

ALBERTA CHICKEN PRODUCERS
2021 ANNUAL REPORT



55th Annual Report

Fiscal Year • December 1, 2020 – November 30, 2021

Table of Contents

Board & Staff.....	2
Board Structure	3
Chair & Executive Director Report	4
Strategic Plan, Vision & Mission.....	7
Activities & Achievements	9
Professional Development.....	10
Governance Committee.....	11
Production Committee	12
Supply Chain Committee	13
Flock Health and Management Committee.....	15
Research Committee	17
Emergency Management & Poultry Diagnostics	19
Public Relations	20
Corporate Social Responsibility	24
Government Relations	26
Chicken Farmers of Canada.....	27
Producer Representatives	29
Industry Advisory Committee.....	29
Market Reports.....	30
Tribute	35

Financial Statements (inside back cover)

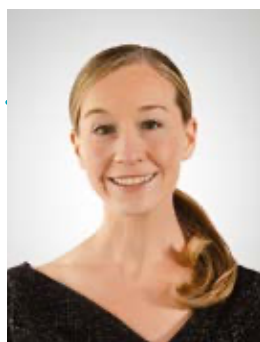
Board



(Left to Right):

Karen Kirkwood, Executive Director; **David Hyink**, Vice Chair; **Dennis Steinwand**, Director; **Jason Born**, Chair; **Wes Nanninga**, Director; **Rob van Diemen**, Director

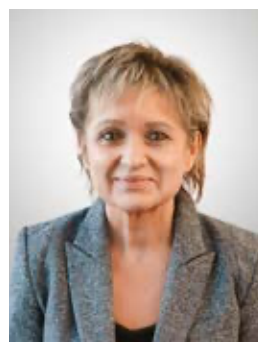
Staff



Karen Kirkwood
Executive Director



Vera Ward
Office Manager



Karen Miller
Business & Market
Analyst



Laurie Power
Producer Services
Coordinator



Robert Renema
Producer Programs
Manager



Rita Cherniak
Bookkeeper
(On Contract)



Maria Leslie
Marketing &
Communications
Specialist



Ashley Ward
Administrative &
Logistics Coordinator

Board Structure

Director Terms of Office

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 second 3-year term in 2024

Wes Nanninga, Director

Completes his first 3-year term in 2024

ACP Committees

Director & Producer Representative Leads

Finance

Dennis Steinwand, *Chair*
Wes Nanninga

Flock Health & Management

Wes Nanninga, *Chair*
Rob van Diemen
Tara De Vries

Governance Committee

Rob van Diemen, *Chair*
David Hyink

Production

David Hyink, *Chair*
Jason Born
Arjan Spelt

Research

David Hyink, *Chair*
Wes Nanninga
Samuel Guenter

Supply Chain

Dennis Steinwand, *Chair*
Jason Born
George Hofer

Working Group – Catching Manual

Rob van Diemen, *Chair*
Dennis Steinwand

Roles & Responsibilities

Media Spokesperson

Jason Born
David Hyink
Karen Kirkwood

Public Relations

Jason Born
Karen Kirkwood

Chicken Farmers of Canada (CFC)

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

Canadian Broiler Council (CBC)

Rob van Diemen

External Committees

Agri-Environmental Partnership of Alberta

David Hyink, *Poultry Industry Representative*

AgSafe Alberta

Erna Ference, *Poultry Industry Representative*

Intensive Livestock Working Group (ILWG)

David Hyink

Policy Advisory Group

Jason Born
Rob van Diemen

Poultry Diagnostics

Karen Kirkwood

Poultry Innovation Partnership Advisory Board

David Hyink
Rob Renema

Western Meetings

Jason Born
Dennis Steinwand
Rob van Diemen
Karen Kirkwood

Chair & Executive Director Report

A year marked by navigating and adapting to the COVID-19 pandemic, 2021 continuously demonstrated the strength and resilience of our value chain. Reflecting on the past year, we are grateful for the ongoing efforts of our producers and industry partners to respond to opportunities and challenges and ensure consumers continue to have access to fresh, high-quality Canadian chicken.

Throughout the pandemic in 2020 and 2021, the Canadian chicken industry has remained flexible and responsive by reconsidering and adjusting allocations to adapt to measureable shifts in market demand that have been experienced through the ebb and flow of lock-downs and economies re-opening. Starting 2021 during the second wave of the pandemic, the market continued to be significantly impacted during the first half of the year. As more of the population became vaccinated and public health measures were relaxed, food service demand rose through summer and into the latter half of the year. Retail demand has remained strong for chicken and growth for 2021 is projected to be 2.65% over 2020's production levels. Looking ahead to 2022, we are cautiously optimistic that growth will be in the 3.5% range as vaccinations continue to roll out and provinces continue navigating the pandemic.

While the COVID-19 crisis required much time and attention throughout the year, our Board and staff remained focused on our strategic priorities. Live price remains a critical priority for the Board, and 2021 was a year of significant activity on that front. In February 2021, Chicken Farmers of Ontario (CFO) announced long awaited changes to Regulation 402 that governs the Ontario Cost of Production Formula (COPF) and took effect in Period A-169. Our Board met

with processors to discuss and receive their input into the A-169 live price; however, there was not sufficient time for our board or processors to evaluate the new Ontario COPF and negotiate a long-term Alberta live price agreement. Considering this, our Board used its pricing authority to set the minimum live price for A-169.

We spent a number of months meeting with the CFO board and staff to discuss our questions, evaluating the new COPF, and engaging external expertise to assist in our analysis. During this time, our board continued to consult with processors to receive their input into each pricing period, and the board again used its authority to set the live price for A-170 following the change in feed, chick and producer margin in the Ontario live price.

To provide predictability and stability in pricing as we work to negotiate a new long-term Alberta live price agreement, in late July the Board reached an interim Live Price Memorandum of Understanding with processors for Periods A-171 through A-174 on a without prejudice basis to the development of a long term live price agreement.

After completing extensive analysis of the Ontario COPF, the Board determined that it was important to evaluate any differences between Alberta and Ontario feed and chick costs; and, in the fall of 2021, we engaged a third party firm to assist in that analysis. Leading into 2022, our board is continuing to meet with processors and we are working toward our collective objective of having a new long term live price agreement in place prior to the end of A-174. It remains our goal to establish a long-term, sustainable live price framework that enables producers to earn a fair and reasonable return on investment.

Jason Born
Chair



Karen Kirkwood
Executive Director



Sustainably growing our industry, maintaining a thriving environment, enabling producers to earn a fair and reasonable return on investment, and mitigating the risks facing our industry requires an incredible amount of collaboration. Throughout the pandemic we have met regularly with the Alberta Hatching Egg Producers and our Alberta processors to provide updates on the impacts of the pandemic to our respective sectors, discuss contingency plans, and implement actions to mitigate risk. We have also been very focused on working with our western counterparts to share market information and analysis and take a strategic, coordinated approach to putting forward our allocation submissions to Chicken Farmers of Canada. This has been effective in responding to the shifts in the market that have come with COVID-19 and achieving the best outcome for the industry as a whole.

Another significant event this past year was the severe drought that affected Western Canada and resulted in rapidly escalating feed costs in Alberta in the latter part of the year. Our Board has and continues to monitor this situation very carefully, and we will continue to work with our value chain partners to manage through these challenges. Inflation is and will remain a real challenge in the coming

year, and food is no exception. We believe chicken is relatively well positioned in this environment and consumers will continue to choose chicken as their preferred and trusted protein.

Over the summer we completed a Consumer Study through Intensions Consulting to assess the effectiveness of our initiatives in reaching our key consumer groups and to guide the future direction of our marketing and communications strategy. Building from previous studies conducted in 2015 and 2018, this year's study has shown a substantial shift toward more positive public perceptions of our farmers as well as chicken and increased recognition of the Raised by a Canadian Farmer Brand. It also shows that these improvements directly result from our public relations events and marketing initiatives. This study was presented at our Strategic Planning retreat and will be presented at our 2022 AGM.

2021 also marked the first full year of our partnership with Food Banks Alberta launched in late 2020 as part of our **Good Neighbours** Corporate Social Responsibility Program. As a direct result of our donation, approximately 6,390 pounds of chicken were distributed through food banks



across Alberta. We look forward to growing this partnership and continuing to provide Albertans in need with nutritious chicken products.

In the late fall, ACP entered into a new partnership with Alberta's professional men's curling team, Team Bottcher. This partnership provides ACP the opportunity to share strategic marketing and messaging with a partner that speaks directly to our target audience and aligns with our values. We have a number of initiatives planned with the team throughout 2022 and will evaluate the effectiveness of this partnership over the term of this one year pilot.

At our 2021 Annual General Meeting, we reported that a high priority for the Alberta Government is Red Tape Reduction, and a goal has been set to reduce Alberta's regulations by one-third. We are pleased to report that in 2021 ACP has reduced the red tape count in our Marketing Regulation by 48% with no impact to ACP's regulatory authority or regulation of programs and policies. Alongside this accomplishment, and building from the strong support received from producers at our 2021 AGM, our staff have started to work with Alberta Agricultural Products Marketing Council on drafting bylaws for ACP, drawing from those developed by other similar commodities.

Operationally, staff have been working remotely since measures were implemented by the Alberta Government in an effort to curb the pandemic. While our team looks forward to returning to the office on a 'business as usual' basis, the transition to working remotely has been smooth and we commend their flexibility and perseverance in navigating through another challenging year.

2021 marked the last year of our three year Strategic Plan and development of our next Strategic Plan. In September we conducted a full review of our Strategic Plan and priorities with our value chain partners, and a new priority identified this year is *Navigating the COVID-World: Emerging stronger than ever*. This new focus is in addition to our continuing priorities of *Building Public Trust* and *Championing a Strong, Effective and Unified Value Chain*. As part of this priority we are committing resources to understanding the market shifts and structural impacts that have occurred as a result of the pandemic, building strategic alignment and collaboration with our partners in Alberta and across the Western region, and focusing on risk management and contingency planning.

We are looking to 2022 with continued hope and optimism. Our industry remains healthy, demand is positive and improving, and our society is learning to live in the pandemic world. Adaptability is a key learning for us in managing through the pandemic and will remain a key success factor for our organization going forward.

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 patience and vigilance during this pandemic. It is humbling to be a part of an industry where everyone does their part to take care of one another. Together we will navigate any challenge and emerge stronger than ever! ■



Strategic Plan

Our strategic plan is the road-map to achieving our goals and moving toward our vision. It keeps us focused on key priorities and also responsive to emerging opportunities and risks through our annual review of the plan.

2021 was a pivotal year for our organization, marking the last year of our three-year strategic plan and the reframing of our next strategic plan. Collaboration is integral to our strategic planning process, and our plan is developed with the input of our three major processors and representatives from the Alberta Hatching Egg Producers Board. We appreciate the participation of our value-chain partners in our strategic planning process and, particularly, the candour and trust that is created through working together; and the support of Finley & Associates in facilitating our strategic planning retreats.

Key insights and trends taken into account in developing our new strategic plan include:

- Insights from our Consumer Study conducted this past Summer by *Intensions Consulting*
- Impacts of the COVID-19 pandemic and navigating the new environment
- feedback from our 2021 Producer & Stakeholder Survey
- CFC's Strategic Plan

Much of the discussion at this year's retreat was centred around the impacts of the pandemic and navigating our way forward in the COVID-world. This has led to the inclusion of a new priority in our Strategic Plan, "*Navigating the COVID-World: Emerging Stronger Than Ever*". Building public trust and championing a strong, effective, unified value chain also remain key priorities for ACP.

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.**



Strategic Priorities

ACP's Strategic Priorities have been reframed for 2022 in alignment with our vision, mission and strategic goals and in response to the opportunities and risks facing our industry

Our three strategic priorities are:

- **Building public trust**
- **Championing a strong, effective, unified value chain**
- **Navigating the COVID-world: *emerging stronger than ever***

ACP's Strategic Framework:

Our Standards of Leadership guide our actions and decision-making as an organization, starting at the highest level through our vision, mission and strategic priorities. Our Goals are our longer-term areas of focus that move us toward our Vision, and our Key Success Factors are the traits that support the achievement of our strategic actions. Measuring progress is also an important part of our strategic plan, and we have identified a set of seven Key Performance Indicators to gauge our performance.



