



Ontario's Chicken Industry News, Served Fresh.

CFO Developing Small Flock Risk Management Strategy

The Chicken Farmers of Ontario (CFO) has undertaken a project focused on regulated non-quota holding small flock growers. This will support the development of an integrated risk management framework – a 2011 initiative under the strategy of Supply Management Operational Excellence.

This project will assess the biosecurity risks of small flock growers to commercial production and recommend potential mitigation strategies. In addition, economic/production risks are being assessed by comparing Form 300 data to CFO statistics and government slaughter data.

To lead this project, CFO has enlisted the expertise of Dr. Tom Baker who

brings extensive experience in government regulation of the livestock and poultry production and processing sectors. CFO is also fortunate to be joined by Jean Marie Buregeya, a graduate student at the University of Guelph enrolled in the Master of Public Health (MPH) program. Jean is interning with CFO for the summer and will focus on assessing the potential biosecurity risks associated with small flocks.

Additionally, future University of Guelph student, Kerry Woolnough, has joined CFO as an intern to assist with data entry related to assessing the production implications.

To date, CFO has developed and distributed a biosecurity survey that is

being completed by a random selection of small flock growers. This survey will help CFO to better understand biosecurity practices that are currently in place within small flocks in Ontario. A sample of Small Flock growers' premises are also being inspected against CFO's Small Flock and Farm Gate Marketing Regulation. The results will assist CFO in working with small flock growers and Ontario chicken farmers to foster an even better poultry production environment in Ontario. A summary of the overall results will be posted on CFO's website in the fall of 2011.

This effort supports responsible supply management stewardship by reinforcing the cost-effective and socially-responsible production of safe, high quality chicken and sustainability-enhancing solutions for the Ontario chicken industry.



The CFO Infectious Poultry Disease Hotline

CALL US FIRST
1.877.767.2973
(1.877.SOS.BYRD)

OUR MISSION: To deliver strategy-driven and entrepreneurial leadership that builds value for the Ontario chicken industry

OUR VALUES: Excellence • Service • Collaboration • Innovation • Teamwork • Integrity • Communications

The Canadian Chicken Industry Manages Supply Addressing High Industry Input Prices

The agriculture and food industry is currently experiencing unprecedented and significant cost inflationary pressures. In addition to high grain prices which are driving livestock feed prices upward, the agriculture and food industry also faces increasing costs of energy, transportation, labour and packaging materials resulting in the profitability and sustainability of the chicken industry being adversely challenged.

Chicken Farmer of Canada (CFC) Directors collectively agree that in order to alleviate the negative impacts of high industry input costs, an industry approach is required. On May 20th, 2011, CFC set the allocation for A-106 at -2.5% relative to the adjusted base. The associated volumes of the allocation were 147.1 and 50.3 million eviscerated kilograms for Canada and Ontario. Those volumes correspond to production growth of -1.8% for Canada and +0.6% for Ontario.

In approaching the A-106 allocation, Chicken Farmers of Ontario (CFO) in its role as an **effective, responsive and progressive regulator**, led the initiative to build a strategy

to address the significant inflationary cost pressures that are currently impacting the industry. As part of the recommendation rationale, CFO conveyed its commitment to **responsible supply management stewardship**. CFO also encouraged value chain participants to demonstrate their commitment to building a stronger value chain by refraining to seek alternative supplies.

As part of this commitment, CFO will work collaboratively with industry partners to carefully monitor the health of the chicken industry to proactively respond to potentially harmful developments. Staff is currently conducting analysis and consulting with industry partners to develop a volume recommendation for A-107 (October 9 to December 3, 2011).

With actual production volumes and allocations up to A-106, the 2011 year to date growth in domestic production in Ontario would be 1.7%. With the continuing effort to address the cost inflation, a multi-period approach is required. The current outlook for 2011 is 1.0%.

