



2020 Annual Report



54th Annual Report

Fiscal Year • December 1, 2019 – November 30, 2020



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Financial Statements (*inside back cover*)



Board

Jason Born
Chair

David Hyink
Vice Chair

Dennis Steinwand
Director

Rob van Diemen
Director

Henk Schuur
Director



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Staff

Karen Kirkwood
Executive Director

Vera Ward
Office Manager

Karen Miller
Business & Market Analyst

Laurie Power
Producer Services Coordinator

Caitlin Kaiser
Administrative & Logistics Coordinator

Robert Renema
Producer Programs Manager

Maria Leslie
Marketing & Communications Specialist

Rita Cherniak
Project Assistant





Board Structure

Jason Born, *Chair*

Completes his third 3-year term in 2022 and will be required to step down from the Board

David Hyink, *Vice Chair*

Completes his first 3-year term in 2023

Dennis Steinwand, *Director*

Completes his third 3-year term in 2023 and will be required to step down from the Board

Rob van Diemen, *Director*

Completes his first 3-year term in 2021

Henk Schuur, *Director*

Completes his first 3-year term in 2021 and will be retiring from the Board

ACP Committees

Finance

Dennis Steinwand, *Chair*
David Hyink

Flock Health & Management

Henk Schuur, *Chair*
Rob van Diemen
George Hofer

Governance Committee

Rob van Diemen, *Chair*
Jason Born

Production

David Hyink, *Chair*
Rob van Diemen
Wes Nanninga

Research

Jason Born, *Chair*
Henk Schuur
Arjan Spelt

Supply Chain

Dennis Steinwand, *Chair*
Henk Schuur
Sam Guenter

Roles & Responsibilities

Media Spokesperson

Jason Born
David Hyink
Karen Kirkwood

Public Relations

Jason Born
Karen Kirkwood

Promotion

Henk Schuur

Chicken Farmers of Canada (CFC)

Dennis Steinwand, *Director*
Rob van Diemen, *Alternate*

Canadian Broiler Council (CBC)

Rob van Diemen

External Committees

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Agri-Environmental Partnership of Alberta

Mike Froese, *Egg Farmers of Alberta, Poultry*
Industry Representative
David Hyink (*Alternate*)

AgSafe Alberta

Erna Ference, *Poultry Industry Representative*

Intensive Livestock Working Group (ILWG)

Jason Born

Policy Advisory Group

Dennis Steinwand
Rob van Diemen

Poultry Diagnostics

Karen Kirkwood

Poultry Innovation Partnership Advisory Board

Jason Born
Rob Renema

Western Meetings

Jason Born
Dennis Steinwand
Rob van Diemen



Chair & Executive Director Report

2020 was an extraordinary year in many ways. As we entered 2020 last January, optimism was on the horizon for resolution on a number of priority areas including a decision on the Ontario Live Price and moderate yet still positive, steady growth for the industry. Starting in March 2020, just shortly after our Annual General Meeting, the COVID-19 pandemic brought significant impacts to the chicken industry across the country, not only impacting the markets in which we operate, but also how we conduct business. Amid the unprecedented circumstances of 2020, our Board and staff nimbly adapted and responded to challenges and opportunities throughout the year. While some priorities were put on hold as a result of the pandemic, our Board and staff remained focused on the strategic goals of ACP.

Prior to COVID-19, the growth rate for 2020 was forecast to be +2.5% over 2019; and, based on the allocations set to the end of this year, Alberta's production is forecast to be 0.28% over last year. When States of Emergency were implemented across the country in mid-March, significant market shifts and reductions in slaughter capacity began to occur, most noticeably in Eastern Canada, which has a higher concentration of foodservice contracts. In response, producers and Processors in Eastern Canada took urgent action and began cutting back chick placements in early April.

As shifts in the market began impacting customer demand across the country, it became apparent that the allocation set for Period A-163 on February 5th was too high and quick action was necessary in order to adjust to the rapidly changing market conditions. Chicken Farmers of Canada (CFC) responded nimbly to these shifts by adjusting the allocation for Period A-163, which was originally set at

Base +2.5%, downward by 7.5% for Western Canada and by 15% in Eastern Canada.

These measures were taken under emergency conditions, and our Board worked very hard to address the impacts of the reduction in the Period A-163 allocation and reductions in egg sets in a principled and reasoned manner.

When the market slowly started to show signs of recovery as provinces began relaunching their economies, the Period A-164 allocation, which was originally set regionally at Base -7.5% for Western Canada and Base -12.6% for Eastern Canada, was revised to Base -6.25% for the West and Base -12.6% for the East.

Leading into the back half of the year, allocation for Period A-165 was set at base -2%, Period A-166 at base +1% and A-167 at base +0.5%. As Canada continues to experience the second wave of the pandemic leading into 2021, it will take time for the market to stabilize and it is too soon to predict the medium and long-term impacts of the crisis.

Starting in mid-March, we held frequent, regular meetings with Processors and the Alberta Hatching Egg Producers' Chair and General Manager to discuss COVID-19 Contingency Plans for the Alberta chicken industry. These meetings continued throughout 2020 and have been effective in maintaining a fluid process by which our value chain is mitigating the risk of COVID-19 to our value chain and planning for the potential of a COVID-19 outbreak to severely impact one or more of our plants, including the event of a plant shut-down.

We want to take a moment to applaud the efforts of each of our Processors in working together to ensure our plants have remained open and our value chain as a whole has remained operational during these challenging times.

Jason Born
Chair



Karen Kirkwood
Executive Director





In May, we, along with our three major Processors, wrote a letter to our provincial Minister of Agriculture requesting a commitment from government to provide support to our sector if we are faced with the unfortunate and last resort option of depopulation due to a COVID-19 related plant closure of a substantial duration. This was followed by two meetings with the Assistant Deputy Minister and Alberta Agriculture and Forestry staff in 2020 to compile information and discuss this issue in greater detail. We are continuing to work with the Department of Agriculture and Forestry in assessing options and look forward to providing more of an update in 2021.

While the COVID-19 crisis required much time and attention in 2020, we continued our work in regards to the minimum live price. In Periods A-157 and A-158, the Board set the live price at 9.3 cents over the Ontario live price to account for a portion of the volume and producer efficiency adjustments applied to the Ontario live price in 2018. In September 2019 our Board negotiated an interim Alberta live price agreement with Processors that maintained our differential over the Ontario live price at 9.3 cents for Periods A-159 through A-161 (March 14, 2020).

As we neared the end of this interim agreement, the Board met with Processors in January and February 2020 to express our concerns regarding the lack of resolution on the new Ontario Cost of Production formula and to

discuss interim pricing for Period A-162 onward. The Board made every effort to negotiate another interim MOU with Processors, and in good faith, maintained the live price differential at status quo for Period A-162. As we prepared to set the live price for Period A-163, a State of Emergency was called in Canada in response to the COVID-19 pandemic.

The Board is continuing to meet periodically with Processors to carefully weigh the impacts of the COVID-19 crisis on the industry in setting the live price for each period, carefully weighing the reality of reduced revenue and increasing costs for producers and Processors and the continued market uncertainty due to the COVID-19 pandemic. As a result of this process, the Board maintained the Alberta live price differential at 9.3 cents over the Ontario Live Price on a without prejudice basis in Periods A-163 through A-167 in order to maintain stability during this challenging time.

The Live Price MOU process has worked well in Alberta for over ten years, providing stability to producers and Processors in a national marketplace; and our Board continues to believe it is prudent to see what emerges in the new Ontario Cost of Production formula in establishing a long-term Alberta live price agreement. Throughout 2019 and 2020, we have been preparing for the negotiation of the long-term MOU with Processors and have worked closely with the other provinces, particularly our Western counterparts, to develop a set of principles to guide the



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negotiation of our provincial live price agreements. We will consider all options that deliver a fair and reasonable return on investment for producers and continued investment into the industry.

We have also been working collectively with our Western counterparts in British Columbia, Saskatchewan and Manitoba on a number of common issues. As Western Boards, we share market information and analysis in the context of allocation setting, and this has been particularly effective in responding to the shifts in the market that have come with COVID-19 and in achieving the best outcome for the industry as a whole. This past year the Western Boards also worked together in assessing the cost impacts to our producers of implementing the removal of preventative use of Category III Antimicrobials. In August 2020, the Chicken Farmers of Canada's Board of Directors decided to extend the reassessment timeframe for preventive Category III elimination to provide for further consultation with industry.

On the trade front, we were pleased that Minister Bibeau announced on November 28, 2020 the Government of Canada's commitment of \$691M to investment programs and market development initiatives to offset the impact of market losses from the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) for Canadian poultry and egg producers.

These programs and initiatives are being developed with the input of industry and we will provide information to all producers once details become available in 2021.

In response to feedback from producers and to the COVID-19 crisis, in June the Board directed staff to develop a formal Corporate Social Responsibility (CSR) Program. This Program includes a relationship with Food Banks Alberta that started with a \$30K donation for the purchase of chicken for foodbanks across Alberta throughout 2021, and the development of a producer-directed donation program in the longer-term.

On an administrative level, staff worked remotely from the onset of the pandemic until the office reopened at the beginning of July when the province moved into Phase 2 of its relaunch strategy. In December, new measures were implemented by the Alberta Government in an effort to curb the second wave of the pandemic, and staff again began working remotely. The transitions to working remotely and in the office were smooth, and we commend the flexibility and perseverance of our team in navigating through this challenging year.

On-farm audits that were put on hold last spring were rescheduled and resumed in July. Following stringent Alberta Health Guidelines when conducting visits, our audit team completed all audits for 2020 as well as all surveillance testing for Chicken Farmers of Canada's *Salmonella* Baseline Study.

This year marked a milestone for Laurie Power who celebrated 10 years of service as ACP's Producer Programs Coordinator. We are incredibly grateful for her loyalty, her care and attention to detail, and her selfless service to producers and the Alberta chicken industry.

Our staff also adapted and developed different ways of supporting and delivering valuable resources to producers. This year, our team hosted a virtual production management workshop and a farm security workshop for producers. Throughout the year, ACP continued to grow its presence through new videos and digital advertising campaigns aired in mainstream media, virtual farm tours, and partnerships with ag-vocates including dietitians and food bloggers. This could not be possible without the support and participation of our producer volunteers and the creativity of our team.

We wish to thank our Directors, staff, producers, and industry partners for your commitment to the collective success Alberta's chicken industry.

We also want to thank producers and our industry partners for your continued vigilance during this pandemic. We have been communicating to producers about the importance of physical distancing and use of Personal Protective Equipment (PPE) on your farms, and it remains as important now as ever before to continue wearing masks and practicing proper handwashing and sanitizing at the times of chick delivery and catching. Thank you for playing an important part in keeping yourself and others safe and healthy. Together, we will contribute to a healthy and successful year in 2021! ■



Vision, Mission & Priorities

A vision is a desired future state which keeps us progressing as an industry. ACP's vision is a shared industry vision that is developed in collaboration with our value chain partners.

Shared Industry Vision:

Alberta's chicken industry is collaborating to grow, create shared value, and ensure chicken is consumers' preferred and trusted protein.

Mission:

Our mission, which is the purpose our organization seeks, is:

Serve Alberta's chicken producers by collaborating with key stakeholders to:

- **Create a thriving environment for sustainable chicken production.**
- **Encourage a competitive, consumer-focused value chain.**

Standards of Leadership:

Standards of Leadership are fundamental principles and beliefs that direct our actions and decision-making. They guide the development of our vision, which is supported by our mission. Our vision and mission guide the establishment of our longer-term goals, and our shorter-term strategic priorities and key performance indicators. Our key success factors support our organization in achieving its vision, and our key performance indicators are how we measure our progress.

Strategic Plan

Our Strategic Plan is the foundation of what we do. It is the road-map to achieving our goals and moving toward our vision. The plan keeps us focused on key priorities; and, we review our plan annually to align our priorities with emerging opportunities and threats.

On September 17-18, 2020, our Board and Executive Director held our annual Strategic Planning retreat. Representatives from the Alberta Hatching Egg Producers Board, Maple Leaf Foods, Sofina Foods and Sunrise Farms attended the first day of the retreat to provide feedback on the second year of our three-year plan and input into our plans for the upcoming year.

We value and appreciate the participation of our value-chain partners in our Strategic Planning process; and, particularly the trust that is created through working together.

At this year's retreat we focused much of our time on lessons-learned to date from the COVID-19 crisis and on continuing to build trust throughout the value-chain. As well, each year we assess our risks as a value chain. While the pandemic has certainly given rise to new challenges and initiatives, the ongoing issues of animal activism, food safety and public trust remain as important as ever before and were identified as high risks to the industry. Market uncertainty and capturing profitability in the value chain were also identified as high priorities. Several key initiatives will be undertaken to address these risks and to continue to strengthen our partnerships across the value-chain.

