



May 2011

Ontario Chicken

Ontario's Chicken Industry News, Served Fresh.

Ontario chicken industry continues to work together to reach full compliance with the new farm worker safety standards for farm, transport and catching

The Ontario chicken industry has been working together to ensure all farmers are in compliance with the new farm worker safety standards as outlined in the Broiler Chicken Industry Safe Work Practices (BCISWP) document. Since its introduction, the industry's focus has been on safety equipment which prevents falls from heights such as loading ramps and side rails but also includes loading lights, eaves troughs, handrails and first aid kits.

CFO is committed to working with the industry to ensure we reach 100% compliance and CFO Field Service Representatives will continue to work with farmers to ensure the remaining farms make the necessary modifications. Farmers, processors and CFO Field Service Representatives have reported a 96.6% completion rate and a further 3% have committed to completing the requirements.

Transportation and catching companies are working towards meeting their



requirements which includes retrofitting live haul trailers to incorporate solid roofs or the installation of safety rail systems. Transport companies are providing additional training to their drivers in the area of fall arrest. Companies aim to reach compliance by July 1, 2011. CFO and the industry would like to emphasize the importance

of the installation of eaves troughs on your barns with the arrival of spring and the high amount of rainfall. Installing eaves troughs requires a small output and offers immense benefits not only in the area of worker safety but in worker comfort and bird welfare.

continued inside right panel

Are you concerned about chick quality?

Chick quality and understanding price and adjustment procedures

Part of the Ontario Broiler Hatching Egg and Chick Commission's (O.B.H.E.C.C.'s) MISSION is "...serving the poultry industry's needs by delivering safe, quality products of value to stakeholders and customers". For broiler farmers, this means safe, quality broiler chicks. As broiler chicks are a live product with inherent variability, despite the best efforts of hatching egg producers, hatcheries and the application of modern technology and science, chick quality issues arise on occasion. The focus of the following article is what to do if chick quality becomes a concern at your farm.

Steps when addressing chicken quality

The first step is to contact your hatchery and in more serious cases involving mortality, a veterinarian. Often this is all that it takes as the vast majority of chick quality concerns are resolved by the selling hatchery. As any price adjustment can be construed to be a minimum price violation, O.B.H.E.C.C. regulations provide hatcheries with the opportunity to make a price adjustment for broiler producers for reasons of chick quality.

Adjustment Panel

Infrequently, a broiler farmer and the selling hatchery are not able to come to an accord on a settlement. In that case, the broiler farmer has the option to request O.B.H.E.C.C. to convene an Adjustment Panel which is also detailed in the regulation on Price and Adjustment Procedures. The broiler farmer will be required to provide O.B.H.E.C.C. with:

- a completed delivery slip for the chick placement in dispute;
- a veterinarian's report (detailing the quality issue and number of chicks affected);
- original mortality records for the subject flock;
- any other documentation requested.

The Panel consists of three members plus a veterinarian in an advisory role. Panel members will include two O.B.H.E.C.C. Directors, one appointed from the Ontario Broiler Chicken Hatching Egg Producer's Association and one from the Ontario Hatcheries Association. One of the Directors will be the Chair of the Panel. The third member will be from the O.B.H.E.C.C. inspection staff and will act as Recording Secretary. The broiler farmer may attend with witnesses including the attending veterinarian.

Following the adjustment panel hearing, the Panel will make a recommendation to the O.B.H.E.C.C. Board. The Panel will only make a determination with respect to the chick price. If a refund is required, the hatchery will provide payment within seven days after receiving notice of the Board's decision.



Want more information?

For more information regarding the Adjustment Panel or to receive a copy of the specific regulation, please contact the Ontario Broiler Hatching Egg and Chick Commission at info@obhecc.com or call (519) 837-0005 and ask for John Groen, Operations Manager.

CFC allocates to maintain stability and profitable growth for the summer in A-105.

