Farm Products Council of Canada | Conseil des produits agricoles du Canada

Central Experimental Farm
Building 59
960 Carling Avenue
Ottawa, Ontario K1A 0C6

Ferme expérimentale centrale
Édifice 59
960, avenue Carling
Ottawa, Ontario K1A 0C6

Le 23 janvier 2025

Monsieur Tim Klompmaker
Président
Les Producteurs de poulet du Canada
50, rue O'Connor, bureau 1610
Ottawa (Ontario) K1P 6L2

Objet : Modifications proposées au *Règlement canadien sur le contingentement de la commercialisation des poulets,* à l'*Ordonnance sur les redevances à payer pour la commercialisation des poulets au Canada* et aux taux des indemnités journalières des Producteurs de poulet du Canada

Cher Monsieur Klompmaker,

Lors de sa réunion du 23 janvier 2025, le Conseil des produits agricoles du Canada (le Conseil) a examiné les modifications proposées au *Règlement canadien sur le contingentement de la commercialisation des poulets* tel que demandé dans votre lettre datée du 7 janvier 2025, pour la période contingentaire A-195, débutant le 6 avril 2025 et se terminant le 31 mai 2025.

Le Conseil a également examiné les modifications proposées à l'*Ordonnance sur les redevances à payer pour la commercialisation des poulets au Canada,* tels qu'indiqué dans vos lettres datées du 17 et 19 décembre 2024.

Après un examen approfondi des justifications fournies par les Producteurs de poulet du Canada (PPC) et suite à des analyses internes, les membres du Conseil ont convenu que les deux modifications sont nécessaire à la mise en œuvre du plan de commercialisation tel qu'énoncé dans la *Proclamation visant les Producteurs de poulet du Canada*. L'Ordonnance sur les redevances entrera en vigueur le 9 février 2025 ou, si elle est postérieure, à la date de son enregistrement.

Le Conseil a aussi examiné les modifications proposées aux taux des indemnités journalières versées aux administrateurs des PPC. Après un examen approfondi de la justification fournie dans votre lettre du 11 décembre 2024, et une analyse interne, les membres du Conseil ont approuvé les changements demandés, effectif à compter du 23 janvier 2025.

Pour toute question, n'hésitez pas à communiquer avec moi ou avec Lisa Melanson-Daigle, secrétaire du Conseil, par courriel à l'adresse fpcc.secretariat.cpac@fpcc-cpac.gc.ca.

Sincères salutations,

Signature sur la version originale
Brian Douglas
Président

CHICKEN FARMERS OF CANADA
LES PRODUCTEURS DE POULET DU CANADA

December 17, 2024

Mr. Brian Douglas
Chairperson and Deputy Head
Farm Products Council of Canada
960 Carling Ave, Building 59, CEF, Room 205
Ottawa, Ontario K1A 0C6

RE: Order amending the Canadian Chicken Marketing Levies Order

Dear Brian,

CFC is seeking Farm Products Council of Canada's approval to amend the *Canadian Chicken Marketing Levies Order* (Levies Order) extending the expiration date to March 31, 2026.

Please find attached the amendment and in support of this amendment, the CFC Executive Committee presented CFC's detailed 2025 budget to Council on December 12, 2024.

If you require any additional information, please do not hesitate to contact me at 613-566-5907.

Sincerely,

Lori Piché

Lori Piché
Director of Finance

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December 19, 2024

Mr. Brian Douglas
Chairperson and Deputy Head
Farm Products Council of Canada
960 Carling Ave, Building 59, CEF, Room 205
Ottawa, Ontario K1A 0C6

RE: Order amending the Canadian Chicken Marketing Levies Order

Dear Brian,

CFC is seeking Farm Products Council of Canada's approval to amend the *Canadian Chicken Marketing Levies Order* (Levies Order) increasing Nova Scotia's levy rate from 1.59 to 1.67 cents and Manitoba's levy rate from 2.26 to 2.46 cents. In support of this amendment, please find attached a letter from Chicken Farmers of Nova Scotia. The Manitoba Chicken Producers (MCP) Board decided to increase their levy rate due to increased expenses upon review of their budgeted expenses and levy revenue and rates. MCP's last levy rate increase was in 2020.

