



Alberta Chicken Producers  
Annual Report 2012



# Alberta Chicken Producers

## 46th Annual Report

### Vision

**The Alberta chicken industry's shared vision is:**

*By working together, we will continue to grow, be profitable, and satisfy customers by providing safe, high-quality chicken products.*

### Mission

**Alberta Chicken Producers serves our producers by:**

- *Providing an environment for profitable chicken production; and*
- *Encouraging a competitive, consumer-focused chicken industry.*

### Standards of Leadership

**Consistent with our industry's Vision, the Alberta Chicken Producers is committed to:**

- *Value our people*
- *Behave fairly and legally*
- *Be efficient and cost-conscious*
- *Be open and transparent*
- *Be a good corporate citizen in the community*
- *Consult with producers, industry, and consumers*
- *Be positive and future-focused*
- *Be responsive to markets*
- *Actively create new opportunities*

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# Board

Directors are elected by their peers at the Annual General Meeting. Each term is three years, to a maximum of three consecutive terms or nine years.



## Erna Ference, Chair

**Completes her first  
3-year term in 2015.**

Erna Ference has served on the Alberta Chicken Producers' Board for over eight years and was elected Chair in 2012. Erna was born in Ontario and moved to Alberta in 1978. She and her husband, Reg Ference, together with their five children, have owned and operated two broiler operations in Black Diamond, Alberta, for the past twenty-four years. Her background as a Certified Management Accountant and experience in the legal and oil and gas industries have enabled her to apply her broad skill-set to committees and organizations at the provincial and national levels.

Erna served as Alberta's Director to the CFC Board, including on the national Executive and Finance Committees, as well as the Canadian Federation of Agriculture. Provincially, she has served on the Research, Finance, Promotions, and Industry Advisory committees, the Policy Advisory Group, and has been a Media Spokesperson for Alberta Chicken Producers.

Erna is dedicated to protecting and enhancing Canada's supply-managed system to ensure a consistent safe, high quality chicken product for consumers.



## Rudy Froese, Director

**Completes his first  
3-year term in 2014.**

Rudy Froese has been a farmer and businessperson in the Gibbons and Redwater area for over 35 years. He and Louise, his wife of 43 years, have three married children and four grandchildren. He was in dairy for 15 years before moving into the poultry

industry 22 years ago. They have raised broilers, breeders and turkeys. This wide variety of experience gives him a clear understanding of the business behind farming.

Rudy has served on the Breeder Board, the Turkey Board and several church Boards. He enjoys negotiating win/win agreements, where everyone benefits. He believes strongly that we must work together with all the stakeholders, and that the industry is best served when everyone wins.

Rudy believes serving on the Board is a way for him to contribute and give back with his time, energy and skills to the industry that has given him so much.



## David Hyink, Vice Chair

**Completes his second  
3-year term in 2014.**

David Hyink grew up in the industry and has been farming for 18 years. With his wife, Sharlene, this father of three- Justin, Travis and Kristen - operates a broiler farm near Ponoka. David serves the industry with Alberta Farm Animal Care, the Intensive Livestock Working Group, AEPA and as the Alberta Alternate Director to the Chicken Farmers of Canada.

David has a strong commitment to his work on the board, with special focus on helping Alberta achieve a strong effective allocation system nationally.

If David isn't in the barn or away on poultry industry duties, you can find him chasing his kids around the gyms and rinks in central Alberta or at his church.

## Jacob Middelkamp, Director

**Completes his second  
3-year term in 2013.**

In 1997, Jacob Middelkamp and his family emigrated from Holland in pursuit of his chicken, grain and bail farming dreams,



though his daughter would return to Holland. He and his wife, Janny, reside in Gibbons, Alberta, along with their son.

Jacob was first elected to the Alberta Chicken Producers' Board in 2000, chairing the Food Safety Committee and serving on Finance, held a place on the CFC Board - serving on their Consumer Relations committee - and chairing the Canadian Poultry Research Council. His other commitments include the gas co-op and the United Farmers of Alberta.

Jacob's problem-solving attributes include his passion, enthusiasm, and Dutch background, as well as a wealth of experience in strategic planning.



## Ite Veurink, Director

**Completes his first  
3-year term in 2013.**

Ite was born in Holland, where his education included six years of agriculture schooling and on-farm training. He came to Canada in 1960 as an exchange student and met his wife, Jane. He immigrated to Canada in 1961.

Ite found work on dairy farms in BC. He and his wife purchased a small dairy farm in Chilliwack, BC, moved to Picture Butte, AB, and then purchased a farm in the Coaldale area. Ite and Jane have nine children and over 50 grandchildren and great-grandchildren.

Throughout the years, Ite and Jane acquired two dairy farms and three broiler farms: management and part ownership has been passed on to their children. He is a member of the Canadian Reformed Church in Coaldale.

Ite's vision of being a Board member is to be very receptive for input from producers and other industry stakeholders. With that feedback, he can make sound decisions for the benefit of the chicken industry.

# Roles & Responsibilities

## Agri-Environment Partnership of Alberta

**Martin van Diemen**, *Alberta Poultry Industry Rep*  
**David Hyink**, Secondary

## Alberta Farm Animal Care (AFAC)

**David Hyink**

## Animal Care Committee

**Ite Veurink**, Primary  
**Rudy Froese**, Secondary

## Canadian Broiler Council (CBC)

**David Hyink**

## Chicken Farmers of Canada (CFC)

**Jacob Middelkamp**, Director  
**David Hyink**, Alternate Director

## Intensive Livestock Working Group (ILWG)

**David Hyink**

## Policy Advisory Group

**Erna Ference**, Primary  
**David Hyink**, Secondary

## Quality Committee

**Erna Ference**, Primary  
**Rudy Froese**, Secondary

## Research Committee

**Jacob Middelkamp**, Primary  
**Ite Veurink**, Secondary

## Speciality Production

**Jacob Middelkamp**, Primary  
**Rudy Froese**, Secondary

## Wild Rose Agriculture Producers

**Erna Ference**

## Feedgrains Steering Committee

**Joe Kleinsasser**  
*Alberta Poultry Industry Rep*

## Clean Air Strategic Alliance

**Ashley Reitveld**  
*Alberta Poultry Industry Rep*



Back row, L to R: Karen Miller (Market Analyst), Laurie McAvoy (Producer Services Coordinator), Wendy Jevne (Bookkeeper), Trevor Prout (Producer Programs Manager), Twila Martin (Administrative Assistant) Front row: Vera Ward (Office Manager), Karen Kirkwood (Executive Director)

## Meet the Staff



# Tribute to Scott Wiens



Scott Wiens served on the Alberta Chicken Producers Board from March 2006 to February 2012, concluding his second three-year term. As Chair of the Board from 2008 – 2012, Scott applied his born leadership skills. He humbly led the chicken industry with passion, integrity, and clear vision. Facing challenges with an open mind and commitment to serving the best interests of the industry enabled Alberta Chicken Producers to accomplish many priorities including but certainly not limited to: implementation of the Animal Care Program, development and implementation of A Quality Expectations manual, maintenance of the Alberta Live Price MOU, and advancing Alberta's allocation issue.

Scott is a true steward of the industry and has served in many roles over the years. At an early age, Scott assumed a leadership role as a Producer Representative to the Board. During his tenure on the Board, Scott served as Media Spokesperson, Public Relations Representative, and Finance Director, concluding his term as Chair. Moreover, Scott devoted his skills to Alberta's agriculture industry through his active role in the Policy Advisory Group (PAG). Scott is highly respected among his peers for his passion and dedication to Supply Management which carried him to meetings across the country as well as to Geneva, Switzerland.

Scott has continued to involve himself in the chicken industry, currently serving as Producer Representative in the *North of Wetaskiwin to Fox Creek* Region. We know that Scott has enjoyed spending more time with his wife, Suzanne, two girls, Kate and Marissa, and family; and the daily hands-on duties of chicken farming. Scott also remains an active volunteer in his local community and abroad.

Thank you, Scott, for your tremendous contributions to the chicken industry! Your passion and vision for the industry continue to inspire others, and we appreciate the foundation you have developed for a successful future.



# Chair's Report

Reflecting back on our chicken industry in Alberta over this last year, I cannot help feeling incredibly fortunate. Fortunate in working with the people involved, attitudes expressed, relationships forged and work done to make for a better agricultural sector.

The groundwork was set for 2012 under the previous Chair, Scott Wiens, who completed a two-year term with the Board in February. I would like to take the opportunity to thank Scott for all of the work done under his leadership. Much of what was accomplished this year was due to his foresight and groundwork.

This year, we again renewed the Producer/Processor pricing order. Invited to the table as observers for the Pricing Order meeting were representatives of the Alberta Hatching Egg Producers Board. As partners in our industry, we have been engaged in meetings with the Alberta Hatching Egg Producers, the Alberta Hatchery Association and Marketing Council to address and discuss issues we have in common. We met a number of times throughout the year and a Balance of Supply Agreement between the Alberta Hatchery Association and the Alberta Hatching Egg Producers was developed over this time and completed in December.



With the Provincial Election taking place in Alberta during the year, we saw a change in government representation and the appointment of a new Agriculture Minister, the Honourable Verlyn Olson. With all that took place on the differential growth file, we were able to meet with the Minister a number of times. We also were able to meet on occasion with members of the opposition party. Government Relations has always been important and the ability to converse with politicians and government officials in a variety of environments is a good thing. This year we attended a number of political events, had an MLA attend a barn opening and along with SM5 partners hosted a number of MLAs on a farm tour. All of these initiatives provide us with opportunities to show politicians, their staff and media what we do on our farms and why Supply Management works.

Achieving a solution to Differential Growth at the National table continued to be a priority of the Alberta Chicken Producer Board and dominated much of the Board's time during the year. Beginning with our Special Circumstances request being turned down at the Chicken Farmers of Canada meeting in March, to our Producer Meeting held in June, to our Letter of Notification to Withdraw from the Federal Provincial Agreement in November, and all the meetings in between, many different solutions have been proposed. Focus from our Board has been on achieving an acceptable solution to the population aspect of differential growth.

The e-coli concern that occurred at Lakeside Packers in Alberta was a story that dominated the media for much of October. It made me think about things our industry has carried out over the past year to address quality and health. First would be the work being done in the area of Anti-Microbial Use (AMU) and Anti-Microbial Resistance. The high participation of people at the AMU Workshop at Regional Meetings was encouraging. Second, is the implementation of the Quality Expectations document in Period A-111. Finally, the continued amount of work being carried out by producers to meet the density requirements of the Animal Care Program as well as the baseline assessment of ammonia and relative humidity study being carried out in Alberta boiler farms demonstrates the amount of commitment in caring of our poultry.

2012 saw two long time industry leaders leave, Dave Fuller, Chairman of Chicken Farmers of Canada for over a decade and Ed Rodenburg, former President and CEO of Lilydale. On behalf of the Alberta Board, I would like to thank both gentlemen for their past contributions to the industry and wish them all the best for their future.

To conclude my report, I would like to thank the producers for providing me with the opportunity to serve this industry.

*Respectfully submitted by Erna Ference*



# Executive Director's Report



It is an honour and genuine pleasure to report on the successes of the chicken industry over this past year. Alberta Chicken Producers' forty-six years of success is largely attributed to a culture of transparency, collaboration, strong leadership from the Board, and commitment from you, the producers. The stewardship and integrity of our producers, and strong leadership of the Board, enable our organization to adapt to change, respond positively to challenges, and seize opportunities.

The Board of Directors and Staff have maintained a clear focus in addressing the 2011-2012 Strategic Priorities. Significant progress has been made in achieving this year's goals, including:

- Meaningful action to address Alberta's allocation issue, with the support of Alberta's Provincial Government;
- 100% certification of Alberta's registered chicken producers under the mandatory Animal Care Program;
- Implementation of a Quality Expectations Document; and
- Implementation of the Direct Marketing Lease Program.

The Board has also focused on maintaining strong industry partnerships, as evidenced this past year by the success of the chicken industry value chain meetings of the Alberta Hatching Egg Producers, Alberta Hatchery Association, Processors, Alberta Chicken Producers and Marketing Council; the SM-5's meetings with Alberta Beef Producers to foster transparency and fact-based communication among our sectors; and, enhanced communication with the Poultry Research Centre (PRC) to successfully align research with the priorities of Alberta Chicken Producers' Research Committee.

The achievements over this past year would not have been possible without the dedication, skill, and genuine care of our Staff and Board of Directors. We must acknowledge the support and leadership of each and every staff member and our team of auditors in delivering exceptional service to producers and industry. It is a privilege to work with such accomplished individuals and a high-performing team. It is also an honour to serve a positive, future-focused Board of Directors who is committed to serving the interests of the industry. Thank you for your leadership in making decisions today that lay a solid foundation for the success of future generations.

In addition to addressing its Strategic Priorities, your Board and Staff have also undertaken many other important industry initiatives in 2012. The Board has formed a strong relationship with our new Minister of Agriculture, Verlyn Olson; and, the Board has seized opportunities to promote supply management through advertorials, media interviews, and one-on-one meetings with elected officials. A full review of Alberta Chicken Producers Regulations was undertaken and final approval was received in 2012. In August, the office next door was purchased to provide for much-needed storage space, reducing costs of offsite rental. Leasing a portion of the space to a secured tenant provides income to offset the purchase and will continue to benefit both the administrative requirements of Alberta Chicken Producers and the tenant in the years ahead.

Despite relatively flat growth this past year, allocations were stable and returns were healthy throughout the industry. As rising costs of feed and chicks continue to place pressure on live price, your Board, in consultation with our industry partners, continues to closely monitor and assess these impacts on industry profitability to responsibly set live price and allocation.



Looking forward, Antimicrobial Use (AMU) is a significant issue that the chicken industry is assuming a leadership role in addressing. Thank you to all producers and industry stakeholder for participating in the AMU Workshop this past fall, which provided an effective forum for provincial stakeholders to learn and discuss practicalities and identify opportunities to address AMU. Your input is valued and will continue to play a role in forming our industry's actions going forward.

Public Relations is an increasingly important area of focus for the Board, staff, and industry. There are tremendous opportunities to educate the public about supply management and the chicken industry. Communicating strong key messages to target audiences in a timely and strategic manner will be an important focus for Alberta Chicken Producers in 2013 and in the years ahead.

Thank you to the Board of Directors and producers for this opportunity to serve you. The success of this industry is a testament to the commitment and cooperation of its people. It is an honour and privilege to work in an industry that is committed to collective success and upholding positive relationships.

We each have a role and responsibility in delivering a safe, high quality product to meet the needs of the consumer. As we continue to face global and local issues around food safety, food sovereignty, animal care and rising input costs, I encourage all producers to continuously turn challenges into opportunities and advocate for your industry.

*Respectfully submitted by Karen Kirkwood*





# Activities & Achievements

## Strategic Planning

Alberta Chicken Producers held its annual Strategic Planning Session on September 17-18 in Canmore, Alberta.

Representatives from Lilydale / Sofina Inc., Sunrise Farms, Maple Leaf Foods, Mountainview Poultry, Lakeland Poultry, and the Alberta Hatching Egg Producers attended the first day of this planning session to provide valued feedback on the achievement of the 2011/12 Strategic Priorities and input into the Board's establishment of priorities for the upcoming year.

Considering the input and feedback of our industry stakeholders, Alberta Chicken Producers' Strategic Priorities for 2012/2013 are as follows:

- Alberta's Allocation
- Strong Supply Chain
- Strong Industry Partnerships
- Antimicrobial Use
- Public Relations

The establishment of these Priorities will continue to guide the actions of the Board, Staff, and our Producers over the coming year.