ACP's Strategic Plan was updated and presented to producers and stakeholders at our Fall Regional Meeting, and the full Strategic Plan is posted on our website for reference.

Activities & Achievements

Board Meetings & Conference Calls

Throughout 2021 our office continued to adapt to the different variants of the COVID-19 pandemic and staff mainly worked from home in accordance with the Alberta Health Guidelines. The Board and staff continued to perfect this new hybrid working environment by holding virtual meetings and in-person meetings whenever possible.

The following is a snapshot of meetings held this past year:

- **Thirteen Board meetings: nine one-day meetings and four two-day meetings**
- **Twenty seven allocation-related meetings**
- **Thirty five meetings with our industry partners to discuss live price and other topics of mutual interest**

Following each Board meeting, Directors take turns evaluating and providing feedback on the meeting, including Directors' participation during the meeting, preparation for the meeting, agenda planning and meeting documentation. Evaluations are recorded and reviewed periodically by the Governance Committee to identify trends, insights, and areas for improvement to bring forward to the Board for discussion.

For the first time in history, the Alberta Chicken Producers' Annual General Meeting (AGM) was held virtually in 2021. This allowed for maximum participation of producers in the pandemic environment. ACP's Fall Regional Meetings were also adapted and conducted virtually from the ACP Boardroom.

In March, the Board held its annual Orientation Session at the Board office for the newly elected Directors and current Directors. This session is an opportunity to provide an overview of ACP's Board's fiduciary responsibilities, governance, policies, culture, and office protocols.

Following the Orientation, the Board also held its annual Organizational Meeting where the board's key leadership roles and Committee assignments are determined.

Industry Meetings and Presentations

- The Board held informal face-to-face meetings and virtual meetings with Processors throughout the year to collaborate on issues of mutual interest.
- The ACP and Alberta Hatching Egg Producers Boards met twice this past year, providing excellent opportunities to discuss common issues and to continue building relationships. The Chairs and Executive Directors of both Boards also met regularly throughout the year to discuss issues impacting the Alberta value chain.
- Adhering to the Alberta Health Services Guidelines, the Board held its annual Strategic Planning Retreat in September 2021 with Processors and representatives from the Alberta Hatching Egg Producers Board in attendance.
- The Western Boards' Meetings, Western Meetings with Processors, and Western Executive Directors' Meetings were mostly held virtually. It was a busy year, recording 20 meetings in total.
- The Chair, CFC Director, CFC Alternate and Executive Director participated in two virtual National Chicken Farmer Alliance meetings, which include representatives from each of the ten provincial Chicken Marketing Boards across the country.
- The annual CFC Summer Meeting was cancelled this year and most CFC meetings were held virtually in 2021.
- ACP participated virtually in the Annual General Meetings of the British Columbia Growers Association/BC Poultry Conference, Chicken Farmers of Saskatchewan, Chicken Farmers of Ontario, Manitoba Chicken Producers, and Chicken Farmers of Canada.



Professional Development & 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 2021:

- Adobe Max – Creative Marketing Conference
- CCFI Public Trust Summit
- Stress Reduction Tool Bag
- Adapting to New World of Work
- Shifting Insights on Returning to Work
- Inspiring and Leading in Unprecedented Times
- ICP National Conference - Next Level
- Conflict Mediation
- Disruption Consumption of Livestock Producers
- Managing Difficult Phone Calls
- Managing Stress
- Excel – Level I and II
- Bank of Canada: A Conversation with Governor Tiff Macklem, presented by CPA Alberta (KM)
- Canadian Grocer Magazine webinars
- Center for Food Integrity (CFI) webinars
- Conference Board of Canada-Canada's Economic Outlook: The Post-Election Road to Recovery
- Customer Development Strategies in a Post-Pandemic Environment
- Euromonitor – Commerce 2040: The Future of the Store in a Digital World
- Euromonitor Quantifying Consumer Megatrends Post-COVID
- Food Service – State of the Industry – 2021 Supply Disruption & What Comes Next
- International Poultry Council Global Poultry Meat Sector – Engaging Internationally & Global Market Insights
- Market Outlook for the Meat Industry (Quarterly Webinars)
- Nourish Marketing – Consumer Trend Report
- NPD Group – The Return to the Restaurant Experience
- Protein Industries Canada – The Future of the Global Plant-Based Food Market
- Provisur – Alternative Proteins and Meat-Eating Consumer Outlook
- Restaurant Canada's Foodservice Facts 2021
- Webinars from The Food Institute
- The State of the Industry webinars
- Challenges and Perspectives in Today's Poultry Production
- Webinars on Coccidiosis; Water Quality: Essential for optimal gut health; Mycotoxins and Oxidative Stress; Antibiotic-free poultry research: Optimize product understanding through thoughtful design
- Implications and Opportunities of the Revised OFFSP Barn Cleaning Requirements

Conferences: *all attended virtually*

- Australian Poultry Science Symposium
- One Health Antimicrobial Stewardship Conference
- Western Poultry Conference
- Canadian Poultry Research Forum
- Poultry Service Industry Workshop
- John Waters Zoonotic Disease Workshop
- Broiler Feed Quality Conference

The Alberta Chicken Producers Board of Directors and Executive Director also continued to work with facilitator Jim Brown of *Strive!* on Board Governance. ■



Governance Committee Report

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 presenting options for 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.

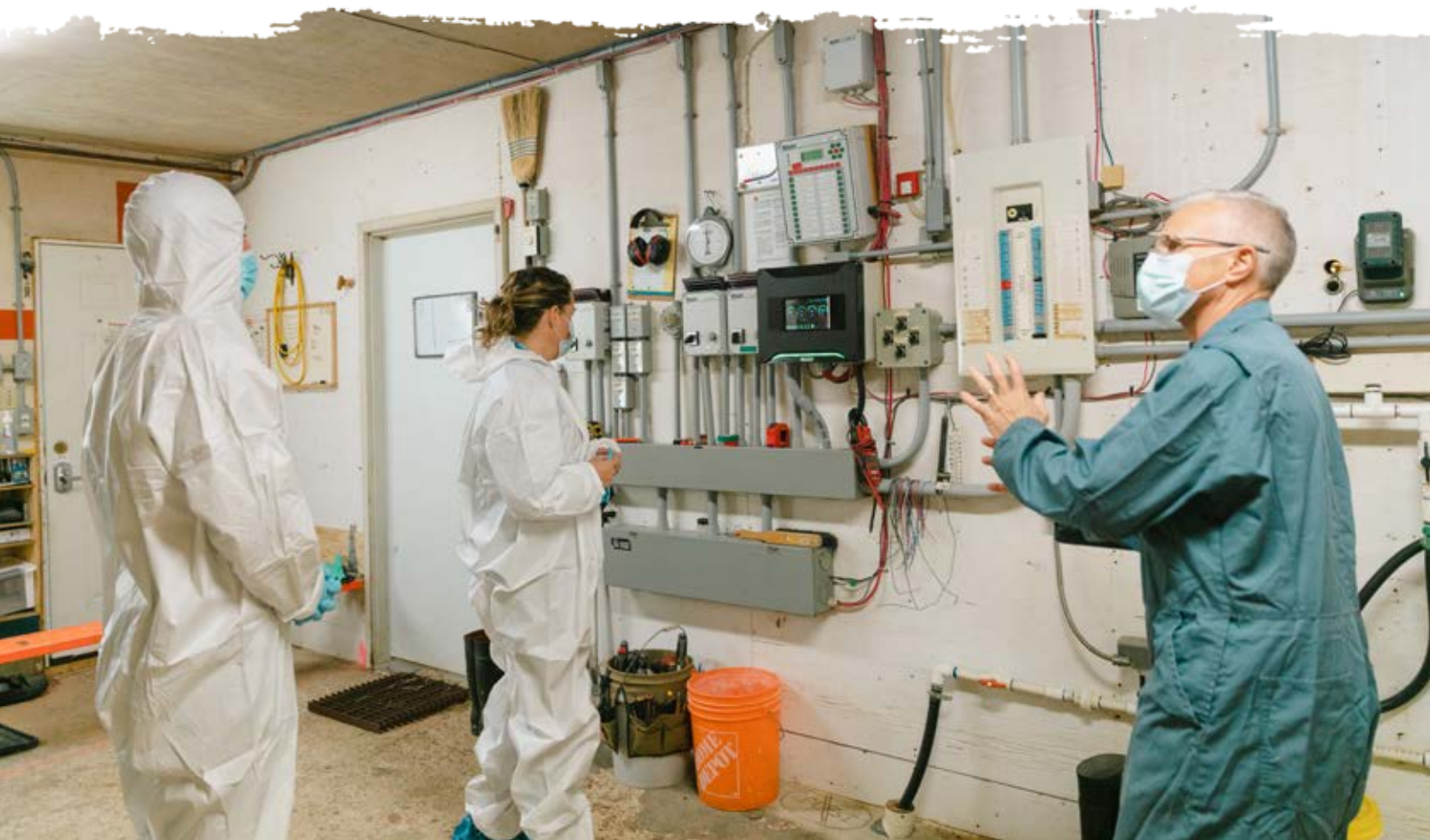
The Committee's initiatives in 2021 included:

- updating ACP's Organizational Culture and Policies Handbook;
- leading ACP's Orientation Session for new Directors following the 2021 Annual General Meeting;
- integrating Producer Representatives into ACP's Committees;

- holding a Board team development workshop in June;
- developing and presenting a Director Accountability Policy to the Board (approved in October 2021);
- developing formalized Meeting Rules of Order;
- updating ACP's process for conducting Director Peer Reviews;
- assessing options for ongoing Board development; and,
- holding a Board governance 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 David Hyink 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 2021 were Alberta's production performance, the 49-day lease window policy review, and the Direct Marketing Lease Program.

The Production Committee met with processors by video conference in mid-June to review production performance metrics, including our target of 100% quota utilization, and to discuss means of optimizing production performance going forward. All industry partners have placed the utmost importance on optimizing production and meeting the 100% target, and it was reinforced that the Board's current policies provide the environment to achieve these results. This said, through discussion with industry and the assessment of data, it was identified that the impacts of the COVID-19 pandemic on the market, and subsequent changes to allocation in 2020-21, made it challenging to evaluate key drivers of Alberta's production performance. With a return to more stable market conditions in the latter part of 2021, further data is being collected and analyzed

and will be evaluated by the Committee in the Spring of 2022.

Another responsibility of the Production Committee is reviewing our Direct Marketing Lease Program applications prior to being presented to the Board for approval. In 2021, seven applications were reviewed by the Committee, and all were approved by the Board. A total of 299,500 direct marketing lease kilograms out of the available pool of 300,000 kilograms will be leased to seven producers for the 2022 calendar year. For comparison, 270,000 direct marketing lease kilograms were leased to six producers in 2021. All of the approved applicants have established direct to consumer sales channels and all six have previously participated in the program since it was implemented in 2013.

I would like to thank fellow Committee members, Jason Born, Arjan Spelt, 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 meet our goal of 100% quota utilization and maximize Alberta's production performance. ■



Supply Chain Committee

Respectfully submitted, Jason Born, 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. The Supply Chain Committee has been focusing on:

- Assessing and providing feedback on the broiler industry's readiness for a ban of the use of Category III antimicrobials for disease prevention.
- 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.
- 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

The Canadian broiler industry is 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.

In a review process that began in 2019, the focus has been 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?

The realities of the COVID-19 pandemic have resulted in the postponement of key meetings between important partners to work through challenges and identify solutions that result in a responsible approach to animal welfare and sustainability, which are key factors of the success of the strategy. For these reasons, CFC is extending the reassessment timeframe for preventive Category III elimination. This will ensure that the sector is taking a responsible, pragmatic approach to antimicrobial use reduction.

Update to the Humane Catching & Transportation Standards Manual

Several years ago, a Catching Working Group was struck to review and update Alberta's Humane Catching & Transportation Standards Manual (the Manual). In 2021 the Working Group met twice, and the Manual was revised to clarify and update responsibilities for producers, catching companies, and processors on the theme of access to hand-washing and toilet facilities. The changes follow a set of common principles to guide the outcomes in a way that provide flexibility and a range of options for producers. Additionally, processes for addressing damage to facilities or other issues were further clarified in the Manual for producers and catching companies.

