



Farm Products Council
of Canada

Conseil des produits agricoles
du Canada

Central Experimental Farm
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Ottawa, Ontario K1A 0C6

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October 22, 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 October 21, 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 August 29, 2025, for the A-199 allocation period, which begins on November 16, 2025, and ends on January 10, 2026.

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



August 29, 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-199

Dear Mr. Douglas,

The prior approval of the Farm Products Council of Canada is being sought for the allocation for period A-199.

The numbers in kilograms live weight for A-199 are:

1. A total allocation of 304,672,596 kilograms,
2. A domestic allocation of 295,122,308 kilograms,
3. A market development allocation of 7,035,017 kilograms,
4. A specialty allocation of 2,515,271 kilograms.

Period A-199 is the eight-week period beginning on November 16, 2025 and ending on January 10, 2026. In accordance with section 3.05 of the Operating Agreement, the anticipated growth rate for the period was established on July 11, 2025, at 9%.

CFC Directors set the allocation for period A-199 on July 29, 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-199 at the CFC Board of Directors meeting on July 29, 2025.

The Market Information Working Group (MIWG) report for period A-199 was circulated to all stakeholders several weeks prior to the July 29, 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-196, was estimated to be 5.0 Mkg below the allocated volume. Production projections based on established allocations for periods A-197 and A-198 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 5.1 Mkg, 9.3 Mkg, and 2.1 Mkg, respectively. Combined, TRQ issuance for all three programs was above pro rata by 16.5 Mkg. This is, once again, a record-setting figure. Directors assumed that all available TRQ under WTO and CUSMA will be used in 2025. There was also a small amount of supplementary import permits issued for shortages recorded, a total of 273,602 kilograms as of the July 29, 2025 board meeting. Year-to-date imports under the Duties Relief Program (DRP) are 15 Mkg, 2 Mkg higher than the same time last year. Imports under the Import to Re-Export Program (IREP) are 12 Mkg, 3 Mkg higher than the same time last year. Boneless breast imports were 9.6 Mkg higher than the same time last year, totaling 26 Mkg. Year-to-date leg imports totaled 16 Mkg, rising 6.8 Mkg from the same time last year. Year-to-date fowl imports at 50 Mkg are 6 Mkg higher than last year and the highest volume in recent years.

Storage stocks rose slightly during June but remained mostly flat during July and are now just 0.8 Mkg or 1.3% lower than the same time a year ago. Cut-up breast meat is the main contributor to this recent increase. Most other categories of cut-up parts have declined over this time. Further processed products were 33 Mkg as of July 1st, up by 3 Mkg from the beginning of the year and 1 Mkg or 3.1% above the same time a year ago.

Calculated supply and disappearance figures indicate that chicken disappearance in Canada is up by 1.9% over the last 12 months, by 4.4% over the last six months, and by 4.4% over the last three months. This growth is still being driven by strong imports, as domestic production is close to flat compared to one year ago.

Retail sales data provided by Nielsen indicate that the total volume of chicken sold at retail has increased by 1.2% over the last 52 weeks. This compares to a decline of 0.3% for beef and a 0.1% decline for pork. Dollar sales of chicken have increased 4.2% over the last 52 weeks, while strong price increases for beef have resulted in a 10.8% increase over this period, despite a small decline in volume. Dollar sales of pork increased by just 0.8% over this period, while total meat sales increased by 6.1%. By cut, legs, thighs, and drums had the strongest increase in sales volumes over the last 52 weeks, with total kilograms rising 6.3% and dollar sales rising 8.5%. Sales volumes for breasts, wings, and whole chickens increased during this period as well, by 4.1%, 2.8%, and 0.2%, respectively. Whole chickens were the only category to see a decline in sales by weight, falling 2.5%.

Foodservice sales as tracked by Statistics Canada have continued to grow on an inflation adjusted basis, with total sales now 6% higher than 2019 and limited service sales, where chicken has become a key focus over the last several years, seeing sales increase by 14% over this time. Again on an inflation adjusted basis, limited service sales in Canada increased to \$11.4 billion in 2025 to the end of April, compared to \$10.8 billion in 2024,



Wholesale prices for chicken, provided to CFC by Express Markets Inc., continue to track near record highs, especially the breast and leg complexes. Whole chickens are higher than ever before for this time of year as well but have retreated a little from recent record highs. The wholesale price situation indicates that demand for chicken is very strong. Despite record high imports and the highest levels of domestic production ever achieved, wholesale prices have still risen well beyond previous years in many cases.

U.S. broiler production is forecast by the USDA to increase by 1.5% in 2025 compared to last year, and then to increase a further 0.9% in 2026. Cold storage inventories in the U.S. have risen 3% above 2024, which had the lowest level recorded in recent years. Higher breast meat inventories are driving this increase. U.S. wholesale prices are mixed, with breast meat having fallen back towards last year's level in recent weeks. Wings are still well below 2024's level, while whole birds are tracking closely with 2024. Leg quarter wholesale prices have been strong for most of the year, but also relatively flat.