## Board Meetings:

- Twelve (12) Board Meetings took place over this past year. Nine were held at the Board Office in Edmonton, one in Calgary, one in Crossfield, and one in Canmore, Alberta.
- Thirteen (13) Conference Calls were held to discuss matters of allocation, pricing, balance of supply, differential growth, and policy.
- Over the course of two days, the Board and Executive Director conducted its annual Strategic Planning Session with representatives of three major processors, two provincial processors, and the Alberta Hatching Egg Producer Board providing valuable input into the discussions.

## Board Training:

- Team Building is a fundamental component of Board development, especially for newly elected Board Directors. In 2012, the Board held a one-day Team Building Workshop in Edmonton, and various informal sessions throughout the year.
- In March, a Director, a staff member, and the Executive Director participated in an SM-5 Media Training Course.

## Industry Relations:

- The Executive Director, Chair and Vice-Chair met with Lilydale, Maple Leaf and Sunrise throughout the year to discuss and collaborate on issues of common interest.
- Regular meetings with members of Alberta's Agricultural Products Marketing Council and the Alberta Department of Agriculture and Rural Development occurred throughout the year.
- The Chair and Executive Director met frequently with Minister Verlyn Olson.
- A special meeting was held in June to address Alberta's allocation issue.
- Regional Meetings were held in the late October in Edmonton, Red Deer and Lethbridge.
- The General Managers/Executive Directors and Directors of the four Western Provinces met three times in 2012 to discuss issues of mutual concern and of relevance to each province. Each province rotates hosting the meetings.
- Annual General Meetings attendance include: Wild Rose Agricultural Producers, Poultry Research Centre, Alberta Milk and Alberta Pork. Respective Chicken Boards across the country: Chicken Farmers of Saskatchewan, Manitoba Chicken Producers, BC Chicken Marketing Board, Chicken Farmers of Ontario, and the Chicken Farmers of Canada were attended by representatives of the Board of Directors.
- A Producer Education Creates Knowledge (PECK) learning session in conjunction with the Annual General Meeting was conducted with producers and industry.
- ALMA produced a video to showcase the Alberta chicken industry's animal care program.

# Activities & Achievements

## Stakeholder Relations:

Board Directors and/or the Executive Director participated in the following activities throughout the year:

- Marketing Council's Boards & Commissions Workshop
- Poultry Service Industry Workshop
- Government Relations Training
- SM-5 Strategic Communications Planning
- AFAC Livestock Care Conference
- ALMA Future Fair
- Alberta Poultry Industry Meetings: Poultry Health Centre of Excellence, Disease, Compensation
- Alberta Chicken Industry Balance of Supply Meetings
- Annual AHEP/ACP Golf Tournament, "Lloyd Johnston Memorial Golf Classic"
- Growing Forward II Consultation Sessions with Minister Verlyn Olson

Alberta Chicken Producers enhanced its Grower Program to include a shareholder module which allows the board office to efficiently track and monitor individual farm ownership.

## Development & Enhanced Learning:

- Staff participated in a Team Building session in April with a follow-up Team Building Session in November. Core Values were reviewed and updated by staff, which include: Respect and Trust, Fairness & Integrity, Communication, Cooperation, and Forward Thinking.
- Alberta Chicken Producers values its people. As such, professional development and a commitment to ongoing learning are encouraged for all Staff members. Individual Staff members took advantage of expanding their professional and personal skills as follows:
  - PAACO – Poultry Welfare Auditor Course
  - Shadow Audits in Ontario
  - Nutrient Management
  - Premise ID Mapping
  - ARC GIS Mapping Tool Training
  - Microsoft Outlook – Level 1
  - Microsoft Excel 2010 – Level 1 & 2
  - Self-Improvement 101
  - Creating a Successful Work & Life Balance
  - Working Successfully with High Maintenance People
  - How to Manage Emotions & Excel under Pressure
  - Lean in the Workplace
  - Proofreading Perfection

Staff Meetings are held at least once a month to share information and learn from one another. A new component was introduced this past year whereby each staff member chairs a Staff Meeting and shares a 'best practice' tip.



## Alberta Poultry Industry Workshops

Starting in January 2012, Alberta Chicken Producers has been working closely with the Alberta Hatching Egg Producers Board, the Alberta Hatchery Association and Marketing Council to discuss and address issues impacting the Alberta chicken industry. Topics of discussion include balance of supply, pricing, and allocation. These meetings are a valuable opportunity for collaboration among stakeholders throughout the industry.

Significant headway has been achieved in addressing the balance of supply matter. A Balance of Supply MOU between the Alberta Hatching Egg Producers Board and the Alberta Hatchery Association was developed in late December 2012 and is expected to be implemented in early 2013.

These sector-wide meetings are ongoing and are setting a precedent for collaboration among stakeholders throughout the value chain in Alberta.

## On-Farm Food Safety & Animal Care Programs

This past year has seen significant progress for Alberta Chicken Producers with respect to the On-Farm Food Safety Assurance (OFFSAP) and Animal Care Programs.

### Animal Care

The Animal Care Program is a mandatory condition of a producers' license to produce chicken in the Province of Alberta. This mandatory requirement was a decision of the chicken industry in Alberta, and supported by our chicken producers across the province. As of April, 2012, 100% of Alberta's registered chicken producers were certified under the Animal Care Program, second only to Prince Edward Island. Our producers' have once again shown their leadership, as with the On-Farm Food Safety Assurance Program implementation in 2004, in leading the full implementation of this program nationally. Producers are audited annually by a third party to maintain certification.

In an effort to help producers maintain their certification, once the density requirements come into effect on December 1, 2013, the Alberta Chicken Producers' Audit Team reviewed the information obtained during the barn measurement and initial Animal Care Program audits to identify which producers qualify for basic certification ( $\leq 31\text{kg}/\text{m}^2$ ) and full certification ( $31\text{-}38\text{kg}/\text{m}^2$ ). Producers have been issued letters indicating which certification level they qualify for during the initial audit and, for those at a basic level, the changes required to qualify for full certification.

The Alberta Livestock and Meat Agency (ALMA) developed a video of Alberta Chicken Producers Animal Care Program, highlighting Alberta's accomplishment of 100% certification of Alberta's chicken producers under the Program. The video was debuted at the ALMA Future Fare in June 2012, and is posted on Alberta Chicken Producers website.

At the July Chicken Farmers of Canada (CFC) Summer Meeting, CFC and the ten Provincial Chicken Boards signed a Memorandum of Understanding (MOU) for CFC's Animal Care Program. This signing reflects the commitment of all ten Provincial Chicken Boards and CFC to implement and maintain a comprehensive National Animal Care Program – both the Producer Manual and the Management Manual are based on ISO (International Organization for Standardization) principles. This allows for a credible system to provide on-farm audits and certification services to all Canadian Chicken farmers.



# Activities & Achievements

## Ammonia & Humidity Baseline Assessment Project:

To further support the implementation of the Animal Care Program, the baseline assessment of humidity and ammonia project continued throughout 2012. The goal of the project is to assess the levels of humidity and ammonia levels in Alberta broiler barns given the unique climate as to ensure that the Animal Care Program is audited in a fair and consistent manner. Forty volunteers continue to house the data logging equipment which will continue early into 2013.

## 3rd Party Recognition for the On-Farm Food Safety Assurance Program (OFFSAP)

At the national level, the 3rd Party OFFSAP Audit was conducted by the Guelph Food Technology Center at the Chicken Farmers of Canada (CFC) office and three provincial board offices including 12 audits with 6 Auditors in BC, Ontario and Nova Scotia. The program was deemed to be credible, and a few minor corrective actions and opportunities for improvement to the management of the program were identified. Once the corrective actions are addressed the report will be provided to the Canadian Food Inspection Agency to request formal recognition of the OFFSAP program. Having a credible and auditable Safe, Safer, Safest OFFSAP Program is essential to meeting the needs of today's consumer and having the program recognition by CFIA is instrumental in demonstrating the chicken industry's commitment to meeting the safety and quality needs of consumers.

## Antimicrobial Use (AMU)

Concern over antimicrobial use (AMU) in the agriculture sector and the resulting potential effect of antimicrobial resistance in the human population has resulted in increased media attention and consumer concern. Chicken Farmers of Canada (CFC) has been pro-actively addressing this concern through the development of a sector-wide antimicrobial strategy. The sector-wide strategy includes: (1) baseline use and resistance trends information, (2) best management practices, (3) ensuring effective controls of AMU in Canada, (4) educating stakeholders on AMU/Anti-Microbial Resistance, and (5) research into alternative products. Much work has already been undertaken by CFC and industry stakeholders within this strategy.

At the provincial level, board staff have been actively involved in the delivery of the strategy by completing a Baseline Usage Survey with a sample group of producers. This survey will be combined with surveys conducted across the country at the broiler breeder, hatchery, and broiler levels to determine baseline usage in the Canadian broiler industry. Alberta Chicken Producers also held consultation sessions in conjunction with the Fall 2012 Regional Meetings to discuss the national AMU Strategy and provide input into a proposed addition to the OFFSAP program. Industry stakeholders and producers provided valuable feedback, which will help guide the actions of the industry to implement an effective AMU Strategy. The Alberta Chicken Producers would like to thank all participants and Serecon Management Consulting Inc. for facilitating the session and collating the final report.

A special thank you is relayed to Auditors Boyd Bresnahan and Rodney Swanek for their diligence and commitment to Alberta Chicken Producers.



# Activities & Achievements

## Quality Committee

Alberta Chicken Producers formed a Quality Committee in 2009, with a mandate to develop a credible and responsible 'quality' program for Alberta. The Committee is composed of representatives from each of the three major processors in the province, as well as two Directors and two staff members of the Alberta Chicken Producers.

In 2009, the Committee selected three quality issues to address: cellulitis, pododermatitis, and fecal contamination. These issues were selected for their ability to be measured objectively. To develop a credible and responsible Quality Program, the Committee determined the need for benchmarks, specific to Alberta, against which to set quality targets and a document to communicate the expectations for meeting these quality targets.

Over the course of 2010 and 2011, baseline levels for cellulitis, pododermatitis, and fecal contamination were established and quality targets defined. A Quality Expectations Document was developed and implemented in April 2012, which sets forth the targets for cellulitis, pododermatitis, and fecal contamination, outlines the best-practices to achieve these targets, and includes a Conflict Resolution process to address quality issues.

Since this document has been in effect, improvement has been seen in these three areas.

## Governance Committee

The Governance Committee is composed of two Directors, the Executive Director, and Office Manager. This year, the Committee successfully developed and implemented a Board of Directors Orientation Manual. The Manual is now used in training newly elected Directors and is also a valuable resource for producers interested in assuming a leadership role in the industry. The manual is posted on our website along with the Board's Governance Policy & Operations Manuals developed by the Committee in early 2012.

# Activities & Achievements

## Direct Marketing Lease Program

The Specialty Committee was established with a mandate to explore options for specialty production in Alberta. The Committee's objectives are:

- To review current Organic Lease Program and existing opportunities within the current Regulations;
- To identify challenges and explore solutions for producers engaged in direct marketing activities; and
- To review requests for Specialty Chicken received by the Board Office.

The Specialty Production Committee brought a proposed Direct Marketing Lease Program to Producers for a vote at its 2012 Annual General Meeting. Producers voted strongly in favour of the proposal; and, Alberta Chicken Producers received approval from Marketing Council to incorporate the Program into its Regulations.

Alberta Chicken Producers implemented its Direct Marketing Lease Program in August 2012. Three applications for Direct Marketing Lease were submitted by the September 1, 2012 deadline for production commencing in the 2013 calendar year.

The three applications submitted resulted in a total of 110,000 live kilograms of lease.

In the Summer of 2012, the Committee also developed Terms of Reference for each Committee, which were approved by the Board and will serve as a framework to support ongoing effectiveness of our Committees.

The Governance Committee is also responsible for identifying skill and leadership opportunities for Directors. This year, the Board held a Leadership Development Session with Ken Smith of Discovery Leadership, as well as several informal Team-Building Exercises throughout the year. These activities provided an opportunity to build on our understanding of each other's strengths and thought-processes, which in turn translates into a stronger, more effective Board.

# Activities & Achievements

## Government Relations

With a newly elected Cabinet in Spring 2012, Alberta Chicken Producers has been fortunate to work closely with Minister of Agriculture & Rural Development, Verlyn Olson, as well as the Department of Agriculture and Rural Development and Alberta's Agricultural Products Marketing Council in addressing Alberta's allocation issue. Alberta Chicken Producers appreciate the support of our Provincial Government in addressing this critical issue for our industry.



## Congratulations Freda Molenkamp-Oudman

Alberta Chicken Producers was pleased this past year to congratulate Freda Molenkamp-Oudman in accepting the role of General Manager with Alberta's Agricultural Products Marketing Council.

Alberta Chicken Producers appreciates Ms. Molenkamp-Oudman's leadership and collaborative spirit in working with all Boards and Commissions to advance Alberta's Agriculture industry, and we look forward to working with Freda in her new role.

## MLA Golf Tournaments

These events are an opportune time for producers to connect with their elected officials to discuss industry matters and reinforce the important role Supply Management plays in Alberta's economy and rural communities. This year, with a newly elected cabinet and fewer events, Directors did attend the George Groeneveld and Rick McIver Golf Tournaments.

Alberta Chicken Producers was a sponsor of the Dave Quest Golf tournament. Vera Ward was on site to serve chicken breakfast sausages to the golfers, which was a huge hit again this year. This event was an excellent opportunity to meet newly elected MLAs and establish contacts for Alberta Chicken Producers to sponsor and participate in future events.



Alberta Chicken Producers also conducted the following meetings in 2012:

- Meetings with Members of Parliament in Ottawa
- Honourable Ted Menzies, Minister of State for Finance
- Honourable Rob Merrifield, Secretary of State and Chair of the International Trade Committee
- Blaine Calkins, Standing Committees on Natural Resources
- LaVar Payne, Standing Committee on Agriculture and Agri-Food
- Devinder Shory, Standing Committee on International Trade
- Brian Storseth, Standing Committee on Agriculture and Agri-Food
- Meeting with Honourable Brent Rathgeber, Q.C MP for Edmonton – St. Albert
- Farm Tour for local MLAs – Ite Veurink

# Activities & Achievements

## Government Relations

### Supply Management & the Alberta SM-5

The SM-5 (Alberta Milk, Egg Farmers of Alberta, Alberta Hatching Egg Producers, Alberta Turkey Producers, and Alberta Chicken Producers,) continue to work together to present a united voice from the Supply Managed sector. United, we focus our activities toward a common goal of educating our elected officials about the value of our industry to the fabric of the Alberta and Canadian economies and rural communities, and to address the challenges and opportunities faced by our industry.

We sincerely appreciate and acknowledge the efforts of Bill Donohue, our SM-5 contracted Government Relations expert, for facilitating our participation in meetings, functions, and events with our elected officials.

Alberta Chicken Producers attended the following SM-5 events in 2012:

- Prime Minister's Stampede Barbeque
- Premier's Stampede Breakfast
- Premier's Capital Ex Breakfast
- Central Alberta Premier's Dinner
- Meeting with the Wild Rose Alliance



### Media Training

Directors and Staff of Alberta's Supply Managed groups participated in a two-day Media Training and Government Relations Workshop in March 2012. This was an excellent opportunity for Directors and Staff to refine their public and media relations skills.



