

Chicken Farmers of Ontario

London Regional Risk Workshop

July 9, 2019
London, Ontario



BRYAN BOYLE & ASSOCIATES
FACILITATING YOUR FUTURE

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Executive Summary

On July 9, interested Chicken Farmers of Ontario (CFO) farmer-members and CFO staff met at the Sheraton Four Points in London for a highly interactive workshop facilitated by Bryan Boyle. This session was part of a regional CFO farmer-members' meeting.

The purpose of the session was to solicit valuable input from farmer-members relating to risks facing supply management, the Ontario chicken industry, and their local family farm as well as how these risks could be reduced or eliminated by actions of CFO or individual farmer-members. The input generated will help to create a practical and realistic Strategic Plan for Chicken Farmers of Ontario.

Risk has been defined as "An uncertain event or condition leading to an unfavourable outcome. It may result in loss, injury or other adverse circumstance".

At the workshop participants addressed three critical questions relating to risk in supply management, the Ontario chicken industry, and their local family farm. The three questions were What? So What? and Now What?

What? – Observations, Perspectives
 So What? – Consequences of Inaction
 Now What? - Suggested Actions

Participants identified risks that face supply management, the Ontario chicken industry, and their local family farm. These specific risks were grouped under the various themes and then prioritized with the following results.

- 1st: Financial
- 2nd: Political/Trade
- 3rd: Strategic
- 4th: Operational
- 5th: Reputational
- 6th: Compliance
- 7th: Competition
- 8th: Other

Participants were asked, "What are the consequences of inaction relating to addressing the risks that face supply management, the Ontario chicken industry, and your local family farm?" Examples of their responses included loss of supply management, loss of influence with government decision-makers, erosion of consumers' valued trust, as well as a general decline in the Ontario chicken industry.

There are many actions that could help to effectively mitigate the risks facing supply management, the Ontario chicken industry and their local family farm. Participants identified a number of potential actions to address each of the various specific areas of risk.

The workshop was a productive event, where the participants were very engaged. Through their valued input, the participants present took an important step in identifying risks and their potential mitigation. This could help ensure a strong and vibrant future for supply management, the Ontario chicken industry, as well as their local family farms.

Chicken Farmers of Ontario
 London Regional Risk Workshop
 Four Seasons Sheraton, 1150 Wellington Road, London
 July 9, 2019 Facilitated by Bryan Boyle

Purpose of the Session

To solicit valuable input from farmer-members relating to risks facing supply management, the Ontario chicken industry, and their local family farm as well as how these risks could be reduced or eliminated by actions of CFO or individual farmer-members

The input generated will help to create a practical and realistic Strategic Plan for Chicken Farmers of Ontario.

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

Defining Risk

Risk has been defined as:

An uncertain event or condition leading to an unfavourable outcome. It may result in loss, injury or other adverse circumstance.

Our Approach

At the workshop we addressed three critical questions relating to risk in supply management, the Ontario chicken industry and your local family farm.

The 3 Questions: What? So What? and Now What?

What? – Observations, Perspectives

So What? – Consequences of Inaction

Now What? - Suggested Actions

What?

Identifying Specific Risks

There are many risks that face supply management, the Ontario chicken industry and local family farms.

Key areas of risk may include:

- S - Strategic
- O - Operational
- C - Compliance
- F - Financial
- P - Political/Trade
- CO - Competition
- R - Reputational
- OT - Other

Participants identified risks that face supply management, the Ontario chicken industry and their local family farm.

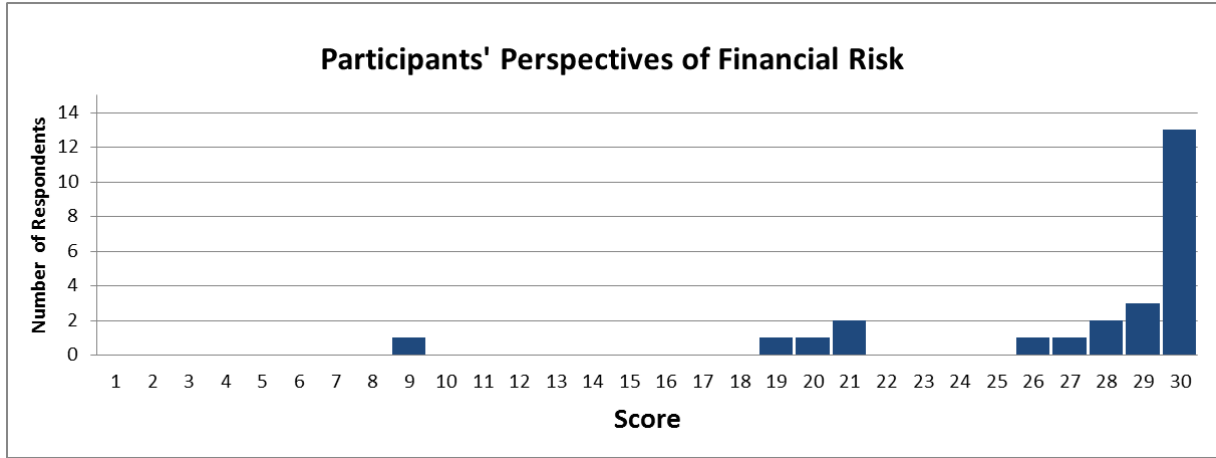
These specific risks were grouped under the various themes and then prioritized. For prioritizing, participants used the following approach and the results are shown in the table below.

