



MYTHBUSTING 101: Supply management, efficiency and fairness

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Our feathers get more than a little ruffled when we hear people claim that the supply management system is inefficient and unjust for farmers and consumers. Yet, we've been hearing this myth again very recently. Our mythbusting team decided to tackle this myth once and for all.

Supply management is an efficient and fair system for producing and marketing chicken, eggs, turkey and dairy products that provides benefits to both consumers and farmers. Producers receive fair compensation for their hard work, processors have access to a reliable supply of fresh chicken, and Canadians have a stable and local supply of high-quality, safe and nutritious products. Let's take a look at the break down:

Benefits to consumers

Regulations under supply management ensure chicken is grown according to the high standards of cleanliness and food safety. All chicken farmers must participate in Chicken Farmers of Canada's On-Farm Food Safety Assurance Program which has received full government recognition. Furthermore, chicken farmers must also be certified on our Animal Care Program, which has been developed following extensive consultations with scientists, researchers, animal health practitioners and the Canadian Federation of Humane Societies. Our farmers are subject to independent audits and provincial boards can – and do – take enforcement measures if a farmer is found not to be following either program.

As farmers in supply management are registered with provincial boards, the precise location of their farms and level of production is recorded. These records are then used in the rare event of a food safety concern necessitating the removal of food from the marketplace or to stop poultry illnesses like avian influenza in its tracks by restricting movements on or off farms. While these events are extremely rare, it is reassuring to know that the procedures are in place to respond quickly and accurately if need be.

Supply management also ensures a consistent and local supply of chicken from family-run farms in all provinces coast to coast. A recent internal third party poll found that 84% of Canadians believe it is important to know where their chicken comes from, to ensure it is local and of high quality.

Lastly, supply management insulates consumers from recent upticks on food prices. For example, during 2012 and 2016, beef prices rose by 33% and pork rose by 19.5%, but chicken rose only 7.5%. Supply management keeps the cost of chicken buffered against world market volatility. [Recall, however, that farmers do not set the prices Canadians pay at the store and/or at the restaurant.](#)

Benefits to farmers

Supply management is one of the fairest and most efficient production and marketing systems in the world. It uses a cost of production calculation that drives efficiency while ensuring farmers receive a fair return from the market. When costs go up, so too will the prices farmers receive for their chickens. The opposite is also true as was seen between 2011 and 2015 when the live chicken price fell 7.7%.

Perhaps there is no better indication of supply management's efficiency from a business perspective than what the banks think of it. In a 2014 economic report, the Bank of Montreal called supply management one of Canada's standout sectors.

Finally, supply management is making huge inroads for both farmers and consumers by securing the supply of chicken. Many provincial boards have programs to assist new farmers as they scale up their operations. More and more young farmers are working in supply management thanks to the stability of the system. The last census of agriculture showed that some of the youngest producers in agriculture overall are found in supply management.

LET'S REVIEW THE FACTS

- **Supply management enforces high standards in on-farm food safety practices,**
- **Supply management's records can be used for traceability in the unlikely event of a food safety or poultry health concern,**
- **Supply management insulates consumers from upticks in food prices,**
- **The cost of production calculation used to determine fair returns to farmers also drives innovation,**
- **Banks recognize the stability and efficiency of supply management,**

- **Supply management attracts young farmers, securing a stable local supply of chicken, for the future.**

It is clear that supply management is efficient and just, not only for the farmer but also for Canadian consumers.

Want us to bust some other supply management myths? Send us your questions via twitter using the hashtag #IHeartChickenFarmers – stay tuned to see if your myth gets busted!