



Chicken Farmers  
of Canada  
Les Producteurs de  
poulet du Canada

# Good Business Great Chicken



## Canadian Leadership

Chicken Farmers of Canada (CFC) and its stakeholders work together on behalf Canada's chicken industry, from farmer to consumer. Ours has long been a Canadian success story, known for its growth and leadership within an evolving supply management system. Strong leadership and proactive strategies will always play an integral role in our ongoing success.

CFC adheres to a rigorous strategic planning process to provide the Canadian chicken industry with clear, common goals for the coming year – and for the future – ensuring a solid direction and purpose for all industry stakeholders. 2009 will mark the first year of a new five-year strategic plan that defines the mission, vision and goals for the chicken industry.

### *Our Mission:*

To build an evidence-based, consumer-driven Canadian chicken industry that provides opportunities for profitable growth for all stakeholders.

CFC's main responsibility is to ensure that our 2,800 farmers produce the right amount of fresh, safe, high quality chicken that consumers trust.

CFC represents the interests of chicken farmers and the Canadian chicken industry. CFC plays a key role in developing, partnering or managing programs for Canada's chicken farmers that prove that farmers effectively mitigate and manage risks for the benefit of the industry, governments and the public.

CFC strives to ensure that key decision makers in government fully understand the views of Canada's chicken farmers and that these are taken into account when important agriculture and trade policy decisions are made and implemented.

## Our Supply Management System

The Canadian chicken industry operates under a system known as "supply management". This system matches production to Canadian demand. Consumers get good value for their money: a reliable supply of quality food at reasonable prices. Farmers receive their returns from the marketplace without relying on subsidies or taxpayer dollars and the Canadian market is open to a predictable level of imported food.

Supply management is recognized by federal and provincial governments as an effective risk management program. With its three strong pillars (import controls, production planning and producer pricing), the supply management system for chicken continues to evolve to meet the changing demands of the marketplace.

### A Quick Lesson on Supply Management

Supply management is founded on three critical and equally important pillars. If one pillar is weakened, supply management as a whole is weakened.

| <i>Import Controls Pillar</i>  | <i>Production Planning Pillar</i>  | <i>Producer Pricing Pillar</i>  |
|--|--|---|
| Matching supply with demand for food allows Canadians to count on stable food prices. This, along with the predictability of imports, ensures that it is possible to make a living in agriculture. To achieve this, we need effective tariff rate quotas with over-quota tariffs that control imports of dairy, poultry and egg products in all their forms. | Under supply management, farmers plan their production to provide a steady supply of quality food that efficiently reflects changes in consumer demand. This prevents sudden price shifts as products move from farm to plate. | In Canada, farmers collectively negotiate minimum farm gate prices for milk, poultry and eggs. By acting together, farmers negotiate a fair price for their products based on what it costs to produce them. Farmers do not set wholesale or retail prices. |

This system has the support of Canadians. 86% of Canadians feel that it is important that the chicken they buy is from Canada. And Canadians believe that we have to support Canadian chicken farmers. 92% agree that it is important that the Canadian Government actively defend the interests of the Canadian chicken farmers.

## Our Strength is Growing

The Canadian chicken industry is celebrating a big milestone: 2007 marked the year that the industry achieved 1 billion kilograms in production!

When CFC was created, chicken production was three times less than it is now, scarcely making a dent in meat consumption at 355 million kilograms. Now, chicken is Canada's number one meat, with per capita consumption at 31.9 kilograms and an over 30% share of all meats on the market today.

### *The World Trade Organization:*

The agreement must preserve supply management

Canadian consumers have ranked chicken as their number one meat choice:

- 97% say they buy poultry, and eat chicken an average of 8.6 times per month.
- 82% of the survey respondents say they prepare or cook meals with chicken at home at least once per week, up from 75% in 2004.
- Respondents are very supportive of Canadian chicken farmers.

Our success as an industry is a result of our stable policy environment and better planning horizons that allow farmers and processors to invest with confidence and increase the efficiency of their operations.