On the ballots that were numbered from 1 to 30, participants placed each of the 8 letter codes from the areas or themes of risks somewhere on the 1 to 30 grid at the point that they feel best describes the need for action in that area of risk.

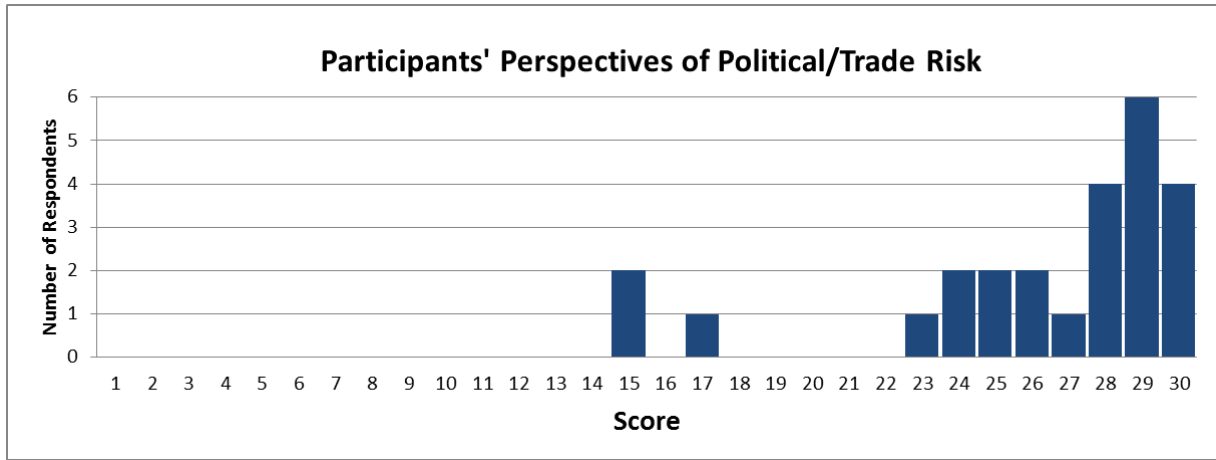
#30 = “Highest Priority for Action”: It is critically important that we move quickly and decisively to address this area of risk to ensure a strong and viable future for supply management, the Ontario chicken industry and our local family farm.

#1 = “Lowest Priority for Action”: Addressing this risk is a much lower priority either because it is currently being effectively addressed or is not that significant compared to some other risks in supply management, the Ontario chicken industry, or our local family farm.

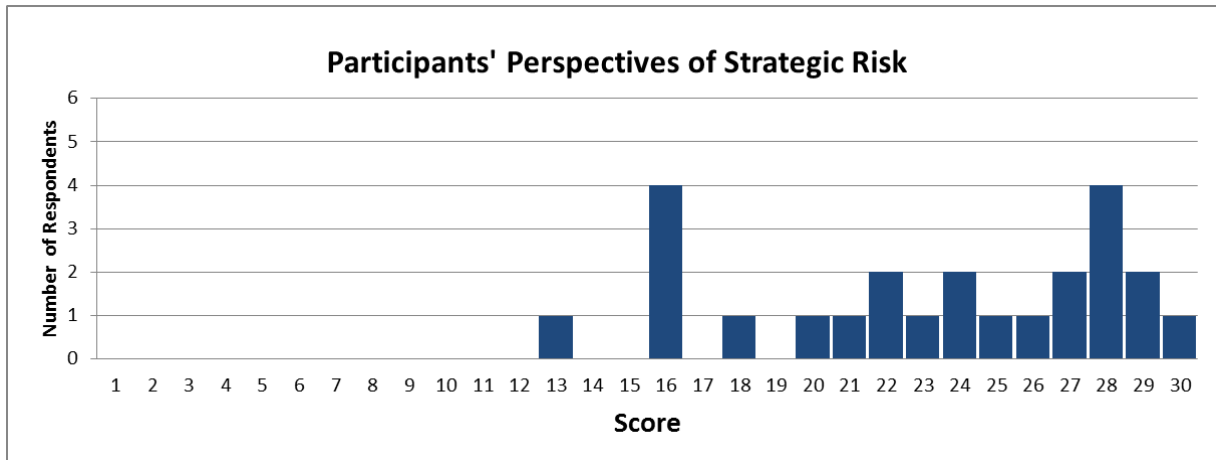
Priority Rank	Areas or Themes of Risk	Average Significance Score (Maximum = 30)
1 st	Financial	29.28
2 nd	Political/Trade	26.12
3 rd	Strategic	23.20
4 th	Operational	22.86
5 th	Reputational	22.00
6 th	Compliance	19.92
7 th	Competition	19.65
8 th	Other	18.77



