



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

August 13, 2025

Mr. Tim Klompmaker
Chair
Chicken Farmers of Canada
50 O'Connor Street, Suite 1610
Ottawa, Ontario K1P 6L2

Subject: Proposed Amendments to the *Canadian Chicken Marketing Quota Regulations*

Dear Mr. Klompmaker,

At its August 13, 2025, meeting, the Farm Products Council of Canada (Council) reviewed the proposed amendments to the *Canadian Chicken Marketing Quota Regulations*, as outlined in your letter of July 16, 2025, for the A-198 allocation period, which begins on September 21, 2025, and ends on November 15, 2025.

Following a thorough review of the rationale provided by the Chicken Farmers of Canada and internal analysis, Council members found that the amendments are necessary for the implementation of the marketing plan as contained in the *Chicken Farmers of Canada Proclamation*.

Should you have any questions, please do not hesitate to contact me or Lisa Melanson-Daigle, Council Secretary, by email at fpcc.secretariat.cpac@fpcc-cpac.gc.ca.

Sincerely,

Brian Douglas
Chair



July 16, 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-198

Dear Mr. Douglas,

The prior approval of the Farm Products Council of Canada is being sought for the allocation for period A-198.

The numbers in kilograms live weight for A-198 are:

1. A total allocation of 312,208,002 kilograms,
2. A domestic allocation of 303,902,453 kilograms,
3. A market development allocation of 5,955,200 kilograms,
4. A specialty allocation of 2,350,349 kilograms.

Period A-198 is the eight-week period beginning on September 21, 2025, and ending on November 15, 2025. In accordance with section 3.05 of the Operating Agreement, the anticipated growth rate for the period was established on April 30, 2025, at 6%.

CFC Directors set the allocation for period A-198 on June 17, 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-198 at the CFC Board of Directors meeting on June 17, 2025.

The Market Information Working Group (MIWG) report for period A-198 was circulated to all stakeholders several weeks prior to the June 17, 2025, 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-195, was estimated to be 7.8 Mkg below the allocated volume. Production projections based on established allocations for periods A-196 and A-197 indicate that



production in the coming months will be above levels in the previous year. However, ongoing avian influenza-related chick shortages and quality issues may result in further underproduction compared to allocations.

TRQ utilization is significantly higher than pro rata and previous years, with WTO, CUSMA, and CPTPP all above pro rata by 4.5 Mkg, 6.6 Mkg, and 1.3 Mkg, respectively. Combined, TRQ issuance for all three programs was above pro rata by 12.4 Mkg. This is a record-setting figure. Directors assumed that all available TRQ under WTO and CUSMA will be used in 2025, with some underutilization of CPTPP TRQ possible. There was also a small amount of supplementary import permits issued for shortages recorded, a total of 48,244 kilograms as of the June 17, 2025, board meeting. Year-to-date imports under the Duties Relief Program (DRP) are 13 Mkg, 2 Mkg higher than the same time last year. Imports under the Import to Re-Export Program (IREP) are 9 Mkg, 2 Mkg higher than the same time last year. Boneless breast and leg imports are both 6.1 Mkg higher than the same time last year, with boneless breast imports totaling 19 Mkg and leg imports totaling 12.4 Mkg, nearly double their volume at the same time last year. Year to-date fowl imports at 40 Mkg are 5 Mkg higher than last year and the highest volume in recent years.

Storage stocks are near the lower end of their historical range, with total stocks 7.6 Mkg or 12% lower than the same time a year ago. This change is due to a 4.0 Mkg decline in further processed items (this category accounts for about half of total stocks), and a 3.6 Mkg decline in cut-up parts inventories. Legs and wings account for most of the decline in cut-up parts, having been drawn down by 1.8 Mkg and 2.0 Mkg from last year, respectively. Miscellaneous stocks grew in the most recent month by 1.1 Mkg or 70% compared to a multi-year low point. The current level is near last year's.