March 23, 2011, Ottawa, Ontario. Chicken Farmers of Canada (CFC) set the allocation for quota period A-105 at 1.2% over the adjusted base. The allocation corresponds to a production growth of 3.3% for both Ontario and Canada. Due to underproduction in the corresponding periods last year, Ontario's A-105 allocation of 50.88 million eviscerated kilograms represents minimal growth of 0.8% over the average allocation in A-98 and A-99 of 50.5 million eviscerated kilograms. For Canada, the growth in allocation is 1.2%.

In order to meet forecasted consumption growth, CFO's fact-based analysis indicated the Canadian chicken market would require production of 1.2% over the adjusted base in A-105.

There was general recognition that the chicken market is currently exhibiting stability.

Recommendations for A-105 ranged from -0.8% to +2.0%. The weighted average recommendation from provincial boards was 1.5%. The volumes requested by industry stakeholders ranged from the -0.8% recommended by the Canadian Restaurants and Foodservice Association (CRFA) to the Further Poultry Processors Association of Canada (FPPAC) recommendation of +1.25%. The Canadian Poultry and Egg Processors Council (CPEPC) recommended -0.5%. Notably, the Canadian Council of Grocery Distributors (CCGD) has seized operations and is no longer submitting allocation recommendations.

Coming Soon – Online Forms!

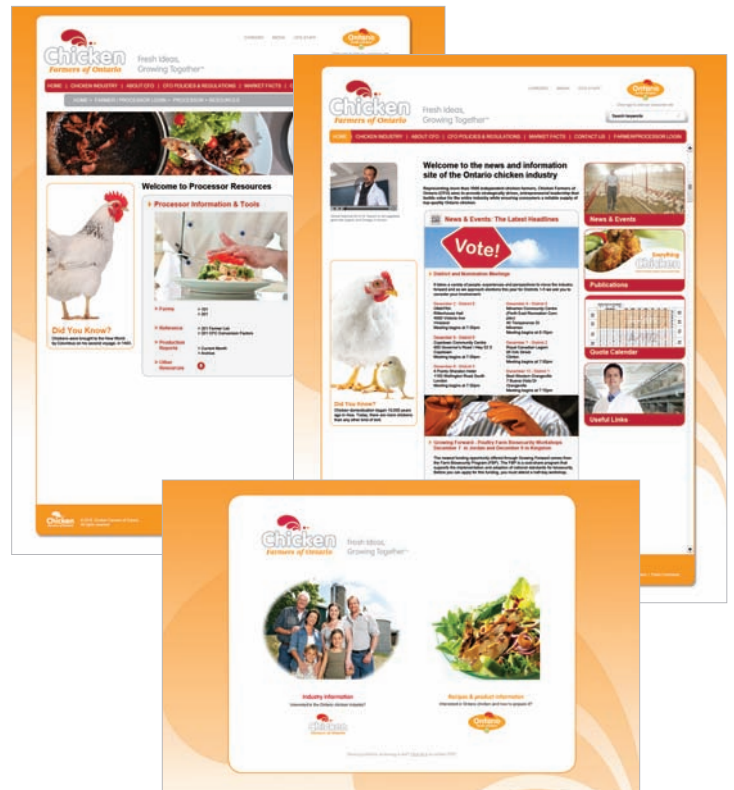
CFO is committed to improving our online information sharing practices and the way we do business with our farmer and industry partners. Recent research has indicated a strong appetite for more e-collaboration and the first step in this process is online forms.

In the coming months, CFO will be working to make all forms available online. All forms will be interactive – this means that you will be able to fill the form in right on your computer, print the completed form, and save a copy to your computer for your own records.

And this is just the beginning. As CFO continues to work on our e-collaboration efforts, the processes will become easier and more efficient.

To ensure you are able to utilize online forms, contact your Supply Management Services Representative to ensure we have your **email address** on file.

