



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 17 juin 2025

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

Objet : Modifications proposées du *Règlement canadien sur le contingentement de la commercialisation des poulets*

Cher Monsieur Klompmaker,

Lors de sa réunion du 16 juin 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 14 mai 2025, pour la période contingente A-197, débutant le 27 juillet 2025 et se terminant le 20 septembre 2025.

Après un examen approfondi de la justification fournie par les Producteurs de poulet du Canada et suite à une analyse interne, les membres du Conseil ont convenu que les modifications étaient nécessaires à la mise en œuvre du plan de commercialisation énoncé dans la *Proclamation visant Les Producteurs de poulet du Canada*.

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

Canada



May 14, 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-197

Dear Mr. Douglas,

The prior approval of the Farm Products Council of Canada is being sought for the allocation for period A-197.

The numbers in kilograms live weight for A-197 are:

1. A total allocation of 312,665,774 kilograms,
2. A domestic allocation of 303,874,715 kilograms,
3. A market development allocation of 6,426,703 kilograms,
4. A specialty allocation of 2,364,356 kilograms.

Period A-197 is the eight-week period beginning on July 27, 2025, and ending on September 20, 2025. In accordance with section 3.05 of the Operating Agreement, the anticipated growth rate for the period was established on February 4, 2025, at 4%.

CFC Directors set the allocation for period A-197 on April 30, 2025, 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-197 at the CFC Board of Directors meeting on April 30, 2025.

The Market Information Working Group (MIWG) report for period A-197 was circulated to all stakeholders several weeks prior to the April 30th 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-194, was 3.2 Mkg lower than the allocated volume. Production projections based on established allocations for periods A-195 and A-196 indicate that production in the coming months will be above levels in the previous year, however chick shortages are likely to result in further underproduction compared to allocations.



Combined year-to-date imports under the WTO and CUSMA TRQs are significantly above pro-rata due to strong utilization of CUSMA and WTO TRQs. As of the April 30th meeting, these were ahead of pro-rata by 3.5 Mkg and 2.1 Mkg, respectively. This is the strongest pace of TRQ utilization in the first quarter in many years. Directors assumed that WTO and CUSMA TRQs will be fully utilized in 2025, and that most but likely not all CPTPP TRQ will be used. To the end of March 2025, imports under the Duties Relief Program (DRP) were 8 Mkg, 2.6 Mkg or 47% higher than in 2024. Imports under the Import to Re-Export Program (IREP) totaled 6 Mkg to the end of March 2025, 17% higher than last year. Chicken boneless breast meat imports were 4.0 Mkg or 53% higher than the same time last year due to much higher imports from the U.S. Imports of bone-in legs were 7.3 Mkg or 123% above the same time last year.

Storage stocks started off 2025 at 58.4 Mkg, the lowest level at the start of the year since 2020 and 13 Mkg lower than the same time in 2024. After declining throughout most of 2024, total storage stocks have stayed mostly stable so far this year, currently 0.9 Mkg below the level at January 1st. However, cut-up stocks have declined from 25 Mkg at the beginning of the year to 22 Mkg as of April 1st, and further processed inventories built up from 30 Mkg to 33 Mkg over this same time. Miscellaneous chicken stocks fell to the lowest level in many years, currently just 1.7 Mkg, 42% lower than the same time a year ago.

Calculated supply and disappearance data show that chicken disappearance is up by 2.3% over the last 12 months, by 1.0% over the last six months, and by 4.2% over the last three months. Strong import volumes, up 47% compared to last year, are the main driver of these increases. Production is up by 1.0% compared to 2024 for the first quarter.