\* Results of 2007 Usage & Attitudes Study (Leger Marketing)

## Canadian Economy

The chicken industry is a major force within the Canadian economy, with a farm gate value of \$1.5 billion and a national economic contribution of \$9.5 billion. There are roughly 19,000 jobs directly related to the Canadian chicken industry, on chicken farms and in processing plants across the country. There are also thousands of other spin-off jobs that depend on our industry – employees in hatcheries and feed mills, transportation, equipment manufacturers, jobs in the foodservice and retail sectors.

### *Leaders in Production:*

One billion kg of production and growing

## Community Benefit

Chicken farmers support their rural communities. They buy over 2.4 million tonnes of Canadian feed and grain from local feed mills and almost 600 million chicks from local hatcheries. In addition, the money earned by Canada's chicken farmers is returned through support for community services, municipal taxes, and household purchases.

Our suppliers are the 260 broiler hatching farmers, 111 hatcheries, 120 feed manufacturers, 213 feed supplement suppliers, and 82 medicinal manufacturers from all 10 provinces – a total of 786 farms and companies.

Our customers are the chicken processors and further processors that operate from coast to coast, creating thousands of jobs and millions of dollars in sales, all supplied by Canada's chicken farmers.

## Industry Strength

Our industry is also a player in world trade. Exports of Canadian chicken have increased to 120 million kg within the last decade. Canada is the 9<sup>th</sup> largest importer in the world, with chicken imports last year of 162 million kg.

The industry is tremendously proud of the growth and popularity of Canadian chicken. We depend on the maintenance of our current systems to give us the flexibility we need to continue responding to the evolving needs of the marketplace, as we have for generations.

## *Making an Impact:*

**19,000 jobs and \$9.5 billion  
economic contribution**

## Delivering the Goods to Canadians

The chicken industry has long been a Canadian success story, known for its leadership and responsiveness within an evolving supply management system. Our proactive initiatives reduce risks to consumers and government, and deliver on society's priorities especially in the areas of food safety, emergency management, animal care and research.

## On-Farm Food Safety

Chicken farmers are leaders in on-farm programs that address consumer demands, create a safer, quality product and deliver a public good. CFC's on-farm food safety program, called *Safe, Safer, Safest*, involves a food safety manual, audited on-farm practices, and recognition by the Canadian Food Inspection Agency (CFIA). It has been developed by farmers for farmers and respects Canadian regulatory requirements.

*Safe, Safer, Safest* takes a comprehensive look at on-farm food safety hazards and employs methods which reduce and control these hazards. A key element of the program is the record keeping and documentation that provides the proof of the industry's good production practices, subsequently differentiating between Canadian and international practices.

## Emergency Response Planning

CFC has worked with national and provincial poultry partners to develop plans and protocols to ensure the highest emergency management strategies in cases of animal disease, like avian influenza. In partnership with each level of government, CFC is constantly monitoring, reviewing and testing policies and strategies within the areas biosecurity, surveillance, traceability and compensation options.