Chicken Farmers of Ontario Joins Minister Mitchell to Celebrate the **Good Things that Grow in Ontario!**

CFO once again attended the Foodland market at Queen's Park. CFO shared samples of Ontario Chicken Lover's Salad made with Ontario Fresh Chicken® with over 700 Ontarians. This is CFO's third year attending the market and as demonstrated by the overwhelming

number of attendees, the desire to buy local is stronger than ever. Thank you to everyone who came to taste and celebrate the good things that grow in Ontario!



Growing safe, high quality chicken

Farm
Name



Coming Soon – New Farm Signs for Ontario Chicken Farms

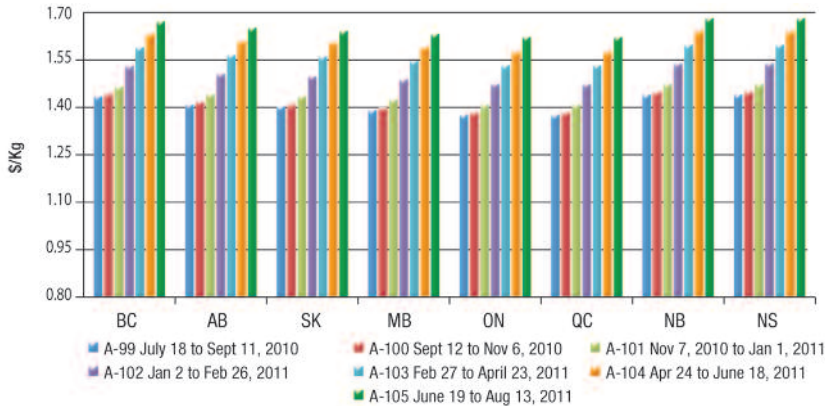
In an effort to promote broiler chicken farms across Ontario, CFO is in the process of developing updated laneway farm signs that reflect CFO's new brand.

Once the design has been finalized, each farmer will be contacted by their Supply Management Services Representative to determine the name that should appear on the farm sign and the delivery process.

Stay tuned to www.ontariochicken.ca for updates on this initiative!

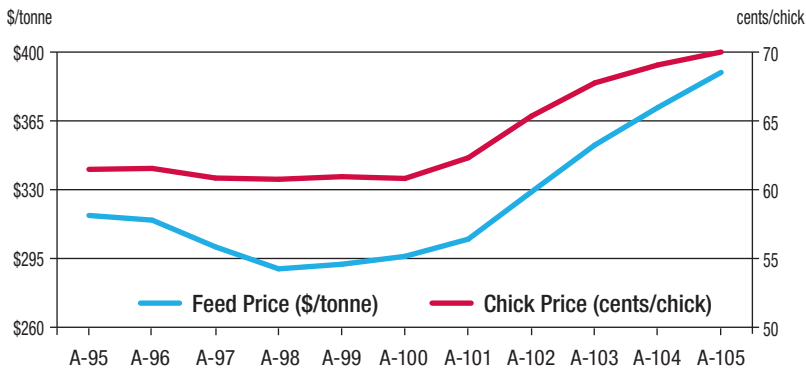
Market Performance – Increasing feed and chick prices drive the live price higher – production consistent with seasonality of consumption

Live Price - The upward trend for the live price continues in A-105 for the seventh consecutive quota period.



	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	A-105 19/06/11-13/08/11
BC	1.4331	1.4416	1.4650	1.5290	1.5881	1.6333	1.6742
AB	1.4065	1.4155	1.4405	1.5045	1.5635	1.6095	1.6505
SK	1.4012	1.4084	1.4334	1.4967	1.5589	1.6038	1.6442
MB	1.3890	1.3980	1.4230	1.4870	1.5450	1.5900	1.6310
ON	1.3740	1.3830	1.4080	1.4720	1.5310	1.5760	1.6170
QC	1.3740	1.3830	1.4080	1.4720	1.5310	1.5760	1.6170
NB	1.4390	1.4480	1.4730	1.5370	1.5960	1.6410	1.6820
NS	1.4390	1.4490	1.4730	1.5370	1.5960	1.6410	1.6820

Farmer Costs - With feed being of the inputs for chick prices, higher feed prices are also reinforced in higher live prices.