Taking this input into account, ACP's Strategic Plan was updated and presented to producers and stakeholders at our fall Regional Meetings. The full Strategic Plan is posted on our website for reference.



Alberta Chicken Producers' Board of Directors and Executive Director, Karen Kirkwood, with facilitator Donna Finley of Finley & Associates



2019-2021 Strategic Priorities

ACP's Strategic Priorities were reframed under the 2018-2021 three-year plan to align with our revised vision, mission and strategic goals. These three priorities are:

- **building public trust,**
- **driving sustainable production, and**
- **championing a strong, effective, unified value chain.**

ACP's Strategic Framework

Standards of Leadership

Fundamental principles and beliefs that serve as implicit criteria guiding all actions and decision-making.

- Value People ■ Drive best practices ■ Strive for continuous improvement ■ Be a good corporate citizen; behave fairly and legally ■
- Be open and transparent ■ Meaningfully engage producers, industry and consumers ■ Be proactive, positive, and future-focused ■
- Actively create opportunities to improve and innovate within the industry ■ Be effective and efficient ■



Vision

Our desired future.

Alberta's chicken industry is collaborating to grow, create shared value, and ensure chicken is consumers' preferred and trusted protein.



Mission

Our distinctive identity and core purpose.

Serve Alberta's chicken producers by collaborating with key stakeholders to:

- Creating a thriving environment for sustainable chicken production.
- Encourage a competitive, consumer-focused value chain.

External Environment

- Context
- Trends
- Competitive Landscape
- Consumer Analysis

Internal Environment

- Strengths
- Weaknesses
- Opportunities
- Threats



Goals

Long-term areas of focus.



1. Sustainably grow the chicken market served by Alberta producers.
2. Champion a culture of continuous improvement and commitment to best practices across the value chain.
3. Capture opportunities and work collaboratively with industry partners.
4. Proactively build and maintain public trust in Alberta's chicken industry.
5. Be a valuable resource to Alberta producers.
6. Ensure all value chain players are engaged and proudly contributing towards the success of the Alberta chicken industry.
7. Be an innovative leader in the Canadian context.



Key Performance Indicators

Basic measures used to gauge actual results against the Goals.

1. Sustainable Growth Metrics.
2. Flock Health and Management Metrics.
3. Consumer Confidence.
4. Stakeholder Satisfaction (Producers and Industry Partners).
5. Regulatory Metrics.
6. Strategic Alignment.
7. Board Effectiveness.
8. Financial Metrics.



Strategic Priorities

Key drivers for focused action.



- Building Public Trust
- Driving Sustainable Production
- Championing a strong, effective, unified value chain

Key Success Factors

Conditions that when properly maintained or managed significantly impact the entity's ability to achieve its vision.

- Collaboration
- Strategic Focus
- Continuous Improvement
- Organizational Effectiveness
- Shared Value



Activities & Achievements

Board Meetings and Conference Calls

The unprecedented COVID-19 pandemic has impacted how many organizations conduct business; and, when the pandemic resulted in States of Emergency being called across Canada, our Board adapted nimbly to this new environment by holding virtual meetings and meeting in-person, where possible, following Alberta Health Guidelines. To provide a snapshot of the year, nine video conference Board meetings, seven face-to-face Board meetings and two Board conference calls were held in 2020. Additionally, the Board held nine allocation-related meetings throughout the year. COVID-19 contingency plans, allocation and live price were key topics of discussion with the industry and among the Board throughout the year.

Following each Board meeting, Directors take a turn to provide their feedback on the meeting including Directors' involvement during the meeting, preparation for the meeting, agenda planning and meeting documentation. The evaluation feedback is recorded and reviewed periodically by the Governance Committee to identify trends, insights, and areas for improvement to bring forward to the Board for discussion.

Following the Annual General Meeting (AGM), the Board held its annual Orientation Session in March 2020 for the newly elected Director. This session is an opportunity to provide an overview of ACP's Board governance, policies, team culture and office protocols. The session also included current Directors and was held at the Board office. A Board Organizational Meeting was also held following the AGM to elect key leadership roles and to assign Committee responsibilities. Producer Representatives also serve on ACP's Flock Health & Management, Production, Research, and Supply Chain Committees to develop their industry knowledge and leadership skills; and these assignments were delegated in March at a meeting with Producer Representatives and the Governance Committee.

Industry Meetings and Presentations

Following the 2020 AGM, the Board held a face-to-face meeting with Processors in Red Deer, and virtual meetings were held with Processors throughout the year to collaborate on issues of mutual interest.

Starting in March 2020, ACP's Chair and Executive Director met on a weekly basis with the Processors and representatives of the Alberta Hatching Egg Producers Board to discuss COVID-19 Contingency Plans for the Alberta Chicken Value Chain. These meetings moved to a bi-monthly frequency later in the spring and continued as needed throughout 2020. In total, 27 meetings were held to discuss COVID-19 Contingency Plans.

In September 2020, the Board and Executive Director held Alberta Chicken Producers' Strategic Planning retreat with Processors and representatives from the Alberta Hatching Egg Producers Board, in adherence with Alberta Health Services Guidelines.

ACP's 2020 Regional Meetings were also adapted to comply with Alberta Health Services Guidelines. One Regional Meeting was held in Red Deer, Alberta on October 28, 2020. Producers were provided the options of attending the meeting virtually via WebEx or in-person.

The Western Board Meetings, Western Managers' Meetings, and Western Meetings with Processors were all held virtually throughout 2020 with representatives from the Alberta, British Columbia, Saskatchewan and Manitoba Boards attending. It was a busy year, recording thirty-two meetings in total.

Four virtual National Chicken Farmer Alliance meetings, which include representatives from each of the ten provincial Chicken Marketing Boards across the country, were also held in 2020 to discuss matters of mutual interest.

The annual CFC Summer Meeting was cancelled and held virtually this year. As well, all CFC meetings after March 1, 2020 were held virtually in 2020.

Directors from ACP attended the Annual General Meetings of the British Columbia Growers Association/BC Poultry Conference, Saskatchewan Poultry Industry Conference, and virtually for Chicken Farmers of Ontario, Manitoba Chicken Producers, and Chicken Farmers of Canada. A Director from ACP also attended the Alberta Beef Producers AGM that was held in January 2020.

ACP's bi-annual meetings with the Alberta Hatching Egg Producers Board were held virtually in 2020 in July and November. These meetings are excellent opportunities to discuss common issues and to continue building relationships.

Professional Development and Continuous Learning

Alberta Chicken Producers supports and encourages the continuous learning and development of Directors and Staff.

The following Virtual Webinars, Courses, or Workshops were attended in 2020:

- 2020 Food Trends: What Consumers Want
- Adobe Max – Creative Marketing Conference
- Alberta Farm Animal Care Conference
- An Introduction to Gut Health, Immunity and the Microbiome
- Animal Welfare & Gut Health
- Antibiotic Reduction Strategies in Poultry Production: Lessons Learned
- Before the Crisis: Planning and Preparation for the Unexpected
- Bird Cooling & The Role of Air Exchange Rates
- Brooding Principles
- Brooding Strategies Birds Are Raving About
- Canadian Grocer COVID-19 and Sifting Shopping Behaviours
- Canadian Grocer – Navigating a Crisis: How Grocery is Adapting
- Center for Food Integrity – Evaluating Tradeoffs of Plant and Animal Proteins
- Ceridian: Work from Home
- EDC: Economic Forecast with Peter Hall
- EMI Analytics COVID-19: The Impact on Protein Markets
- Early Nutrition Affects Future Broiler Immunity & Performance
- Euro-Monitor International: Top 10 Consumer Trends of 2020
- Gut Health Strategies that Pathogens Are Dying For
- Gut Integrity in Poultry: Importance, Challenges and Phytogenic Solutions
- How Gut Microbiome Metabolites Drive Broiler Health and Productivity
- IPOS-2021 Canadian Consumer
- Improve Poultry Performance with Multi-Carbohydrase Enzymes
- Influence of Incubation on Chick Quality
- Kevin Grier: Retail Ready Meat Poultry Outlook, Quarterly Updates Q1-Q4
- Limiting Liability of Unexpected Visitors
- McKinsey & Company: Navigating the Impact of COVID-19
- Managing Difficult Phone Calls
- Media Relations in the Age of Coronavirus
- Nielsen-Forces Impacting the Food Industry
- Pathogens and Prevention
- Perimeter Ventilation & Heat Distribution Principles
- Public Relations – Crisis Communications
- Safeguarding the Poultry Industry: Biosecurity and the One Health Approach
- Restaurants Canada – COVID-19 Impact and Industry Outlook
- The Importance of Ventilation in Poultry and Egg Production
- The Food Institute: State of the U.S. Protein Industry
- The Other Side of the Resilience Equation
- Translating Farm to Food in our Social World
- Understanding Heat Stress in Broiler Production: Minimize it with Effective Strategies
- Urner Barry: Year-End Insights on Protein
- Urner Barry: Global Protein Summit
- Water – The Forgotten Nutrient: What Could You Be Missing?
- Western Poultry Conference

The Alberta Chicken Producers Board of Directors and Executive Director also participated in a one and a half-day Board Governance Session facilitated by Jim Brown of *Strive!*. ■





Governance Committee

RESPECTFULLY SUBMITTED, ROB VAN DIEMEN, *Committee Chair*

The Governance Committee is comprised of two Directors and the Executive Director, and its Work Plan is reviewed and updated annually by the Board. The Committee supports the Board's oversight function and is guided by its mandate: ***"To support and enhance Board governance by recommending policies, programs, procedures, and best-practices to the Board."*** In this role, the Committee monitors best practices and trends in Board governance, assesses policies and practices of the Board and brings forward options and suggestions to the Board to maintain a culture of good governance.

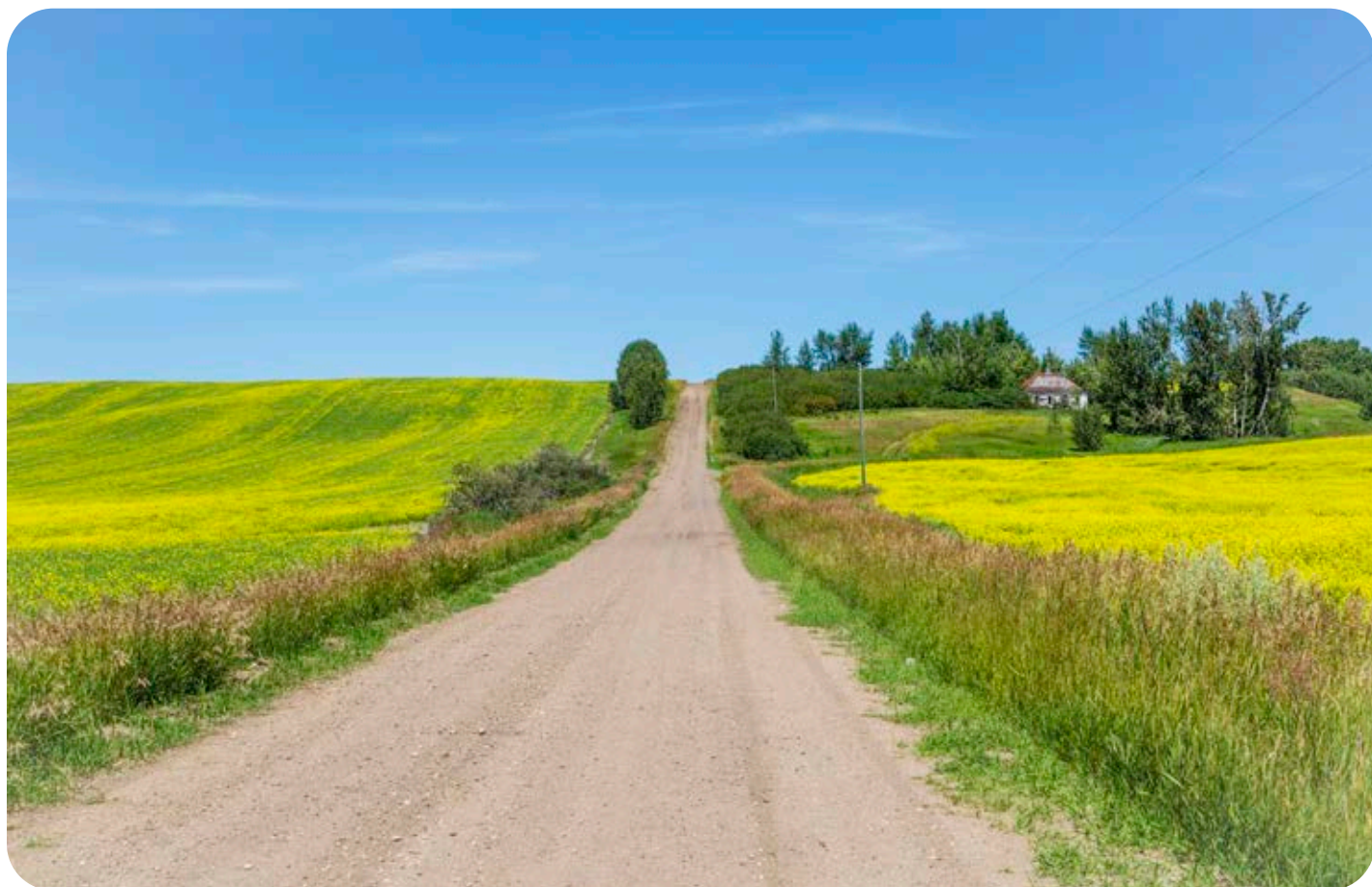
2020 was another active year for the Committee. Initiatives included:

- updating ACP's Organizational Culture and Policies Handbook;
- leading ACP's Orientation Session for new Directors following the 2020 Annual General Meeting;

- integrating Producer Representatives into ACP's Committees;
- presenting a Whistleblower Policy and Discrimination and Harassment Policy for approval by the Board;
- assessing ACP's election process;
- assessing options for ongoing Board development; and,
- holding a Board governance and team development workshop in November.

