Memorandum of Understanding for a long term chicken allocation agreement

1. General

1.1   In accordance with the agreement-in-principle reached by provincial chicken boards and Chicken Farmers of Canada (CFC) on July 8, 2014, this Memorandum of Understanding (MOU) sets out guiding parameters for allocating growth in Canadian chicken supply commencing in Period A-127 based on the following principles:

A. All provinces will share in growth through an allocation formula that incorporates the following differential growth components: provincial shares of national base allocation, population growth, income-based Gross Domestic Product (GDP) growth, Consumer Price Index, Farm Input Price Index, quota utilization, further processing and supply share; and

B. A discrete periodic supply of the compounded equivalent of 14,184,786 kgs will be allocated to Ontario over 66 periods.   The supply will come from compounded equivalent reductions in allocations over 66 periods for the provinces other than Ontario and Alberta of: 4,645,018 kg for British Columbia, 2,447,375 kg for Saskatchewan and Manitoba combined, 4,645,018 kg for Québec, and 2,447,375 for New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador combined.

1.2   This MOU:

A. Is intended to complement the Federal-Provincial Agreement for Chicken (FPA) and Operating Agreement (OA), while serving as the foundation of long term amendments to the OA and facilitating the immediate re-entry of Alberta as an FPA signatory;

B. Is to be interpreted in accordance with the terminology and definitions in the FPA and OA, unless otherwise indicated;

C. Has been designed to enable CFC to fulfil its statutory obligations;

D. Will not detract from the bottom up allocation setting process, whereby provincial marketing boards identify their proposed market requirements for each period and submit them to CFC for the purpose of enabling CFC to determine periodic quota allocations;

E. Does not diminish the statutorily mandated role of federal and provincial supervisory bodies.

2. Commencement and ongoing implementation of the MOU

2.1   This MOU will be effective upon the setting of the allocation for Period A-127, and will remain in effect until the OA is amended.

2.2   This MOU will continue to serve as a reference point in the interpretation of the amended OA and in CFC's annual review of the OA.

3. Procedures for national allocations set at or below the national base allocation

3.1   If the national allocation for a period is set at base or below base, the national allocation will be distributed amongst the provinces on the basis of provincial shares of the national base allocation for that period. For example:

A. If the national allocation is set at 1% below base for a period, each province will receive an allocation that is 1% below its base allocation for that period; and

B. If the national allocation is set at base for a period, each province will receive its base allocation for that period.

3.2   It is understood that the provincial shares of the national base allocation will evolve over time based on the application of the differential growth formula in section 4 and 5, and the discrete supply to Ontario in section 6.

4. Procedures for national allocations set above the national base allocation

4.1   Subject to the other provisions in this MOU, if the national allocation for a period is set above base, the growth (over base portion) of the domestic allocation will be distributed using a differential growth formula that consists of the following eight components and component weighting:

A. Provincial share of the national base allocation – 45%

B. Population growth – 7.5%

C. Income-based Gross Domestic Product (GDP) growth – 7.5%

D. Consumer Price Index (CPI) – 7.5%

E. Farm Input Price Index (FIPI) – 10%

F. Quota Utilization – 7.5%

G. Further Processing – 10%

H. Supply Share – 5%

4.2   The data sources, update frequency and schedule, calculations and application for each component are described in section 5. The calculation and application methodology will remain constant, except as outlined for the further processing component in section 5.7.4, while the data used in the calculations will be updated as new data become available a minimum of 26 weeks prior to the start of the period that is being set.

5. Differential Growth Formula Components

5.1   Provincial share of the national base allocation

5.1.1   Forty-five percent of the growth in allocation (over base portion) is calculated using the provincial shares of the national base allocation for the period being set.

