

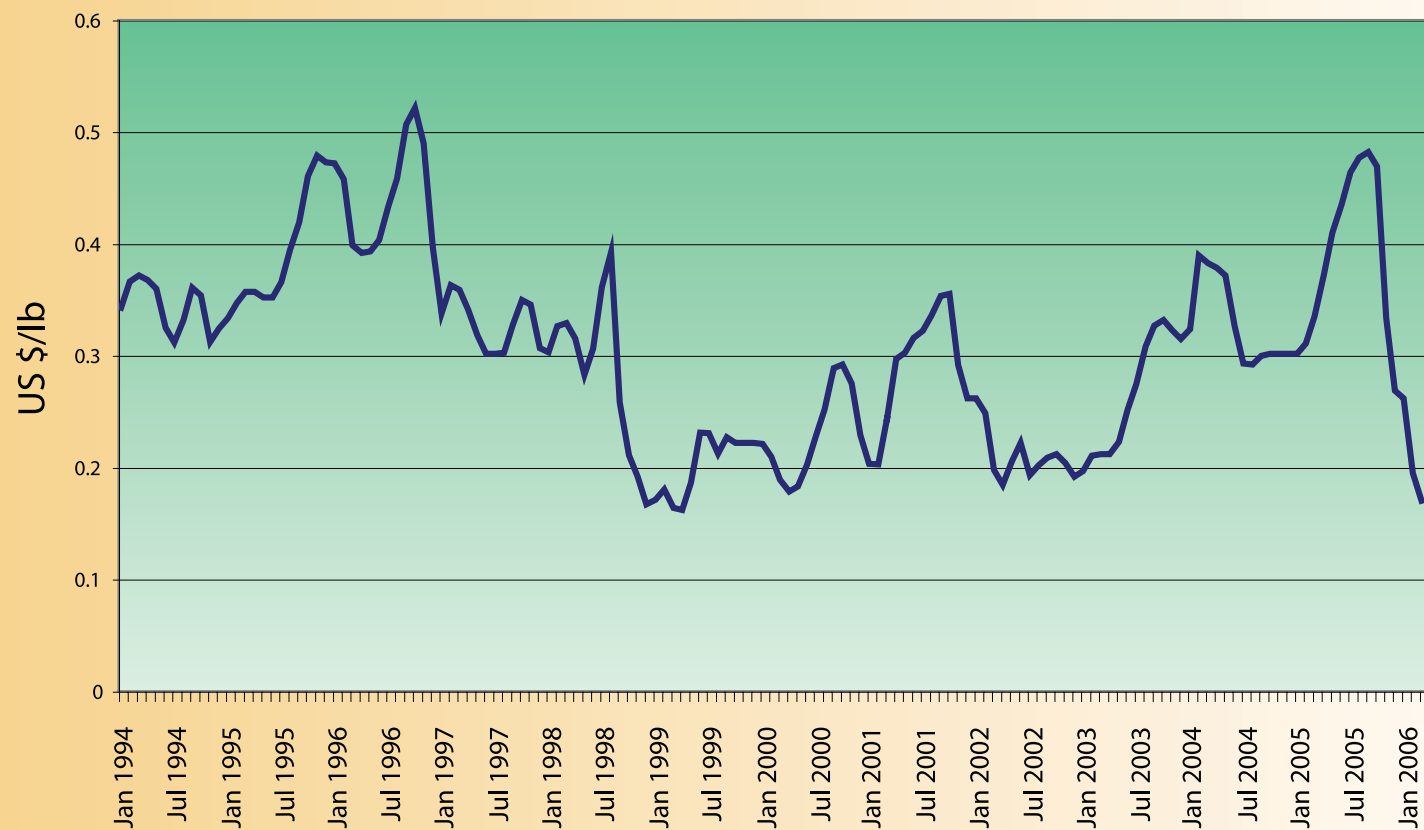
Nailor's Numbers by Mike Nailor, Director of Economics & Information Management



The United States (US) leg quarter price is a proxy for the world price of leg quarters. The following graph shows the monthly frozen leg quarter price in the US. In September of 2005, the US wholesale price of leg quarters reached a near record high. For most of 2005, leg quarter prices were the darling of the chicken market. Immediately after reaching this near record in September, the leg quarter price began its rapid decline. The world market for dark meat and chicken in general took a major hit beginning in

the fall of 2005 driven in large part over concerns of consumers, particularly in Europe, relating to avian influenza (AI). Fortunately, according to a recently released survey by Chicken Farmers of Canada, the demand for chicken by Canadian consumers remains strong. Unfortunately, however, Canadian processors are not isolated from the influence of world markets for chicken. As a result, Canadian processors have seen a similar decline – albeit not to the same degree – in Canadian leg quarter price. Recent year over year allocations have reflected the Canadian chicken industry's attempts to correct the situation domestically. All industry participants are hoping for an improvement in markets as we move closer to the high demand summer months.