The Committee also reviews and monitors Board meeting evaluations, leads the Board through ongoing leadership and team development activities, encourages Directors to pursue professional development activities, and continuously supports the Board in developing current and future leaders for the industry.

I would like to thank Committee members Jason Born and Karen Kirkwood for their valued contributions to our Committee's activities over this past year. ■





Production Committee

RESPECTFULLY SUBMITTED, DAVID HYINK, *Committee Chair*

The Production Committee is comprised of two Directors, one producer representative and two staff members and is guided by its mandate, ***“to provide the Board with advice concerning the marketing of chicken in Alberta”***.

The primary areas of focus for the Committee in 2020 were Alberta's production performance, the 49-day lease window policy review, the Direct Marketing Lease Program and addressing questions from an individual interested in organic and specialty chicken farming in Alberta.

The Production Committee met with Processors by video conference in late June to review production performance metrics, such as the 100% quota utilization, and discuss optimizing production. Through discussion with industry and the assessment of data, it was identified that the challenges that had driven over-production in the past year, such as improved bird genetics and new barn expansion, have now stabilized. All industry partners have placed the utmost importance on optimizing production and achieving the 100% target, and it was reinforced that the Board's current policies provide the environment to achieve these results.

The Committee also assessed the impacts and effectiveness of the change to the Leasing of Quota Policy, which now provides for leasing 49 days after placement. The policy is providing the intended flexibility and enables producers and procurement to better manage unplanned changes in production due to a variety of reasons that include: (1) late flock mortality, (2) feed issues, (3) changes in customer orders/market shifts (i.e. COVID-19), and (4) flock health and/or climate challenges.

The Policy has also achieved the desired result of reducing underproduction; however, Alberta's provincial Quota Utilization has been in excess of 100%. It remains our goal to achieve 100% utilization as a province, and the effectiveness of this Policy change will be measured by assessing Alberta's quota utilization over this next year.

Another responsibility of the Production Committee is reviewing our Direct Marketing Lease Program applications prior to being presented to the Board for approval. In 2020, six applications were reviewed by the Committee, and all were approved by the Board for lease in 2021. A total of 270,000 direct marketing lease kilograms out of the available pool of 300,000 kilograms will be leased to six producers for the 2021 calendar year. For comparison, 96,000 direct marketing lease kilograms were leased to three producers in 2020. All of the approved applicants have established direct



to consumer sales channels and have previously participated in the program since its inception in 2013.

This past summer, the Committee also met with an individual who expressed interest in establishing an organic and specialty chicken production operation in Alberta.

The Committee met by video conference with the individual in late July, and through the conversation, it was determined that Alberta's Specialty Chicken Lease Program meets the needs of this interested individual. As well, the Organic Lease Program and opportunity for leasing in Alberta provide the necessary flexibility and options for a producer to establish this type of operation in Alberta.

I would like to thank fellow Committee members, Rob van Diemen, Wes Nanninga, Karen Miller, and Laurie Power for their diligence and valued contributions this past year. As well, the Committee commends the contributions of all procurement staff and producers in your continued efforts to maximize Alberta's production performance. ■



Supply Chain Committee

RESPECTFULLY SUBMITTED, DENNIS STEINWAND, *Committee Chair*

The Supply Chain Committee, which includes representatives from Alberta Hatching Egg Producers, Alberta's Hatcheries and Processors, the feed industry, poultry veterinary services, and representatives of the Alberta Chicken Producers' Board and staff, is guided by its mandate *"to foster an industry culture of collaboration and commitment to continuous improvement and best farming practices that support growth for the chicken market served by Alberta producers"*.

The Supply Chain Committee structure allows us to take a collaborative approach to addressing current and emerging challenges before they become roadblocks for the industry. In 2020, the Supply Chain Committee focussed on:

- Assessing and providing feedback on the broiler industry's readiness for a ban of the use of Category III antimicrobials for disease prevention at the end of 2020;
- Identifying challenges associated with the veterinary oversight regulations for Category II and III antimicrobials that took effect on December 1, 2018, and challenges with the ban of the use of Category II antimicrobials for disease prevention that took effect on January 1, 2019; and
- Monitoring ACP's sustainable growth metrics regarding quota utilization, barn space, and proposed targets for 7-day mortality, total mortality, and plant condemnns.

Update on the Antimicrobial Use (AMU) Strategy

In 2020, the Canadian broiler industry was tasked with assessing readiness to proceed with a ban on the use of Category III antibiotics for prevention of disease. This is part of a global initiative to increase oversight of antibiotic use, to reserve antibiotics for the therapeutic treatment of disease rather than prevention of disease, and to reduce development of antibiotic resistance. A ban of the use of Category III antibiotic use for disease prevention fits the purpose of the Chicken Farmers of Canada's (CFC) antimicrobial stewardship strategy to control, monitor, and reduce antimicrobial use where possible.

Government CIPARS survey results from last year indicate that 62% of antimicrobials used were non-medically important (ionophores and coccidiostats). Furthermore, the Category II antimicrobials, virginiamycin, tylosin, and penicillin were no longer found in feed, indicating use had shifted away from use for disease prevention.

In a review process that began in 2019, the focus of 2020 was to address key questions, such as:

- How has elimination of preventative use of Category II antimicrobials gone for producers?
- What has happened to antibiotic use patterns?
- Are there alternatives to antibiotics and/or management methods to increase bird health?

In August, 2020, CFC decided to extend the reassessment timeframe for preventative Category III elimination. This was done to ensure that the sector is taking a responsible, pragmatic approach to antimicrobial use reduction. Unfortunately, the realities of COVID-19 pandemic have resulted in postponement of critical meetings between key provincial partners. These meetings were an essential part of taking a responsible approach to ensuring animal welfare and sustainability.

Update on 7-Day Mortality: Charting Transition to Reduced Antibiotic Use

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The Supply Chain Committee is responsible for maintaining both the Broiler Chick Quality manual and evaluating trends in 7-day chick mortality. More recently the Committee has also been monitoring life-of-flock mortality and plant condemnns relative to the rest of Canada. Of these parameters, the monitoring of 7-day chick mortality is one of the most sensitive tools we have for identification of emerging production and quality issues, as well as to monitor impact of changes on the broiler industry. The Committee discusses ongoing results and any short-term challenges hatcheries may be having that might impact numbers, and keeps informed on emerging technologies such as in-barn hatching.

This past year, our industry has continued to learn to manage flocks under new veterinary oversight rules, the ban of Category II antimicrobials for disease prevention, and the expansion of Raised Without Antibiotics (RWA) programs. As a result, the goal for 2020 was to hold the 7-day chick mortality target steady at 1.6% (the average value for 2019). After an increase in the first quarter of 2020, the 7-day mortality value trended downward for the rest of the year. The most recent value of 1.63% is far below the 2.35% initially recorded when monitoring began in autumn 2014.



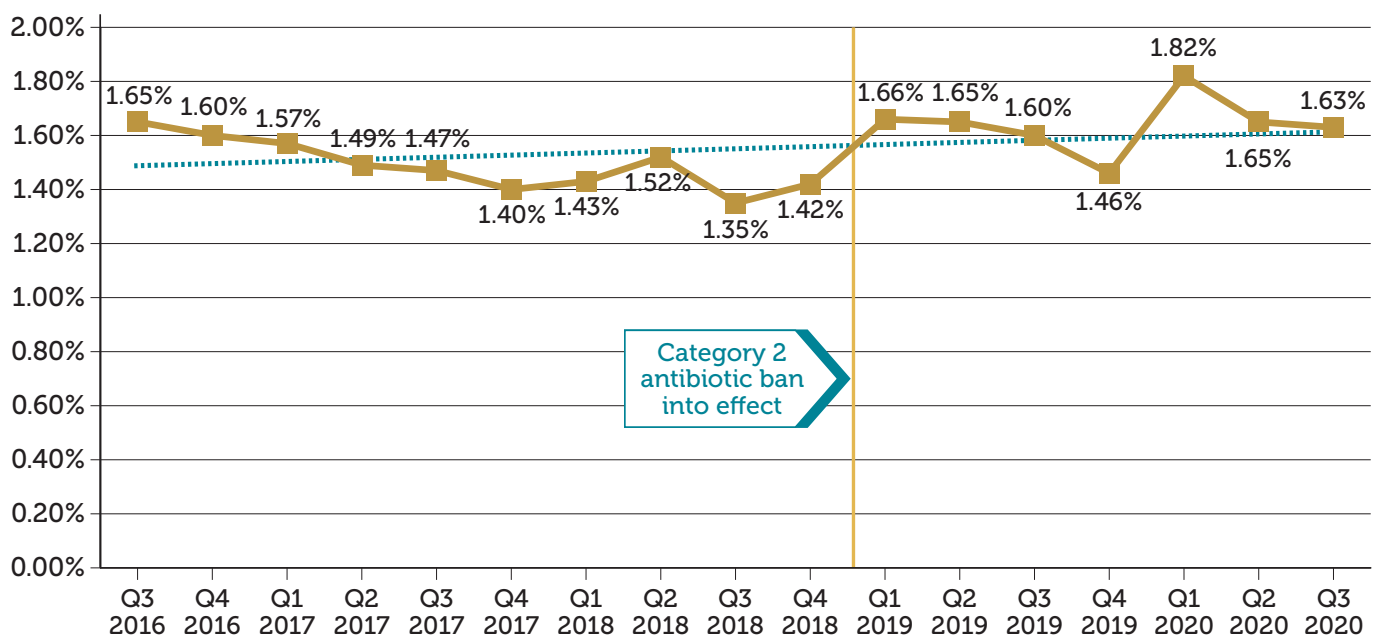
One parameter the Committee monitors is the percentage of barns with < 2% 7-day mortality. This has led to the finding that flocks with > 2% 7-day mortality appear to have more volatility in their mortality results to the point it has impacted the average 7-day mortality value. While this is an expected result of bans on use of antibiotics for disease prevention, it points to the importance of monitoring early mortality patterns and seeking veterinary advice when unexplained mortality occurs.

Our industry partners are to be commended for their efforts in reducing early flock mortality. The Committee also extends a big thank you to producers for your continued, timely reporting of 7-day mortality to your Processor/Hatchery. A complete data set is integral to measuring our progress.

We appreciate and look forward to the ongoing collaboration with our industry partners as we continue to strive for excellence in the Alberta broiler production value chain. I would like to extend a sincere thank you to Committee members Henk Schuur, Samuel Guenter, Cora Scheele, Ed Fetting, Kerry Towle, Jorge Gallegos, Shannon Buskas/Frank Maenhout, Nancy Fischer, Dr. Tom Inglis, Dr. Darko Mitevski, Rob Renema, and Karen Kirkwood. ■



7-Day Mortality Trend





Flock Health and Management

RESPECTFULLY SUBMITTED, HENK SCHUUR, *Committee Chair*

In 2020, the Flock Health and Management Committee focused its efforts on providing input into the major update to CFC's On-Farm Food Safety Programs and monitored progress on CFC's *Salmonella* surveillance project and on CFC's antimicrobial use surveys.

Food Safety and Animal Care Program Updates

The On-Farm Food Safety Program (OFFSP) is undergoing a major review and update. Both the Flock Health and Management Committee and the OFFSP / Animal Care program audit team reviewed suggested changes and provided formal responses to drafts of the OFFSP manual and supporting documents. New developments in the area of barn cleaning and disinfection have been added to the manual and much effort has been put into increasing the clarity of the program requirements. The committee was pleased to see that submissions from Alberta had been carefully considered by the CFC Production Committee. The final draft of the OFFSP manual is under review by CFIA.

Based on current timelines, we expect printed copies ready to share with producers mid-2021.