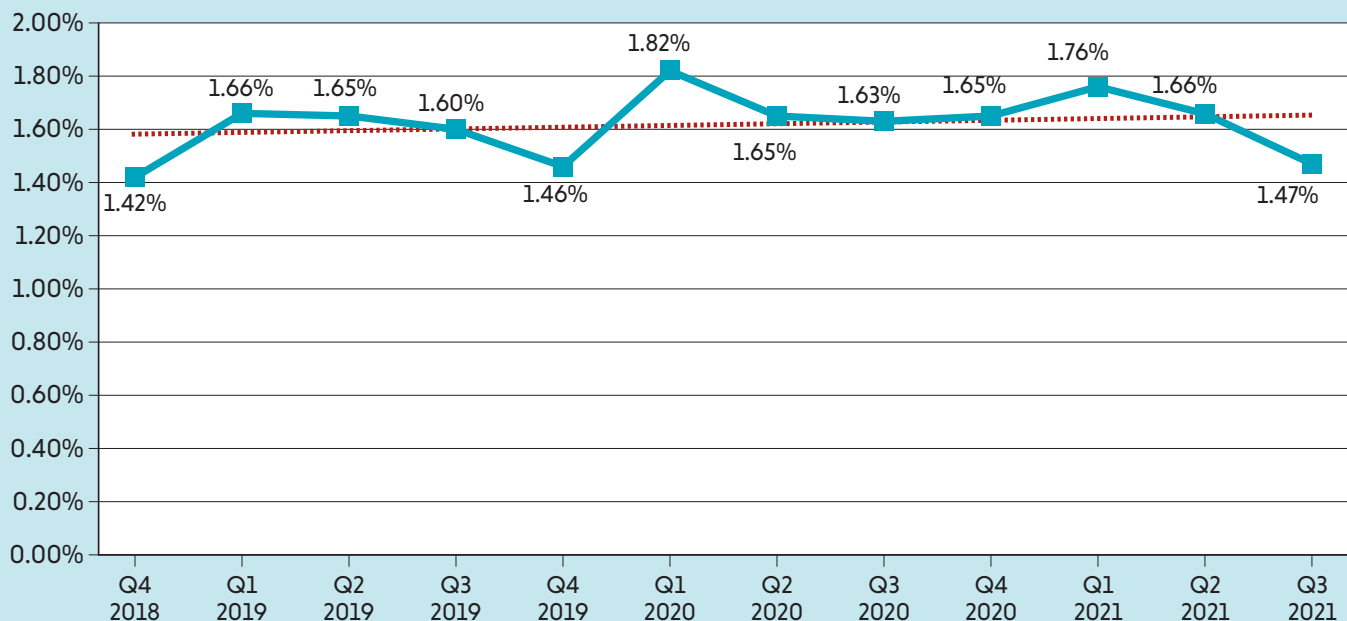
The updates to the Manual were presented to producers in detail at ACP's Fall Regional Meeting, and the revised Manual is posted on the Alberta Chicken Producers' website.

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

The Supply Chain Committee is responsible for maintaining both the Broiler Chick Quality manual and evaluating trends in 7-day chick mortality, 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.

Alberta Chicken Producers has been monitoring 7-day mortality since late 2014. At that time, 7-day mortality was 2.35%. At the end of 2018, new rules on veterinary oversight

7-Day Mortality Trend



for use of medications went into effect, and along with this CFC banned the use of Category II antimicrobials for disease prevention. Prior to this change, the average 7-day mortality was 1.46%; and between 2019 and 2021 it has averaged 1.64%.

As the industry continues to learn to manage broilers under the ban of Category II antimicrobials for disease prevention and expansion of Raised Without Antibiotics

(RWA) programs, the goal for 2021 was to hold the 7-day chick mortality target steady at 1.6% (the average value for 2019 and 2020). We are pleased to see that the year-over-year change in mortality has been holding steady over this past year.

An emerging pattern since 2019 has been a cyclic rise in 7-day mortality rates during winter. The lowest rates of the year occur during the October to December period, followed by the highest rates of the year in the January to March period. While multiple factors could contribute to this, it suggests that winter barn management could be an area of focus as we navigate towards growing broilers without the need for antibiotics for disease prevention.

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 Dennis Steinwand, George Hofer, 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.



Flock Health and Management

Respectfully submitted, **Wes Nanninga, Committee Chair**

In 2021, previous efforts of the Flock Health and Management Committee came to fruition as the major update to CFC's On-Farm Food Safety Program was released, the farm SE survey project ended, and Alberta moved towards roll-out of an electronic version of the OFFSP and Animal Care Program audits. Additionally, the committee continued monitoring progress on CFC's antimicrobial use surveys.

Food Safety and Animal Care Program Updates

The On-Farm Food Safety Program (OFFSP) update was released to producers late in 2021, with changes going into effect in January, 2022. Both the Flock Health and Management Committee and the OFFSP / Animal Care program audit team reviewed multiple versions of proposed changes over the past two years. We find the new version to be more succinct and to have a structure that streamlines the audit process. The biggest change is in the area of barn cleaning and disinfection. New developments in the area of barn cleaning and disinfection have been added to the manual. CFC has developed some variants that could help producers on RWA programs or those trying to optimize conditions to allow support of bacterial competitive exclusion in their next flock. As part of this, CFC has been developing the criteria to allow downtime as an approved form of sanitation, as well as an option to just chemically clean and sanitize your feed and water lines. ACP co-hosted a webinar with the Poultry Innovation Partnership (PIP) in November to support the transition to these changes. The *'Implications and Opportunities of the Revised OFFSP Barn Cleaning Requirements'* webinar attracted 100 registrants.

In 2021, rigorous testing of an electronic version of the OFFSP / Animal Care audit was completed and a draft version shared with the Alberta audit team. This was part of the recent Grower Program rebuild and is going to increase the efficiency of the audit process during both the audit itself and with audit handling through the various checks and balances at the ACP office. The biggest change at the farm level will be in how the audit report page is handled and the move to collect acknowledgement of results through email in place of a signature. Electronic audits will roll-out in early 2022. We will also be exploring the value of adding automated communication on audit milestones to the Grower Program.



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

Results were analyzed in 2021 and early results suggest Alberta fared well. Of 46 farms sampled, only one was positive for *salmonella enteritidis*, the serovar of concern for food safety. Samples testing positive for any other salmonella type were among the lowest in Canada. Keeping in mind that many of these additional salmonella serovars are not of concern from a food safety perspective, these results are a good news story for Alberta farms. 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

2021 was the eighth year our audit team performed the AMU survey with producers during their on-farm audits. In 2021, Alberta matched its highest level of participation in the survey, 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. A combination of results from the AMU survey and feedback from broiler value-chain partners were used to assess the readiness of the broiler industry for the targeted ban of Category III antimicrobials for the prevention of disease. The targeted ban has been pushed back into 2022 and we await news on the timing and logistics of implementation.

The Flock Health and Management Committee provides input into knowledge gaps and educational opportunities for producers and helps direct what can be done locally vs. asked to be addressed by CFC. As an example, Alberta was one of the Provinces asking help from CFC in the identification and assessment of acceptable euthanasia tools for broiler farms – an initiative that has now begun. Locally, 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.

Alberta Chicken Producers extends a thank you to Committee members Rob van Diemen, Tara de Vries, 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, **David Hyink, Committee Chair**

Leveraging ACP's Contributions to the Poultry Innovation Partnership

Alberta Chicken Producers has 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 2020, the organization was re-imagined and expanded to become the new, Poultry Innovation Partnership (PIP). 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.

Improving the leveraging of industry funds was a big step in the renewal of PIP and demonstrates a more strategic use of ACP's funding contribution. The changes not only provide ACP more oversight into how our contributions are being used, but they have also built up and ensured support for tech transfer activities. ACP now also has several new ways to work with PIP in a way that also supports aspects of our own strategic plan.

Support of researcher events has been one of the benefits of ACP's involvement in PIP. For example, in 2021 we were able to participate in PIP's first Canadian Poultry Research Forum – a highly successful virtual event that brought together research and student presentations from every major poultry research site in Canada.

This was a big year for PIP as they were the recipient of a \$400,000 grant to expand capacity in tech transfer, and, as a result, added two technician positions for the life of the project. Poultry industry contributions to PIP are also being leveraged to support this project. As a partner in PIP, ACP directly benefits from this project by directly collaborating on specific tech transfer initiatives. The fruits of these collaborations will be appearing throughout the coming year and reflect more strategic and careful leveraging of producer dollars and more tangible benefits to our organization.

PIP Strategic Review:

PIP has been focusing on its core mandate while planning for a sustainable future. Plans will need to be in place beyond the government's current funding that will

conclude in 2023. To support this process, PIP's Board of Directors mandated a review of the partnership's purpose, performance, and direction. Conducting this review at an early stage in the tenure of the new partnership was critically important to guiding PIP's future direction.

Overall, the review found PIP to be a highly functional organization. ACP had significant input the transition from the PRC to PIP, and we are please to see the increased value in the cash and in-kind investment into this partnership.



Research and Development

The research funding landscape has continued to evolve over the past few years. We have both an increased poultry research capacity as more research sites engage in poultry research, and a more competitive livestock research funding environment. This has led to changes in the way ACP engages with researchers and in the way we support research projects. While the cash budget to fund projects remains the same, more work is done up front to help potential projects be as successful as possible. We work to maximize potential impact of projects at the farm

level, to direct researchers to alternate funding partners to grow the potential scope and impact of projects, and to facilitate creation of collaborations that also serve to increase the impact of the work and return on investment of the research funding.

ACP encourages researchers to reach out to our office early in the process to allow feedback on ways to increase impact of the proposed work. If appropriate, we may be able to facilitate partnerships with Alberta farmers for on-farm research or provision of research samples. ACP can provide poultry industry expertise for projects that lack experience in poultry production. These examples of in-kind contributions to projects increase ACP's ability to leverage our research dollars.

This combination of approaches led to some unique funding results in 2021. ACP staff was working with researchers from the following two projects from an early stage. Both projects were ultimately approved without a funding request from ACP. Both are very relevant to the broiler industry and we look forward to the research outcomes.

- *A plant-derived multicomponent vaccine for poultry coccidiosis and necrotic enteritis (J. Alcantara, U of Calgary)*
- *Salmonella biofilm reduction and drinking water treatment in broiler and poultry processing facilities by novel "green" technologies (R. Syamaladevi, U of Alberta)*

Several other research teams had projects that required industry funding at a higher level than would be possible for us. By connecting them with other industry funders first, we may see some of these projects come forward for review in 2022 with a solid level of base-funding in place.

One project completed in 2021 has implications for broiler barn cleaning and sanitation protocols. The project, *"Effect of barn sanitation on innate immunity, performance, microbiological and processing traits of commercial broilers"*, by D. Korver's research group at the University of Alberta, was heavily supported by ACP at a time that research on barn cleaning protocols was lacking. The project took place on several Alberta commercial broiler farms. Learnings from this project include ways to improve the process for how researchers and farmers can work together on on-farm projects. Key results from the project will be shared at an upcoming ACP producer webinar.

In closing, I would like to acknowledge the valuable contribution that Robert Renema has made this year representing ACP on PIP and the provincial funding agency, Results Driven Agriculture Research (RDAR). It has been a few years of constant change and Rob has expertly guided us through this uncertainty and supported the committee with his knowledge and skills! In addition, I would like to thank Wes Nanninga, Samuel Guenter, Sunny Mak, Darko Mitevski, Valerie Carney, and Shawn Fairbairn for the contributions they have made this year through their time and participation on this committee. In particular, ACP would like to deeply thank Sunny Mak for the many years of his commitment to this committee and to the support of successful poultry research in Alberta. He will be missed as he retires from this committee and from the poultry industry. 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

Alberta's Poultry Industry Emergency Management Team (APIEMT) had another busy year in 2021, identifying a long-term solution for mapping and communication, further developing and testing our emergency management program, and identifying options that will support long-term emergency euthanasia plans for Alberta's poultry industry. Several new risks have been identified, most notably the wildfires in 2021, and will be incorporated into plans going forward.