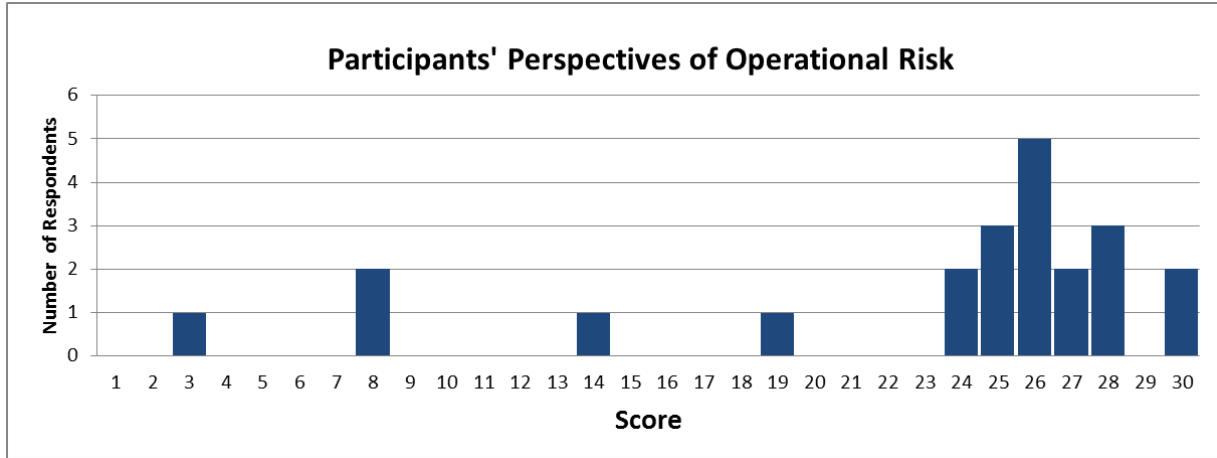
Average = 29.28



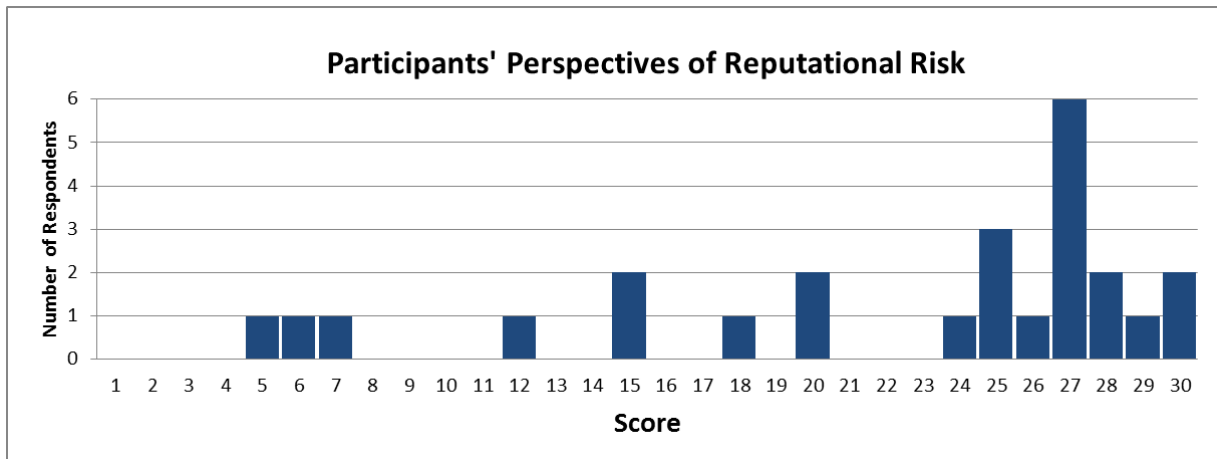
Average = 26.12



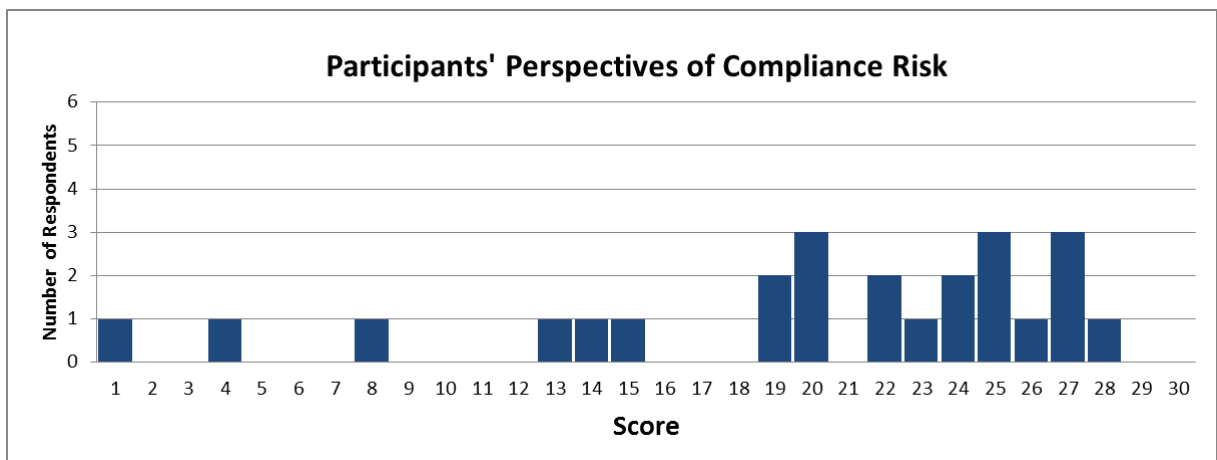
Average = 23.20



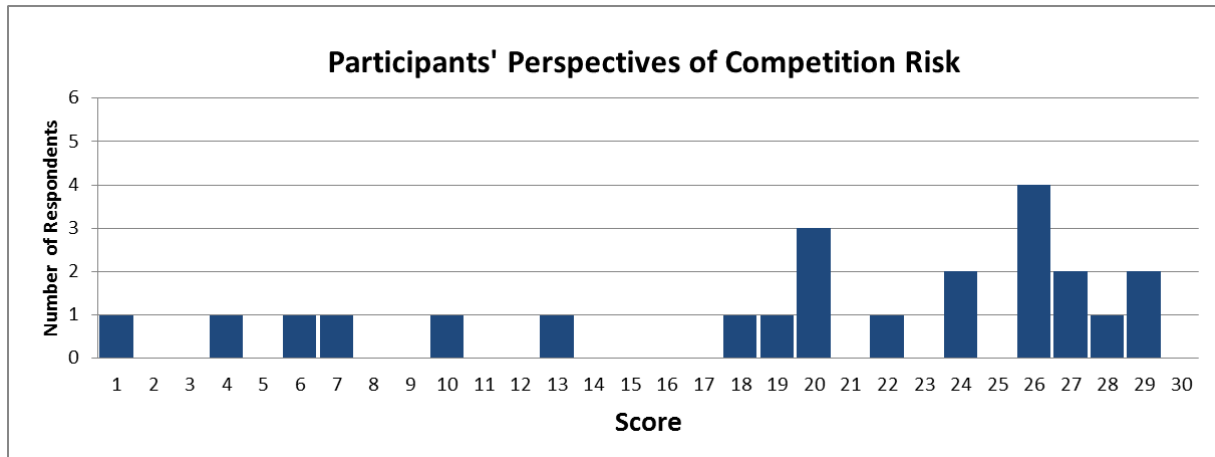
Average = 22.86



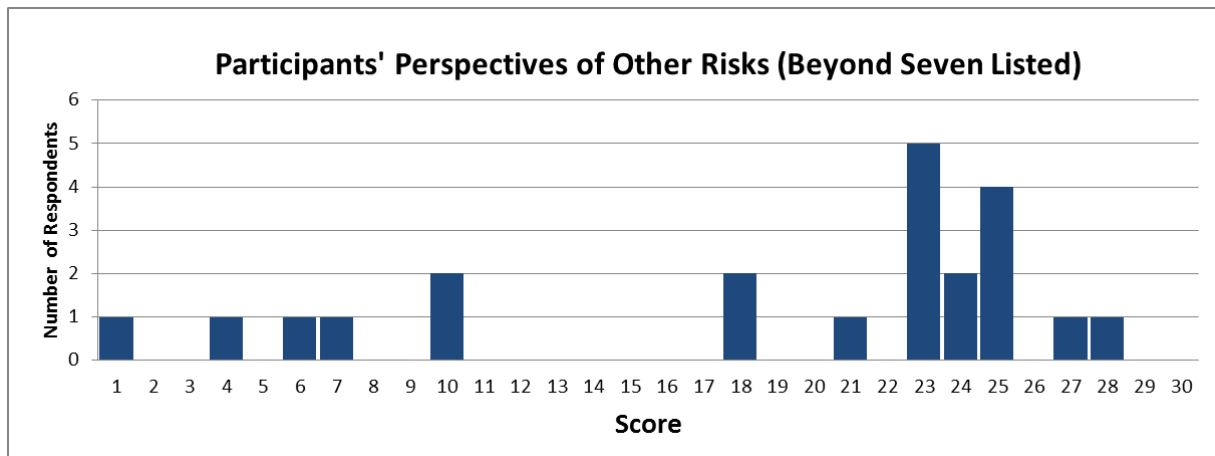
Average = 22.00



Average = 19.91



Average = 19.65



Average = 18.77

The specific risks that face supply management, the Ontario chicken industry, and their local family farm that were identified by participants included:

1. Financial

- High interest rates (x2)
- True cost of production
- Cost of production or expansion
- Cost of Production Formula (COPF)
- Fair compensation

2. Political/Trade

- Government relations
- Trade talks
- Compromising supply management through trade agreements
- Quota security
- Misinformation
- Maxime Bernier

3. Strategic

- Low farmer-member engagement in Board elections
- Districts are not proportionally aligned
- Better balance and representation
- District Committee Representatives (DCR's) are underutilized
- Chicken Farmers of Ontario staff interactions with farmer-members are being handled poorly
- Industry cohesion

4. Operational

- Chick quality
- Labour shortage
- Weather
- Transportation
- Animal activism
- Attending regional meetings
- High CFO staff turnover
- CFO staff not understanding our industry, yet making decisions
- District 3 need more District Committee Representatives

5. Reputational