In 2020, Alberta Chicken Producers' redesigned Grower Program was fully implemented in both Saskatchewan and British Columbia. With this complete, the focus for 2021 will be on implementing program tweaks to increase efficiency and the testing of an electronic version of the OFFSP and Animal Care Program audit with the intent of replacing the paper audits currently in use. We expect that the shift to electronic audits will ease the administrative burden of audit management for both auditors and ACP staff.

Salmonella Enteritidis Prevalence Survey Development

The federal government, led by the Public Health Agency of Canada, has placed a high priority on reducing *Salmonella*-related illnesses among Canadians. Pathogen reduction has been a priority issue for the broiler industry and all supply chain members (broiler breeders, hatcheries, and processors) are taking additional steps to address pathogen reduction.

15





16 The first step in this process for CFC was to complete a national *Salmonella* prevalence survey in 2020.

For Alberta, the Flock Health and Management Committee decided to manage the on-farm testing for *Salmonella* through the OFFSP / Animal Care Program audit team. The field auditors collected samples and surveys from 36 Alberta farms while they were already onsite for Full audits. Samples were assessed for *Salmonella Enteritidis* due to its known potential for human illness, as well as all other major *Salmonella* species to characterize what is present in broiler barns. With most of the litter test results in, it appears that *Salmonella Enteritidis* is rarely being found on our farms, suggesting the mitigation methods being used on our hatching egg farms and in our hatcheries are working well. Once all of the laboratory results are received, the personalized farm reports will be distributed. The results of this survey will provide CFC direction for appropriate farm-level monitoring and mitigation in the future.

Anti-Microbial Use Surveys and Farm Data: Supporting Reduction in Antimicrobial Use

2020 was the seventh year our audit team performed the AMU survey with producers during their on-farm audits. 2020 marked the highest level of participation in the survey

for Alberta, with 30% of our farms completing one this year. The AMU survey allows CFC to characterize the shift in product choice and overall volume use. In 2020, the survey also provided information on the readiness of the broiler industry for the targeted ban of Category III antimicrobials for the prevention of disease.

The Flock Health and Management Committee provided input knowledge gaps and educational opportunities for producers as we continue moving towards the goal of eliminating the preventive use of antibiotics of human importance. There has been a distinct increase in CFC's production of resources to address these issues. Locally, this committee provides input into roll-out of educational resources. Initiatives such as the Alberta Broiler Chick Quality Manual, the Basic-Better-Best biosecurity best management guide, the Western Poultry Conference, and Quality Brooding workshops are actions Alberta Chicken Producers has taken to address chick quality, flock health, and performance. With Covid restrictions limiting in-person meetings, a webinar series is in development on themes of management, nutrition, and barn environment on gut health and our ability to maintain healthy flocks.

Alberta Chicken Producers extends a thank you to Committee members Rob van Diemen and Robert Renema, and to our independent Audit Team, Alberta On-Farm Audits (Boyd Bresnahan and Rodney Swanek), for their diligence and commitment to Alberta Chicken Producers. ■



Research Committee

RESPECTFULLY SUBMITTED, JASON BORN, *Committee Chair*

Leveraging ACP's Contributions to the Poultry Innovation Partnership

Alberta Chicken Producers' (ACP) have been a contributing member of the Poultry Research Centre (PRC) at the University of Alberta since its formation in 1986, when Alberta Agriculture and the four Provincial feather boards came together to ensure support for local poultry research. In recognition of an expanding poultry research landscape in Alberta in combination with a more competitive livestock research funding environment, the organization was re-imagined and expanded to become the new, Poultry Innovation Partnership (PIP). The new structure officially went 'live' in 2020 when Alberta Agriculture and Forestry committed funds to continue support a poultry production specialist position and a poultry extension technician position.

This new PIP structure has clearly laid out structures to support ACP priorities of being able to prioritize extension and education opportunities, and to leverage industry funds contributed to PIP in research grant applications. The new PIP structure also creates more opportunities for creation of research and extension collaborations among poultry researchers at sites across Alberta. Animal Science students have benefited from more exposure to broiler operations both in classes and in research projects. An example of how

ACP has benefited from this is through collaboration on events like the 'Pathogens and Prevention' session we co-hosted with PIP in December.

In 2020, ACP was involved in finalizing the structure and function of the PIP Leveraging Committee. This culminated in the inaugural PIP leveraging research call, where the industry members of PIP voted on levels of PIP industry funds to allocate to the applications. Now most of ACP's financial support for PIP can be identified in research project applications as industry funds and fully leveraged accordingly. This was a big step in the renewal of PIP and demonstrates a more strategic use of ACP funding contribution. We look forward to seeing the impact of this program now that it is operational.

Research and Development

Research and development of innovative technologies and techniques are essential to the competitiveness and sustainability of our industry. We invest in projects we believe will have the greatest impact on Alberta broiler production, based on our research and knowledge priorities.

Alberta Chicken Producers is an associate members of the Agriculture Funding Consortium. As an associate member, Alberta Chicken Producers' provides a voice for the broiler industry's Research Priorities and helps guide the focus for future research and development in Alberta.





One of our major partners for funding poultry projects has been the Strategic Research and Development Program (SRDP), which was managed by Alberta Agriculture and Forestry. In 2020, as part of the effort to move to producer-led research, a new agriculture funding agency was formed and SRDP was phased out. Results Driven Agricultural Research (RDAR) will operate at arms length from the Provincial Government and is in the process of electing a permanent board of directors that will include farmer representatives. The number of marketing boards, commission, and producer associations that members of RDAR have increased compared to that of previous funding structures. While this suggests competition over research dollars may be more challenging, we also recognize that many Alberta poultry researchers work closely with our office to ensure their research proposals will be of benefit to producers. Fostering collaboration for high-impact research is an area where the updated PIP has been able to help us. Support of researcher events has been one of the benefits of ACP's involvement in PIP.

This year we were able to connect some researchers with funding sources and to provide feedback on ways to make their applications more relevant to Alberta broiler producers. RDAR's initial research call included proposals from researchers we had asked to apply. The Research Committee is evaluating projects to fund in 2021.

The COVID-19 pandemic has slowed research progress this year due to limits on access to labs and research facilities. A number of the projects we have previously supported have asked for project extensions. We look forward to the day when research sites are able to function normally again.

Projects Supported by ACP that Commenced in 2020:

1. *Bioactive glucosamine self-condensation products to improve locomotion problems in broiler chickens* (M. Betti: UofA)
2. *Managing physiological stress to enhance broiler chick quality and production health with an emphasis on mitigation of colibacillosis* (D. Inglis: Ag Canada, Lethbridge)
3. *Novel antibiotic alternatives to inhibit both human and poultry pathogens with green materials* (D. Korver: UofA)

In closing, I would like to acknowledge the valuable contribution that Robert Renema, Henk Schuur, Sunny Mak, Darko Mitevski, Valerie Carney, and Shawn Fairbairn have made this year through their time and participation on this Committee. In addition, the Committee is grateful for the industry partners and researchers that provide their on-going support and commitment to research and development. ■



Emergency Management & Diagnostics

Emergency Management Team

Alberta's Poultry Industry Emergency Management Team (APIEMT) was active throughout 2020, in further developing and testing our emergency management program. The APIEMT held several meetings and training sessions by videoconference throughout the year.

Poultry Diagnostic Services

Following the provincial government's withdrawal of funding for poultry diagnostic services, the four poultry Boards initiated the development of a long-term strategic business plan for poultry diagnostics in Alberta in 2019.

Throughout 2020, Karen Kirkwood attended multiple videoconference meetings and conference calls to establish a long-term strategy and business plan for poultry diagnostic services that aligns with the following principles:

1. to ensure producers are treated fairly;
2. to provide fair and equal opportunity for poultry diagnostic service providers;
3. to support an environment for diagnostic submissions; and,
4. to support an environment for succession and sustainable poultry veterinary services.

The four poultry Boards have extended the current contract with Poultry Health Services to accommodate the transition and ensure seamless service to producers. The Plan is near to completion at the end of 2020 and details will be communicated to producers and industry in early 2021. ■



Public Relations

Alberta Chicken Producers' public relations strategy and tactics are carefully crafted to target issues brought forward in our consumer research. 2020 was a busy and unique year with transitioning to virtual events and pivoting with campaigns.

2020 Highlights

- Canadian Ag Day - Global News coverage
- Partnership with Registered Dietitian Emily Mardell
- Partnership with Edmonton Valley Zoo
- Partnership with Alberta Blogger and Influencer Linda Hoang
- Partnership with Alberta Motor Association (AMA) for the Backyard BBQ
- Taste Alberta Membership and activities
- Virtual Stollery Teddy Bear Fun Run and Walk
- September is Chicken Month
- Camrose Bull Congress
- Virtual Outstanding in the Field
- Ag for Life Virtual Teacher Symposium
- Corporate Social Responsibility *Good Neighbours Program*



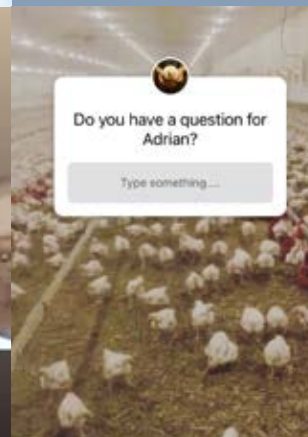
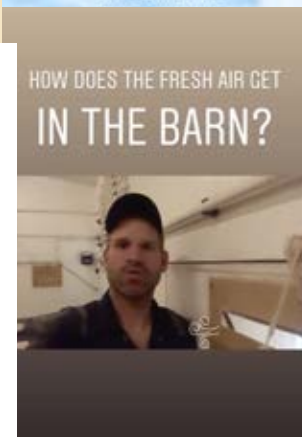
Alberta Chicken Producers' Zoo Exhibit Highlighted on Canadian Ag Day

Full story can be viewed at globalnews.ca:

Get to know your local farmer: Edmonton Valley Zoo exhibit offers agricultural connection

Alberta Chicken Producers' Pivot and Host Virtual Farm Tours

In April of 2020, producer Adrian Tobler hosted a virtual farm tour that addressed commonly asked questions and took viewers through a day on the farm. To view, please visit our Instagram account [@AlbertaChicken](https://www.instagram.com/AlbertaChicken)





Dietitian's Day Celebration

Due to event restrictions of COVID-19, Alberta Chicken Producers' annual sponsorship of the Canada Dietitian's Day celebration was postponed. However, Alberta Chicken Producers' partner Dietitian, Emily Mardell was able to promote a delicious chicken recipe on CTV Edmonton.



Mother's Day and Father's Day Films

New in 2020 Alberta Chicken Producers' shared a Mother's Day Film and a Father's Day Film on social media. The theme behind both, is family and connection.



Virtual Stollery Children's Hospital Foundation Teddy Bear Fun Run

From May 9 - 15, 2020 ACP sponsored and participated in the Virtual Stollery Children's Hospital Foundation Teddy Bear Fun Run and Walk.

Due to COVID-19, the planning committee changed the 2020 event to be virtual, connecting with families in isolation at home. Each day included a new theme and activity. May 12 was Alberta Chicken Arts and Crafts Day! A huge thank-you to Tara deVries for helping us to host a virtual farm tour during the event! The video received many views from participants and the engagement was very positive.

Below are some of the photos submitted!

If you'd like to enjoy the colouring sheets at home or share them with friends, they can be downloaded on our website.



Virtual Farm Tour:



Taste Alberta and Get Cooking Edmonton Host Virtual Chicken Cooking Class

On May 21, Taste Alberta and Get Cooking Edmonton hosted a virtual cooking class featuring chicken dishes. A huge thank-you to Erna Ference for tuning in and answering chicken related questions from participants!

The participants were given the opportunity to expand their chicken cooking knowledge with tips and tricks on how to perfect two dishes and break down a whole chicken. The recipes included Grilled Chicken Thighs and Chicken Saltimbocca. The classes were recorded and will soon be available for viewing on the Taste Alberta website.

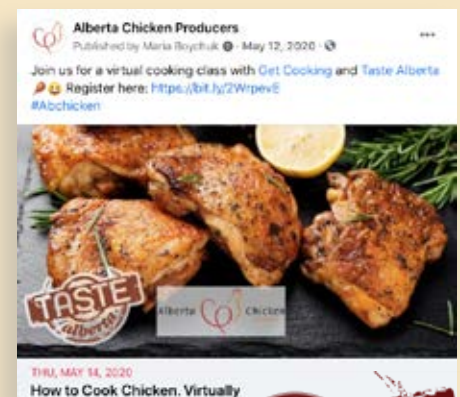
About Taste Alberta:

Taste Alberta is an industry-led initiative that communicates and engages with consumers on the sustainable and high quality food choices that are available to them in Alberta-produced foods. Taste Alberta leverages Alberta Chicken Producers' investment with other industry partners as well as the Canadian Agriculture Partnership grant funding to connect with consumers with complete and reliable information

with the common goal to build public trust in food and farming in Alberta. Our communication includes regular updates to our website that reach about 10,000 visitors per year. In addition, our social media platforms have over five thousand followers (total) and engagement above industry averages.