5.1.2   Using Period A-127 as an example, the provincial shares of the national base allocation growth component is calculated on the province's share of the national base allocation for that Period:

Provincial share of the national base allocation component										
	BC	AB	SK	MB	ON	QC	NB	NS	PE	NL	CANADA
Base A127	21,286,650	13,811,648	5,317,246	6,224,257	49,679,985	40,467,374	4,277,281	5,346,840	580,780	2,091,310	149,083,371
Pro-rata component distribution factors	14.278%	9.264%	3.567%	4.175%	33.324%	27.144%	2.869%	3.586%	0.390%	1.403%	100%

5.2   Population growth

5.2.1   Seven and a half percent of the growth in allocation (over base portion) is calculated using population growth distribution factors. Only provinces that had an increase in population will receive a share of the kilograms available under this component.

5.2.2   The population growth component uses the percentage changes in provincial population between the most recent available quarterly population estimate (Statistics Canada, CANSIM Table 051-0005 and Quarterly Demographic Estimates 91-002-X) and the same quarter of the previous year.

5.2.3   The provincial percentage growth rates are standardized by multiplying the qualifying provinces' percentage growth rate with the qualifying provinces' share of the sum of the qualifying provinces' population.

5.2.4   In periods in which no province qualifies to receive a share of this component, the kilograms will be distributed on the basis of the provincial shares of the national base allocation.

5.2.4   Using Period A-127 as an example, the population growth component is calculated on the population growth from Q1 2013 to Q1 2014:

Population Growth (Quarterly Population Estimates, Statistics Canada, CANSIM Table 051-0005)										
	BC	AB	SK	MB	ON	QC	NB	NS	PE	NL	CANADA
Population January 1 2013	4,558,900	3,948,242	1,097,447	1,257,951	13,474,940	8,115,740	756,228	943,573	144,963	527,754	32,598,183
Population January 1 2014	4,609,946	4,082,571	1,117,503	1,272,062	13,598,676	8,179,712	755,464	940,592	145,211	526,896	33,005,681
Provincial change #	51,046	134,329	20,056	14,111	123,736	63,972	-764	-2,981	248	-858	407,498
Provincial change %	1.120%	3.402%	1.828%	1.122%	0.918%	0.788%	-0.101%	-0.316%	0.171%	-0.163%	1.250%
January 1, 2014 pop shares	13.967%	12.369%	3.386%	3.854%	41.201%	24.783%			0.440%		100%
Standardized score	0.00156	0.00421	0.00062	0.00043	0.00378	0.00195	0.00000	0.00000	0.00001	0.00000	0.01257
Population growth component distribution factors	12.444%	33.485%	4.923%	3.440%	30.104%	15.544%	0.000%	0.000%	0.060%	0.000%	100%

5.3   Income-based GDP growth

5.3.1   Seven and a half percent of the growth in allocation (over base portion) is calculated using income-based GDP growth distribution factors. Only provinces that had an increase in GDP will share in the kilograms available under this component.

5.3.2   The income-based GDP growth component uses the average annual growth in income-based GDP (Statistics Canada, CANSIM Table 384-0037) in the three most recent years for which data is available, and multiplies the three-year averages with the provincial shares of the national base allocation for the period being set to calculate the distribution factors for this component.

5.3.3 In periods in which no province qualifies to receive a share of this component, the kilograms will be distributed on the basis of the provincial shares of the national base allocation.

5.3.4 Using Period A-127 as an example, the income-based GDP growth component is calculated on the 3-year average of annual growth from 2009 to 2012:

