



October 2011

Ontario Chicken

Ontario's Chicken Industry News, Served Fresh.

CFO reaches out to its primary customers

Farmers and Processors join Board meetings to talk about their businesses

As part of CFO's commitment to deliver high performance customer service, CFO's Board of Directors invites a farmer or a processor to join them at their monthly Board meeting in order to learn more about them, their business, and what they need from the Board.

The Board was pleased to have Judy Killough, a farmer in District 3, join them at the August Board meeting. This opportunity allowed Judy to share her family's vast agricultural background and experiences. Judy not only runs her own broiler operation, but manages the five farms that fall under Walker Poultry Inc. The Walker family is also thriving in the dairy industry, milking over 1000 cows. Judy has been involved not only in the family business, but in tobacco farming, pigs and vegetable farming.

The Walkers began growing chickens in 1995 and grew the business into the five farm operation it is today. Judy's operation has received recognition from Grand River Poultry on numerous occasions and she believes it is due to the consistent farm practices, management and just keeping things simple.

Judy had the opportunity to talk to the Board about a variety of topics including farm safety standards, OFFSAP, levies and a new entrant program.

Growing Ontario, Together
Strategy • Performance • Results

Left to Right – Heather McFarlane, District 3 Field Service Representative; Judy Killough, broiler farmer in District 3; and Marlene Frazer, District 3 Supply Management Representative

"I would like to see the future of CFO favour a more technology-friendly approach. The amount of communication provided by CFO is adequate but should move through the internet rather than mail."

The Board would like to thank Judy for taking the time to come in and speak about her business.

Profitably growing our industry and understanding the specialty market

As part of CFO's commitment to industry collaboration, the Board engages a different sector of the poultry industry at their monthly Board meetings in order to better understand our industry partner's businesses. Wellington Poultry attended the August Board meeting and spoke to the Board Directors about their business in the specialty market, specifically supplying chicken for the Asian market.

From this meeting, Wellington Poultry arranged an industry tour for the Board to help them better understand the market that Wellington Poultry is supplying. The tour was led by Vincent Lam, Co-Owner, Wellington Poultry and Ed Lam, Sales Manager. The tour included a stop at Chang & Sing Trading Inc., a meat packing and wholesale company, S&J Poultry Processing Inc., a distribution facility, and Farm Fresh Supermarket, which is an Asian grocery store and allowed the Board to see the various poultry products being offered.

"This was a great opportunity for the Board Directors to experience first hand the size, complexity and diversity of specialty market needs in Ontario" explained Murray Booy, Chair, CFO. "The Board had an up close view to the needs of some of the companies striving to serve the Asian market with Ontario produced specialty fresh product. CFO is committed to working

with our industry partners ensuring that we supply all of our Ontario markets with Ontario produced and processed chicken."

The CFO Board would like to thank Wellington Poultry for arranging this tour, and Chang & Sing Trading Inc. and S&J Poultry Processing Inc. for allowing us to visit their facilities.



Left to Right – Ho Thang, General Manager, Chang & Sing Trading Inc., Ha Hung, President, Chang & Sing Trading Inc. and Murray Booy, Chair, CFO

CFO Board works with farmers and industry partners to achieve 100% compliance with Farm Worker Safety Standards

Transport industry supports efforts through new declaration

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.

In January of 2011, CFO's Field Service Representatives began inspecting farms against the new standard. Any farm identified as non-compliant has been given a deadline to complete all outstanding farm worker safety requirements. All farmers who fall in this category were notified by their Field Service Representative and in writing from the CFO Board.

As part of CFO's commitment to farm worker safety, the Board passed a decision which supports withholding a farmer's crop quota allotment for the next quota period for failure to demonstrate compliance with the farm worker safety standards. In addition, allotments continue to be withheld in subsequent quota periods until the farmer reaches full compliance.