U.S. beef production continues to trend lower, now forecast by the USDA to decline 2.9% in 2025, and a further 1.4% in 2026. Frozen inventories are trending lower as well, now below each of the previous three years, while imports have risen 16% in 2025 and exports have fallen 9%. Prices are at or near record highs in many cases. Canadian beef production has so far declined by 4% compared to last year, on a YTD basis.

Pork production in the U.S. is forecast to rise 0.9% in 2025, and a further 1.6% in 2026. Frozen inventories of pork are at multi-year lows, while cutout values are roughly in line with previous years. Canadian pork production has risen 3% in 2025 so far compared to the same period last year.

Feed grain prices have continued to be near the bottom of the range seen in the last five years, and have remained stable for 2025 so far. Corn and barley remain above the lows seen last year, but soybeans and feed wheat are both lower than any of the previous four years. As a result, live chicken prices have remained stable, around the \$2/kg level in Ontario for the last ten production periods.

Provincial and industry requests for A-199

Provincial allocation requests for A-199 ranged from 8.5% above base in B.C. to 6.5% in Ontario. Quebec, Saskatchewan, and Manitoba all requested 7.5%, and the Atlantic provinces each requested 7.0%. Comparatively high recommendations for this period mostly stemmed from the expectation that current trends in TRQ utilization would continue, with very little or possibly none left for use in this period which covers the final months of 2025. Directors also discussed a reduction in travel to the U.S. by Canadians. These potential travelers are likely to engage in domestic tourism instead, potentially driving further increases in domestic consumption. Directors discussed several other factors including sustained record high beef prices, continued growth in foodservice and retail sales, and stable input costs, which were considered as positive for chicken growth. Others, such as trade and economic uncertainty, and ongoing chick supply and broiler performance issues, were viewed as warranting caution.

The director from CPEP's further processing sector (FPPAC) requested an increase of 8.5% over the



adjusted base for this period, citing ongoing challenges for members in obtaining required product at acceptable prices. FPPAC also indicated that this level of production should serve to allow for an increase in storage stocks, which could enhance availability and limit price volatility.

Directors from CPEP's primary processing sector supported an increase over the adjusted base but submitted the lowest recommendation for this production period at 5.0%. CPEP discussed flat population growth expected during this period, and that therefore any growth in chicken production would require a similar increase in domestic disappearance for chicken. TRQ availability was the primary reason for CPEP's recommendation of an increase of this size. CPEP's directors also mentioned current high unemployment in Canada and ongoing economic uncertainty, especially with respect to Canada's trade relationship with the U.S.

Restaurants Canada recommended an increase of 7.0% above the adjusted base for A-199. It cited challenges faced by restaurant operators this year in obtaining sufficient supplies, and that higher domestic supplies were urgently needed to stabilize prices and improve availability.

Directors engaged in thorough discussions about the various factors expected to impact the market and then voted to approve an allocation for A-199 of 7.5% 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 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-199 are 224,759,294 kilograms eviscerated weight. This total allocation consists of a domestic allocation of 217,719,597 kilograms eviscerated weight, a market development allocation of 5,185,822 kilograms eviscerated weight, and a specialty allocation of 1,853,875 kilograms eviscerated weight. The total domestic allocation is 10.4% higher than the total domestic production during the corresponding weeks last year, 6.7% higher than domestic production in the same weeks two years ago, and 11.7% higher than in the equivalent weeks three years ago.

CFC seeks Council's approval for a total allocation for period A-199 of 304,672,596 kilograms live weight.



Michael Laliberté
Chief Executive Officer
Encl.

c.c CFC Directors



Period A-199 Allocations (November 16, 2025 - January 10, 2026)
Allocations pour la période A-199 (16 novembre 2025 - 10 janvier 2026)

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.	30,223,360	732,315	1,120,685	32,076,360
AB	23,645,701	73,560	0	23,719,261
SK	7,238,924	735,000	0	7,973,924
MB	7,978,457	257,250	0	8,235,707
ON	76,819,610	1,628,440	733,190	79,181,240
QC	55,349,813	1,759,257	0	57,109,070
NB / N.-B.	5,646,328	0	0	5,646,328
NS / N.-É.	7,112,560	0	0	7,112,560
PEI / Î.-P.-É.	846,103	0	0	846,103
NL / T.-N.-L.	2,858,741	0	0	2,858,741
CANADA	217,719,597	5,185,822	1,853,875	224,759,294

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.	41,120,218	996,347	1,524,741	43,641,306
AB	32,144,781	100,000	0	32,244,781
SK	9,848,876	1,000,000	0	10,848,876
MB	10,855,044	350,000	0	11,205,044
ON	103,782,235	2,200,000	990,530	106,972,765
QC	75,152,496	2,388,670	0	77,541,166
NB / N.-B.	7,567,790	0	0	7,567,790
NS / N.-É.	9,614,166	0	0	9,614,166
PEI / Î.-P.-É.	1,147,258	0	0	1,147,258
NL / T.-N.-L.	3,889,444	0	0	3,889,444
CANADA	295,122,308	7,035,017	2,515,271	304,672,596