Calculated supply and disappearance figures indicate that chicken disappearance in Canada is up by 1.5% over the last 12 months, by 2.2% over the last six months, and by 3.5% over the last three months. This growth is being driven by strong imports, as domestic production is flat compared to one year ago.

Retail sales data provided by Nielsen show that volumes of chicken sold at retail have increased by 2.4% over the last 52 weeks, and by 1.4% over the last 26 weeks. This volume increase has been mostly driven by dark meat, with leg/thigh/drum sales volumes increasing by 4.2% over the last 52 weeks. Wings contributed as well, with sales up 3.9%. Breast sales volumes increased as well, by 2.7% compared to 52 weeks ago. Whole birds were basically flat over this time, down 0.1%. Chicken dollar sales have increased 4.3% over the last 52 weeks. Dark meat was again the main contributor to this increase, with dollar sales volumes increasing 6.2% over the last 52 weeks. Breasts saw a 4.1% increase over this period, while wing dollar sales increased 2.7% and whole birds by 1.2%. Sales volumes for beef have declined by 1.1% over the last 52 weeks, but dollar sales volumes have increased by 9.9%. For pork, sales volumes have declined by 0.7% in the last 52 weeks, but dollar sales have risen by 0.5%. Total meat sales volumes have increased by 1.2% in the last 52 weeks, while dollar sales have increased by 5.8%.

Foodservice sales as tracked by Statistics Canada have seen significant growth compared to last year



due to the federal government's HST holiday, which ended in February. Total foodservice sales have grown 8% versus 2019 on a year-to-date, inflation-adjusted basis. Most of this growth has come from the limited-service segment, which has seen a 16% year-to-date, inflation-adjusted increase since 2019. The full-service segment has grown 4% over this same period, while receipts at drinking places have fallen 30%.

Chicken wholesale prices as provided to CFC by Express Markets Inc. have seen very strong increases this year so far, with most items achieving new record highs in 2025. Wings are the only exception and have so far not risen above the records seen in 2022. The market composite has been above the five-year range for almost all of 2025 so far, as have the breast, leg, and whole bird complexes. Demand for chicken is very strong, and current wholesale price levels indicate that the domestic market is currently very tight.

U.S. broiler production this year is projected to be 1.2% above last year according to USDA data, and 2026 broiler production is forecast to increase by 1.1%. Cold storage inventories in the U.S. are 1% higher than the same time a year ago, with breast meat stocks near the top of the recent range and legs near the bottom. Wholesale prices in the U.S. are strong as well, with prices for breasts and legs approaching record highs set in 2022. Wing prices, meanwhile, have trended lower all year, and wogs are the lowest they have been in several years. Per capita disappearance of chicken in the U.S. is forecast to rise by 0.9% in 2025 and by 0.7% in 2026.

Beef production in the U.S. is forecast to decline 2.3% in 2025, and then a further 4.1% in 2026. Frozen inventories are at the bottom of the range seen in the last several years, while cutout prices are at record levels. The 2026 U.S. production decline is forecast to manifest as a per capita disappearance decline of the same size. In Canada, beef production is down 7% on a year-to-date basis.

Pork production in the U.S. is forecast by the USDA to increase by 0.7% in 2025 and by 1.3% in 2026. Inventories are the lowest they have been at this time of year since at least 2022, while cutout values are near the high point seen in 2022. Per capita disappearance of pork in the U.S. is forecast to increase by 0.8% this year and 1.0% next year. Canadian pork production has increased by 3% so far in 2025.

Overall, feed grain prices are low and stable compared to previous years. Only corn and barley are above 2024's levels, which are the lowest going back to at least 2021. Soybean prices are at the bottom of the range seen over this time, and feed wheat is near the bottom of its recent range as well. The result is that feed input costs for chicken farmers are currently stable and lower than in the immediate post-pandemic years.