Monthly US Frozen Leg Quarter Prices




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A RELIABLE SOURCE OF INFORMATION FOR ONTARIO CHICKEN FARMERS

Minister of Health Salutes Ontario's Chicken Farmers

"Ongoing Challenges, Ongoing Successes" – that was the theme of this year's Annual General Meeting, held at the Doubletree International Plaza in Toronto. A highlight of the day's events was the appearance by The Hon. Tony Clement, who gave his first major speech as Canada's Minister of Health.



Referring to the cancellation of the Poultry Show at last year's Royal Agricultural Winter Fair, Minister Clement applauded CFO's decision to collaborate with other industry and government stakeholders in order to develop a public education program to address misconceptions amongst both consumers and the media.

"As chicken farmers," the Minister said, "you represent the front lines of the war on avian flu and I'm here today to salute the tremendous work you're doing in that regard. You are leading the way in terms of implementing biosecurity measures at the farm level and reporting signs of disease early on to authorities."

"Canada," Minister Clement said, "is recognized as a world leader in pandemic planning. Our flu experts have been working together for more than a decade on a national pandemic influenza plan."

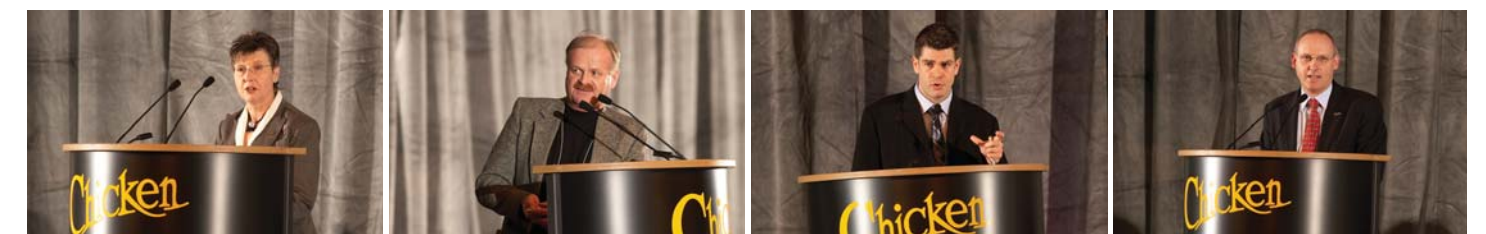
"The very existence of the CFO," he said, "speaks to your recognition of and commitment to collaboration. The avian flu threat clearly demands a cooperative approach from all of us. Canadians should be encouraged by the fact that you've been solving industry problems together for more than four decades."

The Minister went on to state that Health Canada, the Public Health Agency of Canada, and the Canadian Food Inspection Agency are working collaboratively with international partners such as the World Health Organization (WHO) and the Food and Agriculture Organization of the UN to monitor avian influenza trends and developments on a daily basis.

Released in 2004, the WHO regards it as a model for other countries to follow. It is in the process of being updated, and will be re-released later this spring.

In his concluding remarks, the Minister pledged to use every opportunity to raise awareness about what Ontario chicken farmers are doing to ensure the safety of Canada's chicken supply.

"Unfortunately," he said, "we likely can't prevent avian flu from crossing Canada's borders. But we can certainly enhance our ability to detect it and contain its spread. Thank you for doing your part."



The 2006 Annual Meeting was officially opened with a welcoming message from Maria Van Bommel, MPP, Lambton-Kent-Middlesex, and Parliamentary Assistant to Ontario's Minister of Agriculture, Food and Rural Affairs, The Hon. Leona Dombrowsky. Following the speech by The Hon. Tony Clement, Dr. John Churchill and Dr. Francois Caya of the Canadian Food Inspection Agency spoke on Emergency Management and Disease Control and CFO Board Director Bill Woods discussed the Avian Influenza threat from a chicken farmer's perspective.