In addition, the CFO Board has approved that applications for poultry transportation licences in 2012 will include a declaration which states that the transportation company

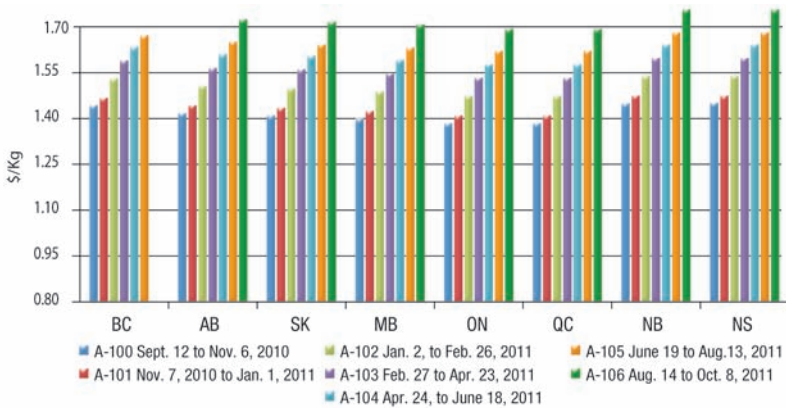
understands and is in compliance with their responsibilities under the BCISWP.

As an industry, we are obligated to ensure we are providing a safe place for people to work. Please ensure your farm meets the standards outlined in the BCISWP and we urge all farmers who are not currently compliant to make the necessary changes. If you have any questions about the BCISWP, please contact your Field Service Representative.



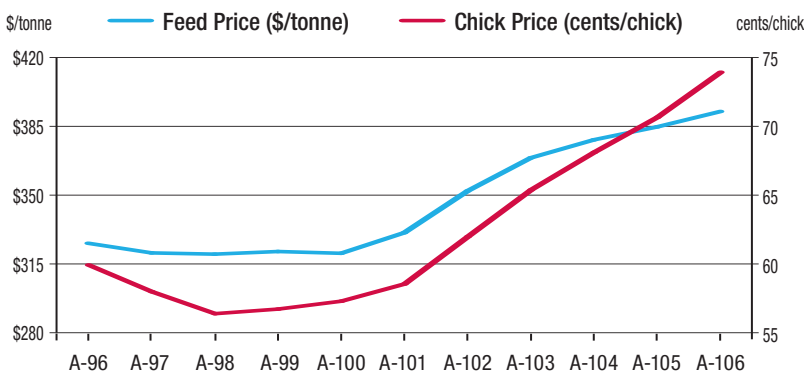
Market Performance – The live price continues to elevate industry costs while storage stocks remain high.

Live Price - The upward trend for the live price continues in A-106 for the eight consecutive quota period.



| | 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 | A-105 19/06/11-13/08/11 | A-106 14/08/11-08/08/11 |
|----|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| BC | 1.4416 | 1.4650 | 1.5290 | 1.5881 | 1.6333 | 1.6742 | 1.7463 |
| AB | 1.4155 | 1.4405 | 1.5045 | 1.5635 | 1.6095 | 1.6505 | 1.7225 |
| SK | 1.4084 | 1.4334 | 1.4967 | 1.5589 | 1.6038 | 1.6442 | 1.7146 |
| MB | 1.3980 | 1.4230 | 1.4870 | 1.5450 | 1.5900 | 1.6310 | 1.7053 |
| ON | 1.3830 | 1.4080 | 1.4720 | 1.5310 | 1.5760 | 1.6170 | 1.6900 |
| QC | 1.3830 | 1.4080 | 1.4720 | 1.5310 | 1.5760 | 1.6170 | 1.6900 |
| NB | 1.4480 | 1.4730 | 1.5370 | 1.5960 | 1.6410 | 1.6620 | 1.7550 |
| NS | 1.4490 | 1.4730 | 1.5370 | 1.5960 | 1.6410 | 1.6620 | 1.7550 |

Farmer Costs - High grain prices have resulted in higher feed and chick costs and subsequently higher chicken live price.