Poultry Diagnostic Services

For decades the four poultry boards maintained an agreement with the Government of Alberta that provided poultry diagnostics services in the province through Poultry Health Services. In 2017, the government withdrew its funding, and the burden of these costs fell to the four poultry boards. The boards undertook a rigorous evaluation of options to maintain diagnostic services in Alberta in alignment 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.

Throughout 2020 and into 2021, Karen Kirkwood and representatives from each of the four poultry boards attended multiple videoconference meetings and conference calls to establish a long-term strategy and business plan for poultry diagnostic services. This culminated in a partnership with the University of Calgary's Faculty of Veterinary Medicine to deliver diagnostic services to Alberta's poultry sectors. These new services offered through the University of Calgary's Diagnostic Services Unit opened on April 1, 2021.

The four poultry Boards extend their sincerest thanks and appreciation to Poultry Health Services for their decades of service in providing poultry diagnostics to our producers and for ensuring seamless service to producers through this transition. ■



Public Relations

Alberta Chicken Producers' public relations strategy and tactics are carefully crafted to target issues brought forward in our consumer research.

The research identifies industry myths, consumer perceptions and demographics that ACP can strategically target with messaging to key audiences.

Our new 2021 research findings included many positives for how our brand and messaging has been effective and resonating with our target audiences. Consumers with ACP video and event recall resulted in having an increase in positive chicken farmer sentiment. We also saw growth in both the "*Chicken Fan*" and "*Industry Advocate*" demographics.

As well, both ours and CFC's brands continue to be recognized by Albertans positively.

Based on the study and analysis, we have identified three new demographics to focus our marketing

efforts on, with the Young Adults demographic being the primary focus.

The common attitudes for all three demographics that has the greatest impact on consumption is:

- **Chicken is versatile**
- **Chicken is healthy (muscles/fitness/health)**

In 2022, we will be working to strategically incorporate messaging that relates to these attitudes while also striving to improve positive perceptions of farmers and chicken among *Young Adults*, with a secondary focus on *Visible Minorities* and the *Boomer* demographics.

Additionally, we will continue our efforts to increase the exposure and messaging behind the CFC *Raised by a Canadian Chicken Farmer* brand.

2021 was the second year in which ACP navigated a COVID-19 environment and strategically transitioned and adapted to the ongoing changes of restrictions and cancellations.

2021 Highlights:

■ Ag Events

- ◆ Calgary Stampede

■ Partnerships

- ◆ Edmonton Valley Zoo
- ◆ Partnership with Alberta Blogger and Influencer Linda Hoang
- ◆ Partnership with Alberta Motor Association (AMA) for the Backyard BBQ
- ◆ Partnership with Registered Dietitian Emily Mardell
- ◆ Alberta on the Plate

■ Recipes

■ September is Chicken Month

■ ACP Original Content

- ◆ Canada Day Short Film
- ◆ ACP Holiday Film

■ CTV, Global and YouTube Advertising featuring ACP content

■ Producer Communication Tools

■ Corporate Social Responsibility *Good Neighbours Program*

- ◆ Virtual Stollery Teddy Bear Fun Fest

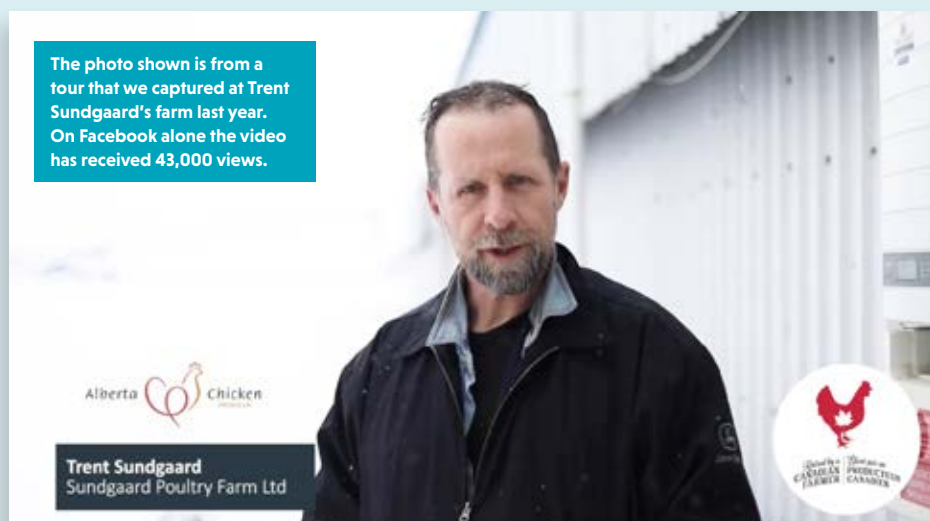
AG Events:

For Ag events, 2021 was another year of unknowns and last minute changes to plans.

We found ourselves planning for in-person education events, then having many of them switch to digital platforms or postponed.

Our library of virtual producer tours and videos were a great asset to have available to share with teachers and event organizers.

The photo shown is from a tour that we captured at Trent Sundgaard's farm last year. On Facebook alone the video has received 43,000 views.



Calgary Stampede

One in-person event that we were able to participate in in 2021 was the Calgary Stampede.

While the COVID-19 environment changed how we and fellow commodities planned for and participated in the Stampede, we were excited to still have the opportunity to have a presence. Although we didn't have volunteers on-site this year, we ran a myth-busting contest for those who visited the booth which saw 1200 entries.



George Hofer, Southern Alberta Ag Events Coordinator

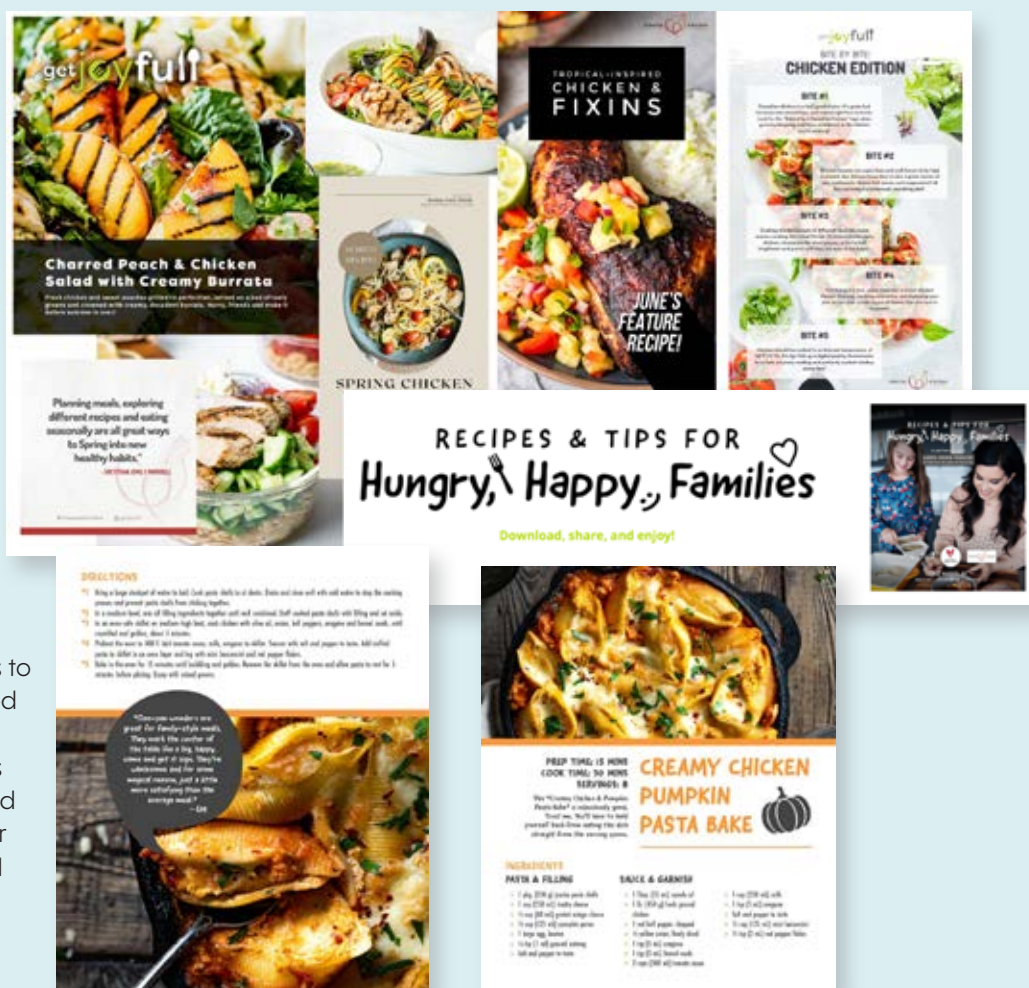
Strategic Partnerships:

Dietitian Partnership:

Over the last several years ACP has forged a great relationship with Dietitian, Emily Mardell.

Emily is a Dietitian, TV host and mom who specializes in recipe development and working with kids and professional athletes. She's also the resident Dietitian for the Edmonton FCC Soccer Team.

Our consumer research continues to show us that Dietitians are a trusted source for nutritional information. Emily contributes monthly recipes to ACP's social media channels and website, and she also features our recipes and messaging on Global Television spots.



AMA Partnership:

Alberta Motor Association continues to be a valued partner of ACP. Some of the activations in 2021 included a Backyard BBQ campaign featuring a video and recipes by Emily Mardell.

To kick off a simmering summer season, AMA hosted a Virtual BBQ & Beer Box Social, featuring Alberta Chicken Producers & the Alberta Small Brewers Association.

AMA joined us in celebrating September as Chicken Month with social media contests, myth busting and a chicken feature in their AMA Newsletter. The partnership connects Alberta farmers with grilling enthusiasts and with all of the event/group proceeds supporting the food bank.



Blogger Partnership:

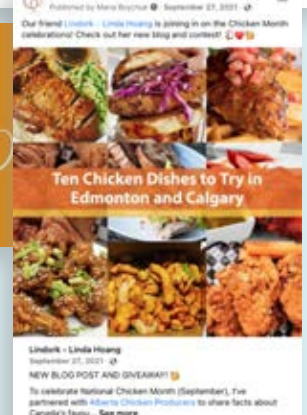
During *September is Chicken Month*, ACP partnered with Edmonton based, food blogger and local tourism expert, Linda Hoang.

Linda hosted social media contests busting common chicken and chicken farming myths. As well, she shared a new blog featuring chicken dishes at local restaurants.

Alberta Chicken Producers Featured in "Ten Delicious Chicken Dishes to Try in Edmonton and Calgary"



Additionally, ACP ran chicken trivia contests and shared new recipes.

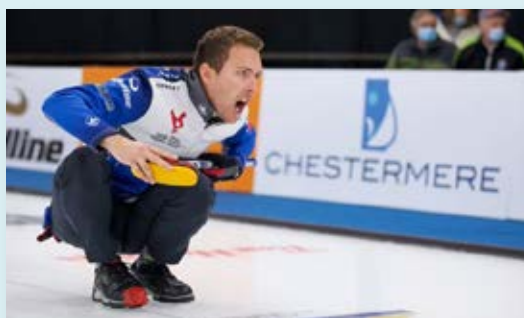


Team Bottcher Partnership:

ACP forged an exciting new partnership with the Alberta professional men's curling team, Team Bottcher in late 2021.

The partnership agreement began on November 5, 2021 as a one-year pilot.

The team will be engaging with ACP on social media and joining us on a farm tour to show their audience how chickens are raised in Alberta. As well, you can spot the *Raised by a Canadian Chicken Farmer* logo on the players' jerseys.

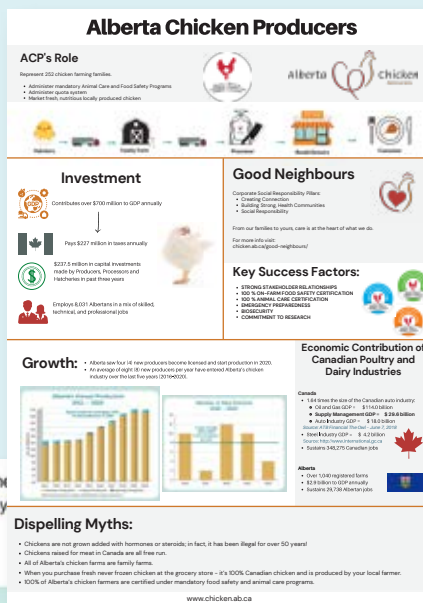


ACP Original Content

Canada Day Short Film:

Leading up to and during Canada Day we promoted a new ACP film that highlights a chicken farming family together enjoying a meal. The messaging in the video encourages consumers to support local and spread awareness that we are family farms.