If you require any additional information, please do not hesitate to contact me at 613-566-5907.

Sincerely,

Lori Piché

Lori Piché
Director of Finance

C.C. Michael Laliberté, Chief Executive Officer
Jae Yung Chung, Senior Financial Analyst

January 7, 2025

Mr. Brian Douglas
Chairperson
Farm Products Council of Canada
Central Experimental Farm
960 Carling Avenue, Building 59
Ottawa, Ontario
K1A 0C6

Re: Prior Approval for Allocation Period A-195

Dear Mr. Douglas,

The prior approval of the Farm Products Council of Canada is being sought for the allocation for period A-195.

The numbers in kilograms live weight for A-195 are:

1. A total allocation of 302,824,568 kilograms,
2. A domestic allocation of 293,060,612 kilograms,
3. A market development allocation of 7,359,600 kilograms,
4. A specialty allocation of 2,404,356 kilograms.

Period A-195 is the eight-week period beginning on April 6, 2025, and ending on May 31, 2025. In accordance with section 3.05 of the Operating Agreement, the anticipated growth rate for the period was set on November 6, 2024, at 3%.

CFC Directors set the allocation for period A-195 on December 10, 2024, in accordance with section 3.09 of the Operating Agreement. Tables outlining the provincial allocations for this period in both eviscerated and live weight are attached.

Current market conditions

CFC Directors, industry stakeholders, and signatories discussed the market conditions and allocation requests for period A-195 at the CFC Board of Directors meeting on December 10, 2024.

The Market Information Working Group (MIWG) report for period A-195 was circulated to all stakeholders several weeks prior to the December 10 board meeting, and the report, along with the data file used by the MIWG, was also made available on MyCFC.

At the meeting, Directors were presented with the latest market information by CFC staff. Production in the most recent period, A-192, was projected to be 2 to 3 Mkg higher than the allocated volume. Production projections based on established allocations for periods A-193 and A-194 indicate that production in the coming months will be above the previous year.

Combined year to-date imports under the WTO and CUSMA TRQs are slightly below pro-rata due to

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slow utilization of WTO TRQ, which is below pro-rata by 1.4 Mkg. CPTPP utilization is also below pro rata, by 4.0 Mkg. After a slow start to the year, CUSMA TRQ utilization has been strong since period A-189 and is now 1.0 Mkg above pro rata with only a few weeks remaining in 2024. Directors assumed that CUSMA and WTO TRQs will be fully utilized in 2024, with some amount of CPTPP left unused.

Year-to-date imports under the Duties Relief Program (DRP) are 15% or 2.7 Mkg above the same time last year, while the Import to Re-Export Program is 6% or 0.8 Mkg above the same time a year ago. Imports of fowl meat are below last year by 3.3 Mkg or 4.4%. Chicken boneless breast meat imports are 5.2 Mkg or 20.6% above the same time last year due to stronger CPTPP TRQ utilization for boneless breast meat from Chile. Bone-in leg imports are 9.2 Mkg or 106% higher than the same time a year ago, but wing imports remain well below last year, by 5.8 Mkg or 31%.

Over the course of 2024, storage stocks have fallen from 72 Mkg as of January 1st to 62 Mkg as of November 1st, a decline of 10 Mkg. They are also 8 Mkg below the same time last year. Cut-up and further processed inventories have declined from January 1st, by 6.2 Mkg and 3.2 Mkg, respectively as of November 1st. Compared to one year ago, cut-up inventories are down by 4.3 Mkg or 14%, and further processed inventories are lower by 8.6% or 3.1 Mkg. Miscellaneous chicken items in cold storage have been stable for several months around the 2.8 Mkg level, which is below the five-year average of 4.1 Mkg.

Calculated supply and disappearance data show that chicken disappearance is up 3.5% during the last 12 months and by 1.4% during the last six months but has fallen 1.7% in the most recent three months. This is due to declines in domestic production compared to the previous year in the most recent period. Increases in the last 12 months are due to a 2% increase in production and a 12% increase in imports. 11 Mkg were also removed from cold storage over this time, adding to domestic disappearance.