In 2020, the Be Assured Initiative created targeted content to increase public understanding and trust in

agriculture. This included developing and sharing eight stories and two videos specifically about farming sustainability, food health, animal welfare and also the impact of COVID-19 on family farms. Each story has over 120,000 impressions, as much as 6,200 views and engagement rates that vary from 2.04% to 20%. For example, the story *A look into the sustainability of Canada's Chicken Industry* had 176,722 impressions, 6,316 overall interactions/clicks and engagement rate of 3.57%. For more information visit: tastealberta.ca



Canadian Centre for Food Integrity Launches "It's Good, Canada"

Read more by visiting: itsgoodcanada.ca. Director Dennis Steinwand is featured in one of their videos showing the faces of Canadian food production. Way to go Dennis!



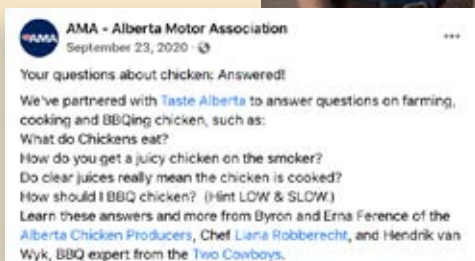


Alberta Chicken Producers' Partner with AMA for Virtual Backyard BBQ Community

In the spring of 2020 a new partnership between Alberta Chicken Producers and the Alberta Motor Association (AMA) kicked off with the AMA Backyard BBQ campaign! The campaign ran throughout the summer promoting Alberta producers and products, all while supporting the Alberta Food Bank.

Check out the AMA Backyard BBQ Facebook Community! [facebook.com/groups/AMABackyardBBQ](https://www.facebook.com/groups/AMABackyardBBQ)

On July 9, ACP participated in an "Ask Me Anything", responding to chicken related questions. A huge thank-you to farmer Erna Ference, who alongside Registered Dietitian, Emily Mardell and Chef, Liana Robberecht answered the communities' questions. The topics ranged from how chickens are raised, what they do to preparing chicken and nutrition.



Following the Facebook Live, a film crew visited the Ference farm for some follow-up questions with Erna and Byron Ference.

On Thursday, August 6, as part of the ongoing campaign, ACP hosted a virtual farm tour from Sunworks Farm near Camrose, Alberta. A huge thank-you to Ron, Sheila and Shae for participating in the planning and production of the tour.

As well, Alberta Chicken Producers were featured in an AMA myth-busting article.



Fascinating Facts About Alberta Chicken

BY AMA STAFF

There are thousands of different ways Albertans enjoy chicken every day, whether it's baked, fried, grilled or even made into a soup. According to Statistics Canada, in 2019, chicken was the most consumed meat in our country. But did you know that Alberta chicken is also environmentally friendly?

You read that correctly—environmentally friendly! Which means that in addition to knowing that each delicious bite of chicken is providing your body essential nutrients, like protein and iron, you are also making a choice that's good for the environment. Here are some fascinating facts about Alberta chicken that might pleasantly surprise you:

- Amazing but true: 62 percent of the energy used to raise chickens comes from renewable sources. In fact, compared to other countries, Canadian chickens have the lowest carbon footprint (which is also 37 percent lower than it was in 1976).

- A lot has changed in the past 45 years—our farmers now use 45 percent less water than they did back in 1976.

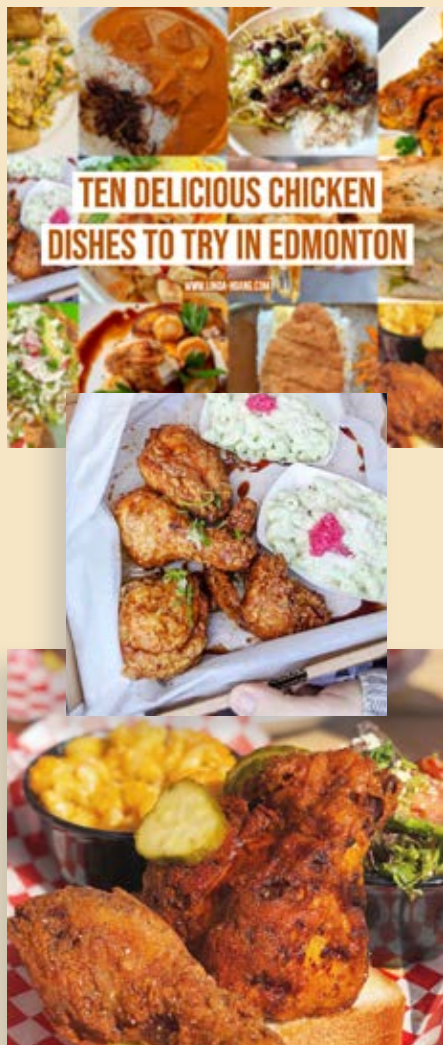


Alberta Chicken Producers Featured in “Ten Delicious Chicken Dishes to Try in Edmonton”

On July 6, a new partnership with Alberta social media influencer and food blogger, Linda Hoang kicked off on a tasty note!

The blog highlights the need to support local restaurants and local producers. Linda's first blog lists ten locations to eat delicious, Canadian-raised chicken in Edmonton. The campaign was promoted on social media and featured an Alberta Chicken Producers prize.

In the Fall of 2020, a follow-up blog featuring “Ten Delicious Chicken Dishes to Try in Calgary” was published.



September is Chicken Month Highlights

Throughout the month of September, we celebrate chicken and our farmers. ACP uses its social media channels to educate consumers on chicken/chicken farming. A myth-busting blog was written by local blogger, Linda Hoang. As well, Linda hosted a Facebook live chatting all things chicken, with guests, R.D. Emily Mardell and farmer Tara de Vries.

ACP hosted social media contests, engaging consumers and encouraging them to cook with chicken.





Education Events:

Camrose Bull Congress

Producers Andre Poulin and Hinke Therrien presented to grade three and four students at the Camrose Bull Congress on January 21 and 22, 2020.

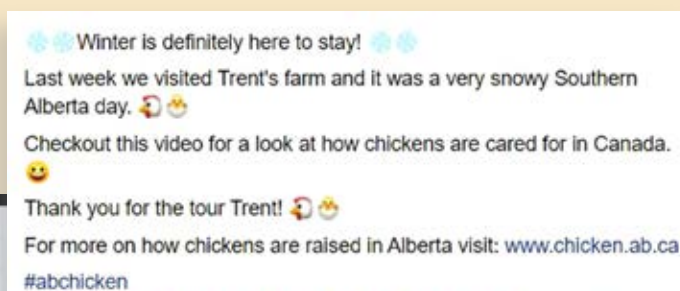


FCC's "Outstanding in The Field" Event Goes Virtual ▼



Ag for Life Teacher Symposium

On November 18, 2020 Ag for Life hosted one of their annual Teacher Symposiums. Prior to the event Maria Leslie, captured a virtual tour of Trent Sundgaards farm. A huge thank-you to Trent for participating in the tour and joining in virtually to answer any questions teachers and students had.



Corporate Social Responsibility:

ACP's Corporate Social Responsibility Pillars:

- Creating Connection
- Building Strong, Healthy Communities
- Social Responsibility

*From our families to yours.
care is at the heart of what we do.*

“

Good Neighbours in a Time of Need

“The holiday season for many can be a challenging time, and the COVID-19 pandemic will make this year's season even more so,” explains Jason Born, Chair of the Alberta Chicken Producers Board of Directors.

“Like all Albertans, we greatly care about the health and wellbeing of our families, friends, and communities. We couldn't think of a better way to support those in need than by launching our Good Neighbours Program. As part of this Program and on behalf of Alberta's chicken farmers and their families, we're proud to support Food Banks Alberta,” says Born.

Alberta Chicken Producers

DATE

December 1, 2020

Pay to the
order of

FOOD BANKS
alberta

\$ 30,000

thirty thousand dollars

DOLLARS

MEMO

Good Neighbours

SIGNATURE



Alberta
Chicken
PRODUCERS

Alberta Chicken Producers Launch “Good Neighbours Program” With Food Bank Donation

As presented at the October Regional Meeting, Alberta Chicken Producers is excited to launch its “**Good Neighbours Program**”, which includes an important partnership with Food Banks Alberta. On December 1, 2020 a donation was made to Food Banks Alberta as Phase I of this partnership. This will be used to provide fresh Alberta chicken to food banks across Alberta.

This is one of many initiatives included in Alberta Chicken Producers’ “**Good Neighbours Program**”. For full details, please visit: www.chicken.ab.ca/good-neighbours/



Alberta
Chicken
PRODUCERS



Government Relations

With COVID-19 impacting government priorities early in 2020, ACP's government relations initiatives were greatly impacted and altered from typical years. This said, ACP adapted its approaches and engaged in several activities throughout the year including:

- February 6: CFC Advocacy Day (attended by Jason Born and Rob van Diemen)
- March 16: 2020 Provincial Budget Breakfast (attended by Dennis Steinwand)
- May 2020: Townhall Meetings with Premier Jason Kenney (attended by Jason Born and Karen Kirkwood)
- November 23-27: CFC Lobby Week (attended by Dennis Steinwand and Rob van Diemen)

Throughout the year ACP's Chair, Jason Born, and Executive Director, Karen Kirkwood, together with representatives from the Alberta chicken value chain, met with Alberta Agriculture and Forestry to discuss COVID-19 contingency

plans. Additionally, Jason Born participated in the Alberta Government's Red Tape Reduction Panel and ACP was actively engaged, together with the other poultry and dairy sectors, in providing input to the Alberta Government's Red Tape Reduction initiative. Karen Kirkwood also participated in a meeting hosted by Alberta Agricultural Products Marketing Council for Alberta's boards and commissions to review the amendments to the Marketing of Agricultural Products Act. ■



Above, L to R: Lauren Kennedy, CFC; Rob van Diemen, ACP; Jason Born, ACP; MP John Barlow



Below, L to R: Rob van Diemen, ACP; Jason Born, ACP; MP Damien Kurek; Kerry Towle, Sofina Foods





Chicken Farmers of Canada

RESPECTFULLY SUBMITTED, DENNIS STEINWAND, CFC Director

2020 was a very busy year for Chicken Farmers of Canada (CFC), both navigating the unprecedented COVID-19 pandemic and continuing to focus on CFC's strategic priorities.

Our industry has and is continuing to respond to the market shifts and production challenges created from the COVID-19 pandemic, which has resulted in many more hours and meetings devoted to allocation for the Canadian chicken industry. CFC has been flexible and nimble in adjusting allocation in response to the impacts of COVID-19, making decisions that are in the best interest of consumers and the industry as a whole. In the fall of 2020, the CFC Board decided to continue setting allocation one period at a time for 2021 until the market stabilizes from the pandemic.

CFC also worked closely with the national SM4 and Canadian Poultry and Egg Processors Council (CPEPC) to accelerate emergency management activities as a result of COVID-19 pandemic.

28 AMU Strategy

The COVID-19 pandemic resulted in the postponement of key meetings between important partners at a provincial level; and, as a result, CFC has delayed the date to re-assess eliminating Category III antibiotics.

The success of the strategy thus far has been based on taking a responsible approach to ensure animal welfare and sustainability, and it is critically important that these factors are addressed as we consider the elimination of Category III antibiotics. Results of the AMU strategy to date are demonstrated by a reduction in antimicrobial resistance (AMR) once Category I and II treatments were eliminated. These changes were implemented and enforced via CFC's On-Farm Food Safety Program (OFFSP). As well, surveillance by PHAC (CIPARS) in 2020 demonstrated decreased resistance across various antimicrobials in response to reduced AMU.

The strategy remains a key priority for the Canadian chicken sector and further consultations with the industry will be ongoing to ensure that the sector is taking a responsible, pragmatic approach to antimicrobial use reduction.

Pathogen Reduction Initiative (PRI)

The Canadian chicken industry has been exploring tactics to reduce pathogens, with special attention given to *Salmonella*, by working together to assess the current

pathogen levels, establish reduction targets, and identify and implement strategies to monitor and reduce pathogen levels. This started with the CFC surveillance project to determine a baseline prevalence of *Salmonella Enteritidis* on a provincial/regional basis.

The data generated from this project will be used to better understand the risk factors that contribute to pathogens on-farm and measures that can be taken to reduce prevalence. Involvement in the project further demonstrates the proactive nature and commitment of the Canadian industry towards safe food.