### Trade

The SM-5 is committed to ensuring that when decisions are made, which could potentially impact supply management, our industries are considered and consulted wherever possible. We appreciate the support and consideration of our provincial and federal government in engaging our industries over this past year when discussing matters of trade and expressing their support for Supply Management. The Alberta SM-5 also appreciates and values its relationships with other agriculture industries and organizations and will continue to engage in trade-related discussions to foster transparency and enhanced understanding among our sectors.

**ALBERTA SUPPLY  
MANAGEMENT**

*Local farmers  
producing  
quality products*



# Activities & Achievements

## Government Relations



### SM5 Farm Tour with Rural Caucus:

The Alberta SM-5 invited Rural Caucus MLAs to tour Bles-Wold Dairy Farm and David Hyink's broiler chicken farm in December 2012.

The SM-5 toured the delegation of MLAs and Legislative staff via bus to the farms, which offered opportunity to present the SM-5's Supply Management video and discuss our industries in-depth both formally and informally with attendees.

The tour of both farms provided MLAs with first-hand experience, including: suiting up in biosecurity gear, observing day old chicks, walking through a barn of two week old broilers, viewing dairy production and processing, and seeing the equipment and technology employed by our poultry and dairy producers to run efficient operations that meet our strict biosecurity and animal care requirements.



In addition to our SM-5 activities, meeting with our government officials to promote Supply Management is an important activity of the Board. Our engagement in political events and, one-on-one meetings with MPs and MLAs throughout the year continue to provide us with unique opportunities to establish personal connections. We will continue to engage our Federal and Provincial Ministers and work closely with the Alberta Department of Agriculture and Rural Development to discuss the needs of our industry and to enhance understanding of the opportunities and challenges we face.

The event was a resounding success and plans are to continue hosting events such as this in the future.



# Activities & Achievements

## Public Relations

### Advertising

Through our partnership with Taste Alberta, Alberta Chicken Producers ran an advertisement in the Edmonton Journal on the Taste Alberta page, which featured facts about chicken production in Alberta as well as a recipe. The ad was successful in generating calls to the Board Office from consumers interested in our cookbook and wanting to know more about our industry.

**Alberta Chicken Producers**

### Chicken Enchilada Soup

A hearty soup to warm you on a cold day!

In a large Crockpot, add chicken stock, cubed chicken breasts, corn, chili powder, and cayenne pepper. Heat, add canned tomatoes. Remove stems and seeds from jalapenos and green bell peppers. Add to pot along with the onion, garlic, black beans, corn and tomato paste. Mix well. Turn Crockpot on high and cook for approximately 4.5 hours.

When ready to serve: Add 1 1/2 c. cheese and 1/8 c. cilantro to the soup, reserving some cheese and cilantro for garnish. Stir well.

Note: To thicken soup, if desired, you can add strips of four tortillas, which will absorb into the soup to thicken the broth. To thicken soup, add more chicken broth.

To serve: Ladle into serving soup bowls. Garnish with crushed tortilla chips, reserved cheese and cilantro for garnish.

For added variation: Try serving over rice for a hearty meal.

Contact our office: (780) 488-2125 to purchase the Simply Chicken Cookbook.

**DID YOU KNOW?**

- Chicken in Canada is not grown with hormones or steroids. These have been banned since the 1960's.
- 100% of registered farmers in Alberta are certified under 3<sup>rd</sup> Party Audited On-Farm Food Safety Assurance and Animal Care Programs.

Alberta Chicken Producers has been focusing on communication initiatives this year to educate the public about the value of Supply Management.

Recent activities include:

- Advertorial in the Western Producer
- Advertorial in the Edmonton Sun and Examiner
- Advertorial in the Calgary Sun and Airdrie Echo

In the spring of 2012, the Alberta SM-5 (Alberta Milk, Alberta Turkey Producers, Alberta Egg Producers, Alberta Hatching Egg Producers, and Alberta Chicken Producers) engaged AdFarm to conduct a Market Research Study to assess the public's current awareness, understanding and views of Supply Management. Based on the outcomes of this research, three themes emerged, which will be tested through further focus group research. The results of the Focus Group Study will then be used to guide the development and implementation of a Strategic Communications Plan.

AdFarm will be developing a proposal and budget for a communications strategy and associated tactics, with varying levels of media employed for the SM-5 to consider. The SM-5 will also be leveraging its current website: [albertasupplymanagement.com](http://albertasupplymanagement.com), and existing tools to execute the strategy efficiently and cost-effectively.

**window on the West**  
A Book of businesses serving farmers in the 21st Century

### BUYING WESTERN CANADIAN CHICKEN IS GOOD FOR ALL OF US!

**Canadians have repeatedly said they want Canadian-produced chicken and support Canadian chicken farmers.**

It is not surprising why the public, Canadians agree that their product is good. Canadian chicken is safe, healthy, and has produced 100% of the chicken that is consumed in Canada. It is important to ensure that the quality of the product is maintained.

**Good Chicken... Great Business**

Supply management ensures farmers receive a fair price for their product, but the price paid at your local grocery store is not the price you pay for your product. The price you pay is the price you pay for your product. The price you pay is the price you pay for your product.

**A Global Leader**

Canadian grown chicken meets demanding standards that are the envy of many in the world.

- **Alberta has an income tax for over 40 years.**
- **Alberta's income tax is one of the lowest in the world.**
- **Alberta's income tax is one of the lowest in the world.**

**Supply Management – Truly Canadian**

Supply management is a uniquely Canadian approach to agricultural production that benefits Canadian farmers, processors, and consumers. Farmers receive a fair price for their product, processors receive a reliable supply of product, and Canadians are provided with a superior choice of excellent, high quality products at reasonable prices – all without government subsidies.

The United States and European Union subsidize their farmers with billions of dollars. In the United States, Canadian chicken farmers receive 100% of their revenue from the marketplace, not from government subsidies.

**Thank you, Canada!**

We thank our provincial and federal governments for their ongoing support of supply management. As recently as the 2011 Speech from the Throne, our government has reaffirmed its commitment to supply management because it works for farmers, processors, and, most importantly, consumers.

We are tremendously proud of the growth and popularity of Canadian chicken products. Our system gives us the flexibility we need to continue responding to the evolving needs of the marketplace, not from government subsidies.

*Thank you, Canada, for your trust!*

Alberta Chicken Producers

### Taste Alberta

Taste Alberta is a successful collaborative partnership between the agriculture industry and the media. Since December of 2012, Taste Alberta has been a weekly series in the Edmonton Journal and the Calgary Herald. To celebrate their successes and showcase the quality of Alberta's food and the agriculture industry, Taste Alberta hosted Harvest Fare at the Edmonton Journal building, featuring culinary talents of four local chefs, a lunch and a dinner were prepared with Alberta local food.

Harvest Fare: This fall, Alberta Chicken Producers participated in a new initiative sponsored by Taste Alberta. Alberta Chicken Producers had an opportunity to network with all the guests during Harvest Fare.

MEAT 101: The Taste Alberta initiative MEAT 101 was introduced and is becoming a trusted resource for consumers. The MEAT 101 information can be accessed on a Smartphone, while consumers are contemplating "what's for dinner?"



# Activities & Achievements

## Public Relations



As a member of Taste Alberta, we are excited about this tool, which teaches consumers, in an easy to use 'app', everything about selecting, storing, preparing and cooking meat.

The intent of the tool is to grow consumer confidence in choosing meat products that will essentially increase the likelihood that they will return to the meat counter on their next shopping trip.

## Local Farmer Day at Save-On Foods

On two separate occasions, Alberta Chicken Producers participated in a local food demonstration and public engagement opportunity at Save-On-Foods in Edmonton.

The objectives of this event were to educate consumers on where their food comes from and how it is grown/raised, showcase the wide range of locally produced products available at their grocer, and demonstrate high-quality and fresh taste of Alberta-grown products.

Albert Chicken Producers cooked and served Rosemary Ranch Chicken Kabobs to shoppers. The chicken recipe was a hit, and shoppers were eager to take-away recipe cards and were encouraged to visit the ACP website for more recipes.

## Promotion



Once again this year, Alberta Chicken Producers participated in Aggie Days (in Lethbridge & Calgary), the Calgary Stampede, Edmonton Farm Fair, and Stony Plain's City Slickers.

A series of recipe cards were developed as give-aways for the 2012 annual trade shows.

In addition, a Moroccan Spice Rub was a very popular give-away item.

These events continue to provide us with an opportunity to showcase Alberta Chicken Producers and educate the public about rural life and chicken production. At these events, children were provided with resource materials and activity booklets, along with promotional materials such as stickers, tattoos, pencils

and chicken erasers, etc.

The Alberta Chicken Producers website contains a section where Promotional Materials can be accessed for personal use or for special events that producers host.



Alberta Chicken Producers will pursue opportunities in the future that focus on the nutrition and health benefits of chicken.

## Health & Wellness Show

Alberta Chicken Producers participated in the 2012 Health and Wellness Show as a corporate sponsor of the event. Promotional baskets from Alberta Chicken Producers were featured in draws throughout the weekend at the cooking stage. Consumers enjoyed bite-sized samples of chicken and Alberta Chicken Producers materials were visible throughout the event.

# Activities & Achievements

## Public Relations

### Thank you to our Producers

A heartfelt ‘thank you’ is extended to our producer volunteers for the time they commit in attending these agricultural events. It is a busy time of year, and their dedication to the industry is remarkable. We sincerely thank them for sharing their chicken farming knowledge with visitors to the Alberta Chicken Producers’ booth.

We acknowledge the time and effort of Martin Van Diemen in contacting and scheduling the producers for these events, and Arnold Teunissen who sets up the chick pen displays and ensures materials and promotional items are in place.

Thank you to Jacob Middelkamp, who ensures the display is set up in Edmonton and surrounding area. We are enriched to have this level of team cooperation to ensure Alberta Chicken Producers is well represented at these agricultural events and that volunteers are well prepared to represent their industry.

We also appreciate the commitment of Trent Sundgaard who volunteered at Outstanding in the Field, in Brooks, AB. Thank you, Trent for inspiring and leading the youth in this rural Program!

### Producer Volunteer Recognition Program

Alberta Chicken Producers recognizes the value producers bring, volunteering their time and efforts to attend agricultural events across the Province. The Producer Volunteer Recognition Program was launched in 2010 and continues to be a popular and effective means of encouraging and acknowledging our producer volunteers. Details of Alberta Chicken Producers Volunteer Recognition Program are contained on our website.



We are proud of our producer volunteers, who take time away from their farms to share their passion and enthusiasm for their industry with the public. From production practices to biosecurity and to animal care, our producer volunteers are eager to share their experiences and teach others about everyday life on a chicken farm. Producers proudly wore their “Ask Me: I’m a Farmer!” buttons.

At the 2012 Annual General Meeting, a draw was held for all eligible producer volunteers. Congratulations to the following winners: Pia Guenter (1st Prize), Rob Van Diemen (2nd Prize), and Martin Brink (3rd Prize).

We extend a heartfelt thank you to all of our dedicated, passionate producers, who are away from their farms to volunteer and participate in the numerous events throughout the province.

### Lloyd Johnston Scholarship Award

Cibele Torres accepted the 2012 Lloyd Johnston Graduate Scholarship in Poultry Science. The Scholarship Fund was established in 2011 in honour of Lloyd’s contributions to the chicken industry. The scholarship recognizes graduate students researching Poultry Science in the University of Alberta Faculty of Agriculture, Life and Environmental Science with \$2000 towards their education.



## Classroom Agriculture Program

The Classroom Agriculture Program (CAP) launched in 1985 and has been presented to over 550,000 students over the past 27 years. CAP recently completed registrations for the 2012/2013 school year. Program numbers continue to increase, with 19,315 students in 841 classes now registered to receive the program this year.

CAP targets programs to grade four students across Alberta to enhance understanding and foster respect and appreciation for Alberta's agriculture industry and the individuals who make Alberta-based food production a reality. This purpose continues to drive CAP today.

We are proud to highlight the following recent accomplishments:

- Last fall, CAP launched a website, [www.classroomagriculture.com](http://www.classroomagriculture.com). The website has enhanced our ability to deliver the programs to teachers and receive feedback through online evaluations in a streamlined manner.
- ALMA approved funding for a new CAP classroom DVD. The updated DVD, *Grow With Agriculture*, will be used by volunteers in their classroom presentations and will also be available for viewing on our website. This project is near completion and videos will be used in the classroom this school year.
- CAP formed a new three year partnership with Agriculture for Life, which will contribute between \$100,000 - \$150,000 in annual funding. This additional funding will assist CAP in achieving its goal of doubling the number of presentations delivered by the end of this three year partnership.
- CAP is working on a campaign to recruit and retain quality volunteer classroom presenters in an effort to reach 100% of Alberta's classrooms.



We are thankful to our program members, sponsors and partners who have supported CAP this year: Agrium, Alberta Barley Commission,

Alberta Beef Producers, Alberta Canola Producers Commission, Alberta Chicken Producers, Egg Farmers of Alberta, Alberta Pulse Growers Commission, Alberta Veterinary Medical Association, Eastern Irrigation District, Olds College, Alberta Institute of Agrologists, Alberta Irrigation Projects Association, and the Taber Irrigation District. This year we also welcomed two new groups to CAP: the Alberta Milk Producers and Agriculture for Life.

*Respectfully submitted by Karen Spelay*

**HOME CONTACT US**

**Classroom Agriculture Program**

ABOUT US | SCHOOLS & TEACHERS | VOLUNTEERS | MEMBERS | PARTNERS | ZONES

**UPCOMING EVENTS**  
CAP classroom registration for the 2012/2013 school year is now closed. Teacher registration forms received after December 10th, 2012 will be filed for the 2013/2014 school year.

**OUR VISION:**  
To assist Alberta students understand agriculture and its impacts.

**OUR MISSION**  
To provide students with quality, comprehensive agriculture learning experiences that lead to a greater understanding of and support for the agriculture industry in Alberta.

**Welcome to the CAP Website**

**What We Do**  
The Classroom Agriculture Program (CAP) started in 1985, since that time more than 550,000 students have participated in our program. CAP is about the food you eat and where it comes from. CAP explains the value and importance of agriculture in Alberta. CAP highlights the vast opportunities in agriculture and the people, producers and industries that drive this trade.

CAP is presented to grade four students across Alberta at no charge. Volunteers deliver the program through story-telling, engaging props and fun activities.

# Chicken Farmers of Canada Report



## Antimicrobial Use

CFC, in conjunction with its industry stakeholders, continued its work on antimicrobial use and resistance throughout 2012. CFC was active in several areas, including: developing an industry strategy, initiating an industry working group, holding education sessions in each province, performing research, developing responsible use guidelines, examining antimicrobial availability and use, and collaborating with government agencies on surveillance and regulations.

The industry strategy, finalized in 2012, has the objective of controlling, monitoring and reducing antimicrobial use in the chicken industry in order to preserve effective treatment options. The strategy was supported by the Animal Nutrition Association of Canada, the Canadian Hatchery Federation, the Canadian Hatching Egg Producers, the Canadian Poultry and Egg Processors Council and the Canadian Association of Poultry Veterinarians.

CFC also worked with the Canadian Integrated Program for Antimicrobial Resistance Surveillance (CIPARS) of the Public Health Agency of Canada to develop and implement an on-farm surveillance component that will monitor antibiotic usage and antibiotic resistance levels on Canadian chicken farms. This program will help to develop antimicrobial use baseline levels and to determine future antibiotic use and resistance policies.