Stay tuned for more information as we build **CFO online!**



ontariochicken.ca

Visit us online to access relevant and timely information about CFO and the poultry industry.

The CFO Infectious Poultry Disease Hotline

CALL US FIRST
1.877.767.2973
(1.877.SOS.BYRD)

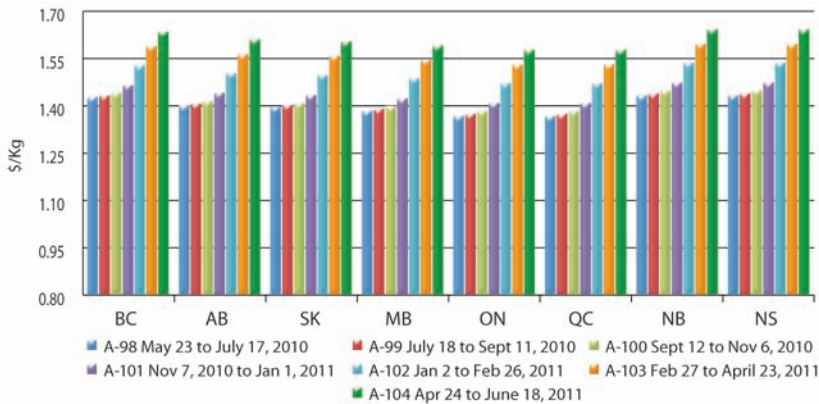
CFO introduces a toll free number: 1-855-244-2575

As part of CFO's commitment to deliver superior customer service to our farmers and industry partners, we now have a toll free number available. This number connects directly to the CFO office at no charge to the caller.



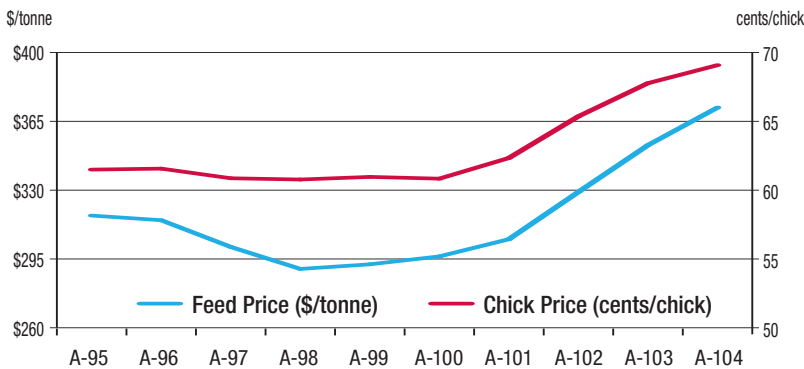
Market Performance – Increasing feed and chick prices drive the live price higher – production consistent with seasonality of consumption

Live Price - The upward trend for the live price continues as grain prices escalated.



	A-98 23/05/10-17/07/10	A-99 18/07/10-11/09/10	A-100 12/09/10-06/11/10	A-101 07/11/10-01/01/11	A-102 02/01/11-26/02/11	A-103 27/02/11-23/04/11	A-104 24/04/11-18/06/11
BC	1.4273	1.4331	1.4416	1.4650	1.5290	1.5881	1.6333
AB	1.4005	1.4065	1.4155	1.4405	1.5045	1.5635	1.6095
SK	1.3955	1.4012	1.4084	1.4334	1.4967	1.5589	1.6038
MB	1.3830	1.3890	1.3980	1.4230	1.4870	1.5450	1.5900
ON	1.3680	1.3740	1.3830	1.4080	1.4720	1.5310	1.5760
QC	1.3680	1.3740	1.3830	1.4080	1.4720	1.5310	1.5760
NB	1.4330	1.4390	1.4480	1.4730	1.5370	1.5960	1.6410
NS	1.4330	1.4390	1.4490	1.4730	1.5370	1.5960	1.6410

Farmer Costs - Increasing feed and chick prices in recent quota periods have resulted in higher live prices.