Production - Production volumes in 2011 are in line with levels from 2010.

| Period | Start | End | Ontario | Canada |
|--------|----------|----------|------------|-------------|
| 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 | 215,638,983 |
| A-101 | 11/07/10 | 01/01/11 | 65,897,980 | 202,147,486 |
| A-102 | 01/02/11 | 02/26/11 | 70,498,775 | 215,424,718 |
| A-103 | 02/27/11 | 04/23/11 | 70,304,756 | 216,025,454 |
| A-104 | 04/24/11 | 06/18/11 | 74,144,442 | 224,637,239 |
| A-105 | 06/19/11 | 08/13/11 | 69,705,534 | 215,138,915 |

Storage Stocks (kg) - Higher levels of chicken storage stocks than the previous year may be the result of weakening market demand.

| | | Ontario | Canada |
|--------|------|------------|------------|
| August | 2011 | 17,007,631 | 38,685,568 |
| | 2010 | 15,139,681 | 34,608,643 |
| Sept. | 2011 | 17,086,499 | 37,273,830 |
| | 2010 | 15,674,767 | 34,251,682 |

Sleeves and Levies - Overproduction sleeves for A-108 remains unchanged from the previous quota period.

| Overproduction Sleeves | Overproduction Levy |
|------------------------|---------------------|
| 100% to 104% | No Penalty |
| >104% to 106% | \$0.50/kg |
| >106% | \$1.00/kg |

Quota Utilization - The heat wave that occurred in July resulted in underproduction for A-105 of 1.8 million kilograms in Ontario and 4.1 million kilograms in Canada.

| | Ontario | Canada |
|-------|---------|--------|
| A-103 | 101.3% | 100.4% |
| A-104 | 100.0% | 100.3% |
| A-105 | 97.5% | 98.1% |

Quota Facts - 2011 quota facts as of September 26

| | |
|----------------------------|---------|
| No. of Quota Units Sold | 508,180 |
| No. of Transactions | 118 |
| No. of New Entrant Farmers | 14 |



Your District 9 Team

In 2011, CFO introduced Customer Service District Teams – an initiative that will allow farmers to develop stronger relationships with their Board Director, District Committee Representatives (DCR) and CFO staff. We will profile each District and its team over the next nine issues.



Tim Klompmaker
BOARD DIRECTOR

Tim has been a chicken farmer for 27 years and a District Committee Director for 17 years. Tim joined the Board as the Board Director for District 9 in 2010.



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District 9
Committed to Service

- Ontario Chicken Farms
- Primary Processor:
- Hafiz Halal Poultry Inc.

District Committee Representatives

Michael Heuving
Urs Kressibucher
Larry Pennings

CFO Online Forms

As part of CFO's commitment to improving our online information sharing practices, CFO launched its first set of interactive forms – Form 101 A-108 and Form 201. Interactive forms allow you to complete the form on your computer and either print and fax, or scan and email to the CFO office. In addition, you can save a copy of the form for your records. In order to use Online Forms, you must install Adobe Acrobat. This is a free program and can be downloaded by visiting <http://www.adobe.com/products/reader.html>.

CFO will be testing the remaining forms with a group of farmers and representatives from the processing industry in the coming weeks. Once the

final tests are complete, all forms will be available at www.ontariochicken.ca in the Forms section.

Making all forms interactive and available on the CFO website is only the first phase of the Online Form Process. By March 2012, you will not only be able to fill out your forms online, but you will also be able to submit them to the CFO office online. Stay tuned for more information and be sure to check out Form 101 and Form 201 which are already available online. If you have comments, suggestions or need technical assistance, please email forms@ontariochicken.ca and we will respond within two business days.

Evolving to meet industry emergency management requirements

The four Ontario feather boards – CFO, Egg Farmers of Ontario, Ontario Broiler Hatching Egg & Chick Commission and Turkey Farmers of Ontario – collectively formed the Feather Board Command Centre (FBCC) in 2003 to provide a coordinated response in the event of a disease incident. The goal of the FBCC is to minimize the impact of the outbreak on the entire poultry sector including producers, feed companies, service companies, processors and government.

Based on the results of the 2010 simulation, FBCC has recognized the need to develop a more effective incident command structure in order to make timely decisions and improve the integration with other value chain stakeholders and government. Accordingly, CFO lead an application to the Canadian Agricultural Adaptation Program (CAAP) on behalf of the FBCC. The application was reviewed by the Agricultural Adaptation Council in September and has been approved. The FBCC will receive funding for 50% of the total project cost.