Provincial and industry requests for A-198

Provincial allocation requests for A-198 ranged from 8.0% above base in B.C. and Alberta to 7.0% above base in the Atlantic provinces. Ontario, Quebec, Saskatchewan, and Manitoba all recommended 7.5% above base. These strong recommendations came in part due to Directors'



expectations that TRQ utilization in 2025 would continue to be above pro rata due to underproduction resulting from chick supply shortages. As such, domestic production would need to be increased towards the end of 2025 to make up for a lack of available TRQ. Directors discussed this factor as well as a variety of others that are expected to impact A-198 including population changes in Canada and the overall macroeconomic environment, and items that are likely to directly impact chicken such as record high beef prices, very strong chicken wholesale prices, growing retail and foodservice sales, and comparatively low and stable feed input costs. Issues with avian influenza and related chick supply and broiler performance issues were also considered.

Directors from CPEP's primary processing sector discussed improving demand for chicken and current market tightness. CPEP cautioned against overreaction in allocating for A-198, emphasizing a need to avoid an oversupply situation which could challenge processing sector capacity. A CPEP director also noted the price-sensitive nature of Canadian consumers who now make as much as half of their grocery purchases on feature. CPEP also indicated that it expected broiler chick placements should improve in the coming months, easing underproduction. CPEP requested an increase of 6% over the adjusted base.

CPEP's further processing sector requested an increase of 9% over the adjusted base. Further processing sector members reported order cancellations or partial fills, low freezer supplies, and expected reductions in TRQ availability later in the year. Higher demand for chicken and underproduction have combined to make for a challenging market for further processors. Taken together, these factors required a significant domestic production increase in A-198.

Restaurants Canada also discussed market tightness, and that current production volumes are creating challenges for its members, some of whom are planning expansions and new promotions for chicken products. Restaurants Canada requested an increase of 6.5% over the adjusted base for A-198.

Directors engaged in thorough discussions about the various factors expected to impact the market and then voted to approve an allocation for A-198 of 8% above base. Prior to this, the regional range for this period was increased to 8.3% by special vote to accommodate allocations for the Western and Central regions slightly exceeding the 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 section 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-198 are 230,320,646 kilograms eviscerated weight. This total allocation consists of a domestic allocation of 224,196,292 kilograms eviscerated weight, a market development allocation of 4,391,746 kilograms eviscerated weight, and a specialty



allocation of 1,732,608 kilograms eviscerated weight. The total domestic allocation is 5.5% higher than the total domestic production during the corresponding weeks last year, 3.1% higher than domestic production in the same weeks two years ago, and 8.2% higher than in the equivalent weeks three years ago.

CFC seeks Council's approval for a total allocation for period A-198 of 312,208,002 kilograms live weight.

Michael Laliberté
Chief Executive Officer
Encl.

c.c CFC Directors



Period A-198 Allocations (September 21, 2025 - November 15, 2025)

Allocations pour la période A-198 (21 septembre 2025 - 15 novembre 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.	30,697,115	176,400	1,006,472	31,879,987
AB	23,530,244	73,560	0	23,603,804
SK	7,423,409	735,000	0	8,158,409
MB	8,470,007	220,500	0	8,690,507
ON	78,276,678	1,628,440	726,136	80,631,254
QC	58,702,510	1,557,846	0	60,260,356
NB / N.-B.	5,937,302	0	0	5,937,302
NS / N.-É.	7,427,397	0	0	7,427,397
PEI / Î.-P.-É.	829,843	0	0	829,843
NL / T.-N.-L.	2,901,787	0	0	2,901,787
CANADA	224,196,292	4,391,746	1,732,608	230,320,646

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.	41,764,782	240,000	1,369,349	43,374,131
AB	31,987,825	100,000	0	32,087,825
SK	10,099,876	1,000,000	0	11,099,876
MB	11,523,819	300,000	0	11,823,819
ON	105,750,713	2,200,000	981,000	108,931,713
QC	79,704,698	2,115,200	0	81,819,898
NB / N.-B.	7,957,783	0	0	7,957,783
NS / N.-É.	10,039,736	0	0	10,039,736
PEI / Î.-P.-É.	1,125,211	0	0	1,125,211
NL / T.-N.-L.	3,948,010	0	0	3,948,010
CANADA	303,902,453	5,955,200	2,350,349	312,208,002