This Canada Day... How can we be there for each other? Why shop, choose Canadian 🇨🇦 and local products for your family. We are family farms, built on family values. ❤️ #BuyCanadian



ACP Infographic

To support producer communication efforts, ACP developed an infographic that highlights key industry contributions and our economic impact.

ACP Holiday Film:

Throughout the holiday season ACP promoted and shared a holiday film featuring several of our farm families. The film wishes Albertans a safe and happy holiday season and demonstrates that we are "farm families, and care is at the heart of what we do".



Corporate Social Responsibility:

In 2020 ACP launched its Good Neighbours Corporate Social Responsibility Program. The Program is built on three pillars:

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

Alberta Chicken Producers Celebrate Second Year of the "Good Neighbours Program"

Both 2020 and 2021, have been a unique and challenging time for Albertans and non-profit organizations.

In the spring of 2021, Meals on Wheels reached out to Alberta Chicken Producers with a call for support to help serve vulnerable Albertans.

On May 7, Alberta Chicken Producers' Director, Dennis Steinwand, presented Meals on Wheels with a cheque for \$3,000.00. The funds were distributed among several a Meals on Wheels locations across Alberta.

Also in May, the Velthuis family presented a cheque to the Stollery Children's Hospital Foundation on behalf of Alberta Chicken Producers. The donation was part of the 2021 Stollery Teddy Bear Fun Fest. Overall the event **raised just over \$131,000 in support of the Stollery Children's Hospital Foundation.**



The Velthuis family with the cheque to the Stollery Children's Hospital Foundation on behalf of Alberta Chicken Producers.

A highlight of the 2021 Stollery Teddy Bear Fun Fest was young participants completing the "chicken dance" challenge.



Alberta farmers ensure Albertans' plates aren't left empty

On December 3, 2021, Doug Tweddle, Chair of Food Banks Alberta, joined Alberta Chicken Producers' Board of Directors to receive ACP's donation of \$30,000 to Food Banks Alberta.

The donation of chicken was made as part of the Alberta Chicken Producers' **Good Neighbours Program**. This financial contribution builds on Alberta Chicken Producers' donation of \$30,000 provided in December of 2020 to support Food Banks Alberta in assisting families in need. Since 2020, the program has provided approximately 6390 meals of fresh, nutritious, locally-grown chicken to food banks across the province.



Alberta Chicken Producers' Board of Directors and Executive Director join Doug Tweddle, Chair of Food Banks Alberta for a cheque presentation.

"Food Banks Alberta is grateful for the ongoing support and partnership from the Alberta Chicken Producers. This generous donation will allow us to purchase chicken, a much needed protein, to share with our network of 109 member food banks and their clients. Food banks in Alberta have seen a 29.6% increase in demand since 2019, and this donation will have a great impact on the communities they serve."

– Doug Tweddle,
Food Banks Alberta Board Chair

These are just some of the many initiatives included in Alberta Chicken Producers' "Good Neighbours Program".

For full details, please visit: www.chicken.ab.ca/good-neighbours/

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



Alberta
Chicken
PRODUCERS

Government Relations

The COVID-19 pandemic continued to impact our government relations initiatives in 2021; however, we adapted our approaches and undertook a number of activities throughout the year including:

- **April:** CFC Advocacy Day - Jason Born, Dennis Steinwand, Rob van Diemen, Karen Kirkwood and Kerry Towle met with six Alberta Members of Parliament. Key topics of discussion included fraudulent spent fowl imports, trade, and the federal carbon tax.



Meeting with MP Dane Lloyd – April 22, 2021

- **June:** Alberta Chicken Producers' Executive Director, Karen Kirkwood and Marketing and Communications Specialist, Maria Leslie had the opportunity to meet with Deputy Minister of Agriculture and Forestry, Shannon Marchand, Assistant Deputy Minister, John Conrad, and Marketing Council's General Manager, Brent McEwan. Karen Kirkwood delivered a presentation that provided an overview of the Alberta chicken industry and addressed questions from the participants.

John Conrad, Brent McEwan, Karen Kirkwood, Shannon Marchand, and Maria Leslie met virtually in June.



- **July:** ACP's Vice-Chair, David Hyink, participated in a round-table with MP's Blaine Calkins and Lianne Rood. Key topics of discussion included fraudulent spent fowl imports and the federal carbon tax.

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.



Government Relations Tools for Producers:

In preparation for the 2021 Federal Election, ACP developed a new grassroots government relations webpage for producers' ongoing reference. The resources can be accessed by producers via the private producers' only portal of ACP website.

A government relations webinar was hosted in early September featuring a producer panel.

A recording of the webinar is available for producers and features a panel discussion on the following topics:

- How you can become politically involved
- Forming relationships with local politicians
- Personal examples from the panel
- The importance of grassroots political efforts

Chicken Farmers of Canada

Respectfully Submitted, **Dennis Steinwand, CFC Director**



For Chicken Farmers of Canada (CFC), 2021 was a year marked by continuing to navigate the COVID-19 pandemic and remaining focused on CFC's strategic priorities.

Monitoring and adapting to the impacts of the pandemic on the market meant extensive time was spent on allocation setting in 2021. Throughout the year, CFC remained flexible and nimble in responding to shifts in the market, making decisions that are in the best interest of consumers and the industry as a whole. Following the vaccination rollout, the foodservice sector began to recover, resulting in greater overall demand for chicken from 2020. For 2021, national chicken production is estimated to be 3.35% higher than 2020. As we continue to manage through the pandemic, in December 2021 the CFC Board also decided to continue setting allocation one period at a time for 2022.

Food Safety & Animal Health

The On-Farm Food Safety Program (OFFSP) is a key pillar of the **Raised by a Canadian Farmer** brand and has received federal, provincial, and territorial government recognition and full recognition by the Canadian Food Inspection Agency.

It is important to maintain that recognition by performing the necessary internal audits, management reviews, auditor training, and related tasks. 2021 saw the completion of a 36-month review process that culminated in a fully updated version of the CFC OFFSP manual, revised auditor guidelines and training, and deployment of new record forms. The changes harmonize with current regulations, clarify existing requirements, reduce duplication, and provide greater flexibility for washing, disinfection, and downtime.

Further steps were also taken by CFC in the Pathogen Reduction Initiative. 2021 saw the completion of the Salmonella Enteritidis monitoring project, and a report was presented to Directors. This fueled discussions about the steps required to monitor and mitigate Salmonella Enteritidis, including working with the Joint Government Industry Working Group for the



Control of Salmonella and Campylobacter in Poultry and developing resources for farmers on best practices and ways to reduce food security risks.

Sustainability

Momentum is building to establish Canada's first agri-food sustainability index. As other countries position themselves to respond to these same global priorities, Canada can seize the initiative and demonstrate its rightful place as one of the most sustainable and responsible food systems in the world. The proposed national index, which is intended to be published in 2022, will provide the rigour needed to demonstrate the Canadian agri-food sector's role in addressing climate change, enhancing food security and confirming meaningful environmental and socio-economic improvements across the Canadian food system.

CFC is actively engaged, along with many other agricultural associations across Canada, in the development of this index and will continue to provide updates to farmers in 2022.

National Chicken Month

CFC celebrated this year's National Chicken Month by partnering with the Canadian Culinary Federation to promote a Chicken Challenge. Over 40 chefs accepted the challenge and created some beautiful, mouthwatering dishes that encompassed many different nationalities and countries of origin. For this challenge, prize money was matched with a donation to the top-three winners' foodbank of choice.

Public Affairs

In 2021, CFC continued to promote and expand its partnership with Swimming Canada, with a focus on the 2021 Olympic Games. This included the creation of an Olympic advertising campaign with video content, personal, and virtual participation through the Olympic trials.

CFC also continued to manage and develop its Young Farmers Program and worked with the Office of the Minister of Agriculture to find ways to cooperate with the Canadian Agricultural Youth Council.



Around the federal election held in September 2021, CFC deployed a **Thank a Farmer Program** that led to a targeted advertising campaign.

International Trade

■ World Trade Organization (WTO):

With the emergence of the Omicron variant in late 2021, the WTO cancelled its 12th Ministerial Conference scheduled for the end of November. Typically, WTO Ministerials are held every two years but, due to the COVID-19 pandemic, there has not been one since 2017.

■ Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP):

When the CPTPP was negotiated, it was done so with the eventual expansion of its membership in mind. Although it is only in the fourth year of its implementation, the CPTPP agreement has already attracted interest from a handful of potential new members.

In February 2021, the United Kingdom submitted its official request to join the CPTPP, which it sees as a means of diversifying its export market in the wake of its 'Brexit' departure from the European Union in 2020. Formal negotiations of its possible accession to the trade pact began at the end of September, and trade observers anticipate that an agreement on the terms for the UK to join could be reached by the end of 2022.

In September, both China and Taiwan respectively submitted their official requests to join the partnership. Not only does this situation bring the contentious issue

of Taiwan's status as a nation independent of China into the CPTPP forum, but it has also fuelled speculation over whether China's application will prompt the United States to reconsider the decision made under the Trump Administration to leave the agreement. Although CPTPP members have not yet officially responded to accession requests from China and Taiwan, most reports indicate a very low level of interest.

Thailand, the Philippines, South Korea, and Indonesia have also expressed interest in joining; however, none have officially made a request.

Of the agreement's original 11 members, three – Brunei, Malaysia and Chile – have still not finalized their ratification processes. Chile, which is of particular interest due to its chicken exporting capacity, is currently engaged in the re-writing of its constitution. This new constitution is expected to be submitted to a referendum in 2022.

Chicken Farmers of Canada does not oppose the accession of new countries to the CPTPP. At the same time, it is imperative that Canada does not concede any additional access or reduce any over-quota tariffs during potential accession negotiations. New CPTPP members must be satisfied to share the existing access with all existing and any additional future members.

Poultry and Egg On-Farm Investment Program (PEFIP)

In the fall of 2021, registration began for Agriculture and Agri-Food Canada's \$347.3 million Poultry and Egg On-Farm Investment Program (PEFIP), which was put in place to assist Canadian poultry and egg producers in adjusting to the market access concessions made during the negotiation of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). CFC staff have and continue to work closely with Agriculture and Agri-Food Canada and provincial boards to roll out the program to farmers.

Looking ahead...

While the pandemic has required CFC to pivot plans and adapt to an ever-changing environment, CFC remains guided by its five-year Strategic Plan (2019 – 2023), which 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 like to acknowledge and thank our Alternate Director, Rob van Diemen, for his ongoing support and leadership on these national files. ■



Producer Representatives



Tara deVries
Leduc North



Arjan Spelt
Lacombe to Leduc



Samuel Guenter
Calgary to Lacombe



George Hofer
Calgary South



Industry Advisory Committee

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

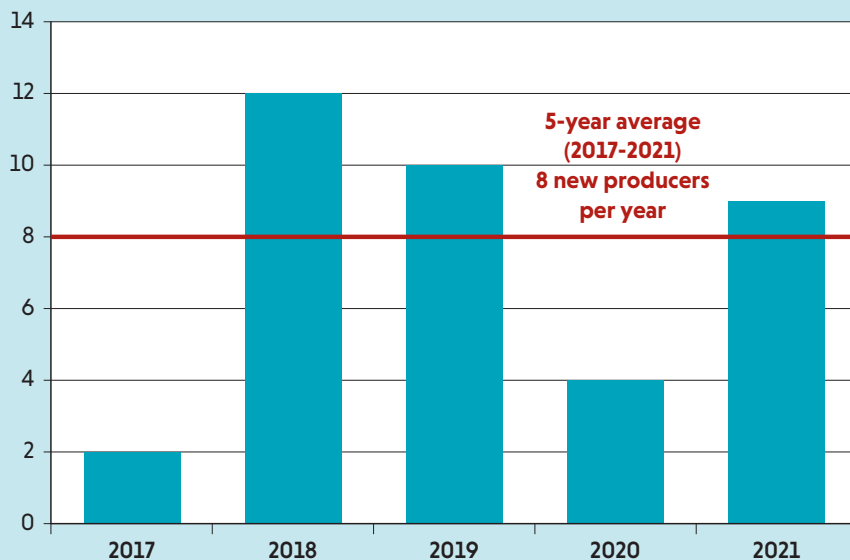
Due to COVID-19 restrictions, the Committee met virtually on June 10 and October 6, 2021. A focus of the discussions was on COVID-19 contingency planning.