This project will enable the FBCC to engage an Incident Response Project Manager for a two year contract, during which the individual will develop the agreements and protocols necessary to ensure that there is an effective response in which the roles and responsibilities of all the parties are clearly set out. The result will be the development of a comprehensive handbook that outlines the steps taken in the event of a crisis, with the supporting agreements and policies.

“The project proposes to undertake two simulations, one in 2012 and 2013, and to develop enhanced training materials to support the poultry sector. Approval of this project indicates a significant vote of confidence in the direction of the FBCC and we look forward to working on this initiative” explained John Neil, Manager – Food Quality and Risk Management, CFO.

Strengthening inter-organizational emergency management practices



Representatives from Egg Farmers of Ontario, Turkey Farmers of Ontario and Ontario Broiler Hatching Egg & Chick Commission gathered at the CFO office for the duration of the simulation; testing their Operations and Communications skills

Members of the FBCC met on September 8th to participate in a disease simulation that allowed them to conduct further testing of their emergency plans within an Incident Management System. This simulation used information provided to the FBCC through Ontario Pork, who conducted their own disease simulation on September 7th. The focus of the FBCC efforts were around improvements

made since the 2010 simulation, and saw activities taking place in the areas of Operations and Communications. We also retested the distribution of personal protective equipment by Agriculture Response Materials Management Inc. (ARMMI) to measure improvements made since 2010. Definite improvements were made in all areas. The FBCC will once again test their emergency plans

on January 12, 2012, using materials generated by the pork industry's second simulation on September 28, 2011. The FBCC plans to undertake additional field exercises to test our capacity to respond during the winter months.



A message from our CEO – Rob Dougans



As I've noted in previous comments, 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's Field Services team, led by Manager Carl Stevenson, is responsible "to ensure effective delivery of CFO's on-farm regulatory programs and other initiatives to support chicken production and marketing management including relationship management with farmers, industry stakeholders and other CFO departments". Carl's key priority areas for 2011-2012 are 1) continual improvement of field services effectiveness and efficiency; 2) delivery of enhanced regulatory compliance; 3) staff professional development; 4) District Business Service Team support; and 5) enhanced customer service, overall.

In fulfilling its mandate, Carl and his team works closely with Chicken Farmers of Canada to ensure all farmers meet On-Farm Food Safety Assurance Program (OFFSAP) and Animal Care Program (ACP) processes and standards.

Each year, CFC assesses the overall effectiveness of our CFO team and systems through a CFC Internal Auditor's on-site assessment. The August review focused on CFO compliance to implementation of the CFC management manual and the ability to demonstrate control over the system. I'm pleased to note CFO scored highly and our commitment to operating discipline and professionalism recognized. Congratulations!

A handwritten signature in black ink, appearing to be 'Rob Dougans'.

Rob Dougans

CFO provides business service support during stressful growing conditions

Extreme weather conditions can have adverse effects on our farmers businesses and CFO is committed to ensuring our farmers are equipped to deal with these types of situations. Every year, Ontario experiences periods of high heat and humidity, creating less than optimal growing conditions for farmers. July 2011 brought record high levels of heat and humidity, but because of farmer's preparation and the dedication of the entire industry, this year's heat wave did not impact the industry as adversely as it has in previous years. CFO encourages

all farmers to notify their Field Service Representative (FSR) about any bird losses due to the heat. Moving forward, CFO will work with industry partners to identify more ways that we can work together in this area.

Southern Ontario recently experienced extreme weather conditions such as thunderstorms, high winds and tornados. CFO's District 2 Business Service Team has contacted farmers near Goderich and is happy to confirm that no damage was done to their farms.

Please remember to contact your FSR for assistance and information on under marketing as a result of damages or flock loss and the use of alternate production sites. To access the contact information for your District Business Service Team, please visit www.ontariochicken.ca and go into the 'Of Interest to Farmers' section.