## Animal Care

CFC's Animal Care Program (ACP) is an auditable program designed to demonstrate the high level and standards of the Canadian chicken industry's on-farm animal care. The program is based on the Canadian Recommended Code of Practice for the Care and Handling of Chickens, Turkeys and Breeders from Hatchery to Processing Plant. Farmers are audited annually to assess the implementation of the program and determine if the mandatory requirements of the program are being maintained.

In just three years, nearly 90% of farmers have received full audits and over 65% of farmers are certified on the program – this is a clear demonstration of Canadian chicken farmers' commitment to the program. Additionally, the ACP has been made mandatory by 5 provincial boards (BC, AB, SK, MB, ON).

## Animal Health

On the biosecurity front, CFC continues to participate in the Avian Biosecurity Advisory Council which is led by the Canadian Food Inspection Agency (CFIA).

CFIA held consultations sessions with the service industry across Canada in 2012 and will be looking to finalize the requirements through the Council in early 2013. CFC will continue to be involved in the development and subsequent communication initiatives associated with these guidelines.

In terms of traceability, CFC continues to participate in the industry-government advisory council (35 members) on traceability. CFC has focussed attention on formalizing current data-sharing agreements between provincial boards and governments.

## On-Farm Food Safety

CFC is a strong leader in on-farm food safety. This commitment is demonstrated to Canadian consumers by chicken farmers who have been applying CFC's On-Farm Food Safety Assurance Program (OFFSAP) on their farm for the last decade and by CFC's progress in achieving full Federal, Provincial and Territorial (FPT) government recognition for OFFSAP.

# Chicken Farmers of Canada Report

2012 marked a defining moment for CFC's OFFSAP and for the FPT government recognition process. With the government requirements finalized, CFC is the first commodity in Canada to undergo a 3rd party audit of the management of the OFFSAP with the objective of receiving full government recognition for the OFFSAP. The 3rd party audit was a comprehensive review of the protocols, policies and procedures to determine CFC's compliance with the government recognition requirements.

CFC has submitted the request to the Canadian Food Inspection Agency and expects a decision in March 2013. CFC will be the first commodity in Canada to receive full recognition.

## Poultry Research in Canada

This was an exciting year for the Canadian Poultry Research Centre (CPRC) as it launched its new sponsorship program in September 2012. CFC is one of the five founding members of CPRC and is proud to be involved with an organization that focuses on Canadian research for Canadian farmers.

Aviagen Inc. was announced as the CPRC's inaugural Platinum sponsor an event at the Poultry Research Centre (PRC), University of Alberta, on September 13th to unveil the new Research Sponsorship Program. The new program is designed to enhance the amount of industry research funding received from CPRC Member Organizations, which is becoming more important as governments of different levels realign their funding as a result of budget pressures.

CPRC was established back in 2001 with a mandate to create and implement programs for poultry research and development that address current and future industry needs. Jacob Middelkamp, from Alberta, is CFC's representative on the CPRC Board of Directors and is the current CPRC Chairman.

To date, CPRC has allocated approximately \$2.8 million to foster poultry research and these funds have been leveraged to over \$13.1 million. Furthermore, CPRC is considering new projects worth \$130,000 for matching funding and these could be leveraged for another \$850,000.

## Moustache Money for Movember

In 2012, Canada's poultry and egg farmers challenged Minister Ritz to once again shave his moustache in support of prostate cancer awareness and men's mental health.. The Minister's Movember campaign raised \$36,087 in donations and more than \$50,000 over the past two years. His 2012 total ranked him 8th in Canada and 12th in the world, with CFC staff and Board members raising \$2,000 towards his 2012 campaign.

## Corporate Social Responsibility

Throughout 2012, Chicken Farmers of Canada contributed more than \$56,000 to the Ottawa Food Bank. CFC contributed more than \$25,000 to local food banks in 72 ridings across Canada

In April 2012, CFC launched its Everyone Wins With Canadian Chicken contest, in partnership with Maple Leaf Prime Chicken. The contest, a social media-based campaign, received 72 MP entries, whose recipes were competing to help food banks across Canada. In recognition of the large number of MPs that participated in the contest, CFC made a further \$100 donation per entry received to a food bank in each riding, as chosen by the MP, which resulted in another \$7,200 in prizes.

## Outreach & Influences – Communications

CFC continues to place great emphasis on delivering quality education about the health attributes of chicken to consumers and health professionals. These outreach activities are carried out through the promotion of CFC's online and print resources at health conferences and trade shows, and through social media.



# Chicken Farmers of Canada Report

## Nutritional Factsheet Series

CFC has been working closely with dietitians to enhance its two main sources of print material, namely its recipe booklet and nutritional factsheet series.

CFC now has 12 nutrition factsheets in the series, as well as a snack and beverage, and weekly food journal. These are useful clinical aids and educational tools for those looking to change their eating habits and achieve a healthier lifestyle. Registered dietitians and other health professionals have been ordering these patient resources in bulk throughout 2012. The factsheets are also available for provincial boards and consumers to view or download through our Health Portal.



Jacob Middelkamp, Director  
Chicken Farmers of Canada

## Eat Right with chicken.ca Cook Booklet

In 2012 CFC created a new cook booklet entitled Eat Right with chicken.ca. The recipes inside provide reliable nutrient information and allow consumers to choose from healthy options for either regular diets or those that require lower fat, lower sugar, lower sodium, high fibre or gluten free meals. The booklet also contains information about CFC's On-Farm Food Safety and Animal Care Program, and invites consumers to find resources on our website, including the new Health Portal, recipes, food safety tips, weekly blogs, the monthly newsletter and the frequently asked questions page.



David Hyink,  
Alternate Director  
Chicken Farmers of Canada

## Government Relations

In 2012, CFC's Government Relations Strategy focused on increasing its lobbying activities and increasing relationships with MPs, Senators and key decisions makers.

### Joint Annual Reception

The four national poultry agencies, Chicken Farmers of Canada, Canadian Hatching Egg Producers, Egg Farmers of Canada and Turkey Farmers of Canada held their Joint Annual Reception on Wednesday March 21st at the Fairmont Château Laurier in downtown Ottawa. The annual event drew countless stakeholders and industry members. The event marked the 40th anniversary of the Farm Products Agencies Act (FPAA) and included such notable attendees as: Laurent Pellerin, Chairman of Farm Products Council of Canada, Pierre Lemieux, MP and Parliamentary Secretary to the Minister of Agriculture, as well as Ottawa Mayor, Jim Watson and other political and departmental officials.

### CFC Lobby Day

CFC held a Lobby Day in conjunction with the CFC Board of Director's meeting on May 31st. The purpose of the Lobby Day was to build relationships with elected officials and advance CFC's key priority issues. Participants met with 48 Members of Parliament and Senators on a range of issues including: Supply Management, Trade, Import Tariffs, Food Safety, Antimicrobial Resistance, On-Farm Food Safety and Animal Welfare.





# Chicken Farmers of Canada Report

## International Trade

### Import Controls

With the increasing level of concerns over the Import to Re-export Program (IREP) volumes that exceeded 80 million kilograms in 2011, and the difficulty associated with the verification of the compliance to the regulations, modifications were recommended in 2012.

The other main area of concern with import controls is the phenomenal growth in imports of spent fowl products. Spent fowl is not subject to import control measures, and some importers have used this circumvention measure to import spent fowl for the manufacturing of processed products that can then be labeled as chicken products. This is a serious threat to our industry as it is a loophole that is displacing a significant volume of domestic production. Imports of spent fowl products exceeded 100 million kilograms in 2012, representing 10% of Canada's domestic chicken production. This is a considerable loss to the Canadian economy.

### World Trade Organization

At the end of 2011, a WTO Ministerial Declaration called for the exploration of different negotiating approaches, the pursuit of an early harvest agreement and the continuation of work on the basis of the progress already made in the draft modalities. This was expected to spur progress but, by the end of 2012, nothing appreciable is to be reported. Once again, the focus of the international trade agenda shifted from the WTO to more focused bilateral and plurilateral talks during 2012.

### Bilateral and Multilateral

The Canadian government has repeated on many occasions that it is pursuing an aggressive trade agenda; and Canada has engaged in 13 bilateral and plurilateral trade negotiations with countries or regional groups such as European Union, India and Japan to name a few, and with the Trans Pacific Partnership (TPP). While working hard to open markets on the world scene, the Canadian government has always been very clear in its support for the Canadian poultry, dairy and egg farmers.

The bilateral talks with Japan were officially launched in November. Although it will take time before an agreement is concluded, this deal will be very significant for Canadian exports due to the scale of the Japanese economy. This initiative is especially important if Japan chooses to not enter the TPP. Japan has considered joining the plurilateral TPP but currently remains divided on the potential benefits of its participation.

The Canada-EU Comprehensive Economic and Trade Agreement (CETA) was an important focus during 2012 as it draws closer to a final agreement. Intense negotiations took place in the fall, carrying into the end of the year. On the agriculture front, the EU insists on greater concession on the recognition of geographic indicators for certain products and is also seeking an increase in access to the Canadian cheese market. Canada's agriculture demands mainly pertain to significant access to the EU market for Canadian beef and pork products. Developments should occur early in 2013.

The other main note from 2012 was Canada's acceptance into the TPP. This major trade initiative, which started as four countries, has grown to 11 (Australia, Brunei Darussalam, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore, United States and Vietnam) and is viewed as a 'new century' agreement. Canada's decision to join has generated significant attention from the media and will be closely monitored in the months ahead.

*Respectfully submitted by Chicken Farmers of Canada*

## Canadian Broiler Council

The Canadian Broiler Council (CBC), a standing committee of the Chicken Farmers of Canada (CFC), which meets the evening before the CFC meeting.

The members of the CBC are the alternates of the provincial representatives to CFC. The committee discusses mutual issues such as allocation, animal care and food safety, and provincial areas of concern.

David Hyink represents Alberta on this Committee.

# Alberta Poultry Industry Emergency Management Team

The Alberta Poultry Industry Emergency Management Team (APIEMT) consists of members of the province's four poultry Boards, the Chief Provincial Veterinarian's Office, Canadian Food Inspection Agency (CFIA), as well as feed, processor, hatchery and egg grader representatives. APIEMT met twice this year to discuss and incorporate changes that have occurred within the industry and the structure of the team.

The focus this year was on non-disease related emergencies such as barn collapse, fire, and transportation issues. The Team is developing Standard Operating Procedures for initial response at the board office level to ensure the program is delivered in a streamlined manner by front-line staff.

The Team also hosted a Tabletop Workshop in conjunction with the 2012 Annual General Meeting. The Workshop aimed to further familiarize poultry producers with the Alberta Poultry Industry Emergency Management Team, the Emergency Response Manual, and disease risk-mitigating strategies through proper biosecurity measures. The event drew 214 attendees, including producers from all four poultry boards, industry, government, and researchers. Based on the final feedback, the event was positive and informative. Thanks again to the attendees and planning committee; and thank you to our sponsors and Growing Forward for the financial support in making this a successful event.

In May this year, the Emergency Response Plan was activated when a suspected case of Avian Influenza (AI) was detected in a commercial poultry operation in Alberta. All commercial poultry producers in Alberta were advised to increase their biosecurity to an 'alert level'. Fortunately, 24 hours later the test results were confirmed as negative for both AI and Newcastle disease. This event was an effective test of our Emergency Management Plan, and, the APIEMT Team appreciates the vigilance and cooperation of producers.

*In May this year, the Emergency Response Plan was activated when a suspected case of Avian Influenza was detected in a commercial poultry operation in Alberta.*

To effectively respond to an emergency, the Team must have sound processes and mapping capabilities to quickly and accurately identify affected producers within the area of the emergency.

Last year, in partnership with Alberta Agriculture & Rural Development, the Premise Identification system was completed for the four feather boards. The Premise ID numbers have been assigned to producers, and representatives and alternates for each poultry board have been trained on both the ARC-GIS and Google Earth mapping systems. With these tools in place, the board offices can quickly map affected producers and provide timely notification.



## Agriculture Funding Consortium

Alberta Chicken Producers is one of twelve associate members of the Agriculture Funding Consortium. The associate members represent various commodity groups in Alberta. Along with the twelve associate members are three major Funding Consortium members: Alberta Innovates – Bio Solutions (AI-Bio), Alberta Crop Industry Development Fund (ACIDF) and the Alberta Livestock and Meat Agency (ALMA).

As an associate member, Alberta Chicken Producers Research Committee provides a voice for the broiler industry's research priorities and helps guide the focus for the future research and development in Alberta.

The Funding Consortium also provides many efficiencies and joint funding opportunities otherwise not possible for the Alberta Chicken Producers as a single identity.

The Agriculture Funding Consortium received 175 research and development proposals (letters of intent) for the 2012/2013 funding year. At the fall consortium meeting, 63 letters of intent were identified by the consortium for full proposals. Prior to the fall consortium meeting the Alberta Chicken Producers Research Committee, with the feedback from our four Producer Representatives, met to review 11 proposals that pertained to the chicken industry and selected 8 letters of intent for full proposals. Three were supported at the fall consortium meeting and were part of the 63 total proposals selected for full proposals.

Full proposals must meet technical standards and guidelines to be awarded funding; this review process takes place from January through March 2013. The Agriculture Funding Consortium will meet to announce the supported projects to the successful applicants on March 1, 2013.

The 3 full proposals to be further reviewed at the 2012/13 Funding Consortium, in order of importance to the Alberta Chicken Producers Research Committee are:

1. Reducing Salmonella and Clostridium in Poultry.
2. Immunoprotection in Alberta Broiler Chickens: Comparing the Efficacy of Live and Inactivated Fowl Adenoviral Vaccines Versus Autogenous Vaccine.
3. Functionalized Peptides for Skin Care Produced from Bovine and Poultry Collagen Biomass.



## Poultry Research Center Support

In addition to the funding consortium, Alberta Chicken Producers supports the Poultry Research Center (PRC), which conducts on-going research that benefits egg and poultry producers and processors in Alberta. As a funding partner of the PRC, our 2012 commitment was \$80,709. The Alberta Chicken Producers Research Committee also focuses on connecting its priorities with the strategic plan and activities of the PRC.

The Research Committee held a meeting with the PRC to review Letters of Intent prior to submission, to align research projects with the priorities of the Alberta Chicken Producer's Research Committee. This process has had a positive impact on guiding the focus of research as well as the transfer of research and technology.

In an effort to expand the Alberta Chicken Producers Research Committee's research contacts network and influence into national poultry research initiatives members of the Research Committee met with representatives of the Canadian Poultry Research Center to review and discuss the proposed upcoming Poultry Research Cluster. Meetings involved face-to-face meeting with CPRC representatives as well as group sessions involving contacts within the Alberta Poultry research network. Through these sessions, improved collaboration at the national and provincial level will help to limit duplication and enhance research networks.

## Research Committee Members

- Jacob Middelkamp, Chair, ACP
- Ite Veurink, Director, ACP
- Sunny Mak, Vice President, Live Operations Division, Lilydale Inc.
- Dr. Jenny Fricke, Poultry Veterinarian, Poultry Health Services Ltd.
- Dr. Valerie Carney, Poultry Production Specialist, Alberta Agriculture and Rural Development.
- Trevor Prout, ACP Staff Coordinator

Research and development of innovative technologies and techniques are essential to the competitiveness and sustainability of our industry. The money we invest in research and development benefits all stakeholders and moves our industry forward.

The Board thanks all researchers, industry partners, and committee members for their on-going commitment to research and development.



## Poultry Research Center Report

After the completion of the application process for the 2012-2017 PRC program, the PRC has met with partners to discuss its future. The Poultry Research Centre thanks its industry partners for their support over the years and looks forward to continuing to provide research solutions in the areas of production and value-added product development. In 2012, the PRC team were involved in many research projects with promise for the poultry industry. Below are samples of what the team has been working on.