The industry has recognized additional tools that can be used on farm that have shown to reduce pathogen contamination and as a result the industry is requesting the government to consider the following:

- Appropriate labelling of non-antibiotic products that may be beneficial in reducing pathogens (i.e. acidifying products cannot be labeled with 'pathogen reduction' claim but would have an impact on bacteria in the gut).
- Extending Health Canada's "Veterinary Health Products" pathway to include administration via feed.

Trade & Policies

To protect the integrity of the import control pillar of supply management for chicken, CFC monitors trade negotiations and ensures that our sector is provided full and fair mitigation in response to all trade-related impacts on our sector. CFC also depends on engaging with the Canadian government to close the import control loopholes presented by the import of broiler meat that has been mislabelled as spent fowl, and the inappropriate Duties Relief Program criteria. Like all other aspects of life, the global pandemic has impacted the international trade scene, slowing down negotiations and shifting priorities for CFC and the Canadian government towards COVID-19 related measures.

■ The Canada-United States-Mexico Agreement (CUSMA)

The Canada-United States-Mexico Agreement (CUSMA) entered into force on July 1st, 2020, and the mid-year implementation required Global Affairs Canada (GAC) to adjust the import tariff rate quota allocations to comply with the market access provided under CUSMA, which was prorated to 23.5 Mkg. Once the CUSMA's 16-year implementation period is finalized, the US will have secured a total 62.9 Mkg of country-specific duty-free access into the Canadian chicken market, cementing its



status as Canada's number one source of chicken imports. CFC expects the Government of Canada will work with the chicken sector to develop programs that will help mitigate the impacts of this concession.

■ Canada – Mercosur Trade Negotiations

Due to the pandemic, formal trade negotiations between Canada and Mercosur, the South American customs union composed of Argentina, Brazil, Paraguay, and Uruguay, have been mostly on hold throughout this year.

CFC continues to pay careful attention to these trade talks as Mercosur includes Brazil, the world's largest exporter of chicken that controls 33% of the global market, and up-and-coming Argentina, which is expected to increase its exports from the 124 Mkg it exported in 2018 to an estimated 165 Mkg in 2021. Brazil dominates the global trade in broiler meat with nearly 3.9 billion kilograms of exports in 2020. It is already Canada's second largest source of chicken imports after the U.S. It is imperative that Canada maintains its tariff rate quota and over quota tariff at current levels to ensure the integrity of its import controls and the ongoing development of our domestic chicken sector.

■ Canada – UK Transitional Trade Agreement

On December 9th, the Canadian government signed the Canada-UK Trade Continuity Agreement, a transitional trade agreement with the United Kingdom. Once fully ratified and implemented, this transitional pact will dictate the terms of trade between Canada and the UK following its departure from the European Union and consequently the Comprehension Economic and Trade Agreement (CETA), the free trade agreement between Canada and the European Union. The transitional agreement replicates the provisions negotiated under CETA in order to ease any trade disruptions. The Canadian government intends to eventually launch official trade negotiations with the UK, complete with a public and industry consultation process. As with CETA, the new transitional agreement does not provide access into the domestic chicken market.

■ World Trade Organization

Despite the pandemic, activity at the World Trade Organization (WTO) has been on the rise. Canada has been playing a key role in leading the Ottawa Group to promote pragmatic organizational reforms. The Chair of the Agriculture Committee has prioritized creating consensus around some partial agreements that was to be presented at a WTO Ministerial Meeting (MC12) on June 8–11, 2020, however it was postponed due to the COVID-19 outbreak. Currently, the WTO is considering holding the ministerial in December 2021.

■ Announcement of CPTPP Mitigation Support

On November 27, the Honourable Marie-Claude Bibeau, Minister of Agriculture and Agri-Food Canada, announced



that \$691 million would be made available for investments and market development programs to help the poultry and egg farmers mitigate the impacts of the concessions made into their markets in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

These recommendations include the development of an investment program to support producers as they finance further improvements to their operations, the establishment of a market development fund to help promote Canadian-raised chickens, a TRQ allocation methodology that would minimize market distortions, the requirement that imports meet Canada's high production standards, and ensuring the domestic market is no longer subject to leakages or illegal imports.

Canada's chicken producers are grateful to the government for stating its commitment to ensuring no further concessions are granted into the Canadian chicken market. It is imperative that this commitment is maintained during current and future trade negotiations.

Honourable Marie-Claude Bibeau chats with a CFC Director at a lobbying event.



TRQ

In 2020, Canada's total market access commitment for chicken imports under all Tariff Rate Quota (TRQs) from WTO, NAFTA/CUSMA and CPTPP trade agreements was 103.7 Mkg, up from the 102.5 Mkg in 2019.

After the announcement of the July entry into force of CUSMA, the annual TRQ allocation was completed. Overall in 2020, 39.8 Mkg was allocated under the WTO TRQ, 52.1 Mkg under the NAFTA and CUSMA TRQ, and 11.8 Mkg under the CPTPP TRQ.

Despite the change of the specially defined mixtures (SDM) definition implemented as part of the CUSMA agreement on July 1st, GAC decided to provide import allocations for the full year to manufacturers of products that are now subject to Canada's import control regulations. Failing to implement this new definition with the entry into force of CUSMA on July 1st resulted in the issuance of approximately 7.1 Mkg of supplementary import to compete. Fortunately, the new SDM definition has been implemented for the 2021 allocation.

Government Relations

The COVID-19 pandemic and rolling lockdowns didn't stop CFC from tackling its government relations activities in 2020.

At the end of November 2020, CFC organized virtual meetings for CFC Directors, Alternates and provincial board representatives with Parliamentarians. These meetings took place over the course of a week in order to best engage with representatives across the country.

Topics of discussion included the CPTPP mitigation measures and how supply management has helped ensure food security during the COVID-19 pandemic.

CFC staff and Executive Committee members also spent time throughout the year to address our issues outside of the advocacy day and lobby week. Ongoing issues such as the CPTPP mitigation measures, food security and government assurances should depopulation occur, import control issues, and TRQ administration, among others, were consistently addressed with elected and government officials.

CFC also held a "Cooped Up" Recipe Contest for MPs and Senators later in the summer of 2020. The contest asked Parliamentarians to submit their favourite chicken recipe and then tag three to five of their Parliament Hill colleagues on Twitter to do the same. By participating in the contest, Parliamentarians helped CFC donate \$14,000 to food banks in each region of Canada.

Branding Strategy

CFC has been investing in its branding strategy for several years, and it is having an impact! The Raised by a Canadian Farmer logo is now being used by restaurants, retailers



Raised by a
CANADIAN
FARMER | Élevé par un
PRODUCTEUR
CANADIEN

and processing companies across Canada; and the number keeps growing.

This year, the CFC Board made a decision to reallocate funds saved from travel due to the COVID-pandemic to the Branding program. This enabled CFC to invest in more high-profile TV advertising, digital marketing, and promotion of the brand to additional retail and food service partners.

CFC's branding strategy is not about marketing chicken – it is about creating awareness of Canadian chicken and communicating the values and high standards of food safety, animal care and sustainability that stand behind our Canadian chicken products. The pandemic has shown us the importance consumers place on food security and local, Canadian products and the need for our brand to help consumers make informed purchase decisions.



CFC brand commercial shoot

Third Party Audits

The *Raised by a Canadian Farmer* Animal Care and On-Farm Food Safety Programs are third-party audited by NSF International. For the fifth year in a row, NSF's assessments of the *Raised by a Canadian Farmer* Animal Care Program demonstrated the credibility of the program and the confidence that processors, retailers, and restaurants need to support one national approach.

Looking ahead...

CFC's five-year Strategic Plan for 2019 – 2023 will continue to deliver successful results for our farmers, industry partners, governments, and consumers. It is a tremendous privilege to serve our producers and industry on the CFC Board, and I am grateful for this opportunity. I would also like to thank our Alternate Director, Rob van Diemen, for his support and leadership on these national files. ■



Producer Representatives



Left to Right: **Wes Nanninga** – Leduc North; **Arjan Spelt** – Lacombe to Leduc; **Samuel Guenter** – Calgary to Lacombe; **George Hofer** – Calgary South

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Industry Advisory Committee

The Industry Advisory Committee (IAC) meets twice per year to share information and discuss issues that impact the chicken industry.

Due to COVID-19 restrictions in 2020, the Committee met virtually in June and October. A focus of the discussions was on COVID-19 contingency planning.

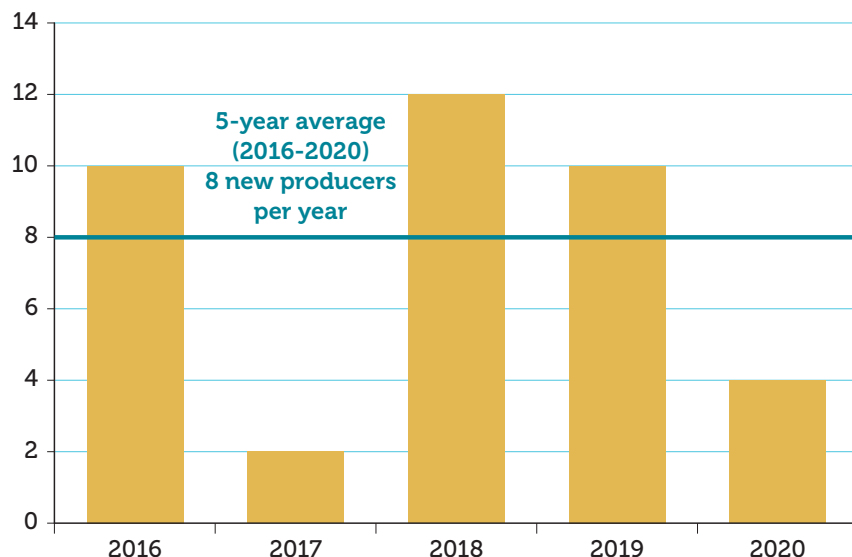
The IAC is comprised of members from the University of Alberta, Poultry Health Services, Alberta Agriculture and Forestry, Agricultural Products Marketing Council, Animal Nutrition Association of Canada (the Feed Mills), Hatcheries, Processors, Alberta Hatching Egg Producers, Alberta Chicken Producers' Producer Representatives, and ACP's Board of Directors and Executive Director. Producer Representatives share the perspectives from producers in their respective Region at the IAC meeting and provide input into industry initiatives.





Market Reports

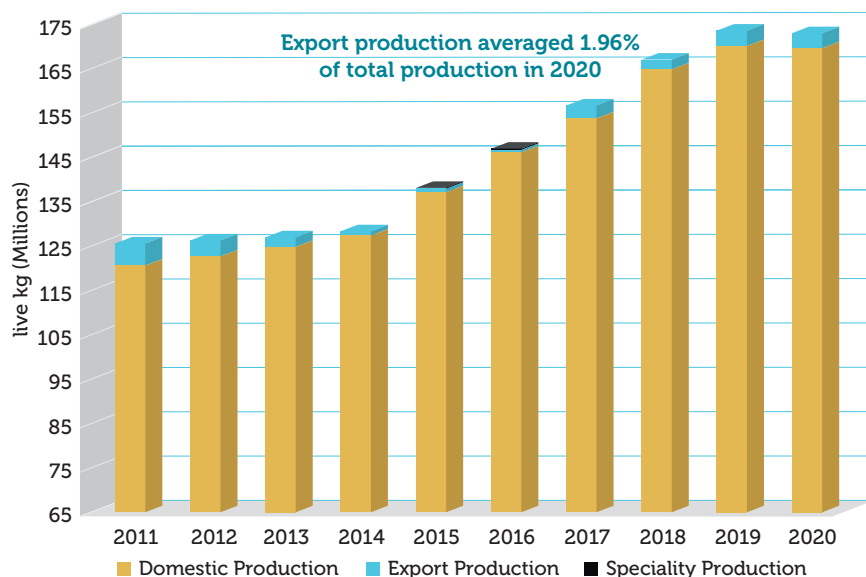
Number of New Entrants 2016 – 2020



Alberta saw four (4) new producers become licensed and start production in 2020.

An average of eight (8) new producers per year have entered Alberta's chicken industry over the last five years (2016-2020).

Alberta's Annual Production 2011 – 2020



Alberta's domestic production in 2020 is estimated to be 169.1 million live kilograms, a decrease of 21,176 live kilograms, or 0.01%, from 2019. Canada's 2020 domestic production is estimated to be 1.66 billion live kilograms, a decrease of 33.03 million live kilograms, or 1.95%, from 2019.