- Small flocks
- Factory farms image
- Representation
- Negative effects of media
- Our story is not being told properly

6. Compliance

- Same auditing standards for all farmers with no double standards
- Food origin

7. Competition

- Alternative proteins
- Plant-based protein
- Rising popularity of “Beyond Meat”, e.g. Tim Horton’s new burger
- Canada's Food Guide

So What?

Identifying Consequences of Inaction

Participants were asked, “What are the consequences of inaction relating to addressing the risks that face supply management, the Ontario chicken industry, and your local family farm?”

- Loss of supply management (x2)
- Government will not pay attention
- Negative government influence
- Rules and regulations will be dictated to us
- Loss of trust from consumers
- Declining chicken industry
- Our chicken industry falls apart
- Tyson Foods will absorb us all
- Very little, no growth or negative growth
- Loss of family farm
- No family succession
- No food security
- Decrease of quality of our product
- Poor relationships between CFO and farmer-members

Now What?

Specific Actions Identified Within Risk Areas

There are many actions that could help to effectively mitigate the risks facing supply management, the Ontario chicken industry, and your local family farm. To mitigate is defined as to soften, moderate or to make less severe or harsh.

Participants identified potential actions to address each of the various specific areas of risk.

1. Financial
 - Simplify Cost Of Production Formula (COPF) surveys for willing and quicker response
 - Develop a real COPF that is not negotiated but implemented
 - Hire a professional negotiator
 - Regulate quota price
2. Political/Trade
 - Lobby local politicians
 - Continue the visual government pressure directed towards all parties
 - Vote!
3. Strategic
 - Redraw the CFO district map
 - Create better branding and marketing
 - Bring CFO staff to see our farms and the details of chicken production
4. Operational
 - Utilize new chick production
5. Reputational
 - Increase public education and community outreach
 - Engage our youth
 - Share chicken information with the local schools and local fairs
6. Compliance
 - Streamline CFO interactions valuing real people not just website

7. Competition

- Promote the chicken industry extensively through advertising
- Emphasize chicken as unprocessed and natural protein

8. Other Risks (Beyond Seven Named Above)

- Coordinate an opportunity for politicians to work on our farms for one month

Summary of the Workshop

The workshop was a productive event, where the participants were very engaged. Through their valued input, the participants present took an important step in identifying risks and their potential mitigation. This could help ensure a strong and vibrant future for supply management, the Ontario chicken industry, as well as their local family farms.