Nielsen retail sales data show that chicken sales volumes have increased by 3.3% over the last 52 weeks. Over this same time, beef sales volumes have declined by 3.8% and pork by 2.9%. On a dollar sales basis, chicken has seen a 3.7% increase over the last 52 weeks, while beef dollar sales have increased by 5.5%. Pork has declined by 0.6% in this time. Data on kilogram sales of various chicken cuts shows increases across the board over the last 52 weeks, led by whole chickens which have seen a 3.8% increase in volume, and a 3.7% increase in value. Breast sales volume has increased by 3.0% over the last 52 weeks, while value has increased by 3.3%. Leg-thigh-drum sales volumes have increased 1.7% over this same time period, while dollar sales have grown 4.5%, the strongest of any part. Wing sales have seen much more modest growth, with volumes up just 0.8% and dollar sales declining 2.8% over the last 52 weeks. In the most recent month, the price ratio between chicken breasts and ground beef fell to below 1.0 for the first time since the pandemic price shocks seen in early 2020. This means that chicken breasts are, on average, slightly less expensive than the equivalent amount of ground beef. Historically, this ratio has been closer to 1.3.

Foodservice sales as tracked by Statistics Canada showed continued growth in the chicken-focused limited service segment, with total national sales in this category up 7% compared to 2019 after adjusting for inflation.

Domestic wholesale prices for chicken continue, with the exception of wings, to show strength compared to previous years. Legs are particularly strong, currently well above the five-year range and the highest they have ever been at this point in the year. Whole birds are also above any of the previous five years currently, and breasts are just slightly below the top of the range. Wings, meanwhile, are a bit below the middle of the five-year range. Overall, chicken wholesale prices are historically strong, a good indication of strong demand for chicken.

USDA data indicate that broiler production in the U.S. will rise by 1.7% in 2024 compared to the previous year, and by 1.4% in 2025. Chicken in cold storage volumes in the U.S. are 6% lower than a year ago in total, with wing and stocks well below previous years. Combined with strong wholesale prices for these cuts, we can see that demand in the U.S. appears strong. For legs this is similar to the situation in Canada, but wing trends are currently opposite on either side of the border which has seen trade flows for wings between the two countries diverge from historical trends. Breast inventories in the U.S. are seasonally normal, and prices are above 2022 and 2023. Per capita consumption of chicken in the U.S. is forecast to increase by 2.9% in 2024, with a further 0.7% increase projected for 2025.

The USDA forecasts that beef production will increase by 0.2% in 2024, and then fall by 2.8% in 2025. Frozen inventories are down by 3% compared to last year, while exports have fallen by 3% compared to last year and are forecast to fall a further 9% next year. Imports of beef in the U.S., meanwhile, have increased 21% year over year. Beef cutout prices in the U.S. are currently at the top of their historical range, and production is down by 4% year-to-date. In Canada, beef production has fallen 2% this year compared to last on a year-to-date basis.

Pork production in the U.S. is forecast to increase 2.0% this year and 1.9% in 2025, while cold storage inventories are 3% lower than a year ago. Pork cut-out prices have declined seasonally but are at the top of their recent historical range; production is up by 1% in a year-to-date basis in the U.S., but down by 1% in Canada over this same time.

Feed grain prices continue to be favourable, with corn and soy both at the lowest point they have been in the last five years. A good growing season and lower export demand for North American grains and oilseeds have seen prices remain low for most of 2024 so far, and this looks set to continue into the new year.

Provincial and industry requests for A-195

Provincial allocation requests for A-195 ranged from 1.5% above the adjusted base in BC, Alberta, and Manitoba, to -1.1% below in Newfoundland and Labrador. Ontario and Quebec both requested an increase of 0.5% over the adjusted base, as did the remaining Atlantic provinces.

Directors discussed several themes prominent in previous allocation setting meetings, including possible opportunities to capture market share from higher-priced beef, current strength in domestic chicken wholesale prices, and perhaps most importantly expectations for population growth during this period. Current economic conditions were also discussed. Expectations for population growth are much lower than they have been in the past several quarters, with the board estimating that growth in the 1.5% range was most likely. Directors also discussed other favourable market factors, including storage stocks being at a seasonally appropriate level despite strong imports in recent months, good

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retail and restaurant sales growth, and the fact that A-195 falls in a seasonally strong period for demand. Concerns were raised over the possibility of lower or even flat population growth as the federal government has recently reduced targets for both permanent and temporary residents going into 2025, and possible declines in economic growth spurred by tariffs imposed by the incoming U.S. administration.