Retail sales data provided by Nielsen indicate that chicken sales volumes have increased by 3.2% over the last 52 weeks. During this same period, beef retail sales volumes declined by 1.1%, and pork sales fell by 0.8%. Total meat sales volumes increased by 1.1%, driven entirely by chicken. Dollar sales for chicken have increased by 3.9% over the last 52 weeks, while beef has increased by 8.8% and pork was nearly flat, up 0.1%. Total meat dollar sales have increased by 4.9% over the last 52 weeks. Volume sales for chicken parts have all grown modestly over the last 52 weeks, led by wings which increased 5.7%. Sales of legs increased 2.7% over this period, breasts by 3.2%, and whole birds by 0.3%. Dollar sales of these items changed as follows: wings fell by 4.8%, legs rose by 2.4%, breasts rose by 0.3%, and whole birds saw a 1.0% increase compared to the same period 52 weeks prior. The ratio of ground beef to boneless skinless breast retail prices has remained below 1.0, indicating that ground beef is now more expensive than boneless breast meat. There is also a downward trend in the breast/thigh ratio, indicating that the price gap between these two items is narrowing.

Foodservice sales as reported by Statistics Canada showed strong growth in January due to the federal government's HST holiday but returned closer to last year's level in February as the holiday ended. Total foodservice sales growth was 10% as of February compared to the same time in 2019 on an inflation-adjusted basis. By segment, limited service restaurant sales have grown 17% on an inflation-adjusted basis compared to 2019, and full service restaurant sales have grown by 7%.

Wholesale prices in Canada as reported by EMI have been exceptionally strong in 2025. Several items have reached new record highs this year including whole birds, legs, and the market composite.



Breasts have been above the range seen over the last five years for most of 2025 so far. Currently, wings are the only item that are not above the five year range. Demand for chicken appears to be very strong based on current wholesale price levels.

USDA data indicate that U.S. broiler production in 2024 rose 1.3% above last year, and current forecasts are for 2025 broiler production to increase by 1.7%. Chicken in cold storage in the U.S. as of April 1st was 3% above the same time a year ago, with breast inventories above the three previous years and legs near the same level as 2024, which was below the previous two years. U.S. wholesale chicken prices are mixed with legs above the previous three years and breasts above all but 2022 when prices were at record levels. Wogs are below previous years and wings are in the middle of the ranges seen since 2022. Per capita consumption of chicken in the U.S. is estimated to reach 102.7 lbs in 2025, an increase of 1.7% over 2024.

U.S. beef production in the U.S. is forecast to decline by 1.1% in 2025 compared to the previous year, after rising just 0.1% in 2024. Frozen beef inventories are currently 1% higher than the same time last year, while imports are projected to increase by 5%. Beef exports, meanwhile, are forecasted by the USDA to fall by 11% compared to 2024. Beef cutout prices are at record levels currently but despite this per capita consumption in the U.S. is forecast to increase slightly, by 0.2% to 59.2 lbs. Canadian beef production is currently 9% below the same time a year ago.

Pork production in the U.S. is forecast to increase by 1% in 2025 compared to last year when it increased by 1.8%. Inventories of frozen pork are 9% lower than the same time last year and at the lowest level for this time of year in over a decade. Pork cutout prices are in the middle of their range for the last few years, currently just below the same time last year. For 2025 so far, Canadian pork production is 3% below the same time a year ago.

Feed grain prices are near the bottom of the range seen in recent years, with corn currently slightly above the same time in 2024 and soybeans slightly below. Feed wheat and barley prices are both very slightly above the same time in 2024. For 2024 and 2025 so far, feed grain prices in general have been relatively stable and well below highs seen in 2022 and 2023.

Provincial and industry requests for A-197

Provincial allocation requests for A-197 ranged from 6% above base in B.C. to 3% above base in Newfoundland and Labrador. The remaining Atlantic provinces requested a 4% increase. Alberta, Saskatchewan, Manitoba, Ontario, and Quebec all requested an increase of 5%. Directors extensively discussed current market conditions and indicators, most of which suggest that the chicken market is currently very tightly supplied due to shortages of hatching eggs and chicks which have resulted in significant levels of underproduction. Macroeconomic factors such as the impact of trade disputes with the U.S. administration, slowing population growth compared to previous years, and other potential risks to economic growth were discussed. Directors also discussed the ongoing opportunity provided by record high beef prices, stable feed prices, and the likely preference for chicken held by many Canadian newcomers. With respect to chicken market conditions, directors discussed record high wholesale prices, very strong TRQ import volumes seen so far in 2025, and declines in storage stocks, all of which indicate a market need for more chicken. The prospect of continued underproduction in upcoming periods also prompted directors to discuss the need to ensure adequate



supplies for A-197, which falls at the end of the peak demand season.

