proceeds from that fee to offset Chicken Farmers of Ontario levies  
**When?** Whenever there is an allocation of quota for growth  
**Objectives?** 1, 3

## **10. Producers Desiring Growth**

### **10.1**

**To Whom?** To those really wishing to grow

**Why?** Targets those with the greatest interest in expansion

**How?** Lottery system; applications made by interested producers

**When?** Each quota period

**Objective?** 1

## **11. Midsize Producers (Outliers Capped at Maximum or Minimum)**

### **11.1**

**To Whom?** All quota holders

**Why?** Helps foster growth on small and medium-sized farms

**How?** Graph all the quota holders by size of quota; establish a maximum amount of eligible quota for large farms and a minimum amount of eligible quota for small farms; issue allocation of growth quota to all farms on a pro rata %; large farms quota allocation would be calculated on the maximum amount; small farms quota allocation would be calculated on the minimum amount

**When?** When calculating allotments and issuing quota

**Objectives?** 1, 4, 5

<b>Rank</b>	<b>Processor Supply Allocation of Growth (To Whom)</b>	<b>Total Score</b>
<b>1<sup>st</sup></b>	Processors Based on Market Demand	610
<b>2<sup>nd</sup></b>	All Processors (Per Capita – Same Amount)	605
<b>3<sup>rd</sup></b>	Processors Serving Specialty Markets	445
<b>4<sup>th</sup></b>	All Processors (Pro rata – Same Percentage)	400
<b>5<sup>th</sup></b>	Small Processors	295
<b>6<sup>th</sup></b>	New Processors	245

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. Processors Based on Market Demand**

### **1.1**

**To Whom?** All processors

**Why?** Growth for all processors

**How?** Allocate quota differentially based on market demand

**When?** Annually

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

### **1.2**

**To Whom?** All current processors who can prove growth or can develop growth

**Why?** Reward innovation

**How?** Merit system by proving your need for additional quota

**When?** Every crop

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

## **2. All Processors (Per Capita – Same Amount)**

### **2.1**

**To Whom?** All processors

**Why?** All processors participate; smaller producers get additional benefits

**How?** Distribute the allocation of growth on a per capita basis so all processors get the same amount

**When?** Annually

**Objectives?** 1, 2, 5

## **3. Processors Serving Specialty Markets**

### **3.1**

**To Whom?** Processors creating and supplying specialty markets

**Why?** Grow specialty markets which helps our whole chicken industry

**How?** Create specialty quota (i.e. roaster) to allow startup; incorporate the specialty quota into the main quota system once the specialty quota and market are established

**When?** As soon as possible

**Objectives?** 1, 3

### **3.2**

**To Whom?** Processors supplying niche markets

**Why?** Meets an important market demand in the industry

**How?** Processors would apply for growth allocation

**When?** As needed

**Objectives?** 1, 2, 3

### 3.3

**To Whom?** Processors with new markets

**Why?** Important markets will be met

**How?** Quota will be allocated on the basis of the need to supply new markets; allocation would be based on an application by the processor; quota must be returned if the market disappears

**When?** Immediately

**Objectives?** 1, 2, 3

## **4. All Processors (Pro rata – same percentage)**

### 4.1

**To Whom?** All processors

**Why?** All processors participate

**How?** On a pro rata basis; equal percent to every processor; use the current system

**When?** Annually

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

### 4.2

**To Whom?** All processors

**Why?** Fairness for all

**How?** Continue to do it the way it is currently being done

**When?** As needed

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

## **5. Small Processors**

### 5.1

**To Whom?** All processors; extra benefit to smaller processors

**Why?** To be sure we satisfy smaller markets

**How?** Blended system where smaller processors get 25% of the allocation of growth and larger processors get the remaining 75%

**When?** Each quota period

**Objectives?** 2, 3, 5

### 5.2

**To Whom?** All processors; special support for smaller processors and markets with potential growth

**Why?** Small and new processors need some additional support

**How?** Hybrid system; big processors get 30%; small processors get 30%; 40% is allocated on the merit of the markets and the potential for growth

**When?** Each quota period

**Objectives?** 2, 3, 5

## **6. New Processors**

### **6.1**

**To Whom?** Potential processors who currently do not hold any supply quota

**Why?** Reward innovation and new markets

**How?** Reward new processors with quota to assure they can meet a market that they have identified

**When?** Every quota period, with assurance for multiple quota periods to allow investment

**Objective?** 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.