Production - Production volumes in 2011 are outpacing the levels from 2010.

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	70,498,775	215,341,727
A-103	02/27/11	04/23/11	70,187,462	214,143,080

Storage Stocks (kg) - Recent storage stocks data is exhibiting seasonal increases for April and May.

		Ontario	Canada
April	2011	16,425,573	38,263,353
	2010	13,778,543	35,512,042
May	2011	17,563,326	39,803,572
	2010	14,150,816	34,807,825

Sleeves and Levies - Overproduction sleeves for A-106 reverted to levels from A-90 to A-104.

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

Quota Utilization - For the last three quota periods, the average quota utilization for Ontario was 101% and Canada was 100.6%.

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

Quota Facts - 2011 quota facts as of April 6

No. of Quota Units Sold	373,641
No. of Transactions	80
No. of New Entrant Farmers	12

Update: Infectious Disease Study and Antimicrobial Resistance Study – Additional Farmer Participation Needed

Infectious Disease Study

In the spring of 2010, the University of Guelph, in collaboration with Chicken Farmers of Ontario (CFO), began recruiting broiler farmers to participate in a baseline surveillance study that aims to determine the level of viral and bacterial disease-causing organisms in commercial broiler flocks in Ontario. Recruiting for this study is still taking place and researchers will be contacting farmers via telephone to request their participation. This study has been extended through the fall of 2011 with the hopes of gaining more farmer participation.

To date, 140 farmers/flocks have participated. Participation involves allowing the researchers to take samples from the flock at the processing facility on the day of slaughter, and a visit from the research team to fill out a brief questionnaire (approx. 30 minutes). Farm confidentiality will be strictly respected and no individual data will be made public. Participating farmers will be provided with feedback on the level of viruses and bacteria from their flocks.

If you have any questions or concerns about phone calls you receive regarding a study or survey, please contact your Supply Management Services

Representative. Your support and participation is appreciated in this research effort. A letter with more information on the study was mailed out in March 2010, and is available at www.ontariochicken.ca in the members section.

Please contact one of the below with questions or comments:

Dr. Michele Guerin
mguerin@uoguelph.ca
or 519-824-4120 ext. 54486

Dr. Gwen Zellen
gwen.zellen@ontariochicken.ca
or 289-288-4208

Antimicrobial Resistance Study

In the spring of 2010, The University of Guelph in collaboration with Chicken Farmers of Ontario (CFO), began recruiting broiler farmers to participate in a pilot study that examines antimicrobial resistance in conventionally and antibiotic-free raised chickens. The study aims to obtain data on antimicrobial resistance in conventional, organic, and antimicrobial-free production systems in Ontario.

Since July 2010, 75 flocks (38 conventional, 32 antimicrobial-free, 5 organic) from 16 quota-holding producers have been enrolled. Through

additional funding from the Canadian Poultry Research Council, and the Natural Sciences and Engineering Research Council of Canada (NSERC), the study has been extended and expanded to allow for the enrolment of 35 additional flocks from different producers during the summer of 2011. Farm confidentiality will be strictly respected and only aggregated data will be presented. Participating producers will be provided with feedback on the level of organisms and the antimicrobial resistance identified on the individual barns/farms. This study will proactively address emerging risks associated with antimicrobial resistance and increased opportunities for trade. Your support and participation is appreciated in this research effort.