### *Raised without antibiotics...what does it take?*

Raising broilers without antibiotics is a complex task. Drs. Korver, Zuidhof and Saunders-Blades investigated the role of early nutrition and HyD supplementation on broiler performance, innate immunity, gut development, and pro-inflammatory gene expression when fed diets with or without antibiotics. The application of 25-OH-D3 and early nutrition could be a viable alternative approach to raising broilers without antibiotics, optimally, when combined with other management strategies.

### *Low value poultry meat into high value products*

Mechanically separated poultry meat (MSPM) from broiler and fowl, and dark meat in general, have a lower economic value than white meat. The physical properties of low value meat can be improved in order to increase its value. Modified meat has the potential to be used in new and existing meat products without negatively affecting sensory or marketing quality (primarily color, oxidative stability, and fat content) of the final products. Dr. Betti's research team is working to improve the consumption of poultry dark meat and MSPM by using these meat sources as a raw material for more marketable and thus more valuable products.

### *Ideas beginning to "Gel"*

Dr. Betti and his team aim to extract high quality gelatin from underutilized poultry sources. The use of gelatin varies from simple addition into food products as a gelling agent, binder, emulsifier or thickener to film-forming agent as used for encapsulation of liquids or powders. Gelatin is a fat-free ingredient with high protein and almost calorie free. However, the commercially available gelatin is mainly from bovine, porcine or fish sources. Hence gelatin from poultry source may have its importance due the problems associated with gelatin from other sources. Based on the available information's, an annual supply of 2,340 tonnes of poultry bones in Alberta could result in production of poultry gelatin of 884 tonnes valued at \$5.75 million. The project will benefit poultry producers by having better utilization of MDPM, whereas the general public will benefit from the new gelatin prepared from poultry source.

### *Chondroitin sulfate – From waste to health*

Three poultry processing companies in Alberta produce approximately 45,000 kg of bone/cartilage biomass weekly – totalling 2,340 tones/year. It is known that chicken cartilage is a good source (up to 30% of dry mass) of glycosaminoglycans (GAGs) and collagen type II. The benefits of oral supplementation of chondroitin sulphates to improve joint lubrication system are well researched and documented, and favourable research outcomes resulted in the wide spread use of Glucosamine/CS for the treatment of osteoarthritis condition and in disease prevention applications in humans and animals. Dr. Betti's team aims to develop a technology for the extraction of GAGs from poultry biomass, thus diverting these components from the pet food market back into the human food chain.



## *Poultry Proteins: Reducing salt and adding taste*

Dr. Betti's research team is currently developing a new process for the production of amino acids, peptides and glycopeptides that have a salty taste, with the intent to use these ingredients as salt replacements or enhancers of salty taste in processed meats and foods. The salty compounds will be produced from underutilized poultry proteins.

*Respectfully submitted by Val Carney*

## **Poultry Health Services**

As we reflect on the previous year, it is fair to say that it was very busy with new challenges for the veterinary team at the Poultry Health Centre of Excellence.

Through the diagnostic service we support the Alberta Chicken Producers and get to work on challenges with individual growers, at the Provincial and National levels. This diversity of work provides a unique perspective which helps us to support Alberta producers with today's challenge and hopefully prepare for the upcoming ones.

At the farm level, we have seen some changing patterns related to mid to late cycle broiler health problems. After several years of limited infectious disease challenge, in 2012 we saw the introduction of variant Infectious Bursal Disease Virus (IBD) and an emerging challenge with REO virus.

In addition to the frustrating and confusing disease picture, we have seen continued cases of nutritional disease challenges.

As in other years, we have supported producers and processors through a series of investigations to prevent residues in chicken products completed in accordance with the CFIA food safety and humane handling requirements. While the Alberta and Canadian chicken industry continue to strive to achieve improved bird health, performance and welfare, the regulatory programs and outcomes are being judged with increasing rigor and intensity. The outcomes of particular focus in the last year have been antibiotic use on the farm and Dead on Arrival numbers seen at the processing plants. Both of these topics are complex and influenced by a number of factors so there are no clear answers.

Working directly with producers and the industry, Dr. Darko Mitevski attended the CFC initiated town hall meetings across the province to discuss antibiotic use and the logistics of veterinary prescriptions. If the industry decides to use prescriptions to support their initiatives, we are ready to work together on the challenges associated with such a program with the particular goal of using prescriptions to improve communication and understanding between Chicken producers and their veterinarians.

To ensure that medications are being used at the right time in the right way, it is important to consult with your veterinarian. Understanding the role of health management products in the development of antimicrobial resistance in poultry pathogens will be important to protect bird health and preserve our access to medications.

There is also important scientific work to be done to better understand the roles and interactions of antimicrobial resistance between and across species including humans.



# Research

## Poultry Health Services continued

To this end, we have continued work with our colleagues at the University of Calgary to explore the bacteria living in hatcheries, farms, and processing plants in their biofilm form along with their resistance patterns. At the National level, we continued consultations with the Chicken Farmer's of Canada, the Canadian Integrated Program for Antimicrobial Resistance to guide policy, and industry cooperation in understanding how best to use antimicrobials to keep our birds and the Canadian consumers healthy.

In October, I was invited to present in Toronto at the Canadian Meat Council's Technical Symposium and Workshop: *Livestock and poultry welfare in the supply chain*. The presentation was on understanding the role of pre-existing health conditions on DOAs observed at the processing plant. It is exciting that the work we have done in Alberta to understand the risk factors associated with DOAs has received National attention and is proving very useful at the farm and plant levels.

On behalf of the CFIA, we were asked to host a consultation on the Draft Service Sector Biosecurity Guide for the poultry industry, which should be coming out in 2013. As in previous years, the media had a strong focus on issues related to antimicrobial resistance in human pathogens as it relates to food safety and topics for interviews we provided this year related to Salmonella control and biosecurity.

From the farm level to Ottawa, we are working hard to understand and address the needs of poultry producers. As we look back at 2012 and forward to 2013, we are proud to work with the Alberta Chicken Producers and the Canadian chicken industry in a number of capacities. We look forward to a productive, profitable and healthy year in 2013 for the birds and people served by our industry. On behalf of our team, I would like to thank you for these opportunities to contribute and your ongoing support.

*Respectfully submitted by Tom Inglis*



# Processors' Updates

## Lilydale Inc. – A Sofina Foods Company

Volatile grain prices provided significant challenges in 2012, as passing live price increases through to retailers and foodservice operators has become increasingly challenging. The emergence of another US based retailer in Canada continues to put pressure on costs, and even demand cost reductions. As consumers eat less protein overall, chicken still provides the majority of protein eating occasions in Canada. Our challenge forward is to further innovate and develop more occasions for consumers to eat chicken, to further grow our industry.



During 2012, Sofina Foods acquired 3 companies: Janes Family Foods, Santa Maria Foods, and Fearmans Pork. As a result, the company is better positioned to serve the diverse protein needs of our customers. Sofina Foods now spans 21 facilities, with over 4,600 employees. Our relentless pursuit of manufacturing excellence has led to many significant improvements in our chicken operations during the past year, providing better overall operational efficiency and quality. In the last quarter of the year, new creative advertising was deployed for the Lilydale brand celebrating the heritage, quality, and wholesomeness of Lilydale.

The Board and staff of Alberta Chicken Producers have collaborated very effectively with the Sofina-Lilydale organization, and our continued strong partnership continues to yield positive benefits for the complete value chain. At the end of October 2012, Ed Rodenburg decided to leave Sofina to pursue other endeavors. His contributions will be missed, and Jeff McDowell has assumed Ed's industry activities with the assistance of the very experienced live operations team under Sunny Mak.

At Lilydale, we feed millions of Canadians everyday. It's not just chicken, it's Lilydale!

*Respectfully submitted by Jeff McDowell*

## 2012 Sunrise Report: Meeting Challenges Head On!

We continue to strongly support the ACP Board and chicken producers in their desire to achieve differential growth. Alberta's and western Canada's increasing population, influence and economic weight within Canada are clear and supportable justification for securing a more equitable share of chicken production for Albertans.



This coming year may seem to bring short-term uncertainty because of political and governmental actions; however, we remind everyone that the fundamentals of the Supply Management system will continue to function in Alberta and Canada, and we'll continue to process day-in and day-out.

Customer demand for Sunrise chicken remains strong; and our major challenge every week is maximizing supply to fill orders. We forecast consistent and vigorous demand for chicken this year and hope that there is a leveling off of input costs for both producers and processors.

We have completed our Lethbridge Hatchery expansion by adding additional space, incubators, hatchers, wash equipment, etc. This significant investment will better allow Sunrise to tailor bird age and sizes to meet market demand. Bird size is becoming a significant issue with our customers, with increased emphasis on meeting customer specifications, piece size, etc.

Our Lethbridge processing plant has purchased additional equipment to maximize overall efficiency and effectiveness in our production and packaging areas. Our substantial capital expenditures in new equipment ensures that Sunrise will be competitive and an industry leader for years to come.

A recent highlight for the Sunrise family was the purchase of Dunn-Rite Food Products Ltd. of Manitoba in the latter half of 2012. Adding Dunn-Rite provides our company with additional ability to service and supply our national and regional customers.





# Processors' Updates

We continue to promote and experience a positive relationship with our growers, who provide our plant with excellent chicken. We thank our growers for a good year in 2012 and look forward to working together in 2013. Sunrise Farms will again be providing our producers approximately 2 - 3 million kilos of New Market Development (Export) for this processing year.

As always, Sunrise would like to thank our Alberta Grower Committee for their excellent work: Chairman Scott Van't Land, Evert Vandenberg, Allan van Zeggelaar, Rob van Diemen and Marty Vredegoor. We also thank the Alberta Chicken Producers Board and Staff for a good year and wish all growers success and prosperity for 2013.

Respectfully submitted by Ed Fetting

## Maple Leaf Foods

Maple Leaf Foods continues to drive growth in all three of the chicken categories, fresh, frozen and further processed.

For 2012, in the fresh Retail segment, our ML PRIME® brand continued on its transformation journey from owning special occasions to expanding frequency in everyday dinners. This initiative has been supported by:

- TV / Digital / In-Store Campaigns – emotionally connecting with consumers with the message *Dinnertime is Prime time*.
- Product and Packaging Innovations
- Prime Portions continued to reach more households and attract new buyers to the category
- Prime launched Raised Without Antibiotics
- Renovations to the specialty cuts boneless breast line-up



The transformation is working as both sales and market share saw significant increases in 2012.

Maple Leaf Foodservice, as well, has completed a very successful 2012. Success was driven through innovation in the face of challenging market conditions, as well as meeting the needs of the burgeoning healthcare (primarily senior living) and ethnic segments.

Innovations such as the Maple Leaf Chicken Dipper® products, developed in response to the challenges in the market for wings have driven significantly sales volumes. As well, the product development team has done a great job reducing sodium from both current and new items, as well as bringing innovative approaches to chicken category.

Speed of service and continuity are provided in the new fresh Maple Leaf Pre-sliced Solutions® products for the ethnic chain marketplace. These easily portionable, pre-sliced chicken products reduce prep time and provide consistency for our food service customers.

By maintaining our focus on areas of growth for chicken, Maple Leaf will remain a brand of choice for years to come.

In 2012, Maple Leaf continued on the path of innovation in the further processed category by introducing the first and only frozen chicken products made with natural ingredients. As well, additional innovations focused on advancing our breaded lineup, Prime Frozen re-launch and

refreshed packaging.

Maple Leaf would like to take this opportunity to say thank you to our Alberta producer partners, who play a key role in driving our progress and growth. Your continued support and commitment is greatly appreciated and we thank you for that.

Respectfully submitted by Gary Raycroft



# Partnership Updates

## Alberta Livestock and Meat Agency Ltd.

The Alberta Livestock and Meat Agency Ltd. (ALMA), a Government of Alberta agency, is nearing the end of its fourth year of operation as a catalyst in the Alberta livestock and meat industry.

Our meat and livestock industry is very dynamic, often unpredictable and always exciting. We've seen many industry changes over the last four years – both positive and negative – but one thing remains constant: the passion and commitment demonstrated throughout the value chain towards building a stronger, more competitive and profitable Alberta meat and livestock industry. ALMA is proud to partner with industry offering ideas, information and investment while delivering on the priorities of the Alberta Livestock and Meat Strategy: increasing market access, enhancing industry engagement, increasing demand for Alberta/Canada livestock and meat products, and enhancing competitiveness and profitability.

ALMA delivers three grant programs focused on research and development, industry and market development, and Growing Forward. Growing Forward is a federal-provincial-territorial initiative. In partnership with Growing Forward, ALMA administers the Agri-Business Automation and Lean Manufacturing, and Agri-Business and Product Development programs.

Since January 2009, ALMA has approved more than \$121 million for projects that enhance and support Alberta's livestock industry, with a total projected value of \$434 million. ALMA grants help improve efficiencies; reduce operational costs; expand production; increase food safety; improve animal welfare; and increase value-added processing.

*ALMA has committed almost \$1 million to Alberta Chicken Producer projects.*

ALMA has committed almost \$1 million to Alberta Chicken Producer projects, including the Animal Care Program; production of chicken-specific nutrition brochures; bi-annual research symposium; consultation workshop on the Antimicrobial Usage Reduction Strategy; and various research projects such as the preparation and characterization of high-quality gelatin from different poultry sources, precision broiler breeder feeding system and isolated proteins from low-value poultry meat.

*Respectfully submitted by Gordon Cove*



# Partnership Updates

## The Agri-Environmental Partnership of Alberta (AEPA)

### 2012 Activities

AEPA updated and refined key messages on land-use planning, ensuring that they are current, concise and relevant. Also developed were key messages and information sheets on water allocation and wetland management. Documents were printed, distributed, and posted on the AEPA website. AEPA also provided input on the South Saskatchewan Regional Plan (SSRP) Regional Advisory Council's advice. Representatives participated in the consultation sessions and in a stakeholder discussion session regarding surface water and air quality management frameworks for the SSRP. The Board also received updates on Growing Forward 2 and representatives provided agriculture's perspectives at two consultation sessions.

To engage and build understanding with members and industry partners on agri-environmental policy issues, AEPA jointly sponsored an environmental foot-printing forum, hosted a Fall Forum that provided participants with an update on land-use and water policy issues, and hosted a workshop for agricultural representatives on water partnerships.

In 2012, AEPA also implemented its new three-year communications plan. The new plan enables more effective communicate in ways that are focused, cost-effective, flexible and adaptable.

### Looking Forward

AEPA aims to keep current and engaged in developing Land-use Framework and water policy processes in 2013. This will include participating in the provincial conversation on water, providing feedback into the SSRP draft plan, and hosting the AEPA Ecosystem Services Forum.

Critical to the continuing work of AEPA has been the involvement and participation of the various agriculture commodity groups. These groups, including the Alberta Chicken Producers, Egg Farmers of Alberta, Alberta Turkey Producers, and Alberta Hatching Egg Producers, have been actively involved both at the Board and project team levels.

For more information on AEPA, visit our website: [www.agpartners.ca](http://www.agpartners.ca)

*Respectfully submitted by Martin Van Diemen*



# Partnership Updates

## Alberta Farm Animal Care (AFAC)

AFAC is a partnership of the major livestock producer organizations of Alberta (along with affiliate and associate members) dedicated to promoting responsible, humane farm animal care.

