

CFO's Report from CFC May 27-28, 2014 Meeting

National domestic allocation set at +2.5 relative to adjusted base

The national allocation for A-126 was set at 2.5% over the adjusted base which is 2.3% above last year's actual production. For Ontario, the allocation is equivalent to an actual production growth of 4.1% compared to the same period in 2013.

This is the last of the six allocation periods in the interim Differential Growth Agreement that was implemented in A-121. On a cumulative basis, the national allocation would result into a 2.3% growth compared to the year before. Ontario's cumulative growth is similar at 2.3%.

Specialty breeds allocation to begin to serve Ontario ethnic markets

CFC, as part of the allocation approval process for A-126, approved a separate allocation of approximately 287,000 kgs to Ontario. This initial supply will be the combination of producing two eligible specialty breeds of chicken (Frey's Special Dual Purpose and Silkies) to meet the growing and significant Ontario ethnic consumer demand for these chickens.

Ontario was the only province that applied for supply under the new CFC Specialty Production Policy, that provides provinces a distinct supply of specialty breeds to meet distinct consumer markets. Given the size and growth projections for Ontario's new Canadian and ethnic populations this new policy is seen as providing a major new growth opportunity for the Ontario chicken farming community.

CFO delegation promotes supply management at CFC parliamentary engagement day

Henry Zantingh, Chair of CFO, led an Ontario team in a day long MP engagement session as part of the CFC's parliamentary outreach reach program. The Ontario team consisting of Zantingh, Murray Booy, (CFO's representative to CFC), Ed Benjamins (CFC alternate), Murray Opsteen (CFO Vice Chair), as well as staff members Rob Dougans (President and CEO), Chris Horbász (Director Policy and External Relations) and Michael Edmonds (Director of Communications and Government Relations). Also joining the team was Lucy McKee from Cargill Canada and David Vendramin from Restaurants Canada.

The Team met with over 18 MP's from across Ontario to discuss issues ranging from the importance of effectively managing the import pillar of supply management to the well-being of the \$3 billion, 20,000 job Ontario chicken industry to CFO's ongoing efforts to provide solutions to support the Ontario kosher chicken consumer market.