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

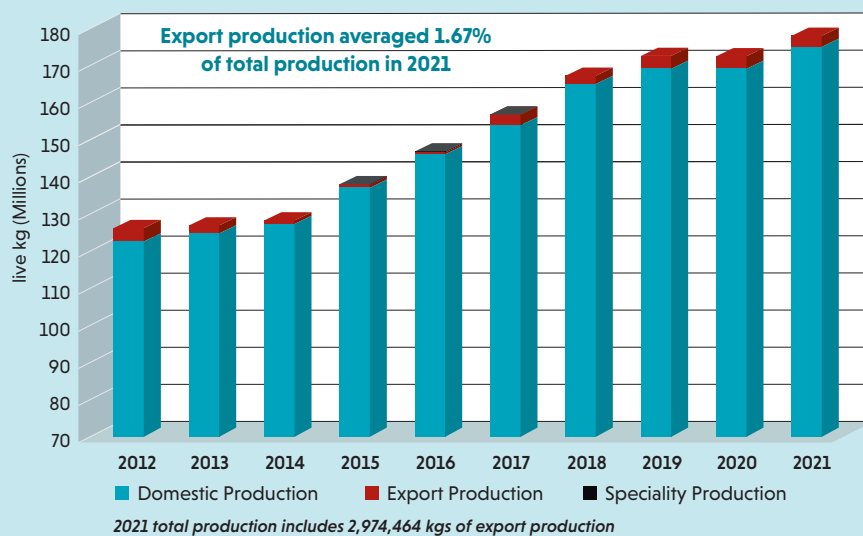
Number of New Entrants 2017 – 2021



Alberta saw nine (9) new producers become licensed and start production in 2021.

An average of eight (8) new producers per year have entered Alberta's chicken industry over the last five years (2017-2021).

Alberta's Annual Production 2012 – 2021

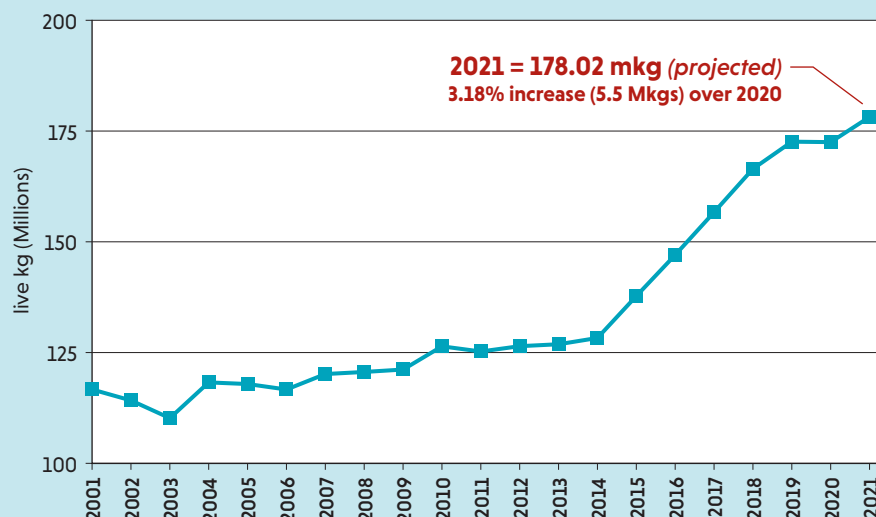


Alberta's domestic production in 2021 is estimated to be 175.05 million live kilograms, an increase of 5.9 million live kilograms, or 3.49%, from 2020. Canada's 2021 domestic production is estimated to be 1.71 billion live kilograms, an increase of 51.56 million live kilograms, or 3.10%, from 2020.

Alberta's export production (market development) in 2021 was 2.97 million live kilograms, a decrease of 407,679 live kilograms, or 12.05%, from 2020. Alberta's market development represented 1.67% of Alberta's total production in 2021, versus 1.96% in 2020 and 2.01% in 2019. Comparatively, national market development represented 3.11% of Canada's total production in 2021, versus 3.01% in 2020 and 3.12% in 2019.

Alberta did not have any specialty chicken production in 2021. This program was implemented in August 2015, and the production of specialty birds in Alberta was active consecutively from A-132 to A-139. We anticipate specialty chicken production to commence again starting in the spring of 2022.

Alberta's Annual Total Chicken Production



Alberta's total chicken production in 2021, which includes market development and specialty chicken production, is estimated to be 178.02 million live kilograms, an increase of 5.49 million live kilograms, or 3.18%, from 2020.

Canada's total chicken production in 2021, including market development and specialty chicken production, is estimated to be 1.78 billion live kilograms, an increase of 57.84 million live kilograms, or 3.35%, from 2020.

The pandemic has altered consumer buying behaviour for food across many dimensions: consumption (what/when consumers eat), channels of distribution (where/how consumers shop), and purchase frequency (how often consumers shop). While the COVID-19 pandemic continued to impact the market and chicken production in 2021, the vaccination roll-out beginning in the spring of 2021 supported the recovery of the foodservice sector and strengthened overall chicken demand from levels seen in 2020.

In the two years prior to the COVID-19 pandemic (2018-2019), Canada's average growth per year was close to 4% (3.81%) and Alberta's averaged almost 5.0% (4.97%). Comparatively, for the two years since COVID (2020-2021), the average growth per year has been 0.68% for Canada and 1.57% for Alberta.

Alberta's Quota Utilization (A-160 – A-172)

Period	Dates	Utilization			AB Compared to Canada	AB Compared to Western Canada
		Alberta	Western Canada	Canada		
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%	101.6%	1.5%	1.4%
A-162	03/15/20 05/09/20	101.6%	101.2%	100.8%	0.8%	0.4%
A-163	05/10/20 07/04/20	102.2%	103.0%	102.1%	0.1%	-0.8%
A-164	07/05/20 08/29/20	101.1%	101.5%	100.5%	0.6%	-0.4%
A-165	08/30/20 10/24/20	101.5%	101.2%	100.1%	1.4%	0.3%
A-166	10/25/20 12/19/20	101.0%	101.2%	102.0%	-1.0%	-0.2%
A-167	12/20/20 02/13/21	100.7%	102.0%	99.8%	0.9%	-1.3%
A-168	02/14/21 04/10/21	104.5%	102.8%	101.3%	3.2%	1.7%
A-169	04/11/21 06/05/21	101.1%	102.0%	99.8%	1.3%	-0.9%
A-170	06/06/21 07/31/21	96.8%	97.1%	96.2%	0.6%	-0.3%
A-171	08/01/21 09/25/21	98.3%	98.6%	98.5%	-0.2%	-0.3%
A-172	09/26/21 11/20/21	102.3%	99.0%	100.7%	1.6%	3.3%
2 YEAR AVERAGE		101.1%	101.0%	100.3%	0.7%	0.1%

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

In 2021, Alberta's utilization performance is estimated to average 100.6%, a decrease from the 2020 utilization average of 101.8%. Alberta experienced what meteorologists called a heat dome in the summer of 2021, which likely contributed to under production in A-170 and A-171. Market uncertainty driven by COVID-19 also resulted in late revisions to allocation in A-168, which resulted in overproduction during that period.

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.

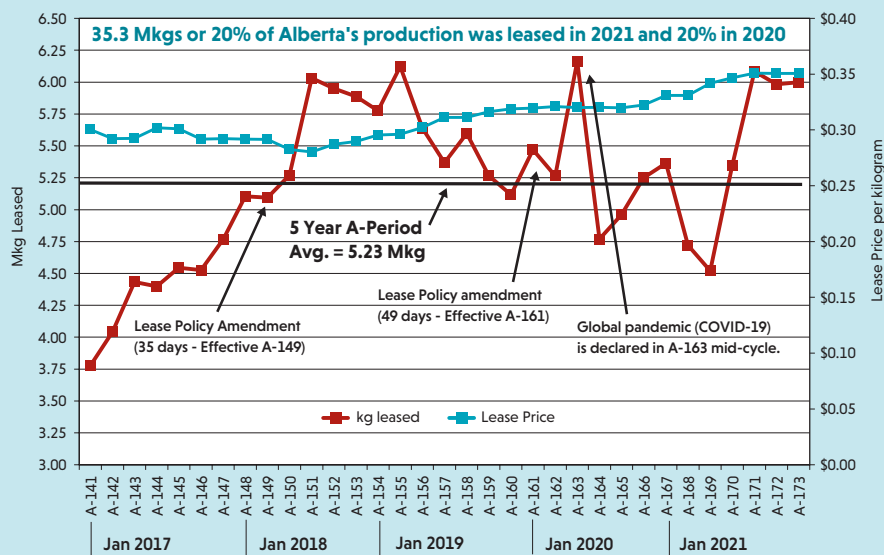
Alberta's two year average utilization Pre-COVID (2018-2019) was 100.8%, an impressive production performance, with underproduction being mainly isolated to the summer months.

Alberta's two-year average utilization during COVID (2020-2021) has paced ahead of the 100.3% national average at 101.2%.

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

Market Reports (continued)

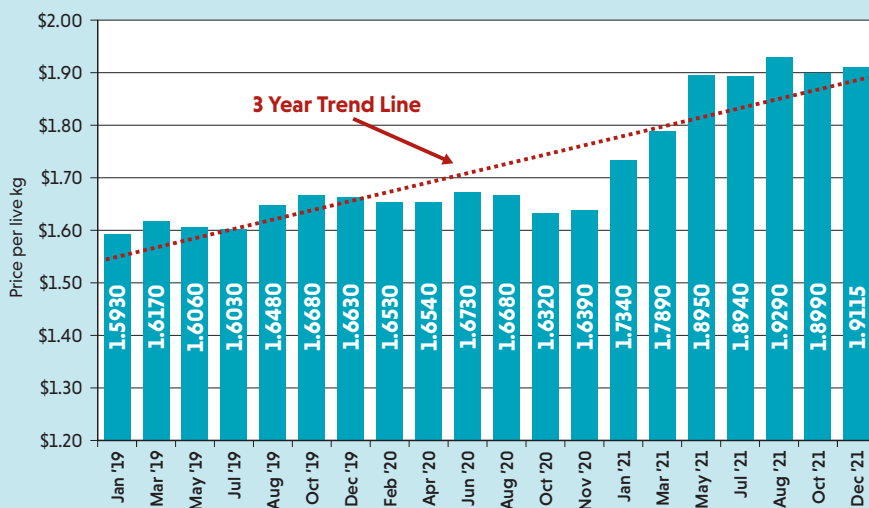
Volume/Price of Marketing Kilograms Leased per Period



A total of 35.3 million kilograms, or 20 % of Alberta's total production, was leased in 2021. This represents an increase of 590,364 kilograms, or 1.7%, from 2020. Increased allocation and stable barn capacity provincially influenced the year-over-year volume increases in periodic leases in 2021.

A total of 1,686 periodic lease transactions were approved by the Board of Directors in 2021, this is a decrease of 120, or 6.7%, from 2020.