Restaurants Canada indicated that its members saw the need for an increase over the adjusted base of 0.4% for this period, due to market expectations and one chain intending to run a chicken promotion during this period.

CPEP's primary processing sector indicated that it was concerned about the prospects for economic growth during this period and assumed that population growth would be weaker than has been estimated elsewhere. They additionally noted that growth in per capita consumption of chicken has been flat for several periods, in their estimation. CPEP also noted that Chile plans to expand chicken production, which could result in stronger CPTPP utilization in 2025. At the national level, CPEP indicated that a 1.1% reduction from the adjusted base would be appropriate for A-195.

CPEP's further processing sector (FPPAC) requested a 1.0% increase over the adjusted base, citing several factors including the expectation of below pro rata imports in A-195, as market factors will likely motivate TRQ holders to wait till later in the year to use their permits. Additionally, FPPAC considered full utilization of the CPTPP TRQ unlikely in 2025. Stocks were also unlikely to contribute to domestic supplies as they had been drawn down significantly in 2024.

Directors engaged in a thorough discussion of the various market factors likely to impact A-195, uncertainty about the strength of the economy and changes to Canada's population in the coming year at the forefront. Recent cuts in interest rates were seen both as positive for consumer expenditure growth, but also as indications that economic growth was slowing. After thorough discussions, directors set the A-195 allocation at 0.5% above base.

CFC wishes to emphasize that the Directors' decision was made with due regard to the interests of producers and consumers of chicken, to promote a strong, efficient, and competitive industry, in accordance with s. 21 of the Farm Products Agencies Act. The decision was made in accordance with the process set out in the Operating Agreement. All stakeholders had the opportunity to put forward their perspectives and arguments, and a compromise was reached that promotes the industry's national interest.

Conclusion

The total provincial market requirements for period A-195 are 223,398,547 kilograms eviscerated weight. This total allocation consists of a domestic allocation of 216,197,393 kilograms eviscerated weight, a market development allocation of 5,428,907 kilograms eviscerated weight, and a specialty allocation of 1,772,247 kilograms eviscerated weight. The total domestic allocation is 2.3% higher than the total domestic production during the corresponding weeks last year, 4.7% higher than domestic production in the same weeks two years ago, and 10.7% higher than in the equivalent weeks three years ago.

CFC seeks Council's approval for a total allocation for period A-195 of 302,824,568 kg live weight.

Sincerely,

Michael Laliberté
Chief Executive Officer
Encl.

c.c CFC Directors

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Period A-195 Allocations (April 6, 2025 - May 31, 2025)
Allocations pour la période A-195 (6 avril 2025 - 31 mai 2025)

Eviscerated weight / Poids éviscéré

	Domestic Allocation Allocation domestique	Market Development Allocation Allocation à l'expansion du marché	Specialty Allocation Allocation de spécialité	Total Allocation Allocation totale
BC / C.-B.	29,712,860	205,506	1,054,040	30,972,406
AB	22,043,781	110,340	0	22,154,121
SK	7,229,324	588,000	0	7,817,324
MB	8,570,930	257,250	0	8,828,180
ON	75,267,737	2,168,786	718,207	78,154,730
QC	56,756,338	2,099,025	0	58,855,363
NB / N.-B.	5,775,381	0	0	5,775,381
NS / N.-É.	7,238,583	0	0	7,238,583
PEI / Î.-P.-É.	771,744	0	0	771,744
NL / T.-N.-L.	2,830,715	0	0	2,830,715
CANADA	**216,197,393**	**5,428,907**	**1,772,247**	**223,398,547**