Production - Production volumes in 2010 reflect the seasonality of consumption whereby it is at its highest level during the summer periods.

Period	Start	End	Ontario	Canada
A-95	12/06/09	01/30/10	64,837,963	199,885,258
A-96	01/31/10	03/27/10	67,826,431	212,088,178
A-97	03/28/10	05/22/10	71,339,073	217,414,703
A-98	05/23/10	07/17/10	70,052,444	216,298,198
A-99	07/18/10	09/11/10	68,589,538	211,819,664
A-100	09/12/10	11/06/10	70,137,579	215,643,240
A-101	11/07/10	01/01/11	65,897,980	202,142,333
A-102	01/02/11	02/26/11	70,487,383	215,341,727
A-103	02/27/11	04/23/11	69,047,123	214,143,080

Storage Stocks (kg) - Storage stocks continue to be manageable and stable.

		Ontario	Canada
March	2011	15,259,168	35,630,331
	2010	13,719,770	35,482,167
April	2011	16,399,076	38,137,918
	2010	13,778,543	35,512,042

Sleeves and Levies: A-105 -

Overproduction sleeves for A-105 have been changed while levies remained constant.

Overproduction Sleeves	Overproduction Levy
100% to 105%	No Penalty
>105% to 107%	\$0.50/kg
>107%	\$1.00/kg

Quota Utilization - For the last three quota periods, the average quota utilization for Ontario was 100.8% and Canada was 100.3%.

	Ontario	Canada
A-101	101.6%	101.1%
A-102	100.3%	100.3%
A-103	100.4%	99.6%

Quota Facts - 2011 quota facts as of April 6

No. of Quota Units Sold	301,417
No. of Transactions	64
No. of New Entrant Farmers	12

Recognizing 35 years of service and dedication

Since its inauguration in 1965, the Board has been committed to building a strong, stable industry rooted in supply management. Over the last 46 years, the Board has evolved in many ways, and has always challenged its staff to find more efficient and effective ways to support our system of supply management and to serve our dedicated farmers. Celebrating his 35th anniversary with Chicken Farmers of Ontario, Frank Fortuna has witnessed and been a part of this evolution and CFO Board and staff would like to thank Frank for his service and dedication to the Board and the industry.

Frank joined CFO – then known as the Ontario Broiler and Roaster Chicken Producers Marketing Board – in 1976 as an Enforcement Officer. At that time, there were only seven internal staff members, four Field Service Representatives, and the industry was working diligently to establish a quota system which would ensure stability in the industry – supply management.

When asked to reflect back on his 35 years of service, Frank commented that the most interesting and impactful changes he witnessed were those that stemmed from technological advances.

“Technology has impacted every aspect of this business, from the way we do work in the office, to efficiencies on the farm such as the ways barns were built, to the length of time it takes for a chicken to reach maturity,” explained Frank. Frank also commented on the continuous strength and stability found within this industry which stems directly from our dedication to the supply management system.



Frank commented that he can still remember when they received their first computer in the office. Before that, all recording keeping was done by hand as the personal computer was not invented until 1981. “Technology has and will continue to play a role in improving the way we serve our farmers” explained Frank.

For the last 21 years, Frank has been the Quota Management Administrator. Frank manages producer records, farm detail, quota transfers, relocations and leases, quota values, voters list and the list of encumbrances. Frank also handles inquiries from industry stakeholders and the general public on a broad range of topics.

After 35 years, Frank says he still comes into work every day and has new experiences. “This is an industry that is always changing and growing, and that’s what I like most about coming into the office everyday – I never know what my next challenge might be” explained Frank.

Ontario chicken industry continues to work together to reach full compliance - continued



Hydraulic lifting roof trailer

Additionally, catching companies have been working to educate their crews by providing training sessions that focus on the requirements outlined in the BCISWP. Many of the companies have conducted fit testing with their crews to ensure proper use of Personal Protective Equipment (PPE). To ensure there are no language barriers in the training process, the BCISWP has been translated in both Spanish and Thai.