Alberta's Producer Live Price



April 11, 2021 (A-169) New Ontario Cost of Production Formula was implemented

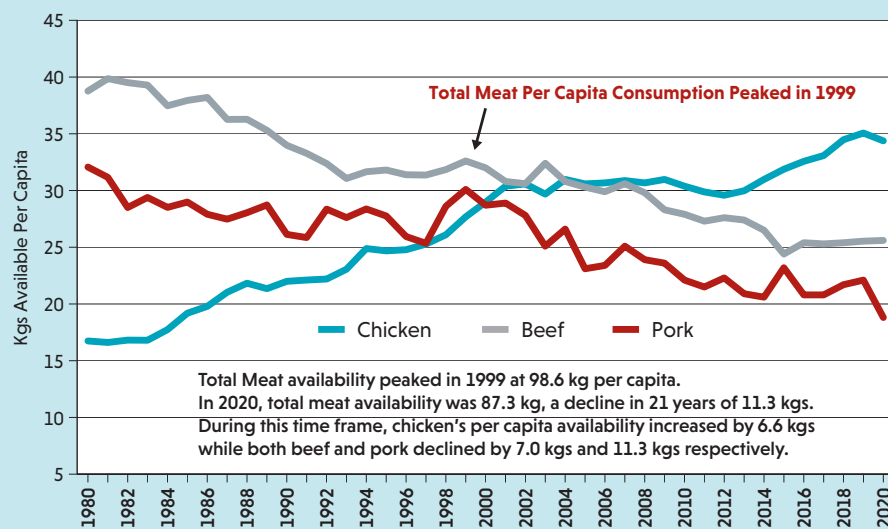
Alberta's average live price for 2021 was \$1.8645/kg, an increase of \$0.2113/kg (21.13 cents) from the 2020 average. This increase in Alberta's live price is on par with increases across Canada and has been driven by rising feed prices and structural changes to the Ontario cost of production formula implemented in A-169 (April 11, 2021). Extreme heat and drought conditions in the prairie provinces in the summer of 2021 has also had a substantial impact on feed costs in Alberta and across the prairies in the latter half of the year and into 2022.

In 2021, Alberta's live price was at its lowest in Period A-167 (January/February) at \$1.7340/kg and at its highest in Period A-173 (November/December) at \$1.9115/kg. The difference between the high and low in 2021 was \$0.1775/kg (17.75 cents).

The Board set live price on a period by period basis until an interim live price memorandum of understanding between the Board and processors was established effective A-171 to A-174 (August 1, 2021-March 12, 2022).

The Board is continuing to consult with processors in establishing a long-term live price memorandum of understanding beyond A-174.

Canadian Food Availability (a.k.a. Per Capita Consumption)



Per capita consumption (availability) is a measure of what has disappeared into the domestic market.

As of 2020, per capita consumption (availability) of chicken in Canada was 34.4 kg, followed by beef at 25.6 kg and pork at 18.8 kg. Chicken has remained the number one consumed protein in Canada after it surpassed beef in 2004.

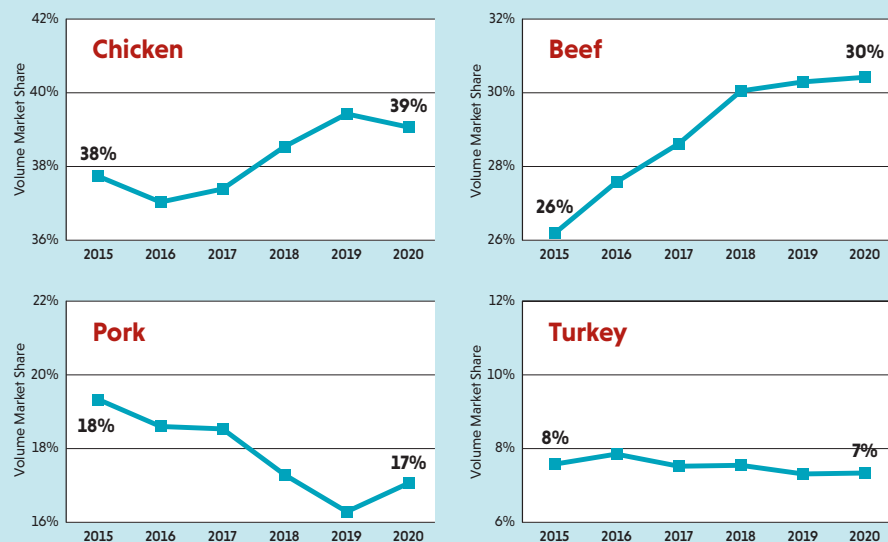
Per capita chicken consumption peaked in 2004 (31.1 kg) then started to decline though to 2014. In 2015 chicken consumption (32 kg per capita) started to increase again, surpassing 2004 levels, and has continued to rise. At the same time beef and pork per capita consumption have continued to decline since their peaks in the late 1970's and early 1980's.

Total meat consumption (availability) in 2020, excluding fish, was 87.3 kg, representing a 4.1 kg decrease from 2019. Pork and chicken declined 3.3 kg and 0.7 kg respectively while beef increase 0.1 kg in 2020 vs. 2019. As a % share of total meats consumed in 2020, chicken, beef, and pork hold a 90% combined share, of which 39% is chicken, 29% beef, and 22% pork.

Total per capita meat consumption (availability) peaked in 1999 at 98.6 kg and has since declined. Since this peak 21 years ago, chicken consumption has continued to increase, gaining 6.6 kg per capita, while beef and pork have declined 7.0 kg and 11.3 kg respectively.

Per capita consumption (availability) for 2021 will not be assessed until later in 2022.

Canadian Meat Protein Market Shares by Volume



Retail scan data, as provided by Nielsen Fresh Track, shows that over the last five years (2015-2020), chicken gained 1% market share by volume. At the same time, beef also gained 4%, while pork declined by 2% and turkey by 1%.

The Canadian chicken industry had two exceptional years of high volume growth in 2014 and 2015 while, at the same time, beef had its lowest volume sold at retail. By 2018, beef had recovered the majority of the market share it lost in 2014 and 2015. Chicken's market share peaked in 2015 to 38%, dipped again in 2016-2017, and then started to once again gain volume share in 2018 until the start of the pandemic in 2020.

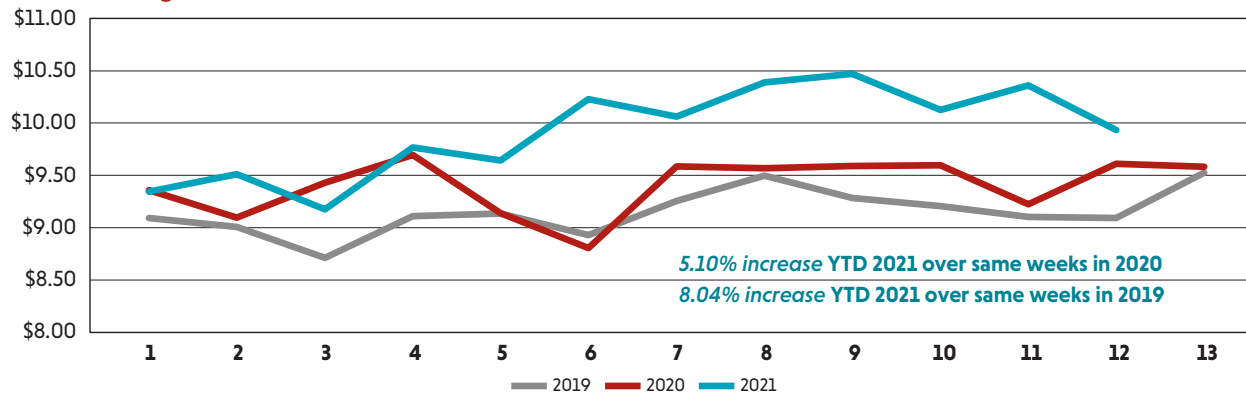
We believe the slight volume market share decline for chicken in 2020 was a result of a shift to premium cuts of beef and pork at retail as the pandemic environment resulted in some consumers attempting to recreate the dining out experience when cooking at home. We also know the market share shifting between beef and chicken demonstrates the strong purchase interaction there is between beef and chicken compared to other meats in the meat case.

As Alberta moves into the pandemic recovery phase we anticipate consumers will shift back to spending more on dining out and travel and returning to economizing on retail food purchases which is favorable for chicken.

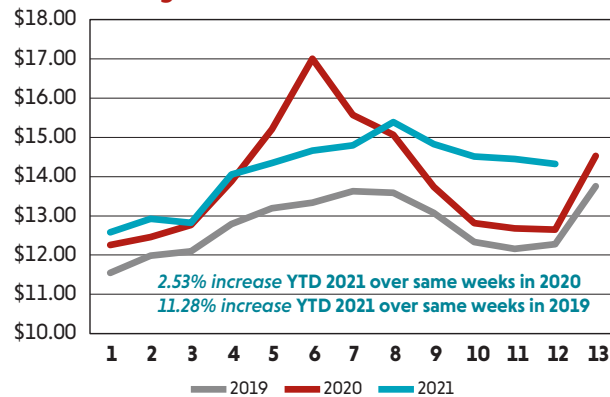
Market Reports (continued)

Canadian Meat Protein Retail Prices

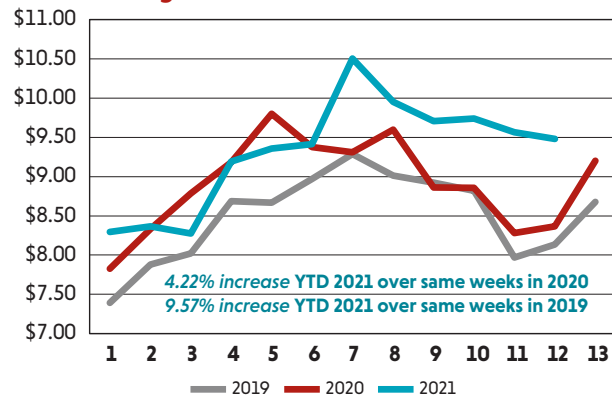
Average Canadian Retail Price – CHICKEN



Average Canadian Retail Price - BEEF



Average Canadian Retail Price - PORK



Food inflation across all commodities has been a reality since the start of the pandemic in 2020. Supply chains as a whole are operating in a higher cost environment due to a tight labour market, supply chain disruptions and climate change.

The 2021 average retail price for chicken increased by \$0.73/kg, or 8.04%, beef increased \$1.43/kg, or 11.28%; and pork increased \$0.81/kg, or 9.57% since 2019 (pre-pandemic).

With food inflation at record levels and Canada continuing to navigate a recovery from the pandemic, consumers will remain price-sensitive and more concerned about food affordability. This trend will be favourable for affordable, versatile, healthy and quick to prepare proteins such as chicken.

TRIBUTE

Jason Born

Jason Born was first elected to the Board at the February 26, 2013 Annual General Meeting and, only one year later, he was elected by his fellow Directors as Vice-Chair of the Board in 2014.

During his first three years on the Board, Jason applied his strong business skills and financial acumen in all aspects of his role, including serving on ACP's Finance, Governance, Research, Production, Flock Health and Management, Broiler Chick Quality and Supply Chain Committees. As Vice-Chair, Jason applied his skills and interests in politics and industry relations and grew his experience in public, government and media relations, representing ACP in various meetings and events.

Jason was re-elected to the Board for a second term in 2016, and in 2018 he was elected by his fellow Directors as Chair of the Board, a role he has continued to serve until the end of his third consecutive three-year term on the board in March 2022.

Jason's humility, strategic focus and collaborative approach have been invaluable to moving our chicken industry forward.

Many milestones were reached and key initiatives accomplished during Jason's tenure on the Board including the celebration of ACP's 50th Anniversary, development and implementation of Alberta's Broiler Chick Quality Manual, negotiation and implementation of the National Allocation Agreement, successful implementation of CFC's Antimicrobial Use Strategy, and continued growth and investment into Alberta's chicken industry.

Most recently, Jason's leadership has been instrumental in navigating the COVID-19 pandemic – ensuring our farmers, industry partners, and ACP team have the tools they need to stay safe, maintain a steady supply of chicken for consumers. While his final term on the Board has been met with many unprecedented events, including a global pandemic and severe drought in the Prairies, Jason's steady

hand at the tiller has enabled the Alberta chicken industry to continue to thrive.

Jason has also been a tireless advocate for Supply Management provincially and federally, building positive relationships with elected officials and effectively advancing the priorities of our industry at the local and national levels.

During his nine-year tenure, Jason's leadership extended beyond ACP and has brought many positive impacts to the various industry committees he served on, including: the Feed Grains Steering Committee, Ag Coalition, Policy Advisory Group, Intensive Livestock Working Group and the provincial government's Red Tape Reduction Panel. He has also galvanized collaboration across the western provinces and within our Alberta chicken value chain, which continues to strengthen our approach to common issues for our industry as a whole, as well as regionally.