Live weight / Poids vivant

	Domestic Allocation Allocation domestique	Market Development Allocation Allocation à l'expansion du marché	Specialty Allocation Allocation de spécialité	Total Allocation Allocation totale
BC / C.-B.	40,425,660	279,600	1,434,068	42,139,328
AB	29,967,076	150,000	0	30,117,076
SK	9,835,815	800,000	0	10,635,815
MB	11,661,129	350,000	0	12,011,129
ON	101,685,675	2,930,000	970,288	105,585,963
QC	77,062,238	2,850,000	0	79,912,238
NB / N.-B.	7,740,760	0	0	7,740,760
NS / N.-É.	9,784,513	0	0	9,784,513
PEI / Î.-P.-É.	1,046,433	0	0	1,046,433
NL / T.-N.-L.	3,851,313	0	0	3,851,313
CANADA	**293,060,612**	**7,359,600**	**2,404,356**	**302,824,568**

December 10, 2024 / 10 décembre 2024

CHICKEN FARMERS OF CANADA
LES PRODUCTEURS DE POULET DU CANADA

December 11, 2024

Mr. Brian Douglas
Chairman and Deputy Head
Farm Products Council of Canada
960 Carling Ave, Building 59, CEF, Room 205
Ottawa, Ontario K1A 0C6

RE: Amendments to the CFC Bylaws

Dear Brian,

CFC is seeking Farm Products Council of Canada's approval to amend the CFC Bylaws regarding the Chair and Directors' per diem fees.

Each year, the CFC Board of Directors reviews its Bylaws so that Directors shall be paid reasonable fees for attending CFC meetings. The last review was conducted in November 2023 and implemented on January 23, 2024.

In its current review of the per diem fees, CFC considered the cost-of-living increase from Statistics Canada, which represents an average increase of 2.71% during the last year (October 2023 to September 2024) since the previous review was completed.

As a result, the CFC Board of Directors approved during its meeting held on December 11, 2024, the following amendments to its Bylaws effective January 1, 2025:

a) Per diem fees
   - Increase the Chair's per diem fees from $570 to $585 per meeting and travel day
   - Increase the Directors' per diem fees from $430 to $440 per meeting and travel day

b) Conference call fees
   - Increase the Chair's fees for each conference call under 3 hours from $285 to $292.50 and from $570 to $585 for each call over 3 hours and maximum allowable amount per day from $570 to $585
   - Increase the Directors' fees for each conference call under 3 hours from $215 to $220 and from $430 to $440 for each call over 3 hours and maximum allowable amount per day from $430 to $440

CFC is therefore seeking the approval of FPCC for the amendments to Section 43 of the CFC Bylaws effective January 1, 2025 (see Appendix A – Resolution amending the CFC Bylaws).

If you require any additional information, please do not hesitate to contact Lori Piché at 613-566-5907.

Sincerely,

Tim Klompmaker
Chair

C.C. Michael Laliberté, Chief Executive Officer
Lori Piché, Director of Finance

CHICKEN FARMERS OF CANADA
LES PRODUCTEURS DE POULET DU CANADA

APPENDIX A - RESOLUTION AMENDING THE CFC BYLAWS

The following amendments to the CFC Bylaws would be implemented on January 1, 2025:

a) Paragraph 43.(1)*a*) is amended to read as follows: "for each meeting day – a fee of **$440** each day;"

b) Paragraph 43.(1)*b*) is amended to read as follows: "travel days allowance to and from such meeting, in accordance with the approved travel directive – a fee of **$440** each day;"

c) Paragraph 43.(1)*g)* is amended to read as follows: "for each conference call or virtual meeting – a fee of **$220** for each conference call or virtual meeting with a duration of less than three (3) hours and a fee of **$440** for each conference call or virtual meeting with a duration of three (3) hours or more. The per diem rate of **$440** per day is the maximum allowable amount that can be claimed for eligible meetings in a single day;"

d) Paragraph 43.(2)*a*) is amended to read as follows: "for each meeting day – a fee of **$585** each day;"

e) Paragraph 43.(2)*b)* is amended to read as follows: "for each conference call or virtual meeting – a fee of **$292.50** for each conference call or virtual meeting with a duration of less than three (3) hours and a fee of **$585** for each conference call or virtual meeting with a duration of three (3) hours or more. The per diem rate of **$585** per day is the maximum allowable amount that can be claimed for eligible meetings in a single day;"

f) Paragraph 43.(2)*d*) is amended to read as follows: "travel days allowance to and from such meeting, in accordance with the approved travel directive – a fee of **$585** each day"