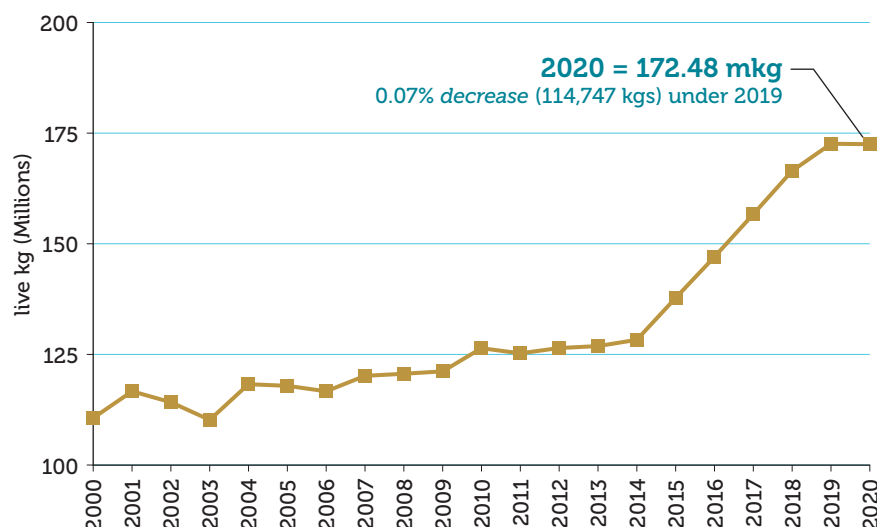
Alberta's export production (market development) in 2020 was 3.38 million live kilograms, a decrease of 93,571 live kilograms from 2019.

Alberta's market development represented 1.96% of Alberta's total production in 2020 versus 2.01% in 2019. Comparatively, Canada's market development represented 3.03% of Canada's total production in 2020, versus 3.12% in 2019.

Alberta did not have any specialty chicken production in 2020. This program was implemented in August 2015 (A-132). Production of specialty birds in Alberta was active consecutively from A-132 to A-139.



Alberta's Annual Total Chicken Production



Alberta's total chicken production in 2020, which includes market development and specialty chicken production, is estimated to be 172.48 million live kilograms, a decrease of 114,747 live kilograms, or 0.07%, from 2019.

Canada's total chicken production in 2020, including market development and specialty chicken production, is estimated to be 1.72 billion live kilograms, a decrease of 35.97 million live kilograms, or 2.04%, from 2019.

Without a doubt the COVID-19 pandemic impacted the market and chicken production in 2020. Although the chicken industry experienced an overall increase in demand at retail in 2020, this increase has not made up for the volume losses experienced in the foodservice sector.

From 2015-2019 Canada's average growth per year was close to 4% and Alberta averaged over 6.0% growth per year for the same timeframe. Comparatively the previous five-year (2010-2014) average growth per year was just over 1.0%.

Events from 2015-2019 that contributed to this significant growth for Alberta and Canada included: the new allocation formula, retail beef prices hitting an all-time high in 2015, and the supply gap created from increased enforcement of fraudulent spent fowl imports.

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Alberta's Quota Utilization (A-154 – A-166)

Period	Dates		Utilization			AB Compared to Canada	AB Compared to Western Canada
			Alberta	Western Canada	Canada		
A-154	12/23/18	02/16/19	103.1%	102.0%	101.0%	2.1%	1.1%
A-155	02/17/19	04/13/19	102.3%	99.6%	101.7%	0.6%	2.7%
A-156	04/14/19	06/08/19	100.4%	100.0%	100.0%	0.4%	0.4%
A-157	06/09/19	08/03/19	98.6%	99.9%	99.2%	-0.6%	-1.3%
A-158	08/04/19	09/28/19	99.8%	100.7%	99.8%	0.0%	-0.9%
A-159	09/29/19	11/23/19	100.7%	101.9%	101.3%	-0.6%	-1.2%
A-160	11/24/19	01/18/20	99.5%	101.8%	100.8%	-1.3%	-2.3%
A-161	01/19/20	03/14/20	103.1%	101.7%	101.4%	1.7%	1.4%
A-162	03/15/20	05/09/20	101.6%	101.0%	100.6%	1.0%	0.6%
A-163	05/10/20	07/04/20	102.2%	103.0%	102.0%	0.2%	-0.8%
A-164	07/05/20	08/29/20	101.1%	101.5%	100.4%	0.7%	-0.4%
A-165	08/30/20	10/24/20	101.5%	101.1%	100.0%	1.5%	0.4%
A-166	10/25/20	12/19/20	101.0%	101.2%	101.9%	-0.9%	-0.2%
2 YEAR AVERAGE			101.1%	101.2%	100.8%	0.4%	0.0%

This table compares Alberta's utilization performance to Western Canada and Canada.

In 2020 Alberta's utilization performance is estimated to average 101.8%, an increase from the 2019 utilization average of 100.6%. Tepid production in 2020 as a result of the COVID-19 pandemic on demand likely contributed to overproduction this year.

Targeting 100% utilization continues to be a key performance indicator in Alberta Chicken Producers (ACP's) strategic plan, particularly due to the importance of the quota utilization factor in the national allocation formula.

Between 2015-2019, Alberta had averaged 100.5%, an impressive production performance, with underproduction being mainly isolated to the summer months.

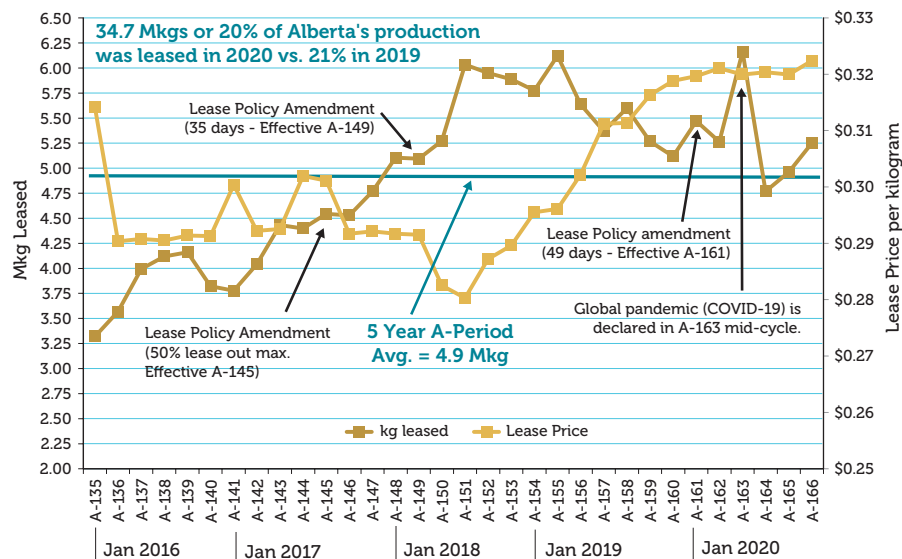
Western Canada's and Alberta's two-year average utilization has paced ahead of the 100.8% national average at 101.2% and 101.1% respectively.

The ACP Board and our industry partners remain committed to optimizing production and achieving 100% utilization.



Market Reports (continued)

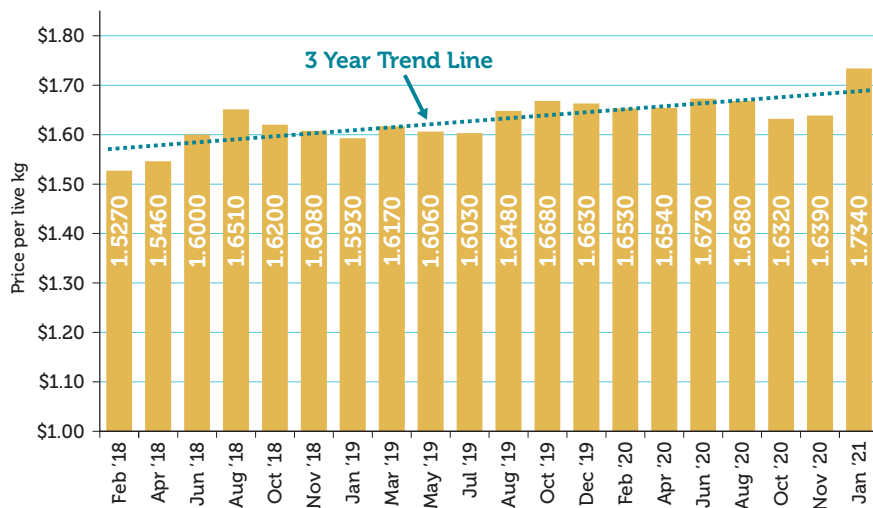
Volume/Price of Marketing Kilograms Leased per Period



A total of 34.7 million kilograms, or 20.02% of Alberta's total production, was leased in 2020. This represents a decrease of 1.7 million kilograms, or 4.6%, from 2019. Increased barn capacity and decreased allocation were the primary factors influencing the year-over-year decreases in periodic leases.

A total of 1,808 periodic leases were approved by the Board of Directors in 2020, which is a decrease of 15, or 0.8%, from 2019.

Alberta Producer Live Price



Alberta's average live price for 2020 was \$1.653/kg, an increase of \$0.0249/kg (2.49 cents) from the 2019 average. This increase in Alberta's live price is on par with increases across Canada.

In 2020, Alberta's live price was at its lowest in Period A-165 (September/October, 2020) at \$1.632/kg, and at its highest in Period A-163 (May/June, 2020) at \$1.673/kg. The difference between the high and low in 2020 was \$0.041/kg (4.1 cents).

The interim live price memorandum of understanding (MOU) between the Board and processors was effective through A-161 (March 14, 2020) at 9.3 cents over the Ontario live price. For the remainder of 2020, the Board continued to consult with processors in setting live price on a period by period basis. Considering the market uncertainty due to the COVID-19 pandemic, the live price remained at 9.3 cents over the Ontario live price.



TRIBUTES

Laurie Power



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October 6, 2020 marked Laurie Power's 10th Anniversary with ACP!

Laurie is a valued resource for our team, our producers and our industry. Her care for our industry is evident in her diligence and in the relationships she has formed with our producers and industry partners.

We are grateful for her loyalty, her drive for continuous improvement, and her dedicated service to ACP. Please join us in congratulating Laurie!





TRIBUTES



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Christian Guenter

Christian Guenter was elected as Board Director at the February 28, 2017 Annual General Meeting and served until February 25, 2020.

During his tenure, Christian served on various committees including the Agri-Environmental Partnership of Alberta, Poultry Diagnostics/Flock Health Task Force, Poultry Innovation Partnership Advisory Board, Supply Chain Committee, Production Committee, Research Committee, Finance Committee and the Governance Committee.

Christian's experience and vision for the industry provided opportunities for constructive debate, and he never shied away from controversial topics.

We wish to extend our appreciation to Christian's wife, Pia, and son Sam, for their contributions on-farm while Christian was away attending 'chicken' meetings.

Please join us in extending a heartfelt thank you to Christian for his service to Alberta Chicken Producers during his time on the Board. Christian, your Board of Directors and staff wish you all the best as you keep on keeping on with growing chickens.

Henk Schuur

Henk Schuur was elected to the Alberta Chicken Producers Board at the Annual General Meeting on February 27, 2018; and Henk has announced his plans to retire at the end of his first three-year term on March 2, 2021.

During his tenure on the Board, Henk has served on various committees including the Flock Health & Management Committee, Production Committee, Research Committee, and Supply Chain Committee. Additionally, he has also served as the Promotions Lead.

Henk is not a man of many words; but when he speaks, people listen. His quiet confidence, passion for chicken farming and invaluable experience in the industry have provided sage advice and direction on a number of topics.

In his quiet form, Henk is also a social butterfly who has brought many laughs and much levity to our discussions.

Henk, as you retire from the Board we wish you much joy and relaxation as you continue to spend time farming and with your friends, family and grandchildren.

We would also like to thank Henk's wife, Nieske, and his family for ensuring things were looked after on the farm so that Henk could focus on preparing for and attending Board meetings and representing Alberta Chicken Producers in the industry. Thank you for your contributions to our board and industry!