AFAC's mission is to provide a coordinated approach for the livestock industry to work together to advance and promote responsible animal care and that AFAC will be a collective voice for livestock welfare in Alberta.

Various AFAC activities will be outlined in the AFAC 2012 Annual Report (available in early 2013).

### *Continued progress*

Further development of the ALERT Line occurred through consultation with AFAC member groups and other related stakeholders. This livestock care concern line continues to support the credibility of a livestock and poultry industry that makes responsible animal care a priority.

AFAC participated in a number of public educational events this year including Aggie Days, the Cattle Trail at the Calgary Stampede and the Leduc Dairy Congress. Connecting with urban and rural people at these events helps demonstrate that Alberta's livestock and poultry producers are committed to responsible animal care.

Here are some highlights from the past year:

### *Livestock transport*

AFAC continues to develop the Canadian Livestock Transport (CLT) certification program with the goal of creating an online course by the end of 2013. Through collaboration with national and provincial commodity groups, we are on track to have updated modules for cattle/sheep, hogs, poultry and horses to reflect the new national focus of the program. A new website is under development and communications efforts to increase the reach of CLT are on going.

Over 1,700 individuals including drivers, handlers, dispatchers, managers and other levels of personnel have participated in CLT courses. CLT is an excellent example of how the livestock and poultry industry is being proactive to ensure that livestock are handled and transported humanely.

### *Livestock Handling Trailers and Training*

While most people involved with livestock and poultry are adequately equipped to handle animals, incidents can arise where proper livestock handling equipment is not readily available.

In 2012, AFAC received Growing Forward funding to develop a network of trailers to contain livestock handling equipment and to support the development of an accompanying training program. These trailers will be available for use in any number of situations where loose animals must be contained for the safety and welfare of both the animals and people involved. For example: fire, flood, barn roof collapse, animal welfare seizure and traffic incidents.



# Partnership Updates

## Alberta Farm Animal Care (AFAC) continued

Training will be delivered by Lakeland College, as a new “Livestock Handling Equipment Trailer Training Course” at the college’s Emergency Training Centre at Vermilion, AB.

The trailers were distributed to the sites at a launch event on November 30, 2012. The project team continues to work with the sites to develop Standard Operating Guidelines and to fine-tune the contents and terms of use of the trailers with the goal of making them as useful and user-friendly as possible.

### Information Leadership Initiative

A new effort is underway to support Alberta’s livestock industry as a leader in the fast evolving, high profile area of farm animal care. The Information Leadership Initiative is a communications program designed to help producers and their industry manage information and keep up to date on the bottom line in farm animal care today. This includes information on the latest thinking, ideas, developments, best practices, trends and issues, to support the role of producers as front-line managers and decision makers.

The initiative includes a number of components. Among the highlights:

- NewStream Farm Animal Care – A cutting edge digital news source capturing latest developments, progress and ideas in farm animal care. Includes short items as well as links to longer feature articles that showcase innovative thinking, case studies, best practices and success opportunities.
- VeriCare Special Reports – Specially designed to provide technically competent, expert-driven coverage of important issues in farm animal care.
- CareScape Initiative – Using social media to support awareness of farm animal care progress and issues.
- Livestock Care Conference knowledge transfer – A customized effort to deliver information from this leading conference on farm animal care, which is hosted annually by AFAC and features top speakers from both within Canada and internationally.

### The Livestock Care Conference

AFAC’s Livestock Care Conference in March of 2012 was a resounding success. Participants thoroughly enjoyed the speaker and interactive sessions. The “Alberta industry session” was particularly appreciated as it highlighted progress that Albertan organizations and individuals are making with respect to animal care.

One of the key strengths of AFAC is in our ability to represent the livestock and poultry industries with a collective voice. Working together, we can demonstrate strength in numbers and it’s through the dedication and commitment of board members and their home organizations that we can accomplish our goal of promoting responsible animal care.

*Respectfully submitted by Lorna Baird*



# Partnership Updates

## Intensive Livestock Working Group (ILWG)

The collaboration of Alberta's livestock/poultry industry facilitated through the ILWG is an uncommon partnership amongst those who compete in primary food production. Recognizing that while we are competitors, we are also challenged by many of the same issues and working together seriously improves our ability to resolve those issues.

ILWG activities for the past three years have been focused on the following issues:

- Regional Planning
- Water & Air Quality
- Water Rights & Allocation
- Cumulative Effects Management Initiatives
- Occupational Health & Safety

Here is a brief summary of 2012 activities:

### *Phosphorus Pilot Project*

The prime objective and first phase of the pilot is development of a 'tool' that serves to identify the risks and opportunities on any livestock/poultry operation with a specific focus on improved phosphorus management and then help producers make decisions on manure management mitigation strategies that will reduce P loss through runoff.

The next phase is to work with producers in the sub basin to implement the strategies and measure their effectiveness in improving water quality. The final phase is to champion industry wide adoption of the strategies if they prove to be effective and sustainable.

### *Non-Point Source Pollution Project*

The ILWG participates on a project team which was formed under the auspices of the Alberta Water Council that has a mandate to facilitate a better understanding of non-point source pollution by conducting an assessment of the current "state of" non-point source pollution knowledge, identify gaps/challenges for NPS pollution in Alberta and examine policy, practices and regulatory tools for NPS pollution in other jurisdictions. Livestock/poultry operations are considered contributors of agricultural non-point source pollution. A final report will be released by the spring of 2013.

### *Bow River Phosphorus Management Plan*

This project is a multi stakeholder initiative representing urban point source, urban non-point source and rural non-point source interests. The goal of this initiative is to identify strategies and actions to improve water quality by managing phosphorus loading into the Bow River from the Bearspaw Dam to upstream of the Bassano Dam.

ILWG sits on this project's steering committee and the "rural non-point source sub-committee" which continues to meet monthly with a task to identify high risk land based activities that contribute to the migration of phosphorous into the river. Once completed, the next step will be to assess these mitigation strategies (including manure management) for practicality, sustainability and their cost/benefit.



# Partnership Updates

## ILWG continued

### Water Act Review

It is the assessment of the ILWG that the Provincial government will not make any substantive changes to water allocation policy in the medium term. Interestingly, the term “water allocation” is being replaced with “water management” in government communications to intentionally broaden the spectrum of water issues, which will likely include subjects like water capture and storage. Over the near term, rather than engage stakeholders on possible changes to water policy, they are conducting “water conversations.” The critical issues identified from these conversations will significantly influence how they move forward on water policy in the long term.

### Land Planning

The ILWG spent a great deal of time late 2012 working with Agri-Environmental Partnership Alberta in the development of key messages dealing with the provincial land planning process, specifically aimed at the South Saskatchewan Regional Plan currently under development. The objective of this exercise has raise the knowledge level on land planning issues as they impact agriculture and to been to ensure there is continuity in the messaging coming from each agricultural sector.

Detailed monthly activity reports are provided all ILWG member organizations, who meet quarterly to discuss progress, effectiveness and identify any new or emerging issues.

*Respectfully submitted by Ron Axelson*

## Policy Advisory Group

The Policy Advisory Group is a multi-stakeholder body that provides advice to the Natural Resources Conservation Board and Agriculture and Rural Development on operational policy and legislative issues relevant to the Agricultural Operation Practices Act. Members are appointed by the confined feeding industry livestock sectors, Alberta’s rural and urban municipal associations, and the Alberta Environmental Network. Members also include representatives from government and the board of the Natural Resources Conservation Board.

Alberta Chicken Producers was represented by Scott Wiens (full member) from 2008 to May 2012. Erna Ference replaced Scott in April 2012 following her election as Chair.

Meetings were held in May and October 2012. Members were consulted on draft operational policies on unauthorized construction and construction deadlines. They were also consulted on a proposal from Alberta Environment, brought forward in 2011, to re-link permits issued to Confined Feeding Operations under the Water Act and the Agricultural Operation Practices Act. Following these discussions, the Natural Resources Conservation Board is developing a declaration to ensure that operators sign off on the risk they are assuming if they construct before obtaining a water licence.

The Policy Advisory Group was also briefed on record keeping requirements under the act, proposed changes to the Board Administrative Procedures Regulation, the development of technical guidelines, current water quality studies and the impact of regional plans under the Land-use Framework. Two meetings have been scheduled for 2013.

*Respectfully submitted by Peter Woloshyn*



## Industry Advisory Committee



*Back Row, L to R: Jan Van Lieshout, Ite Veurink, Jacob Middelkamp, Arjan Spelt, Ryan Isaac, Ed Fetting (Hatchery/Processor Rep), Scott Wiens, Scott Van't Land, Rudy Froese Front Row: Don Buhay (Animal Nutrition Association of Canada), Mike Pearson (Marketing Council), David Hyink, Erna Ference, Doug Klem (Hatchery/Processor Rep), Bob Smook (Alberta Hatching Egg Producers), Karen Kirkwood*

The Industry Advisory Committee meets twice per year to collectively report and discuss issues affecting the Alberta chicken industry. Our Producer Representatives shown above consult with their fellow producers and bring topics to the Board's attention for discussion.



## Producer Representatives

North of  
Wetaskiwin  
to Fox Creek

**Scott Wiens**  
Sherwood Park, AB

North of  
Fox Creek

**Ryan Isaac**  
Crooked Creek, AB

North of Calgary  
to Wetaskiwin

**Arjan Spelt**  
Rimbey, AB

Calgary South  
Scott Van't Land  
Coalhurst, AB

Producers are elected from four Regions to represent their fellow producers. The four Producer Representatives become members of the Industry Advisory Committee and, as part of their responsibilities, are required to provide communication between producers and the Board.

The Alberta Chicken Producers' Producer Representatives meet with the Board prior to the Industry Advisory Committee meeting. At times, Director's schedules do not permit them to attend some events or meetings, and Producer Representatives may be requested to represent Alberta Chicken Producers on their behalf. We would like to recognize their participation and thank them for attending Board related meetings or events when called upon.



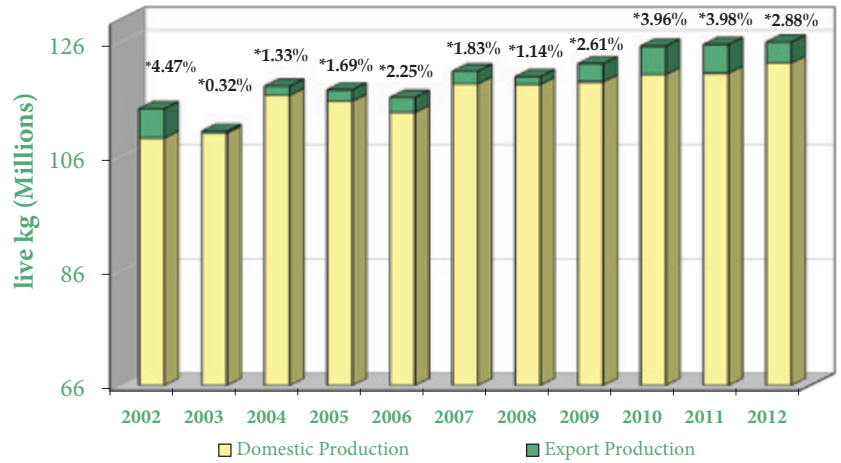
Alberta's Domestic Production in 2012 is estimated to be 122.38 million live kg, an increase of 1.8 million live kg or 1.49% over 2011. Canada's 2012 domestic production is estimated to be 1.334 billion live kg, an increase of 8.96 million live kg, or 0.68% over 2011.

Alberta's Market Development in 2012 is 3.68 million live kg; a decrease of 1.37 million live kg or 27% under 2011.

Alberta's Market Development represents 2.88% of Alberta's total production in 2012 versus 3.98% in 2011.

Comparatively, Canada's Market Development represents 3.99% of Canada's total production in 2012 versus 4.84% in 2011.

## ALBERTA'S ANNUAL PRODUCTION 2002 - 2012



\* Export as a % of Total Production

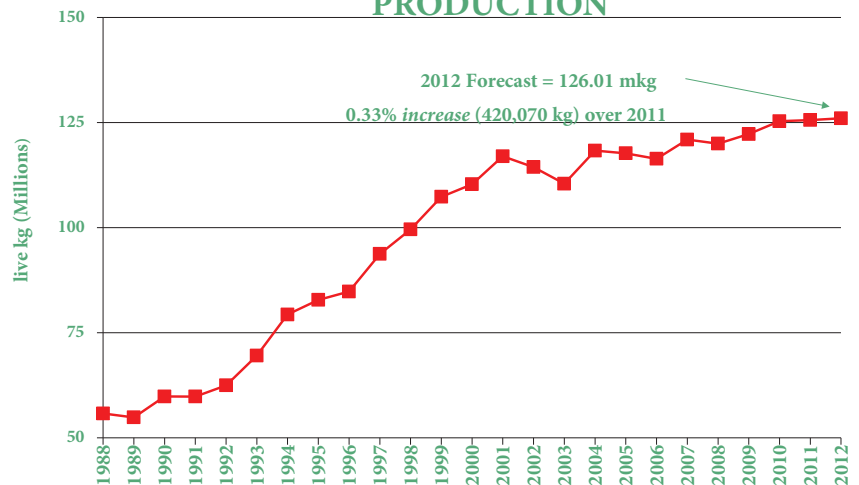
Alberta's Total Chicken Production in 2012 is estimated to be 126.01 million live kg, an increase of 420,070 live kg (0.33%) over 2011.

Alberta's 3 year production average (2010-2012) is 125.64 million live kg; 2012 is 0.29% or 370,075 live kg above the 3 year average.

Canada's Total Chicken Production in 2012 is estimated to be 1.389 billion live kg, a decrease of 0.22% over 2011.

Canada's 3 year production average (2010-2012) is 1.387 billion live kg; 2012 is 0.17% or 2.4 million live kg above the 3 year average.

## ALBERTA'S ANNUAL TOTAL CHICKEN PRODUCTION

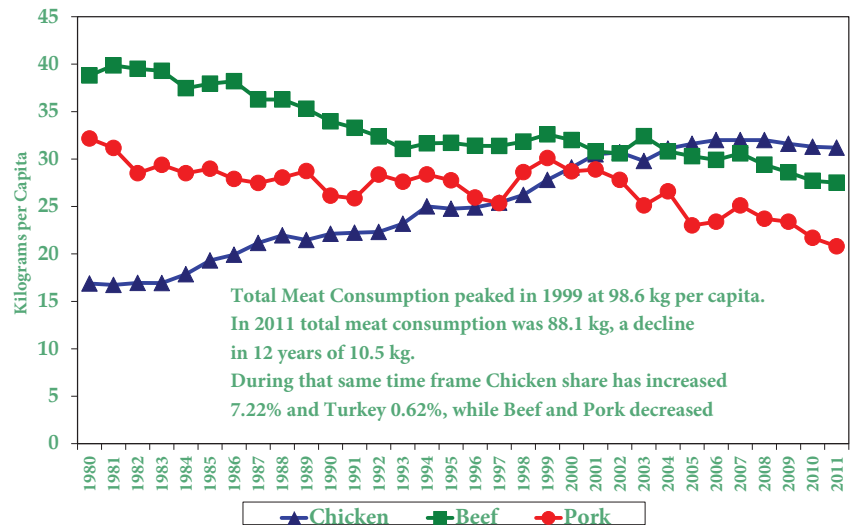


As of 2011, Per Capita Consumption of Chicken in Canada is 31.2 kg. This is down from a peak of 32.0 kg in 2006. Following close behind Chicken in consumption is Beef at 27.5 kg for 2011.