Please contact one of the below with questions or comments:

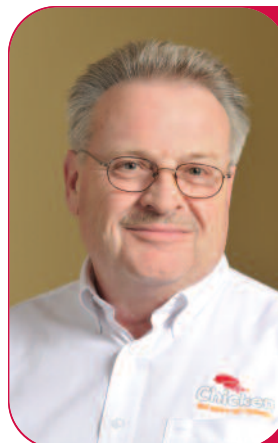
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519-826-2351

CFO Recognizes Bill Miedema and 22 Years of Service

After 22 years of service and dedication to CFO and the poultry industry, Bill Miedema will retire on July 15, 2011. Bill served in the Field Department as a Field Services Representative. CFO staff and Ontario farmers have all benefited from his knowledge, passion and commitment to superior customer service. The CFO Board and staff would like to thank Bill for his hard work and wish him well in his future endeavours!



“I’ve witnessed a tremendous amount of growth within the industry and I know it will continue to evolve” said Bill. “I will truly miss working with Ontario farmers and the staff at CFO and I would like to thank you all for making my years in the industry so memorable.”

Your District 5 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.



Henry Zantingh
BOARD DIRECTOR

Henry Zantingh has been a chicken farmer for 15 years and Board Director for 5 years.



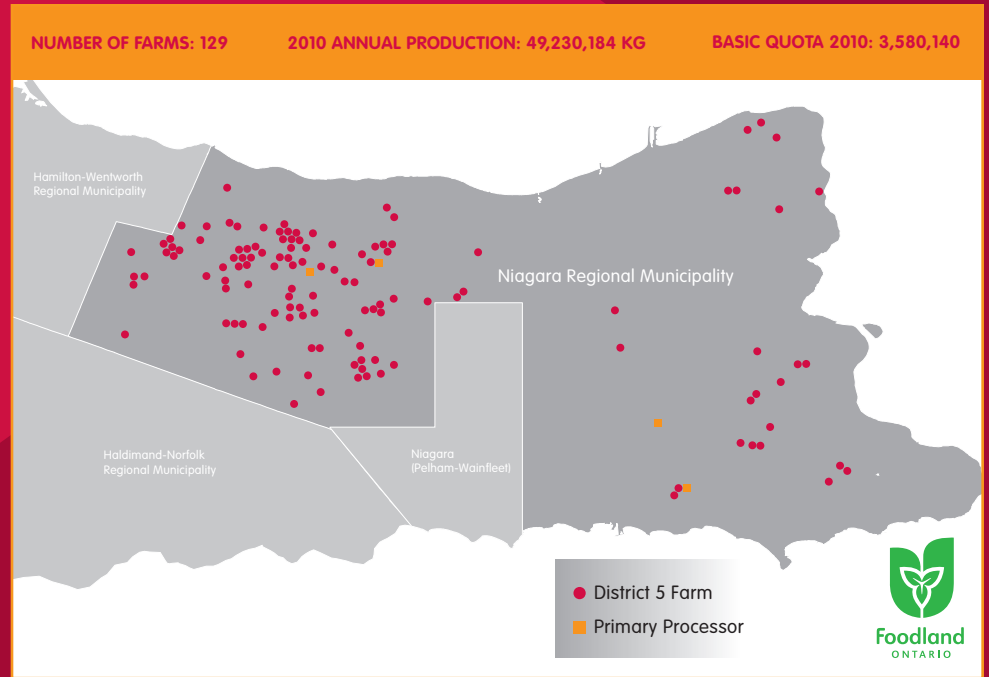
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Susan Thompson
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District Committee Representatives

- Sid Feddema
- Jordan Fois
- John Kikkert
- Gabe Kocsis

Primary Processors Located in District 5

- Grand River Foods
- Cami International Poultry
- Pinty's Delicious Foods
- Riverview Poultry

CFO Leadership Development and Recognition

Chicken Farmers of Ontario's (CFO) mission is to deliver strategy-driven and entrepreneurial leadership that builds value for the Ontario chicken industry. Executing a disciplined business model, one of CFO's primary accountabilities is to deliver the cost-effective and socially responsible production of safe, high quality chicken in Ontario.