The director from CPEP's further processing sector (FPPAC) emphasized current market challenges for FPPAC's membership, including record high wholesale prices and difficulty in obtaining needed supplies of chicken at workable prices. FPPAC recommended a 6.5% increase over base allocation for A-197. Part of the rationale for this recommendation was that strong TRQ utilization at the beginning of 2025 could mean that there would be less available than normal during A-197, potentially putting further constraints on chicken supplies.

CPEP's primary processing sector acknowledged the challenges presented by the current market and identified HPAI as an underlying cause of current chick shortages. CPEP's directors recommended an increase of 3% over base, and cautioned against over allocating for the period as this could negatively impact processor margins.

Restaurants Canada provided a recommendation of 3.4% above base for A-197, noting continued growth in demand at quick service restaurants which have been increasing the number of chicken menu items. It also indicated that consumer spending at restaurants is resilient, and that some chains are adding locations in Canada.

Directors engaged in thorough discussions about the various factors expected to impact the market, and then voted to approve an allocation for A-197 of 5% above the adjusted base. Prior to this, the regional range for this period was increased to 5.1% by special vote to accommodate for allocations for the Western and Central regions slightly exceeding the 5% regional range that was in effect for this period.

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-197 are 230,657,629 kilograms eviscerated weight. This total allocation consists of a domestic allocation of 224,175,608 kilograms eviscerated weight, a market development allocation of 4,739,193 kilograms eviscerated weight, and a specialty allocation of 1,742,828 kilograms eviscerated weight. The total domestic allocation is 4.7% higher than the total domestic production during the corresponding weeks last year, 3.5% higher than domestic production in the same weeks two years ago, and 11.3% higher than in the equivalent weeks three years ago.

CFC seeks Council's approval for a total allocation for period A-197 of 312,665,774 kg live weight.



Sincerely,

Michael Laliberté
Chief Executive Officer
Encl.

c.c CFC Directors



Period A-197 Allocations (July 27, 2025 - September 20, 2025)
Allocations pour la période A-197 (27 juillet 2025 - 20 septembre 2025)

Eviscerated weight / Poids éviscéré

	Domestic Allocation	Market Development Allocation	Specialty Allocation	Total Allocation
	Allocation domestique	Allocation à l'expansion du marché	Allocation de spécialité	Allocation totale
BC / C.-B.	30,516,671	166,873	1,027,406	31,710,950
AB	23,337,705	0	0	23,337,705
SK	7,436,681	735,000	0	8,171,681
MB	8,804,967	183,750	0	8,988,717
ON	78,180,438	1,628,440	715,422	80,524,300
QC	58,761,923	2,025,130	0	60,787,053
NB / N.-B.	5,956,993	0	0	5,956,993
NS / N.-É.	7,458,034	0	0	7,458,034
PEI / Î.-P.-É.	807,294	0	0	807,294
NL / T.-N.-L.	2,914,902	0	0	2,914,902
CANADA	224,175,608	4,739,193	1,742,828	230,657,629

Live weight / Poids vivant

	Domestic Allocation	Market Development Allocation	Specialty Allocation	Total Allocation
	Allocation domestique	Allocation à l'expansion du marché	Allocation de spécialité	Allocation totale
BC / C.-B.	41,519,280	227,038	1,397,831	43,144,149
AB	31,726,081	0	0	31,726,081
SK	10,117,933	1,000,000	0	11,117,933
MB	11,979,547	250,000	0	12,229,547
ON	105,620,694	2,200,000	966,525	108,787,219
QC	79,785,367	2,749,665	0	82,535,032
NB / N.-B.	7,984,175	0	0	7,984,175
NS / N.-É.	10,081,149	0	0	10,081,149
PEI / Î.-P.-É.	1,094,636	0	0	1,094,636
NL / T.-N.-L.	3,965,853	0	0	3,965,853
CANADA	303,874,715	6,426,703	2,364,356	312,665,774