Notice to Producers

Disease Management Advisory

CFO is aware that a producer may sustain spikes in mortality during the grow-out period or shortly prior to shipping. If this is the case, CFO strongly recommends that all producers consult a Veterinarian as soon as they experience any unexplained increase in mortality or observe unusual symptoms in their flocks. We would ask that you contact the Board, as well; we may be able to help.

The only way to contain an outbreak of contagious diseases from spreading is early detection. Any outbreak can be damaging to the industry but one involving a large number of flocks can be devastating and could cause the consumer to lose confidence for a long period of time. Protect yourself and your fellow producers by being proactive, constantly vigilant, and reactive; the future of our industry depends on you.

Feed Withdrawal

CFO would like to remind producers about the importance of recognizing on-farm feed withdrawal practices, prior to processing. This is not only for consumer safety, but can also help to minimize condemnations at the plant. Proper feed withdrawal practices are a mandatory component of your On-Farm Food Safety Assurance Program (OFFSAP).

The implementation of proper feed withdrawal practices is essential in order to avoid crop and fecal contamination during processing. Before chickens are shipped to the processing plant, feed must be withdrawn on-farm to ensure emptying of the bird's digestive tract, and to reduce chances that the carcass will be contaminated during processing. If food, feces or any material in the digestive tract is released as a result of processing, these contaminants may contain bacteria that will adhere to the carcass. Every effort must be made to ensure that the bird's gut is completely empty by the time it is processed, through proper feed withdrawal procedures.

These procedures include raising the feeders so that the chickens no longer have access to feed, not simply interrupting the feed supply by shutting it off. Access to water, however, should always be maintained until just prior to catching. Timing for feed withdrawal and the raising of your feeders depends on several factors, which include:

- Your feeding program
- The size of the birds
- The weather
- The scheduled time for catching
- How long the birds will be transported
- How long the birds will wait at the plant before processing

Other factors may also need to be taken into account when determining the proper feed withdrawal practices for your farm. Therefore, it is imperative that you work closely with your processor to determine what is right for you.

Recognizing proper feed withdrawal practices will help to minimize food safety risks and reduce the possibility of down time during processing.

If you have any questions relating to feed withdrawal practices, please contact your processor, your Services and Inspection Representative, or the Board office.

New CFO Website Now Live



Ontario chicken farmers have a new meeting place – on line.

The new CFO website, which was launched early this month, includes a Producer Discussion Board – a producer-to-producer support forum that enables all chicken farmers in Ontario to meet online and discuss various topics, resolve issues, ask questions, get tips and advice...and more.

Getting started is easy. Go to www.cfo.on.ca and click on the "Member Login" button. You'll be asked to complete some information for the first time login and agree to the discussion board guidelines. Then click on "Discussion Forum" to scan forums and topics. You can read recent posts from other producers or add your own comment to a discussion.

The scope and shape of this discussion board is really up to you. Based on producer interests, discussion topics may be added and expanded to meet your needs. CFO hosts and maintains this service on behalf of all Ontario chicken farmers.

BOARD ANNOUNCEMENT

New Life Farms Ltd. and New Life Mills Ltd.

Many producers will be aware that the Board is still involved in a legal action with the following individuals and corporate entities: Chuck Drost, Peter Drost, Don Drost, Joe Drost, Mark Drost, New Life Farms Ltd., Don Drost Enterprises Ltd., Joe Drost Limited, Victory Farms Ltd., Drost Farms Ltd. and Mark Drost Farms Ltd.

It has come to the Board's attention that there may be some confusion because of the similarity in names between New Life Farms Ltd. of Beamsville, Ontario, and New Life Mills Ltd., a feed supplier located in Cambridge, Ontario.

In order to clarify any potential misunderstanding, the Board wishes to state that first, it is not aware of any relationship between New Life Farms Ltd. and New Life Mills Ltd., and believes them to be completely separate entities, and second, that the Board is not involved in any legal proceedings of any kind with New Life Mills Ltd.

Meeting the Challenge

CFO's Communications department, in association with Timeline Communications, has produced a three-minute educational video showing the precautions chicken farmers take in order to protect their birds. The video, called "Meeting the Challenge," was played at the Annual Meeting in March and was well-received. As CFO Board Director Tom Beischlag said when introducing the video, "We believe we have a good story to tell when it comes to biosecurity and taking precautions, and we are proud to tell it."

CFO plans to use this video and others like it at schools and fairgrounds across the province. Our thanks to producer Les Keczan for taking part in the video and letting us film on his farm. "Meeting the Challenge" can be seen on the CFO website at www.cfo.on.ca.