Income-based GDP (Statistics Canada - CANSIM Table 384-0037)											
	BC	AB	SK	MB	ON	QC	NB	NS	PE	NL	CANADA
Income based GDP 2009	100,335	123,232	23,379	26,188	324,517	163,775	15,235	18,905	2,588	10,147	**808,301**
Income based GDP 2010	102,467	126,399	24,602	26,882	336,521	169,059	15,628	19,424	2,672	10,738	**834,392**
Income based GDP 2011	106,804	136,426	26,955	28,047	351,225	177,789	16,158	20,569	2,788	11,682	**878,443**
Income based GDP 2012	111,237	149,031	29,125	29,260	362,242	184,418	16,459	20,499	2,888	12,723	**917,882**
growth 2010 vs 2009	2.125%	2.570%	5.231%	2.650%	3.699%	3.226%	2.580%	2.745%	3.246%	5.824%	**3.228%**
growth 2011 vs 2010	4.233%	7.933%	9.564%	4.334%	4.369%	5.164%	3.391%	5.895%	4.341%	8.791%	**5.279%**
growth 2012 vs 2011	4.151%	9.239%	8.050%	4.325%	3.137%	3.729%	1.863%	-0.340%	3.587%	8.911%	**4.490%**
average growth 2010-2012	3.503%	6.581%	7.615%	3.770%	3.735%	4.040%	2.611%	2.767%	3.725%	7.842%	**4.332%**
A127 base shares	14.278%	9.264%	3.567%	4.175%	33.324%	27.144%	2.869%	3.586%	0.390%	1.403%	**100%**
Standardized score	0.0050	0.0061	0.0027	0.0016	0.0124	0.0110	0.0007	0.0010	0.0001	0.0011	**0.0418**
Income-based GDP component distribution factors	11.968%	14.589%	6.501%	3.766%	29.787%	26.241%	1.793%	2.374%	0.348%	2.633%	**100%**

5.4 Consumer Price Index (CPI) – all items

5.4.1 Seven and a half percent of the growth in allocation (over base portion) is calculated using CPI distribution factors.

5.4.2 The application of the CPI component uses most recent 12-month simple average for the "all items" category of the CPI as measured by Statistics Canada (CANSIM table 326-0020). CPI is used as a proxy for cost of production, with the result that low CPI results in more kilograms on the application of this component. Therefore the model uses the inverse (1/CPI) of the provincial CPI to rebase the numbers. The rebased provincial CPI numbers are standardized by multiplying the provinces' rebased CPI with the provincial shares of the national base allocation for the period being set. The distribution factor for each province is then calculated by dividing each province's standardized scores by the sum of all provincial standardized scores.

5.4.3 Using Period A-127 as an example, the CPI component is calculated on the simple average of the "all items" category of the CPI from April 2013 to March 2014:

CPI - all items (Statistics Canada - CANSIM Table 326-0020)										
	BC	AB	SK	MB	ON	QC	NB	NS	PE	NL	CANADA
Apr-13	117.2	128.7	125.4	122.6	122.9	121.8	122.8	126.8	128.6	125.9	**122.7**
May-13	117.9	129.5	126.0	123.0	123.0	121.9	122.6	126.4	127.9	125.9	**123.0**
Jun-13	117.6	129.8	126.2	123.6	123.2	121.8	122.5	126.4	127.9	126.0	**123.0**
Jul-13	117.9	129.6	125.9	123.9	123.4	121.8	122.6	126.4	128.1	126.1	**123.1**
Aug-13	118.0	129.4	125.7	123.8	123.4	121.9	123.0	126.6	128.6	126.0	**123.1**
Sep-13	118.1	129.5	126.4	124.0	123.5	122.0	123.5	127.3	129.0	126.6	**123.3**
Oct-13	117.7	129.3	126.7	124.0	123.3	121.6	123.5	126.7	129.0	126.7	**123.0**
Nov-13	117.4	129.5	126.3	124.0	123.3	121.8	123.5	126.7	129.2	127.0	**123.0**
Dec-13	117.0	129.1	126.1	122.7	123.1	121.5	123.5	126.7	128.6	126.6	**122.7**
Jan-14	117.1	129.9	126.1	123.4	123.3	121.7	123.4	127.4	129.2	126.7	**123.1**
Feb-14	118.0	130.8	127.8	124.3	124.6	122.6	124.4	128.4	130.1	127.6	**124.1**
Mar-14	118.6	133.1	128.7	125.1	125.1	122.9	125.1	128.9	130.9	128.4	**124.8**
Avg April 2013 - March 2014	117.7	129.9	126.5	123.7	123.5	121.9	123.4	127.1	128.9	126.6	123.2
Rebased (1/CPI)	0.00850	0.00770	0.00791	0.00808	0.00810	0.00820	0.00811	0.00787	0.00776	0.00790	**0.00801**
A-127 base shares	14.278%	9.264%	3.567%	4.175%	33.324%	27.144%	2.869%	3.586%	0.390%	1.403%	**100%**
Standardized score	0.001213	0.000713	0.000282	0.000338	0.002698	0.002226	0.000233	0.000282	0.000030	0.000111	**0.008126**
CPI Component distribution factors	14.927%	8.780%	3.471%	4.153%	33.204%	27.394%	2.862%	3.473%	0.372%	1.364%	**100.0%**