While Per Capita Chicken Consumption has declined since 2006, this trend has been seen across all meat sectors since 1999. Total meat consumption in 2011, which excludes fish, dropped 1.3 kg in one year (88.1 kg in 2011 versus 89.4 kg in 2010).

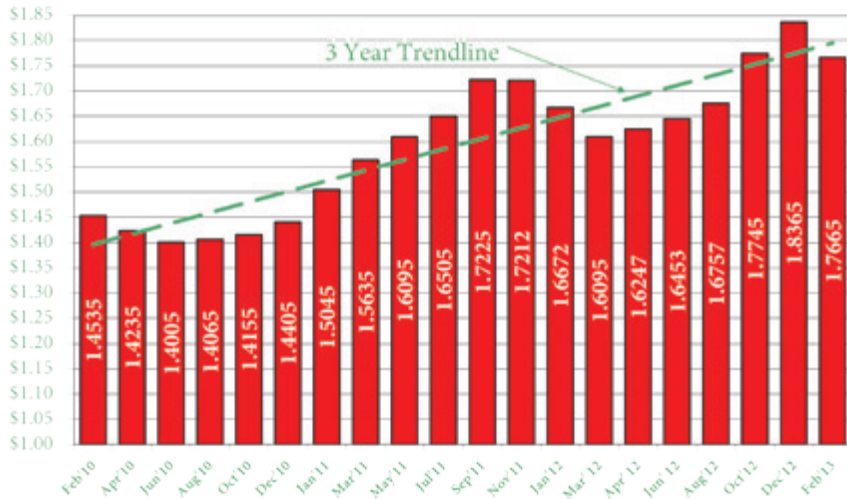
Chicken continues to see the highest Per Capita Consumption of all the meats, since it surpassed Beef in 2004. When looking at Per Capita Consumption as a share (% ratio) of total meats consumed, Chicken's share increased to 35.4% in 2011, up from 35.01% in 2010. This share increase has mainly been gained from Pork, which experienced a 0.66% year over year share decrease. Beef also experienced a slight share increase in 2011 of 0.23%.

## Canadian Meat Consumption (per Capita)



# Market Reports

## ALBERTA LIVE PRICE

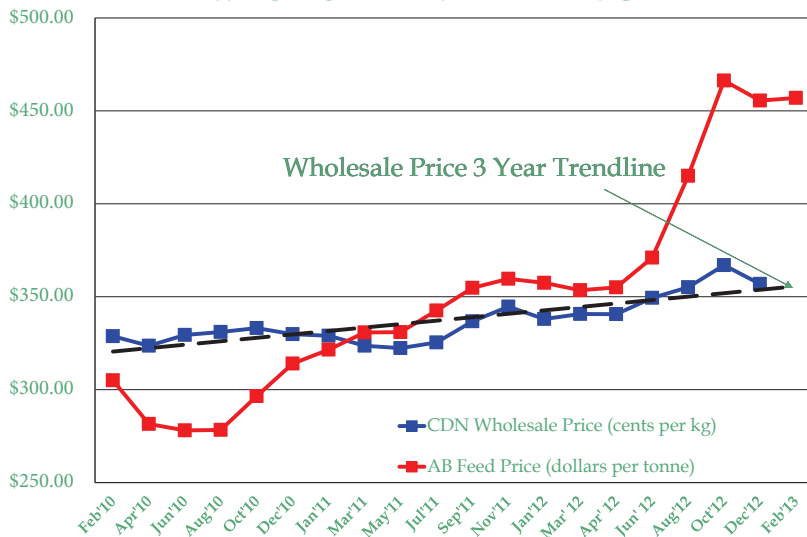


Alberta's Average Live Price for 2012 was \$1.6944/kg, an increase of \$0.06/kg from the 2011 average. Alberta was on par with the Canadian average increases in 2012. This year, high feed costs have been the main driver for live prices increases across Canada.

In 2012, Alberta's live price peaked in Period A-114 (Nov/Dec 2012) at \$1.8365/kg. The low for the year was in Period A-109 (Feb/Mar 2012) at \$1.6095/kg. The difference between the high and low in 2012 was \$0.23/kg.

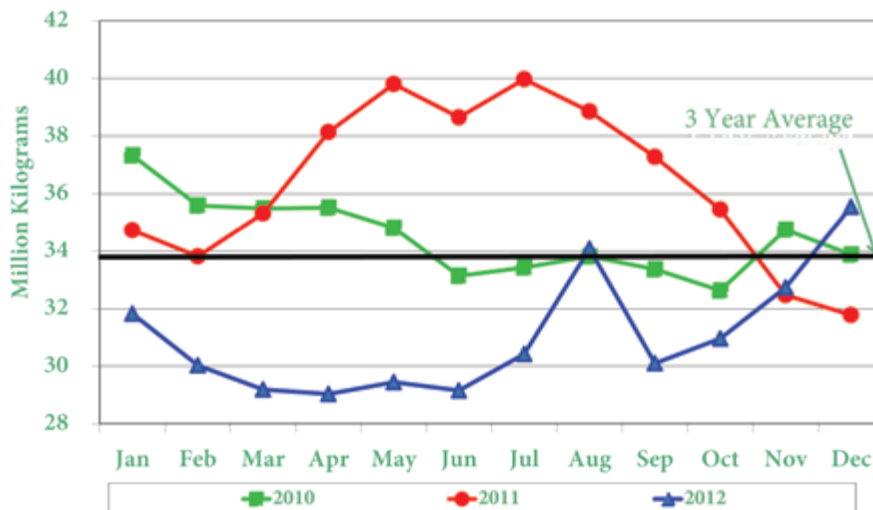
Alberta has maintained a 3.35 cent differential over the Ontario live price to reflect catching costs paid by Alberta producers. Ontario's pricing formula accounts for cost increases in chick and feed each period and operational costs annually.

## WHOLESALE AND FEED PRICE



Canada's Market Composite Wholesale Price (simple average of five sub-composites that represent the various cuts of chicken) for 2012 was \$3.5157/kg, an increase of \$0.20/kg from the 2011 average. Again, high feed costs were the big influencing factor, driving up input costs (live prices) which in turn increased Canadian wholesale prices.

## CANADIAN STORAGE STOCKS



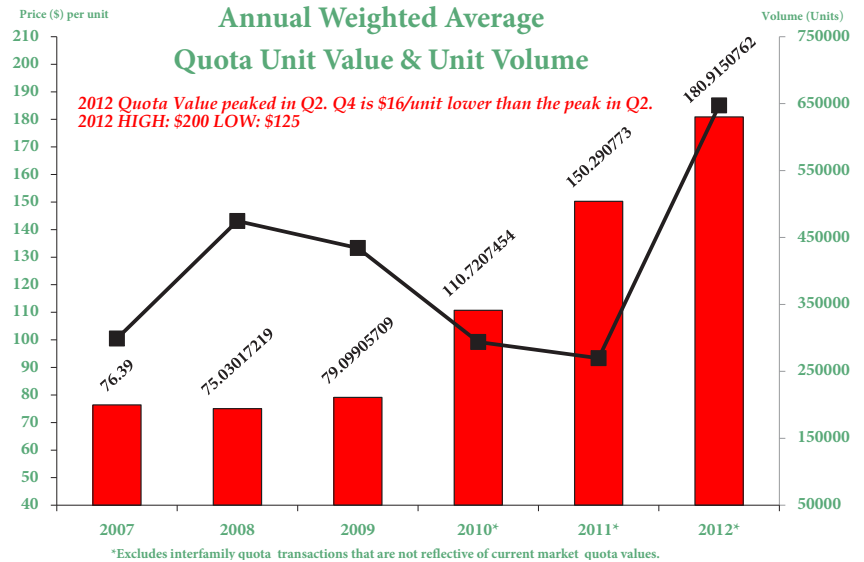
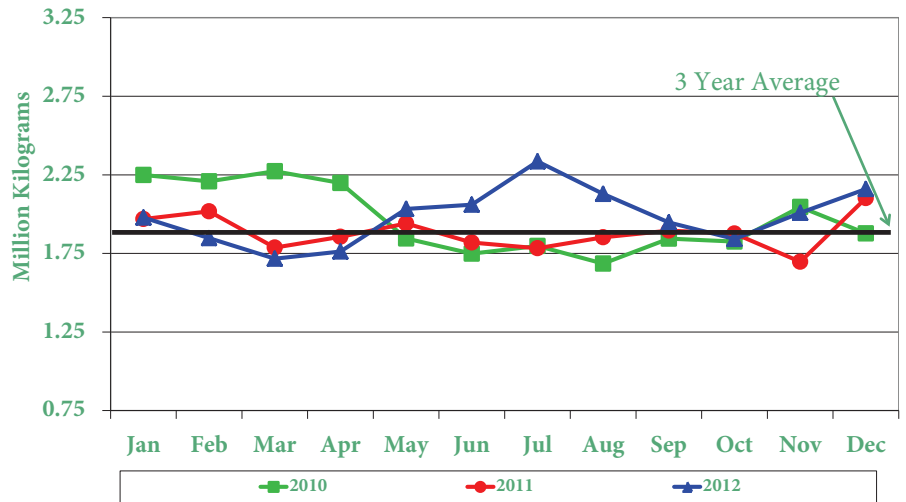
Canadian Storage Stocks in 2012 averaged 31.04 million kg; a decrease of 5.3 million kg or 15% lower than 2011. The peak month was December and the lowest inventory level was seen in April. Disciplined allocation setting, under-production and steady consumer demand for chicken have kept inventory levels their lowest since 2007.

Canadian Storage Stock levels as of Dec 1, 2012 were 35,542,646, close to 2.4% below the 2011 average inventory level of 36.4 million kg.

## ALBERTA STORAGE STOCKS

Alberta Storage Stocks in 2012 averaged 1.99 million kg; an increase of 102,000 kg or 5.4% higher than 2011. The peak was in July and the lowest inventory level was seen in March.

Alberta Storage Stock in 2012 increased marginally considering last year's storage stocks were the lowest yearly average since 1997.



The volume of Quota units sold in 2012 is the highest on record. Quota units sold as of Dec 31, 2012, totaled 647,382, up 377,749 units or 140% over 2011.

Quota transactions as of Dec 31, 2012, totaled 51, up 14 from 2011. Five were sold “with” facilities and forty-six “without” facilities.

Alberta's weighted average price of quota in 2012 was \$180.92 versus \$150.29 in 2011; and, the latter half of 2012 saw a return of quota prices closer to the 2011 range.

Alberta's 2012 quota price high was \$200.00 and low was \$125.00.

Year		\$/Quota Unit	Volume of Sales	Number of Sales
2009	QTR 1	\$ 75.27	88,450	11
2009	QTR 2	\$ 76.53	174,686	14
2009	QTR 3	\$ 77.76	63,040	13
2009	QTR 4	\$ 87.15	108,119	13
2010	QTR 1	\$ 105.95	102,799	14
2010	QTR 2*	\$ 109.05	58,775	7
2010	QTR 3	\$ 110.91	47,034	4
2010	QTR 4	\$ 117.52	85,212	18
2011	QTR 1	\$ 128.39	49,577	8
2011	QTR 2*	\$ 133.95	25,967	10
2011	QTR 3	\$ 148.65	88,768	10
2011	QTR 4*	\$ 166.01	105,321	9
2012	QTR 1	\$ 182.70	243,551	12
2012	QTR 2	\$ 186.06	198,837	19
2012	QTR 3*	\$ 178.67	88,577	11
2012	QTR 4*	\$ 170.11	116,417	9

\*Indicates interfamily quota transactions below market value prices were excluded from this quarter to better reflect true market conditions.



# Market Reports

Period	Dates		Utilization			AB Compared to Canada	AB Compared to Western Canada
			Alberta	Western Canada	Canada		
A101	11/07/10	01/01/11	102.6%	101.1%	101.1%	1.5%	1.5%
A102	01/02/11	02/26/11	98.4%	100.7%	100.4%	-2.0%	-2.3%
A103	02/27/11	04/23/11	100.2%	99.5%	100.4%	-0.2%	0.7%
A104	04/24/11	06/18/11	100.1%	100.2%	100.3%	-0.2%	-0.1%
A105	06/19/11	08/13/11	97.9%	98.2%	98.3%	-0.4%	-0.3%
A106	08/14/11	10/08/11	99.7%	100.4%	100.4%	-0.7%	-0.7%
A107	10/09/11	12/03/11	100.4%	101.1%	102.3%	-1.9%	-0.7%
A108	12/04/11	01/28/12	102.5%	101.9%	100.9%	1.6%	0.6%
A109	01/29/12	03/24/12	100.3%	100.4%	99.5%	0.8%	-0.1%
A110	03/25/12	05/19/12	99.5%	100.1%	99.9%	-0.4%	-0.6%
A111	05/20/12	07/14/12	98.8%	100.6%	98.6%	0.2%	-1.8%
A112	07/15/12	08/09/12	95.7%	98.5%	97.0%	-1.3%	-2.8%
A113	09/09/12	08/10/12	99.9%	100.9%	101.0%	-1.1%	-1.0%
<b>2 YEAR AVERAGE</b>			<b>99.7%</b>	<b>100.3%</b>	<b>100.0%</b>	<b>-0.3%</b>	<b>-0.6%</b>

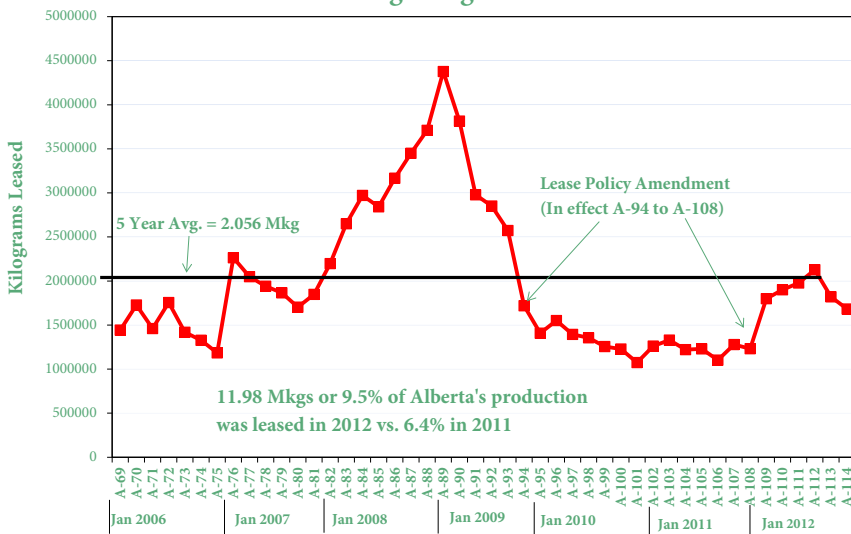
Alberta's Utilization or Production Performance against allocation is compared with Western Canada and all of Canada in this Table.

Alberta's Utilization of allocation declined by 0.3% in 2012 when compared to 2011. In 2012, Alberta's underperformance was driven by underproduction in A-110, A-111 and A-112 or April to August. Underproduction is a seasonal occurrence in the summer months; however, Period A-112 production performance was extraordinarily low across the country. Alberta experienced unseasonably humid weather in A-112 with broiler bird weights averaging 2.18 kg versus 2.21 kg for the same 8 weeks the year prior.

Over the last 2 years, Western Canada has paced slightly ahead of Canada with 100.3% utilization.

Alberta's 2 year utilization average was 99.7% versus Canada at 99.99%. kg

**Volume of Marketing Kilograms Leased Each Period**



A total of 12 million kg or 9.51% of Alberta's total production was leased in 2012. This represents an increase of 3.9 million kg or 49% over 2011. Changes to the Lease Policy implemented in A-94 and amended in A-109 contributed significantly to the increase in period leases for 2012.

