

# ALBERTA CHICKEN PRODUCERS **2022 Annual Report**







# 56th Annual Report

**Fiscal Year • December 1, 2021 – November 30, 2022**

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## Board



**David Hyink**  
*Chair*



**Rob van Diemen**  
*Vice-Chair*



**Dennis Steinwand**  
*Director*



**Wes Nanninga**  
*Director*



**Ross Bezovie**  
*Director*

## Staff



**Karen Kirkwood**  
*Executive Director*



**Caitlin Kaiser**  
*Administration &  
Logistics Coordinator*



**Vera Ward**  
*Office Manager*



**Robert Renema**  
*Producer Programs  
Manager*



**Maria Leslie**  
*Marketing &  
Communications  
Specialist*



**Karen Miller**  
*Business & Market  
Analyst*



**Laurie Power**  
*Producer Services  
Coordinator*



**Ashley Ward**  
*Producer Programs  
Coordinator*



**Rita Cherniak**  
*Bookkeeper*



## Board Structure

### Director Terms of Office

#### David Hyink, *Chair*

Completes his first 3-year term in 2023

#### Rob van Diemen, *Vice Chair*

Completes his second 3-year term in 2024

#### Dennis Steinwand, *Director*

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

#### Wes Nanninga, *Director*

Completes his first 3-year term in 2024

#### Ross Bezovie, *Director*

Completes his first 3-year term in 2025

## Roles & Responsibilities

### Media Spokesperson

David Hyink

Karen Kirkwood

### Public Relations

David Hyink

Karen Kirkwood

### Chicken Farmers of Canada (CFC)

Dennis Steinwand, Director

Rob van Diemen, Alternate

### Canadian Broiler Council (CBC)

Rob van Diemen

## ACP Committees

### Director & Producer Representative Leads

#### Finance

Dennis Steinwand, *Chair*

Wes Nanninga

#### Flock Health & Management

Wes Nanninga, *Chair*

Ross Bezovie

Tara De Vries

#### Governance Committee

Rob van Diemen, *Chair*

David Hyink

#### Production

Ross Bezovie, *Chair*

Rob van Diemen

Bruce Baerg

#### Research

David Hyink, *Chair*

Wes Nanninga

Adrian Tobler

#### Supply Chain

Dennis Steinwand, *Chair*

Rob van Diemen

Erwin Claassen

#### Working Group – Catching Manual

Dennis Steinwand, *Chair*

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

David Hyink

Rob van Diemen

### Poultry Diagnostics

Karen Kirkwood

### Poultry Innovation Partnership Advisory Board

David Hyink

Rob Renema

### Western Meetings

David Hyink

Dennis Steinwand

Rob van Diemen

Karen Kirkwood

# Chair & Executive Director Report

Looking back on this past year, we are fortunate to be part of a resilient industry. Entering 2022, the economy held positive prospects. Supply management and the value chain had navigated through the challenging COVID environment and emerged strong, with positive growth prospects for the Canadian chicken market.

It was at this point, in early April, that the first ever case of Highly Pathogenic Avian Influenza (HPAI) spread by wild birds was confirmed on a commercial poultry farm in Alberta. From April through the end of July there were 31 infected farms in Alberta: 19 commercial and 12 non-commercial, including eight commercial broiler chicken farms, from southeast of Lethbridge to just north of Edmonton.

By the end of July most of our commercial chicken farms in Alberta had started restocking and, just as the final Control Zone was to be lifted, the fall migration started another wave of cases in August that continued through the end of the year. A total of 60 poultry farms in Alberta were infected with HPAI in 2022; 36 commercial and 24 non-commercial, including 13 premises with commercial broilers.

Shortly after the HPAI outbreak began, our four poultry boards met with our provincial Minister of Agriculture and Irrigation, the Honourable Nate Horner, to discuss the impacts of the outbreak for our farmers and the industry and to make a request for AgriRecovery to cover the costs that are not compensated under the federal Health of Animals Act. Through the remainder of 2022, our staff worked closely with the provincial government to compile the data required to submit an AgriRecovery request

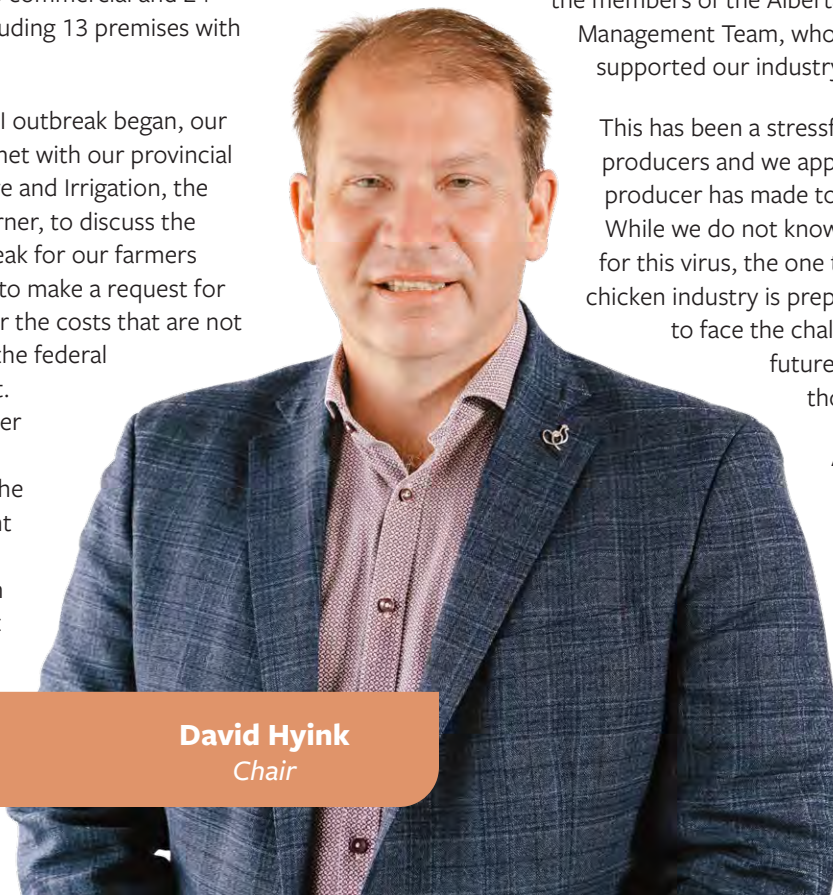
to the federal government, and we anticipate being made whole in January 2023. To bridge the gap until AgriRecovery funding becomes available, our Board applied ACP's Emergency Reserve Fund to assist our farms directly impacted by the virus.