5.5 Farm Input Price Index (FIPI) – commercial feed

5.5.1 Ten percent of the growth in allocation (over base portion) is calculated using FIPI distribution factors.

5.5.2 The application of the FIPI component uses most recent four-quarter simple average for the commercial feed component of the FIPI as measured by Statistics Canada (CANSIM table 328-0015). A low FIPI results in more kilograms on the application of this component. Therefore the model uses the inverse (1/FIPI) of the provincial FIPI to rebase the numbers. The rebased provincial FIPI numbers are standardized by multiplying the provinces' rebased FIPI with the provincial shares of the national base allocation for the period being set. The distribution factor for each province is then calculated by dividing each province's standardized scores by the sum of all provincial standardized scores.

5.5.3 Using Period A-127 as an example, the FIPI component is calculated on the simple average of four-quarter commercial feed component of the FIPI from Q1 2013 to Q4 2013:

FIPI - Commercial Feed (Statistics Canada - CANSIM Table 328-0015)										
	BC	AB	SK	MB	ON	QC	NB	NS	PE	NL	CANADA
Q1-2013	160.9	148.3	129.2	131.2	152.3	150.8	158.6	147.9	155.6	148.1	147.9
Q2-2013	171.9	150.6	131.4	131.9	148.3	152.9	158.9	151.2	159.3	152.7	148.9
Q3-2013	173.1	140.2	124.4	125.8	144.6	153.3	157.9	152.6	159.5	154.1	144.6
Q4-2013	169.3	133.3	117.3	118.2	131	144.9	154.3	150.1	156.3	153.2	136
Avg Qtr 1 2013 - Qtr 4 2013	168.8	143.1	125.6	126.8	144.1	150.5	157.4	150.5	157.7	152.0	144.4
Rebased (1/FIPI)	0.00592	0.00699	0.00796	0.00789	0.00694	0.00665	0.00635	0.00665	0.00634	0.00658	0.00693
A127 base shares	14.278%	9.264%	3.567%	4.175%	33.324%	27.144%	2.869%	3.586%	0.390%	1.403%	100%
Standardized score	0.0008	0.0006	0.0003	0.0003	0.0023	0.0018	0.0002	0.0002	0.0000	0.0001	0.0068
FIPI component distribution factors	12.510%	9.575%	4.201%	4.871%	34.214%	26.679%	2.695%	3.525%	0.366%	1.365%	100%

5.6 Quota Utilization

5.6.1   Seven and a half percent of the growth in allocation (over base portion) is calculated using quota utilization distribution factors.

5.6.2   The application of the quota utilization component uses the standard deviation from 100% quota utilization in the most recent six audit periods (two consecutive production periods) for which CFC-audited data is available. A lower standard deviation results in more kilograms on the application of this component. Thus, provincial deviations are rebased and expressed as the inverse from 100% quota utilization (1 divided by the calculated deviations). The calculated deviations are then standardized by multiplying the rebased provinces' standard deviations by the provincial shares of the national base allocation for the period being set.