A total of 810 period leases were approved by the Board of Directors in 2012, an increase of 96 period leases, or 13.4%, over 2011.

# Financial Statements

Financial Statements of

## **ALBERTA CHICKEN PRODUCERS**

Year ended November 30, 2012



# Financial Statements

## ALBERTA CHICKEN PRODUCERS

### Financial Statements

Year Ended November 30, 2012

## ALBERTA CHICKEN PRODUCERS

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Year Ended November 30, 2012

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# Financial Statements

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Alberta Chicken Producers

We have audited the accompanying financial statements of Alberta Chicken Producers, which comprise the statement of financial position as at November 30, 2012 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Alberta Chicken Producers as at November 30, 2012 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

### *Other Matter*

The financial statements of Alberta Chicken Producers for the year ended November 30, 2011, were audited by another auditor who expressed an unqualified opinion on those statements on January 18, 2012.

*King + Company*

Edmonton, AB  
January 24, 2013

CHARTERED ACCOUNTANTS



# ALBERTA CHICKEN PRODUCERS

## Statement of Financial Position

As at November 30, 2012

	2012	2011
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 134,057	\$ 153,223
Accounts receivable	114,956	110,768
Contributions receivable	4,684	53,200
Prepaid expenses	5,000	3,600
Current portion of mortgage receivable (Note 4)	6,433	6,183
	<u>265,130</u>	<u>326,974</u>
<b>PORTFOLIO INVESTMENTS (Note 3)</b>	<b>1,794,773</b>	<b>1,882,480</b>
<b>MORTGAGE RECEIVABLE (Note 4)</b>	<b>89,806</b>	<b>96,239</b>
<b>PROPERTY AND EQUIPMENT (Note 5)</b>	<b>1,630,711</b>	<b>1,217,226</b>
	<u>\$ 3,780,420</u>	<u>\$ 3,522,919</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 128,029	\$ 115,955
Deferred contributions (Note 6)	7,414	21,455
Bank loan (Note 7)	280,994	-
Current portion of obligations under capital lease (Note 8)	4,176	4,015
	<u>420,613</u>	<u>141,425</u>
<b>OBLIGATIONS UNDER CAPITAL LEASE (Note 8)</b>	<b>5,605</b>	<b>9,781</b>
	<u>426,218</u>	<u>151,206</u>
<b>LIQUIDATED DAMAGES RESOLUTION (Note 9)</b>		
<b>NET ASSETS</b>		
Invested in property and equipment	1,339,936	1,217,226
Unrestricted	2,014,266	2,154,487
	<u>3,354,202</u>	<u>3,371,713</u>
	<u>\$ 3,780,420</u>	<u>\$ 3,522,919</u>

### ON BEHALF OF THE BOARD

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director





# ALBERTA CHICKEN PRODUCERS

## Statement of Operations

Year Ended November 30, 2012

	Budget 2012	2012	2011
<b>REVENUE</b>			
Levies <i>(Note 10)</i>	\$ 1,469,300	\$ 1,463,006	\$ 1,473,974
Monetary penalties	100,000	120,514	314,062
Investments	35,000	80,760	30,040
On-Farm Food Safety charges	83,500	70,340	107,627
Grower program and other	100,000	67,161	121,582
Diagnostic services	48,400	52,980	51,486
Quota reallocation fee	10,500	37,300	9,492
Project grants	-	26,692	310,759
6000 Exemption	15,000	20,500	21,750
Rental	-	3,070	-
Gain on disposal of equipment	-	380	-
Increase in fair value of portfolio investments	-	-	17,286
	<u>1,861,700</u>	<u>1,942,703</u>	<u>2,458,058</u>
<b>EXPENSES</b>			
Salaries, contract and benefits <i>(Note 11)</i>	577,500	551,472	489,873
Office	307,900	265,256	388,537
Advertising and promotion	228,500	230,768	184,380
Diagnostic services	216,500	216,797	208,966
Travel	205,500	160,266	150,364
Directors fees <i>(Note 11)</i>	167,000	150,368	157,901
Amortization of property and equipment	81,000	109,152	89,665
Grants	125,000	99,656	97,419
On-Farm Food Safety charges	91,500	71,948	113,237
Professional fees	30,000	40,263	64,002
Telephone and utilities	33,300	33,512	35,961
Decrease in fair value of portfolio investments	-	16,463	-
Repairs and maintenance	15,000	15,124	13,748
Equipment rentals	24,000	12,183	14,810
Insurance	6,200	6,931	5,021
Interest on bank loan	-	2,882	-
Interest and bank charges	1,600	1,395	1,551
Interest on obligations under capital lease	-	485	146
Bad debts (recovery)	-	(24,707)	224,350
	<u>2,110,500</u>	<u>1,960,214</u>	<u>2,239,931</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<u>\$ (248,800)</u>	<u>\$ (17,511)</u>	<u>\$ 218,127</u>



**ALBERTA CHICKEN PRODUCERS**  
**Statement of Changes in Net Assets**  
**Year Ended November 30, 2012**

	Invested in property and equipment	Unrestricted	2012	2011
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 1,217,226	\$ 2,154,487	\$ 3,371,713	\$ 3,153,586
Excess (deficiency) of revenue over expenses	(109,151)	91,640	(17,511)	218,127
Investment in property and equipment	231,861	(231,861)	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ 1,339,936	\$ 2,014,266	\$ 3,354,202	\$ 3,371,713



# ALBERTA CHICKEN PRODUCERS

## Statement of Cash Flows

Year Ended November 30, 2012

	2012	2011
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$ (17,511)	\$ 218,127
Items not affecting cash:		
Amortization of property and equipment	109,152	89,665
Gain on disposal of assets	(380)	-
Realized loss on sale of investments	-	48,951
Unrealized change in fair value of investments	16,463	(17,286)
	<u>107,724</u>	<u>339,457</u>
Changes in non-cash working capital:		
Accounts receivable	(4,188)	(13,422)
Contributions receivable	48,516	(38,264)
Accounts payable and accrued liabilities	12,074	11,548
Deferred contributions	(14,041)	(78,545)
Prepaid expenses	(1,400)	(100)
	<u>40,961</u>	<u>(118,783)</u>
Cash flow from operating activities	<u>148,685</u>	<u>220,674</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds on bank loan	400,000	-
Repayments on bank loan	(119,006)	-
Cash flow from financing activities	<u>280,994</u>	<u>-</u>
<b>INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	191,245	51,628
Principal repayment of mortgage receivable	6,183	5,943
Proceeds from sale of equipment	380	-
Principal repayment on capital lease obligation	(4,015)	(1,030)
Purchase of investments	(120,000)	(178,858)
Purchase of property and equipment	(522,638)	(83,755)
Cash flow used by investing activities	<u>(448,845)</u>	<u>(206,072)</u>
<b>INCREASE (DECREASE) IN CASH</b>	<b>(19,166)</b>	<b>14,602</b>
<b>CASH - BEGINNING OF YEAR</b>	<b>153,223</b>	<b>138,621</b>
<b>CASH - END OF YEAR</b>	<b>\$ 134,057</b>	<b>\$ 153,223</b>
<b>CASH FLOWS SUPPLEMENTARY INFORMATION</b>		
Interest and dividends received	<u>\$ (71,045)</u>	<u>\$ (74,602)</u>
Interest paid	<u>\$ 4,761</u>	<u>\$ 1,698</u>



# ALBERTA CHICKEN PRODUCERS

## Notes to Financial Statements

Year Ended November 30, 2012

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### 1. NATURE OF OPERATIONS

Alberta Chicken Producers (the "Board") was incorporated under the Marketing of Agricultural Products Act to control the production and marketing of chickens in the Province of Alberta. The Board is a not-for-profit organization and is exempt from income taxes. The Board charges a service charge, quota allocation fees and monetary penalties, as authorized under regulation, to fund its activities and to assist in enforcing regulations.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### Revenue Recognition

Alberta Chicken Producers follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Service charges, monetary penalties and other fees are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

#### Classification of Financial Instruments

Cash is classified as held-for-trading and are measured at fair value. The Board records its investments on a settlement date basis and transaction costs associated with investment activities are expensed as incurred. Accounts receivable and mortgage receivable is classified as loans and receivables and, after initial fair value measurement, are measured at amortized cost using the effective interest method. Accounts payable and accrued liabilities, callable debt and capital lease obligation are classified as other financial liabilities and, after initial fair value measurement, are measured at amortized cost using the effective interest method.

#### Portfolio Investments

Portfolio investments are classified as available-for-sale and are recorded at fair value. Realized gains and losses on portfolio investments are recorded as investment income. Unrealized gains and losses on portfolio investments are recorded as unrestricted gains and losses on available-for-sale financial assets.

#### Property and Equipment

Property and Equipment are stated at cost less accumulated amortization. Property and Equipment are amortized over their estimated useful lives at the following rates and methods:

Condominium unit	5%	declining balance method
Equipment	20%	declining balance method
Computer equipment	30%	declining balance method
Computer software	30%	declining balance method
Equipment under capital lease	20%	declining balance method

The Board regularly reviews its property and equipment to eliminate obsolete items.

(continues)



# ALBERTA CHICKEN PRODUCERS

## Notes to Financial Statements

Year Ended November 30, 2012

### 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

#### Future Changes in Significant Accounting Policies

The following accounting standards have been issued by the Canadian Institute of Chartered Accountants (CICA) but are not yet effective for the corporation. The corporation is currently evaluating the effect of adopting these standards, which it expects to do in fiscal year 2013.

The Accounting Standards Board will be implementing Part III of the CICA Handbook Accounting Standards for Not-for-Profit Organizations effective January 1, 2012. The corporation will be assessing the impact of the new standards on its financial statements over the next year.

### 3. PORTFOLIO INVESTMENTS

	<u>2012</u>	<u>2011</u>
Cash	\$ 7,474	\$ 20,873
Guaranteed investment certificates	1,605,823	1,796,407
Equities	63,882	65,200
Mutual funds	117,594	-
	<u>\$ 1,794,773</u>	<u>\$ 1,882,480</u>

The Board's guaranteed investment certificates earn interest rates ranging from 2.66% to 4.57% and have maturity dates ranging from May 2, 2013 to May 3, 2017.

### 4. MORTGAGE RECEIVABLE

	<u>2012</u>	<u>2011</u>
4% mortgage receivable, with monthly repayments of \$845, including principal and interest, due December 1, 2014, secured by land and an office condominium	\$ 96,239	\$ 102,422
Current portion	(6,433)	(6,183)
	<u>\$ 89,806</u>	<u>\$ 96,239</u>



## ALBERTA CHICKEN PRODUCERS

### Notes to Financial Statements

Year Ended November 30, 2012

#### 5. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2012 Net book value	2011 Net book value
Condominium unit	\$ 1,768,921	\$ 241,590	\$ 1,527,331	\$ 1,102,319
Furniture and fixtures	341,838	264,265	77,573	86,737
Computer equipment	142,278	128,025	14,253	13,351
Computer software	106,918	104,813	2,105	3,008
Equipment under capital lease	14,776	5,327	9,449	11,811
	<u>\$ 2,374,731</u>	<u>\$ 744,020</u>	<u>\$ 1,630,711</u>	<u>\$ 1,217,226</u>

#### 6. DEFERRED CONTRIBUTIONS

Deferred contributions represents restricted operating funding received that is related to subsequent periods. The following is a summary of the changes for the period ending November 30:

	2012	2011
Balance - beginning of year	\$ 21,455	\$ 100,000
Contributions received or receivable	-	232,214
Recognized as project grant	(14,041)	(310,759)
Balance - end of year	<u>\$ 7,414</u>	<u>\$ 21,455</u>

#### 7. BANK LOAN

Bank loan, prime plus 0.6%, secured by portfolio investments, payable \$7,296 monthly including interest, due August 30, 2013

#### 8. OBLIGATIONS UNDER CAPITAL LEASE

The following is a schedule of future minimum lease payments under the capital lease expiring April 15, 2015:

2013	\$ 4,500
2014	4,500
2015	1,276
Total minimum lease payments	10,276
Less: amount representing interest (at the bank's prime rate plus 1%)	495
Present value of minimum lease payments	9,781
Less: current portion	4,176
	<u>\$ 5,605</u>



## ALBERTA CHICKEN PRODUCERS

### Notes to Financial Statements

Year Ended November 30, 2012

#### 9. LIQUIDATED DAMAGES RESOLUTION

Chicken Farmers of Canada ("CFC") and the Board have established levy and service fee arrangements to defray the administrative and marketing costs of the orderly marketing system for chicken in the Province of Alberta.

As a member of CFC, pursuant to the Liquidated Damages Resolution, the Board is required to post security in the amount of \$165,068 to secure the CFC's position should the marketing in Alberta exceed the allocation. At November 30, 2012, certain investments of the Board have been pledged as security.

#### 10. LEVIES

	2012	2011
Levy charged	\$ 2,018,161	\$ 2,033,052
CFC portion	(555,155)	(559,078)
Net levies collected	<u>\$ 1,463,006</u>	<u>\$ 1,473,974</u>

#### 11. SALARIES, CONTRACT, BENEFITS AND PER DIEMS

	Salaries and Contract	Benefits	Per Diems	2012	2011
Office staff					
Office staff	\$ 478,952	\$ 72,520	\$ -	\$ 551,472	\$ 489,873
Board of Directors					
Erna Ference	-	1,699	34,725	36,424	4,931
David Hyink	-	1,620	32,370	33,990	29,265
Jacob Middelkamp	-	1,025	21,090	22,115	32,929
Ite Verink	-	46	19,650	19,696	20,489
Rudy Froese	-	568	11,400	11,968	7,660
Scott Wiens	-	664	11,995	12,659	47,889
Martin Van Diemen	-	381	8,125	8,506	11,288
Producer representatives	-	-	5,010	5,010	3,450
	-	6,003	144,365	150,368	157,901
	<u>\$ 478,952</u>	<u>\$ 78,523</u>	<u>\$ 144,365</u>	<u>\$ 701,840</u>	<u>\$ 647,774</u>



## ALBERTA CHICKEN PRODUCERS

### Notes to Financial Statements

Year Ended November 30, 2012

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#### 12. COMMITMENT

##### Poultry Health Services Ltd.

The Board is a member of the Poultry Industry Organizations, which has committed a total of \$299,856 to be paid to Poultry Health Services Ltd. for the provision of veterinarian services. The Board's portion of this commitment is \$182,612.

##### Grants to University of Alberta

The Board has committed a total of \$92,016 to be paid to the Poultry Research Centre in 2013.

#### 13. FINANCIAL INSTRUMENTS

The Board is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Board's risk exposure and concentration as of November 30, 2012.

##### Fair Value

The Board's carrying value of cash, accounts receivable and accounts payable and accrued liabilities approximates its fair value due to the immediate or short-term maturity of these instruments.

The fair value of portfolio investments is based upon quoted market prices from active markets.

The carrying value of the mortgage receivable approximates its fair value as the interest rate is consistent with current investment rates offered to the Board.

The carrying value of the bank loan approximates its fair value as the interest rate is consistent with current rates offered to the Board.

##### Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Board is exposed to credit risk from customers. In order to reduce its credit risk, the Board reviews a new customer's credit history before extending credit. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information.

##### Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Board manages exposure through its normal operating and financing activities. The Board is exposed to interest rate risk primarily through its investments, floating interest rate bank indebtedness and credit facilities.

#### 14. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.









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