Jason's own dedication to continuous learning and development along with his empowerment of others, consistency, and principled approach to addressing issues have further instilled a strong foundation of governance for our organization.

Please join us in extending a huge, heartfelt thank you to Jason. The progress made during his tenure on the Board would not have been possible if not for his unwavering dedication and the respect of his industry partners, Board team, staff and producers.

We wish to extend our deep gratitude and warm appreciation to Jason's wife, Nancy, for her steadfast support as Jason devoted so much of his time and energy to serving the producers of Alberta.

Jason, we know you will be kept busy with your business endeavors and hope you can take time to get in those golf games and enjoy good food and wine. Our door is always open, and we look forward keeping in touch over coffee when traveling through Edmonton on your way to the farm. ■





ALBERTA CHICKEN PRODUCERS

Financial Statements

Year Ended November 30, 2021

ALBERTA CHICKEN PRODUCERS

Index to Financial Statements

Year Ended November 30, 2021

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 12

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, 2021, 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, 2021, 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 20, 2022

CHARTERED PROFESSIONAL ACCOUNTANTS

ALBERTA CHICKEN PRODUCERS**Statement of Financial Position****November 30, 2021**

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 469,900	\$ 316,332
Accounts receivable <i>(Note 2)</i>	153,109	178,507
Prepaid expenses <i>(Note 3)</i>	147,443	43,219
Current portion of mortgage receivable <i>(Note 4)</i>	9,122	8,768
	<u>779,574</u>	<u>546,826</u>
MORTGAGE RECEIVABLE <i>(Note 4)</i>	20,547	29,669
RESTRICTED CASH AND PORTFOLIO INVESTMENTS <i>(Note 5)</i>	2,000,000	2,000,000
PROPERTY AND EQUIPMENT <i>(Note 6)</i>	1,030,036	1,093,205
	<u>\$ 3,830,157</u>	<u>\$ 3,669,700</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities <i>(Note 7)</i>	\$ 247,800	\$ 225,061
COMMITMENTS <i>(Note 8)</i>		
LIQUIDATED DAMAGES RESOLUTION <i>(Note 9)</i>		
NET ASSETS		
Invested in property and equipment	1,030,036	1,093,205
Internally restricted reserve <i>(Note 10)</i>	2,000,000	2,000,000
Unrestricted	552,321	351,434
	<u>3,582,357</u>	<u>3,444,639</u>
	<u>\$ 3,830,157</u>	<u>\$ 3,669,700</u>

ON BEHALF OF THE BOARD

Director

Director

ALBERTA CHICKEN PRODUCERS

Statement of Operations

Year Ended November 30, 2021

	Budget (Unaudited) 2021	2021	2020
REVENUE			
Levies (<i>Note 11</i>)	\$ 2,065,400	\$ 2,184,216	\$ 2,045,944
Other production income	124,700	138,971	46,746
On-Farm Food Safety charges	86,000	81,635	79,173
Producer grower program	203,000	70,560	119,517
Monetary penalties	85,000	56,661	60,440
Investment	32,000	39,940	49,207
Rental	18,000	13,500	18,000
Administrative fees and other	10,400	11,339	24,274
	2,624,500	2,596,822	2,443,301
EXPENSES			
Salaries, contracts and benefits (<i>Note 13</i>)	845,000	843,593	815,199
Professional fees	198,000	244,001	91,841
Advertising, promotion and sponsorship	243,000	206,454	154,784
Producer grower program	338,900	205,080	268,030
Director fees (<i>Note 13</i>)	172,200	196,883	154,782
Diagnostic services	286,400	190,041	221,284
Office, training and memberships	224,000	149,826	179,405
On-Farm Food Safety charges	98,000	95,580	95,069
Travel	179,900	83,231	97,865
Research grant expenses	145,000	78,836	52,630
Amortization of property and equipment	76,000	71,617	74,416
Taxes and fees	59,000	58,163	55,896
Telephone and utilities	25,000	30,387	28,806
Equipment rentals	29,500	29,079	33,613
Repairs and maintenance	18,000	24,573	19,450
Interest and bank charges	6,200	10,449	6,105
Insurance	12,800	8,885	9,895
	2,956,900	2,526,678	2,359,070
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS	(332,400)	70,144	84,231
OTHER REVENUE (EXPENSES)			
Increase (decrease) in fair value of portfolio investments	-	81,800	(18,258)
Project grant revenues	-	50,000	51,825
CFC overmarketing penalty	-	-	(24,160)
Loss on disposal of property and equipment	-	(4,226)	(5,208)
Project grant expenses	-	(60,000)	(60,000)
	-	67,574	(55,801)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (332,400)	\$ 137,718	\$ 28,430

ALBERTA CHICKEN PRODUCERS**Statement of Changes in Net Assets****Year Ended November 30, 2021**

	Invested in Property and Equipment	Internally Restricted Reserve (Note 10)	Unrestricted	2021	2020
NET ASSETS -					
BEGINNING OF YEAR	\$ 1,093,205	\$ 2,000,000	\$ 351,434	\$ 3,444,639	\$ 3,416,209
Excess (deficiency) of revenue over expenses	(75,842)	-	213,560	137,718	28,430
Purchase of property and equipment, net	12,673	-	(12,673)	-	-
NET ASSETS - END OF YEAR	\$ 1,030,036	\$ 2,000,000	\$ 552,321	\$ 3,582,357	\$ 3,444,639

ALBERTA CHICKEN PRODUCERS**Statement of Cash Flows****Year Ended November 30, 2021**

	2021	2020
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 137,718	\$ 28,430
Items not affecting cash:		
Amortization of property and equipment	71,617	74,416
Loss on disposal of property and equipment	4,226	5,208
Unrealized (increase) decrease in fair value of portfolio investments	(81,800)	18,258
	<u>131,761</u>	<u>126,312</u>
Changes in non-cash working capital:		
Accounts receivable	25,398	78,780
Prepaid expenses	(104,224)	(43,219)
Accounts payable and accrued liabilities	22,736	(173,344)
	<u>(56,090)</u>	<u>(137,783)</u>
Cash flow from (used by) operating activities	<u>75,671</u>	<u>(11,471)</u>
INVESTING ACTIVITIES		
Transfer from restricted cash and portfolio investments, net	81,800	12,695
Proceeds from mortgage receivable	8,768	8,425
Purchase of property and equipment	(12,671)	(30,963)
Cash flow from (used by) investing activities	<u>77,897</u>	<u>(9,843)</u>
INCREASE (DECREASE) IN CASH	153,568	(21,314)
CASH - BEGINNING OF YEAR	<u>316,332</u>	<u>337,646</u>
CASH - END OF YEAR	<u>\$ 469,900</u>	<u>\$ 316,332</u>

ALBERTA CHICKEN PRODUCERS

Notes to Financial Statements

Year Ended November 30, 2021

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 \$0.0185/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, 2021

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

	2021	2020
Trade	\$ 153,109	\$ 162,959
Grants	-	15,548
	<u>\$ 153,109</u>	<u>\$ 178,507</u>

ALBERTA CHICKEN PRODUCERS**Notes to Financial Statements****Year Ended November 30, 2021****3. PREPAID EXPENSES**

	<u>2021</u>	<u>2020</u>
Poultry service agreement contributions	\$ 97,410	\$ 26,207
Sponsorships	27,863	-
Other	12,148	8,967
Insurance	10,022	8,045
	<u>\$ 147,443</u>	<u>\$ 43,219</u>

4. MORTGAGE RECEIVABLE

	<u>2021</u>	<u>2020</u>
4%, monthly repayments of \$845, including interest, due December 1, 2024, secured by an office condominium mortgage agreement	\$ 29,669	\$ 38,437
Amounts payable within one year	(9,122)	(8,768)
	<u>\$ 20,547</u>	<u>\$ 29,669</u>

Principal repayment terms are approximately:

2022	\$ 9,122
2023	9,491
2024	9,874
2025	1,182
	<u>\$ 29,669</u>

5. RESTRICTED CASH AND PORTFOLIO INVESTMENTS

	<u>2021</u>	<u>2020</u>
Guaranteed investment certificates	\$ 1,298,704	\$ 1,273,826
Mutual funds	668,344	573,553
Cash	32,952	152,621
	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>

The guaranteed investment certificates earn interest at rates ranging from 1.31% to 3.25% and have maturity dates ranging from April 26, 2022 to October 5, 2026.

ALBERTA CHICKEN PRODUCERS

Notes to Financial Statements

Year Ended November 30, 2021

6. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Condominium units	\$ 1,768,921	\$ 806,322	\$ 962,599	\$ 1,013,262
Furniture and fixtures	402,735	373,435	29,300	36,625
Computer equipment	82,123	43,986	38,137	43,318
Computer software	106,918	106,918	-	-
	<u>\$ 2,360,697</u>	<u>\$ 1,330,661</u>	<u>\$ 1,030,036</u>	<u>\$ 1,093,205</u>

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021	2020
Trade	\$ 216,011	\$ 186,118
Government remittances	19,626	26,598
Vacation	12,163	12,345
	<u>\$ 247,800</u>	<u>\$ 225,061</u>

8. 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.

Funding to University of Calgary

The Board has committed a total of \$642,600, inclusive of GST, to be paid to the University of Calgary with yearly payments of \$214,200 until March 31, 2024.

9. LIQUIDATED DAMAGES RESOLUTION

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

As a member of CFC, pursuant to the Liquidated Damages Resolution, the Board is required to post security in the amount of \$165,068 (2020 - \$165,068) to secure the CFC's position should the marketing in Alberta exceed the allocation. At November 30, 2021, certain investments of the Board have been pledged as security.

10. INTERNALLY RESTRICTED RESERVE

The Board has internally restricted net assets in the amount of a \$2,000,000 reserve fund. This reserve provides interest income, financial stability and serves as a contingency in the event of emergencies, extenuating circumstances, or unexpected expenses.

ALBERTA CHICKEN PRODUCERS

Notes to Financial Statements

Year Ended November 30, 2021

11. LEVIES

	2021	2020
Levies charged	\$ 3,194,835	\$ 3,012,458
CFC portion	(1,010,619)	(966,514)
Net levies	\$ 2,184,216	\$ 2,045,944

12. PENSION EXPENSE

Pension expense included in salaries, contracts, and benefits is \$44,709 (2020 - \$44,175).

13. SALARIES, CONTRACTS, BENEFITS AND FEES

	Salaries and Contract	Benefits	Fees	2021	2020
Salaries, contracts and benefits					
Office staff	\$ 713,728	\$ 129,865	\$ -	\$ 843,593	\$ 815,199
Director fees					
Jason Born	\$ -	\$ -	\$ 61,585	\$ 61,585	\$ 55,182
Rob Van Diemen	-	-	45,019	45,019	31,963
David Hyink	-	-	33,885	33,885	15,859
Dennis Steinwand	-	-	32,050	32,050	25,432
Wesley Nanninga	-	-	19,306	19,306	-
Henk Schuur	-	-	5,038	5,038	16,385
Christian Guenter	-	-	-	-	9,961
	-	-	196,883	196,883	154,782
	\$ 713,728	\$ 129,865	\$ 196,883	\$ 1,040,476	\$ 969,981

14. BUDGET

The budget is unaudited and was approved by the Board on October 15, 2020.

ALBERTA CHICKEN PRODUCERS

Notes to Financial Statements

Year Ended November 30, 2021

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, 2021.

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.

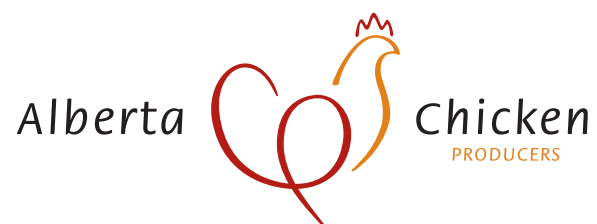
16. COMPARATIVE FIGURES

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

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.



2518 Ellwood Drive SW, Edmonton, AB T6X 0A9

tel: 780.488.2125 | fax: 780.488.3570

www.chicken.ab.ca