5.6.3   Using Period A-127 as an example, the quota utilization component is calculated on the audited quota utilization from Periods A-106/A-107 to A-116/A-117:

		BC	AB	SK	MB	ON	QC	NB	NS	PE	NL	CANADA
	Quota Utilization - six audit periods											
Quota Utilization	A-106 - A-107	100.784	100.062	99.968	102.553	102.308	100.644	103.365	102.437	104.009	99.245	101.335
	A-108 to A-109	101.194	101.298	101.322	100.080	99.242	99.847	101.919	101.668	99.445	98.455	100.152
	A-110 to A-111	101.450	99.258	98.645	100.820	98.251	98.896	99.965	100.441	100.062	100.456	99.278
	A-112 to A-113	100.743	97.930	98.624	100.753	97.829	99.262	101.254	100.120	101.287	100.094	99.041
	A-114 to A-115	102.527	101.813	101.303	102.505	101.257	101.658	100.785	102.563	100.437	99.103	101.659
	A-116 to A-117	102.466	98.902	99.990	99.381	100.172	99.872	98.845	101.087	102.388	101.901	100.300
Difference from 100	A-106 - A-107	0.784	0.062	-0.032	2.553	2.308	0.644	3.365	2.437	4.009	-0.755	1.335
	A-108 to A-109	1.194	1.298	1.322	0.080	-0.758	-0.153	1.919	1.668	-0.555	-1.545	0.152
	A-110 to A-111	1.450	-0.742	-1.355	0.820	-1.749	-1.104	-0.035	0.441	0.062	0.456	-0.722
	A-112 to A-113	0.743	-2.070	-1.376	0.753	-2.171	-0.738	1.254	0.120	1.287	0.094	-0.959
	A-114 to A-115	2.527	1.813	1.303	2.505	1.257	1.658	0.785	2.563	0.437	-0.897	1.659
	A-116 to A-117	2.466	-1.098	-0.010	-0.619	0.172	-0.128	-1.155	1.087	2.388	1.901	0.300
	Variance from 100	2.860	1.836	1.196	2.404	2.548	0.828	3.089	2.780	3.988	1.265	**1.014**
	standard deviation from 100	1.691	1.355	1.094	1.550	1.596	0.910	1.758	1.667	1.997	1.125	**1.007**
	rebased standard deviation	0.591	0.738	0.914	0.645	0.627	1.099	0.569	0.600	0.501	0.889	**0.993**
	A127 base shares	14.278%	9.264%	3.567%	4.175%	33.324%	27.144%	2.869%	3.586%	0.390%	1.403%	**100%**
	Standardized score	0.0844	0.0684	0.0326	0.0269	0.2088	0.2983	0.0163	0.0215	0.0020	0.0125	**0.7717**
	quota utilization component distribution factors	10.9415%	8.8592%	4.2266%	3.4895%	27.0543%	38.6572%	2.1154%	2.7873%	0.2528%	1.6162%	**100.0000%**

5.7 Further Processing

5.7.1   Ten percent of the growth in allocation (over base portion) is calculated using further processing distribution factors.

5.7.2   On a temporary basis, from Periods A-127 to A-132, the distribution factors for the further processing component will be as follows:

- Fifty percent of the kilograms available under this component are distributed to provinces on the basis of the provincial share of the total number of federally registered establishments that are designated 6f ("other" further poultry processing) by the Canadian Food Inspection Agency (CFIA).

- Fifty percent of the kilograms available under this component are distributed to provinces on the basis of the provincial share of the most recent 24-month average

frozen inventories for the "other further processed chicken" category according to the monthly AAFC census of all known frozen egg and poultry facilities.

- As the data are not available on a provincial basis in Atlantic Canada, Atlantic Canada's share of the national 24-month average frozen inventories will be distributed to New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador on the basis of their share of the combined bases of Atlantic Canada for the period being set.

