



Farm Products Council
of Canada

Conseil des produits agricoles
du Canada

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

January 23, 2024

Mr. Brian Bilkes
Chair
Canadian Hatching Egg Producers
21 Florence Street
Ottawa, Ontario K2P 0W6

Subject: Proposed amendments to the *Canadian Hatching Egg Producers Quota Regulations*.

Dear Mr. Bilkes,

At its January 23, 2024, meeting, the Farm Products Council of Canada (Council) reviewed the proposed amendments to the *Canadian Hatching Egg Producers Quota Regulations* as requested in your letter of November 27, 2023.

Following a thorough review of the rationale provided by the Canadian Hatching Egg Producers (CHEP) and internal analysis, Council members were satisfied that there were sufficient grounds and information to conclude that 2024 revised allocation was necessary for the implementation of the marketing plan as contained in the *Canadian Hatching Egg Producers Proclamation*.

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

Sincerely,

Brian Douglas
Chair



November 27, 2023

VIA EMAIL

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

Re: Prior-Approval of CHEP's 2024 Revised Allocation

Dear Mr. Douglas,

The Canadian Hatching Egg Producers (CHEP) are seeking prior approval for its 2024 revised allocation. Enclosed are the provincial quota allocations for the 2024 revised allocations listed in the Schedule to the Canadian Hatching Egg Producers Quota Regulations, which were approved by CHEP on November 16, 2023.

During CHEP's recent Open Board meeting in November, the CHEP Directors reviewed and discussed the latest market information. The Board of Directors conducted a thorough examination of the Advisory Committee's projected chicken production and identified that the estimates were low, primarily due to adverse effects witnessed in the first two quarters of 2023, resulting in a decline in production levels. The root causes of this downturn were identified as ongoing challenges related to High Pathogenic Avian Influenza (HPAI) and the scarcity of broiler hatching eggs and chicks imported from the US. However, it is noteworthy to mention that the CHF hatchery members have reached a consensus, indicating that the availability of both broiler hatching eggs (BHE) and chick imports from the US is expected to meet Canadian market demand in 2024. This favorable improvement can be attributed to the entry of additional domestic breeders into production. Consequently, this will help address the broiler underproduction caused by hatchery supply constraints.

On the demand side, there continue to be strong factors supporting growth in the chicken industry, with the main factor being the government's aggressive immigration target, which will significantly contribute to population growth. Despite the emergence of risks, such as high inflation rates for consumers, high input costs for producers, and low economic growth, CHEP Directors expect chicken consumption to continue to grow and remain a favorite choice among Canadians. Therefore, after further discussions, CHEP Directors recommend slightly increasing the Advisory Committee's projected chicken production to meet the market demand for the rest of the year.

Following their discussion, the CHEP Board of Directors set the 2024 revised allocation based on chicken production of 1,455 million kilograms (eviscerated), representing growth of 4.5% above the



2023 projected chicken production. This recommendation is still lower than what was recommended in July 2023 for the 2024 production year. Furthermore, it is observed that this recommendation aligns closely with the collective average of recommendations from other members of the Advisory Committee.

The provincial broiler hatching egg allocations were calculated as per CHEP's most recent updated Schedule B.

Based on the preceding rationale, CHEP is seeking prior-approval for its 2024 revised allocation.

Do not hesitate to contact me if you have any questions.

Sincerely,

Tim Lambert
Interim Executive Director

CC: Guillaume Pasquier, Sectoral Advisor, Farm Products Council of Canada

Encl.