Importantly, we recognize that CFO's mission is only as strong as its people. Building talent at CFO for today and tomorrow is critical to our future growth and success.



CFO would like to congratulate **Carl Stevenson** on his promotion to Field Services Manager. Carl has been a Field Service Representative with CFO for 4 years and

his well-earned new leadership role supports our continued focus on growing and sustaining a CFO operating

culture that focuses on customers, high performance and our people.

As Manager, Field Services, Carl and his team of Field Service Representatives will ensure that Ontario chicken farmers follow rigorous food quality standards, pursue good farming practices, continually improve costs, work safely, support poultry health and welfare, and balance profitable business development with environmental responsibility.



A Message from our CEO – Rob Dougans



In its role as an effective, responsive and progressive regulator, CFO is committed to delivering high-quality, high-value supply management solutions and services to farmers, to primary processor-customers, and to Ontario's value-added food manufacturers.

We are aggressively pursuing a disciplined plan to transform our CFO business capabilities to deliver on this customer promise.

Significant customer service progress has been made at the CFO Board level in terms of executing a consistent and focused strategy, by engaging farmers and industry stakeholders in meaningful dialogue to better understand their businesses and to increase our ability to anticipate and meet their expectations and needs, and by demonstrating higher levels of corporate governance through leadership, education and training.

I note the attached advertisement, running in the August issue of *Canadian Poultry* that confirms the Board's accountability to create value for our customers by delivering strategic and practical solutions and service. Several articles in this month's Ontario Chicken newsletter also highlight progress in providing services; for example, in the areas of on-farm safety and for small flock risk management.

Our CFO staff team have a crucial role to play when it comes to achieving CFO's strategic and operating ambitions. Serving the interests of customers is the guiding principle behind CFO staff plans and operations. We will plan and deliver effective and efficient supply management "products", provide the appropriate advice to our customers, and provide high-value services that meet the needs of our customers. We're critical of ourselves and are keen to learn from our customers as to what we do well, and what could be improved.

We're building a results-focused "can do" organization with dedicated and knowledgeable staff that strive to continually improve our business. Each day, our employees engage in a dialogue with our customers about the opportunities and issues associated with their operations. To support our customer-focused team, we are investing in education, training, and coaching as well as new processes and tools – all aiming at providing top-quality, well-considered customer

service while growing positive, productive customer relationships through dialogue, respect and consistency.

We recognize that our reputation and the trust that farmers, the Ontario food industry and government place in CFO depends on how we conduct ourselves in our everyday business operations. To achieve our relationship and value-creating goals, we rely on the integrity, knowledge, skill and professionalism of the CFO Board and staff. Through our performance, over time, CFO will earn a reputation for being the best for reliable, timely customer service as well as for the strength of our customer relationships.

To be featured in *Canadian Poultry* - Who's Who August 2011



Our mission is to deliver strategy-driven and entrepreneurial leadership that builds value for the Ontario chicken industry



"We are passionate about building our business through decisive, purposeful action and positive, productive industry relations."

Left to Right (back row): John Maaskant, Henk Lise, Tim Klompmaker, Adrian Rehorst, Murray Opsteen, Ryan Van Til, Ed Verkleij
Left to Right (front row): Henry Zantingh, Murray Booy



A message from our CEO Rob Dougans

We're very proud of what we do! In its role as an effective, responsive and progressive regulator, CFO works closely with farmers, key industry stakeholders and government to grow Ontario industry value and sustainability. We have a clear strategy and guiding values. We are supported by a professional, disciplined CFO team and performance-driven operating culture.

CFO's business model reflects our commitment to responsible supply management stewardship which will meet or exceed two primary business accountabilities.

- deliver cost-effective and socially-responsible production of safe, high quality chicken
- deliver value and sustainability-enhancing solutions for the benefit of the Ontario chicken industry value chain

Chicken Farmers of Ontario

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