5.7.3   Using Period A-127 as an example, the further processing component is calculated on the provincial share of the 360 active "other" further poultry processing establishments (6f) as of June 24, 2014 and the provincial share of the average frozen inventories for the "other further processed chicken" category from May 1, 2012 to April 1, 2014.

Further Processing (Federally Registered Further Processors, Category 6f, Canadian Food Inspection Agency; Storage Stocks, AAFC)												
	BC	AB	SK	MB	ON	QC	NB	NS	PE	NL	ATL	CANADA
Further Processors (6f) June 24, 2014	31	31	7	6	160	114	7	2	1	1	-	360
Provincial share	8.611%	8.611%	1.944%	1.667%	44.444%	31.667%	1.944%	0.556%	0.278%	0.278%	-	100%
Storage Stocks (Avg. May 1 2012 to Apr 1 2014)	646.05	651.17	3.32	96.40	8,237.34	4,069.21	112.74	140.93	15.31	55.12	324.10	14,027.59
Provincial share	4.606%	4.642%	0.024%	0.687%	58.722%	29.009%	0.804%	1.005%	0.109%	0.393%	2.310%	100.00%
Distribution Factor	6.608%	6.627%	0.984%	1.177%	51.583%	30.338%	1.374%	0.780%	0.193%	0.335%	-	100.00%

5.7.4   CFC will engage the services of an independent consultant to develop the methodology for calculating a permanent distribution factor for the further processing component based on the annual production of specific further processed chicken products from domestically produced broiler meat not including MSM. Unless a different approach is agreed, chicken that has only been de-boned or marinated or seasoned would not qualify. Subject to the approval of the CFC Board of Directors by special vote, CFC will implement the permanent distribution factor in time for the setting of the allocation for Period A-133.

5.8   Supply Share

5.8.1   Five percent of the growth in allocation (over base portion) is calculated using supply share distribution factors.

5.8.2   Supply share is calculated as the province's base share of the national base for the period being set divided by the province's population share of the national population using the most recent available quarterly provincial population estimate (Statistics Canada, CANSIM Table 051-0005 and Quarterly Demographic Estimates 91-002-X). Only provinces that have a supply share threshold of less than 90% will receive a share of the kilograms available under this component. The distribution will be calculated on each qualifying province's base share of the total bases of all qualifying provinces.

5.8.3   In periods in which both Ontario and Alberta qualify to receive a share of this component, their shares will be combined, and 70% of the combined share will be distributed to Alberta and 30% to Ontario.

5.8.4   In periods in which no province qualifies to receive a share of this component, the kilograms will be distributed on the basis of the provincial shares of the national base allocation.

5.8.5 Using Period A-127 as an example, the supply share component is calculated on the provincial base shares of the national base for Period A-127 divided by the provincial population share of the national population from the Q1 2014 provincial population estimates.

Supply Share Component (Quarterly Population Estimates, Statistics Canada, CANSIM Table 051-0005)											
	BC	AB	SK	MB	ON	QC	NB	NS	PE	NL	CANADA
A-127 Adjusted Base	21,286,650	13,811,648	5,317,246	6,224,257	49,679,985	40,467,374	4,277,281	5,346,840	580,780	2,091,310	149,083,371
Market Share	14.278%	9.264%	3.567%	4.175%	33.324%	27.144%	2.869%	3.586%	0.390%	1.403%	100%
Population January 1 2014	4,609,946	4,082,571	1,117,503	1,272,062	13,598,676	8,179,712	755,464	940,592	145,211	526,896	35,228,633
Population Share	13.086%	11.589%	3.172%	3.611%	38.601%	23.219%	2.144%	2.670%	0.412%	1.496%	100%
Supply Share	109.113%	79.943%	112.436%	115.623%	86.328%	116.905%	133.789%	134.327%	94.510%	93.791%	100%
Distribution Factor	0%	70%	0%	0%	30%	0%	0%	0%	0%	0%	100%

6. Discrete supply allocations for Ontario and related provincial growth reductions

6.1 In addition to the differential growth formula, allocations commencing in Period A-127 will include a discrete supply allocation to Ontario on a periodic basis under which Ontario will receive the compounded equivalent of 14,184,786 kgs over 66 periods.

