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June 20, 2022

Mr. Phil Boyd, Executive Director
Turkey Farmers of Canada
7145 West Credit Ave, Bldg 1, Suite 202
Mississauga, Ontario
L5N 6J7

Re: 2022-23 Ontario Commercial Allocation

Dear Phil,

In preparation for discussions at the TFC 270th meeting on the 2022-23 commercial allocations, the TFO Board undertook to survey Ontario processors individually on their supply needs and if the current 2022-23 allocations were sufficient. The TFO Board of Directors reviewed processor feedback received at their recent board meeting on June 16th.

From the feedback received by multiple processors, Ontario is concerned with the adequacy of its commercial allocation to supply the further processed market. Feedback received from Ontario processors touched on the following points:

- Breast sales are being shorted today;
- Consistent breast meat supply is needed and other primary processors are unable to supply (both in Ontario as well as out-of-province)
- Business is being turned down for lack of supply
- Customers are being limited
- SKUs are being delisted
- Current breast meat storage stocks (e.g. June 1 stocks of 1.25 Mkgs nationally) are not 'available'

The feedback received aligns with remarks in the most recent TMAC reports (both from Feb 9 and June 6) that recent disappearance trends can be attributed to a lack of supply and availability, as opposed to a lack of consumer demand.

From the feedback received by Ontario processors, whereby they advised on additional supply needed for the 2022-23 control period, TFO estimates that Ontario's 2022-23 commercial allocation is deficient in the range of 2.1 to 2.7 million kgs evisc, relative to further processed market needs. In providing these company-level forecasts to TFO, the responding processors have advised they are already factoring anticipated additional breast meat supply in the back half of 2022-23 as production losses due to avian influenza are regrown, in advising on the above noted shortfalls.

In contrast to the further processed market, Ontario processors did not raise any concerns about the 2022-23 whole bird supply, which they feel is adequate at current levels.

TFO is prepared to share and discuss the individual processor feedback with TFC staff to provide additional context to the concerns raised above.

We thank the TFC directors for their consideration of this letter, and look forward to the discussions at the 270th meeting in Halifax.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Matt Steele', with a stylized, cursive script.

Matt Steele
Vice Chair, TFO and TFC Director-Ontario