For a complete list of requirements, please refer to your copy of the BCISWP. If you have any questions regarding what changes are required on your farm, please contact your Field Service Representative.





A message from our CEO – Rob Dougans

Several articles in this month's newsletter report on our focus on growing and delivering quality chicken to our customers, effectively and safely. I'd like to offer my perspective and support to this critical supply management system focus area.

In its role as an effective, responsive and progressive regulator, CFO works closely with farmers, key industry stakeholders and government to grow long-term industry value and sustainability. CFO's business model reflects a commitment to responsible supply management stewardship which engages, plans and delivers:

1. Cost-effective and socially-responsible production of safe, high quality chicken
2. Value and sustainability-enhancing solutions for the Ontario chicken industry

In the key performance area of safe, high quality chicken production, we believe that CFO "safe, smart farming" and "proactive risk management" strategies are the foundations for delivering the quality, nutritious and safe Ontario chicken that our processor-customers depend on, and that our consumers trust and enjoy.

CFO is helping our farmers and key industry participants follow food quality standards and good farming practices, work safely, and support poultry health and welfare. This requires a systematic and unwavering focus and concentration on operating excellence. We must continually improve and perfect our operating approach. This will require strategies, strict protocols and performance standards, defined best operating practices, and comprehensive education programs. Our goal, over time, is to facilitate and achieve a culture of quality, efficiency and safety.

CFO, in conjunction with Ontario Feather Boards and industry, will continue to strengthen disease management and crisis management strategies, capabilities and programs. Our Feather Board Command Center (FBCC) vision statement: "achieve an emergency free Ontario poultry industry" guides our work. The Feather Boards continue to collaborate on implementing the key recommendations from the June 2010 disease simulation, including the establishment of a comprehensive Incident Command System (ICS) at the FBCC emergency operations center, and involvement of additional value chain partners in the planning and management process at the FBCC during an emergency situation.

CFO is an active member of the Ontario poultry industry Farm Safety Standards Working Group (FSSWG). Following the implementation of Broiler Chicken Industry Safe Work Practices (BCISWP) in January, as noted in this month's newsletter, CFO continues to make adoption of safe working practices a major priority. Our industry's progress in improving on-farm safe working standards and practices will continue in 2011 with new initiatives. For example, CFO will further invest in educating our farmers and on-farm workers on the proper growing and handling of chicken – all within a safe working environment.

Across our industry, we need to become experts at understanding, measuring, managing and documenting Ontario broiler chicken business work flows; namely, from "farmer to customer to consumer". To guide this initiative going forward, a comprehensive and collaborative Ontario industry value chain traceability strategy and work plan will be further advanced in 2011.

Our supply management system objective of achieving consistency, predictability and stability requires a clear and comprehensive policy and regulatory approach – one that is focused on accountability and one that is supported by documented and audited practices covering the critical aspects of business operations across the supply management system. CFO believes that compliance with system requirements is the most effective approach for achieving prosperity and sustainability within the supply managed chicken industry.

To achieve our goals for system integrity or system quality assurance, CFO continuously surveys the Ontario industry to ensure genuine personal commitment and accountability to policies, processes and standards. For example, the individual farmer's performance compliance is monitored and evaluated to make sure the supply management system requirements are met on a continuous basis. We strive to ensure compliance and enforcement (as required) is accomplished in a fair, consistent, vigorous and timely manner.

CFO will work continuously to improve communication, collaboration and cooperation with our farmers and key industry stakeholders to achieve a growing and sustainable industry. Focused on system integrity, we are expecting a bias for action across our industry in meeting all supply management system requirements.

Our commitment to system integrity is a driving force for achieving today's successes and it positions us well for the future.