6.2 The volume of the discrete supply allocation will take into account the compounding effect from previously allocated discrete supply volumes.

6.3 For Period A-127 the Ontario allocation will increase by 164,783 kgs, and for Periods A-128 to A-132, the Ontario allocation will increase by 200,000 kgs in each period.

6.4 After each block of six periods, CFC will recalculate the periodic amount to be distributed to Ontario necessary to deliver the compounded equivalent of 14,184,786 kgs at the end of 66 periods.

6.5 The discrete supply to Ontario will not apply in periods where the national allocation is set at base or below base. Furthermore, if the distribution of the full discrete supply to Ontario reduces any province's allocation to a domestic allocation below its base for the period, the discrete supply volume to Ontario will be adjusted to a volume that ensures that all provinces receive an allocation not less than their base allocation for that period.

6.6 The discrete supply for Ontario will come from compounded equivalent reductions in allocations over 66 periods for the provinces other than Ontario and Alberta of: 4,645,018 kg for British Columbia, 2,447,375 kg for Saskatchewan and Manitoba combined, 4,645,018 kg for Québec, and 2,447,375 for New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador combined. Provincial sharing of these growth reductions in Saskatchewan/Manitoba and the Atlantic provinces will be calculated on the basis of provincial shares of their combined base allocations for the period unless the provinces concerned agree on another method of calculation.

6.7 On a periodic basis, CFC will calculate growth resulting from the application of the differential growth formula. The discrete supply for Ontario for the period as calculated in sections 6.2 to 6.5 will then be added to the allocation for Ontario and the allocations for the provinces other than Ontario and Alberta will be reduced by an amount equivalent to their share of the discrete supply as calculated in section 6.6.

7. Incorporating updated data

7.1   The data used in the calculation of the 8 differential growth components will be updated on a regular and ongoing basis following Statistics Canada's update and release schedule and CFC's audit schedule.

7.2   For each allocation period, the differential growth components, and the data used to calculate those components will be limited to the latest data that is available at least 26 weeks in advance of the period for which the allocation is being set.

7.3   CFC will provide provincial chicken boards (and other stakeholders)] with the data to be used for each period prior to setting the Anticipated Growth Rate (AGR) for the period in question, i.e. approximately 22 weeks prior to the start of the period.

8. Directors' responsibility

8.1   It is understood that, while being guided by this MOU, CFC Directors retain ultimate discretion in the making of an allocation decision. Thus, Directors retain discretion to diverge from the results indicated by this MOU if the data and/or calculations yield a distribution result that is unreasonable, or not conducive with fulfilling CFC`s statutory objects, particularly in the case of a force majeure event that causes the national allocation to increase or decrease extraordinarily.

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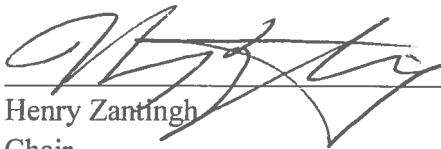Chair
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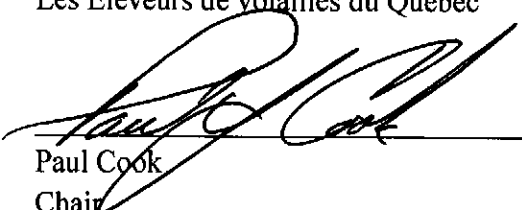
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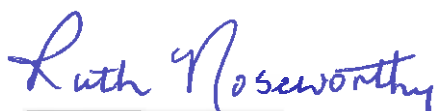
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