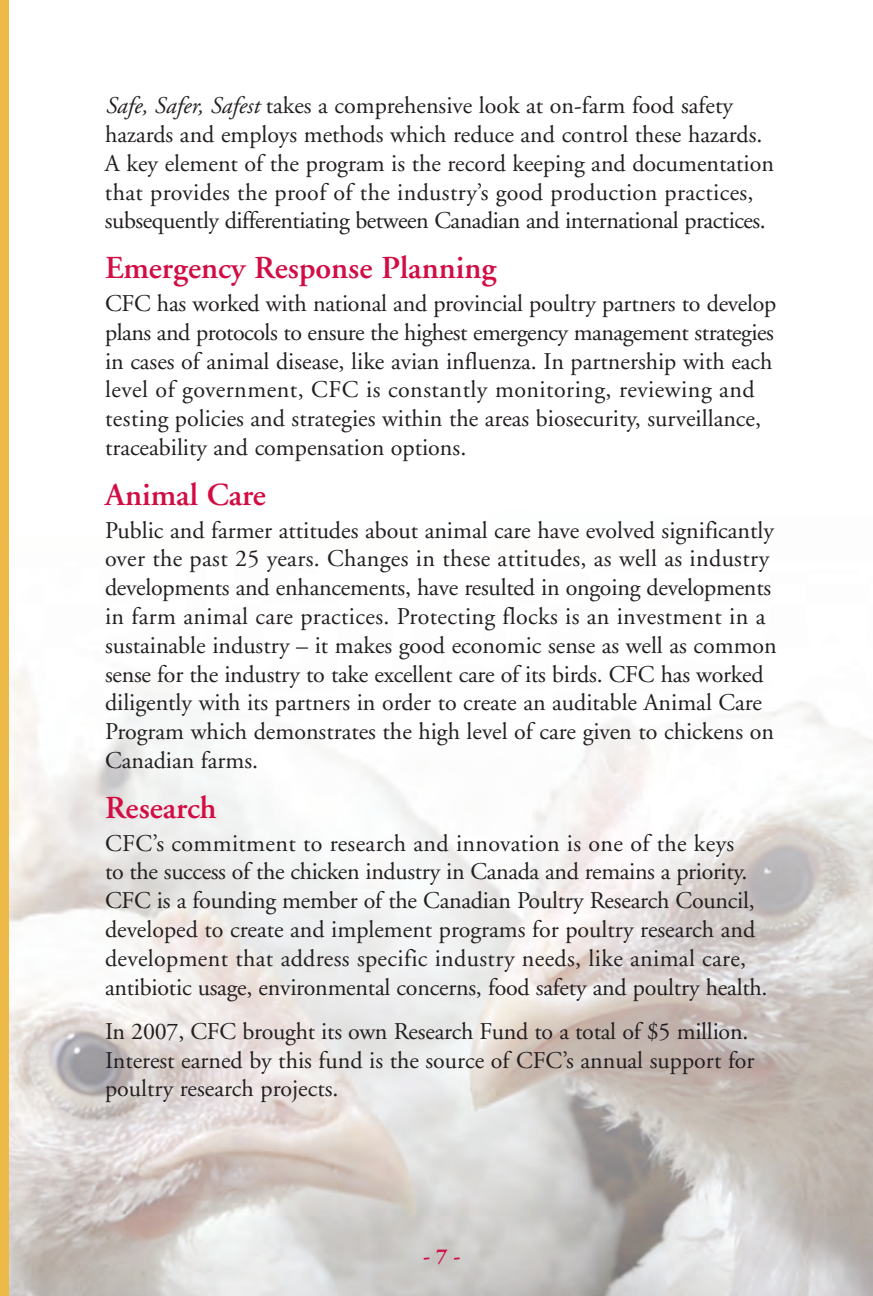
## Animal Care

Public and farmer attitudes about animal care have evolved significantly over the past 25 years. Changes in these attitudes, as well as industry developments and enhancements, have resulted in ongoing developments in farm animal care practices. Protecting flocks is an investment in a sustainable industry – it makes good economic sense as well as common sense for the industry to take excellent care of its birds. CFC has worked diligently with its partners in order to create an auditable Animal Care Program which demonstrates the high level of care given to chickens on Canadian farms.

## Research

CFC's commitment to research and innovation is one of the keys to the success of the chicken industry in Canada and remains a priority. CFC is a founding member of the Canadian Poultry Research Council, developed to create and implement programs for poultry research and development that address specific industry needs, like animal care, antibiotic usage, environmental concerns, food safety and poultry health.

In 2007, CFC brought its own Research Fund to a total of \$5 million. Interest earned by this fund is the source of CFC's annual support for poultry research projects.



# Chicken Industry at a Glance

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|--|--------------------|
| Economic activity                                    | \$ 9.5 billion     |
| Chicken farm cash receipts                           | \$ 1.5 billion     |
| Number of chicken farmers across Canada              | 2,800              |
| Employment on chicken farms and in processing plants | 19,000             |
| Number of poultry processing plants                  | 194                |
| Number of hatcheries                                 | 111                |
| Feed purchases                                       | 2.4 million tonnes |
| Chicken production                                   | 1 billion kg       |
| % increase since 1990                                | 80%                |
| Chicken exports                                      | 120 million kg     |
| Chicken imports                                      | 162 million kg     |
| Per capita consumption (PCC) of chicken              | 31.9 kg            |
| % increase of PCC of chicken since 1990              | 43%                |
| Per capita consumption of all other meats combined   | 63.3 kg            |
| % decrease of all other meats combined since 1990    | -6%                |

