

CFO's Report from Chicken Farmers of Canada's Meeting January 22, 2015

National A-130 Allocation Set at +4

For A-130, the Chicken Farmers of Ontario advanced a fact-based, consumer market driven allocation of +4% relative to adjusted base. Chicken Farmers of Canada (CFC) Board approved a national allocation of +4.0 % relative to the national adjusted base for A-130 (April 19 to June 13, 2015). For Ontario, the corresponding volume for Ontario is 52,699,341 eviscerated kilograms. The national allocation of 4.0% over adjusted base provides a corresponding allocation for Ontario of 4.5% over adjusted base, given the new allocation model. Compared to last year's actual production (in the corresponding weeks as A-130), the national growth will be 3.2% while the Ontario growth will be 4.3% (assuming 100% utilization in A-130).

Since the new allocation model was introduced in A-127, Ontario's cumulative allocation growth has been 3.9% or 10.9 million live kg while it is 2.7% or 22.6 million live kg for Canada.

In 2015, on a year-to-date basis (A-128 to A-130 and noting A-128 started December 28), Ontario's cumulative growth is 3.6% or 7.6 million live kg while it is 2.7% or 16.9 million live kg for Canada.

CFC Supporting Pan Am and Parapan Am Games

This summer, in Toronto and surrounding communities, Ontario will be hosting the largest multisport event Canada has ever hosted, the 2015 Pan Am and Parapan Am Games. The CFC Board had approved, at its November meeting, an Ontario industry request for additional chicken supply to meet the additional demand of athletes and tourists competing at and visiting the Pan Am and Parapan Am Games. The Games are being held in July and August, with a total additional supply of 570,806 live kgs or 422,510 eviscerated kgs being allocated to the Ontario industry by CFC, over 3 quota periods, to meet the additional demand for chicken.

CFC Piloting Setting 2 Allocations at a Time

The Chicken Farmers of Canada Board has approved a 1 year pilot project whereby volume allocations would be set for 2 quota periods at one time. For example, when the CFC Board meets next in March 2015, the Board will be setting the allocations for A-131 and A-132. Then, in July, it will set the allocations for A-133 and A-134. There is a process in place for reconsidering the second allocation if market conditions change. This national decision has no immediate administrative implications on the delivery of Ontario's allocation system to Ontario farmer-members and primary processors.