ALBERTA CHICKEN PRODUCERS

Financial Statements

Year Ended November 30, 2020

ALBERTA CHICKEN PRODUCERS

Index to Financial Statements

Year Ended November 30, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Members of Alberta Chicken Producers

Opinion

We have audited the financial statements of Alberta Chicken Producers (the Board), which comprise the statement of financial position as at November 30, 2020, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at November 30, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Board in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

(continues)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

King + Company

Edmonton, AB
January 27, 2021

CHARTERED PROFESSIONAL ACCOUNTANTS

ALBERTA CHICKEN PRODUCERS**Statement of Financial Position****November 30, 2020**

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 456,412	\$ 337,646
Accounts receivable <i>(Note 2)</i>	178,507	257,287
Prepaid expenses	43,219	-
Current portion of mortgage receivable <i>(Note 3)</i>	8,768	46,863
	686,906	641,796
MORTGAGE RECEIVABLE <i>(Note 3)</i>	29,669	-
PORTFOLIO INVESTMENTS <i>(Note 4)</i>	1,859,920	2,030,954
PROPERTY AND EQUIPMENT <i>(Note 5)</i>	1,093,205	1,141,866
	<u>\$ 3,669,700</u>	<u>\$ 3,814,616</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities <i>(Note 6)</i>	\$ 225,061	\$ 398,407
COMMITMENTS <i>(Note 7)</i>		
LIQUIDATED DAMAGES RESOLUTION <i>(Note 8)</i>		
NET ASSETS		
Invested in property and equipment	1,093,205	1,141,866
Unrestricted	2,351,434	2,274,343
	3,444,639	3,416,209
	<u>\$ 3,669,700</u>	<u>\$ 3,814,616</u>

ON BEHALF OF THE BOARD

Director

Director

ALBERTA CHICKEN PRODUCERS

Statement of Operations

Year Ended November 30, 2020

	Budget (Unaudited) 2020	2020	2019
REVENUE			
Levies <i>(Note 9)</i>	\$ 2,222,800	\$ 2,045,944	\$ 2,090,627
Producer grower program	197,400	119,517	126,571
On-Farm Food Safety charges	85,000	79,173	82,562
Monetary penalties	156,000	60,440	176,201
Investment	51,600	49,207	50,390
Other production income	51,840	46,746	71,645
Administrative fees and other	29,400	24,274	13,342
Rental	18,000	18,000	17,190
	<u>2,812,040</u>	<u>2,443,301</u>	<u>2,628,528</u>
EXPENSES			
Salaries, contracts and benefits <i>(Note 11)</i>	887,110	815,199	764,936
Producer grower program <i>(Note 12)</i>	329,000	268,030	204,917
Diagnostic services	281,600	221,284	281,150
Office, training and memberships	224,000	179,405	175,345
Advertising, promotion and sponsorship	216,000	154,784	220,538
Director fees <i>(Note 11)</i>	167,200	154,782	157,798
Travel	218,500	97,865	201,559
On-Farm Food Safety charges	97,000	95,069	82,406
Professional fees	137,000	91,841	233,510
Amortization of property and equipment	76,000	74,416	75,610
Taxes and fees	59,000	55,896	55,573
Research grant expenses	145,000	52,630	8,688
Equipment rentals	29,000	33,613	37,287
Telephone and utilities	30,000	28,806	26,996
Repairs and maintenance	20,000	19,450	17,338
Insurance	12,500	9,895	9,553
Interest and bank charges	6,100	6,105	6,339
	<u>2,935,010</u>	<u>2,359,070</u>	<u>2,559,543</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS	<u>(122,970)</u>	<u>84,231</u>	<u>68,985</u>
OTHER REVENUE (EXPENSES)			
Project grant revenues	-	51,825	-
Loss on disposal of property and equipment	-	(5,208)	(4,453)
Increase (decrease) in fair value of portfolio investments	-	(18,258)	38,293
CFC overmarketing penalty	(133,000)	(24,160)	(199,003)
Project grant expenses	-	(60,000)	-
	<u>(133,000)</u>	<u>(55,801)</u>	<u>(165,163)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ (255,970)</u>	<u>\$ 28,430</u>	<u>\$ (96,178)</u>

ALBERTA CHICKEN PRODUCERS**Statement of Changes in Net Assets****Year Ended November 30, 2020**

	Invested in Property and Equipment		Unrestricted	2020	2019			
NET ASSETS - BEGINNING OF YEAR	\$	1,141,866	\$	2,274,343	\$	3,416,209	\$	3,512,387
Excess (deficiency) of revenue over expenses		(79,624)		108,054		28,430		(96,178)
Purchase of property and equipment, net		30,963		(30,963)		-		-
NET ASSETS - END OF YEAR	\$	1,093,205	\$	2,351,434	\$	3,444,639	\$	3,416,209

ALBERTA CHICKEN PRODUCERS**Statement of Cash Flows****Year Ended November 30, 2020**

	2020	2019
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 28,430	\$ (96,178)
Items not affecting cash:		
Amortization of property and equipment	74,416	75,610
Unrealized change in fair value of portfolio investments	18,258	(38,293)
Loss on disposal of property and equipment	5,208	4,453
	<u>126,312</u>	<u>(54,408)</u>
Changes in non-cash working capital:		
Accounts receivable	78,780	(12,814)
Prepaid expenses	(43,219)	18,319
Accounts payable and accrued liabilities	(173,344)	281,362
	<u>(137,783)</u>	<u>286,867</u>
Cash flow from (used by) operating activities	<u>(11,471)</u>	<u>232,459</u>
INVESTING ACTIVITIES		
Purchase of portfolio investments, net	152,775	(47,857)
Proceeds from mortgage receivable	8,425	8,098
Purchase of property and equipment	(30,963)	(22,068)
	<u>130,237</u>	<u>(61,827)</u>
Cash flow from (used by) investing activities	<u>130,237</u>	<u>(61,827)</u>
INCREASE IN CASH	118,766	170,632
CASH - BEGINNING OF YEAR	337,646	167,014
CASH - END OF YEAR	\$ 456,412	\$ 337,646

ALBERTA CHICKEN PRODUCERS

Notes to Financial Statements

Year Ended November 30, 2020

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 levies, quota allocation fees and monetary penalties, as authorized under regulation, to fund its activities and to assist in enforcing regulations.

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue Recognition

Levies are set at \$0.0175/kg and are collected at the point of sale, based on kilograms of chicken produced and collected from producers via the processors. Processors remit levies on behalf of each producer as part of their licensing agreement. Producers that sell directly to consumers are required to submit weekly slaughter data and remit levies directly to the Board.

The Board follows the deferral method of accounting for contributions, which includes government grants. Grant revenue is recognized in accordance with the terms of the grant agreement when received or receivable if the amounts to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized in revenue in the year in which the related expenses are incurred.

Monetary penalties are recognized when the amount can be reasonably estimated and collection is reasonably assured. As of A-161 (January 19, 2020), farmers are allowed to produce up to 5% over their allocated production amount without incurring a penalty. When farmers exceed this lower over-production sleeve of 5%, they are required to pay a penalty of \$0.44/kg for the next 5%, which will be up to 10% over their allocated production. When the farmers exceed this 10%, they are required to pay a penalty of \$0.88/kg. Prior to January 19, 2020, the lower over-production sleeve was 7% and the upper-production sleeve remained 10%.

Revenues from programs including producer grower programs, On-Farm Food Safety, and other production income are recognized as the services are provided.

Investment income includes interest, dividends and realized and unrealized investment gains and losses. Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Other unrestricted investment income is recognized as revenue when earned.

Administrative charges 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.

Seminar fees are recognized as revenue when the seminars are held.

(continues)

ALBERTA CHICKEN PRODUCERS

Notes to Financial Statements

Year Ended November 30, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Cash

Cash is comprised of cash held with financial institutions.

Property and Equipment

Property and Equipment is stated at cost or deemed cost less accumulated amortization. Property and Equipment is amortized over its estimated useful life at the following rates and methods:

Condominium units	5%	declining balance method
Furniture and fixtures	20%	declining balance method
Computer equipment	3 years	straight-line method
Computer software	30%	declining balance method

Management regularly reviews its property and equipment to eliminate obsolete items.

Pension Plan

The Board maintains a defined contribution pension plan under which amounts are contributed to employee's RRSP accounts. Expense for this plan is equal to the organization's required contribution for the year.

Measurement Uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 revenues 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.

2. ACCOUNTS RECEIVABLE

	2020	2019
Trade	\$ 162,959	\$ 247,837
Grants	15,548	-
Alberta Poultry Industry (API) loan	-	9,450
	<u>\$ 178,507</u>	<u>\$ 257,287</u>

ALBERTA CHICKEN PRODUCERS

Notes to Financial Statements

Year Ended November 30, 2020

3. MORTGAGE RECEIVABLE

	2020	2019
4%, monthly repayments of \$845, including interest, due December 1, 2024, secured by an office condominium mortgage agreement	\$ 38,437	\$ 46,863
Amounts payable within one year	(8,768)	(46,863)
	<u>\$ 29,669</u>	<u>\$ -</u>

Principal repayment terms are approximately:

2021	\$ 8,768
2022	9,122
2023	9,491
2024	9,874
2025	1,182
	<u>\$ 38,437</u>

4. PORTFOLIO INVESTMENTS

	2020	2019
Guaranteed investment certificates	\$ 1,273,826	\$ 1,453,815
Mutual funds	573,553	568,097
Cash	12,541	9,042
	<u>\$ 1,859,920</u>	<u>\$ 2,030,954</u>

The guaranteed investment certificates earn interest at rates ranging from 1.66% to 3.25% and have maturity dates ranging from January 14, 2021 to October 21, 2025.

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Condominium units	\$ 1,768,921	\$ 755,659	\$ 1,013,262	\$ 1,066,592
Furniture and fixtures	402,735	366,110	36,625	45,781
Computer equipment	79,597	36,279	43,318	29,493
Computer software	106,918	106,918	-	-
	<u>\$ 2,358,171</u>	<u>\$ 1,264,966</u>	<u>\$ 1,093,205</u>	<u>\$ 1,141,866</u>

ALBERTA CHICKEN PRODUCERS

Notes to Financial Statements

Year Ended November 30, 2020

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2020	2019
Trade	\$ 186,118	\$ 235,983
Government remittances	26,598	16,039
Vacation	12,345	13,385
Overmarketing penalty from Chicken Farmers of Canada	-	133,000
	<u>\$ 225,061</u>	<u>\$ 398,407</u>

7. COMMITMENT

Grants to University of Alberta

The Board has committed a total of \$315,345 to be paid to the Poultry Innovation Partnership Agreement, with yearly payments of \$78,836 until April 1, 2023.

8. 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 (2019 - \$165,068) to secure the CFC's position should the marketing in Alberta exceed the allocation. At November 30, 2020, certain investments of the Board have been pledged as security.

9. LEVIES

	2020	2019
Levies charged	\$ 3,012,458	\$ 3,020,250
CFC portion	(966,514)	(929,623)
Net levies	<u>\$ 2,045,944</u>	<u>\$ 2,090,627</u>

10. PENSION EXPENSE

Pension expense included in salaries, contracts, and benefits is \$44,175 (2019 - \$38,993).

ALBERTA CHICKEN PRODUCERS

Notes to Financial Statements

Year Ended November 30, 2020

11. SALARIES, CONTRACTS, BENEFITS AND FEES

	Salaries and Contract	Benefits	Fees	2020	2019
Salaries, contracts and benefits					
Office staff	\$ 688,667	\$ 126,532	\$ -	\$ 815,199	\$ 764,936
Director fees					
Jason Born	\$ -	\$ -	\$ 55,182	\$ 55,182	\$ 52,915
Rob Van Diemen	-	-	31,963	31,963	35,693
Dennis Steinwand	-	-	25,432	25,432	25,209
Henk Schuur	-	-	16,385	16,385	21,344
David Hyink	-	-	15,859	15,859	-
Christian Guenter	-	-	9,961	9,961	21,937
Producer representatives	-	-	-	-	700
	-	-	154,782	154,782	157,798
	\$ 688,667	\$ 126,532	\$ 154,782	\$ 969,981	\$ 922,734

12. PRODUCER GROWER PROGRAM

Producer grower program includes Chicken Farmers Saskatchewan holdback expense of \$20,895.

13. BUDGET

The budget is unaudited and was approved by the Board on November 22, 2019.

14. SUBSEQUENT EVENTS

In March 2020, the global pandemic caused by COVID-19 required the implementation of quarantine measures by the Government of Alberta and the Government of Canada for individuals, businesses and not-for-profit organizations. The date at which these measures will be lifted has not been set. The financial impact caused by COVID-19 to the future operations of the corporation cannot be determined at this time.

ALBERTA CHICKEN PRODUCERS

Notes to Financial Statements

Year Ended November 30, 2020

15. 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, 2020.

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 primarily from cash and accounts receivable. The Board maintains its cash in a major financial institution. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information.

The Board's accounts receivable are exposed to credit risk as the majority of receivables are from entities that conduct their business within the same industry.

Market Risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Board is mainly exposed to interest rate risk and other price risk.

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 portfolio investments and mortgage receivable.

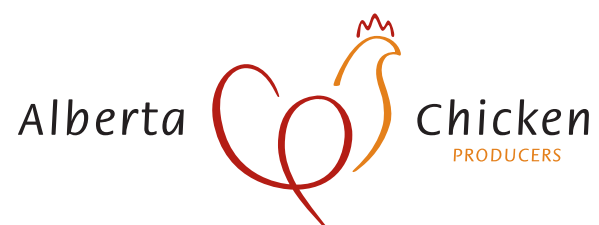
Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Board is exposed to other price risk through its investment in quoted mutual funds.

ALBERTA CHICKEN PRODUCERS

Shared Industry Vision:

*Alberta's chicken industry
is collaborating to grow,
create shared value, and ensure
chicken is consumers' preferred
and trusted protein.*



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