Considering the potential risk of recurrences of HPAI going forward, our Board also initiated risk modelling to evaluate the capital and annual premium required for a reciprocal insurance program. ACP has participated in HPAI risk assessments in the past, and there was no need for the Alberta chicken industry to have AI insurance identified at that time. The events of this year, however, have substantially changed this risk and it is important we look at all options for addressing the costs going forward. The Board will be bringing the information from this risk modelling and options for discussion and input from producers in early 2023.

This experience has highlighted the importance of having good governance and risk management tools in place; and we are thankful to everyone in the value chain, and in particular the members of the Alberta Poultry Industry Emergency Management Team, who expertly guided and supported our industry through this time.

This has been a stressful time for all chicken producers and we appreciate the efforts each producer has made to manage through this crisis. While we do not know what the future may hold for this virus, the one thing we do know is Alberta's chicken industry is prepared, resilient, and ready to face the challenges of today and of the future... and we are thankful for all those who make that a reality!

Another consequence of the avian influenza outbreak was the destruction of many hatching egg flocks across Western Canada, including in Alberta. This compounded an already tight chick import supply



**David Hyink**  
Chair





situation. Under our trade agreements, Canada is required to import 17.43% of our domestic hatching eggs, and our Canadian hatching egg sector plans its production to account for this portion of imports.

In response to this challenge, our Canadian hatching egg sector has taken measures to increase domestic production, the Alberta Hatching Egg Producers have extended flock life, and our hatcheries are continuing to devote time and resources to meet Alberta's broiler chick supply requirements. Our Board also provided flexibility in our production policies to help producers meet their production requirements as best as possible.

Despite these challenges, 2022 remained a year of significant growth, with Alberta's production increasing approximately 1.7% over last year's production. The under-production that resulted from the spring and fall HPAI outbreak is just over 2 million kilograms and was largely incurred in A-175 and A-176, and to a lesser extent in A-178. Fortunately our Board policies enabled production to be leased out and any under-production to be carried forward for re-grow in future cycles. The extension of our leasing policy also enabled much under-production on individual premises to be leased-out and in two instances, to be grown in Saskatchewan. These efforts enabled Alberta to remain on-par with our budgeted production for 2022.

Looking to 2023, we anticipate a strong marketplace and an estimated growth of 5% over 2022 production. It is rewarding to be a part of an industry that is growing not only in volume but also in the number of new producers who continue to enter our industry. Ten years ago, there were just under 230 chicken producers in Alberta, and today there are 246. In this past year alone Alberta saw nine new producers become licensed and start production. It keeps our industry healthy to have this renewal and stimulates investment and innovation.

Live price has continued to be an important priority for the board throughout the year; and an initiative we have undertaken is to include Alberta feed and chick prices into our pricing discussions. We thank all producers who have participated in the 3rd party feed and chick cost surveys and encourage producers to continue contributing this important data so that we can keep the numbers robust and current. It remains our goal to establish a long-term, sustainable live price framework, and we are continuing to work with processors to achieve this outcome.

We welcomed the return of in person meetings in 2022 and the opportunity they provide for effective communication and strengthening of relationships. The reopening



**Karen Kirkwood**  
Executive Director





of economies and travel this year also presented a chance to resume some of our lobby efforts in person. CFC held a lobby day early in the year where we met with the Alberta Rural Caucus, several Senators and MP's. CFC also hosted a fall lobby day which gave our directors a chance to speak with many of our elected officials and raise topics important to our industry. Provincially, our board members and staff participated in several meetings and events with the Minister of Agriculture and other provincial government representatives throughout the year.

Each fall we review our strategic plan with our industry partners; and this year three main priorities emerged from our strategic planning retreat. They are **championing a strong, effective, unified value chain, responding to a dynamic environment**, and **building public trust**. We also want to highlight a new value chain initiative. We started by holding a facilitated session with the hatcheries, processors, and the Alberta Hatching Egg Producers Board to map out the Alberta chicken industry and assess risks and opportunities at all levels of the value chain. We have begun to look at a number of these issues together; and through this collaboration it is our intent to become stronger together as an industry moving forward.

Operationally, we were pleased to have Ashley Ward assume the role of Producer Programs Coordinator in October 2022, replacing ACP's Project Assistant position that had been vacant for several years. This position will play a pivotal role in supporting the On-Farm Food Safety Assurance and Animal Care Programs, supporting ACP's research and technology transfer, developing practical on-farm tools and resources for producers, supporting the APIEMT, and liaising with industry stakeholders, academia and government. Throughout the year our staff also worked closely with Alberta Agricultural Products Marketing Council on drafting bylaws for ACP, and these will be ready to present to producers in early 2023. We would also be remiss if we did not highlight the outstanding effort of our staff in rising above the challenges of the year to support our producers and industry in recovering from the HPAI outbreak. Their dedication and tireless efforts are remarkable.

We look to 2023 with continued hope and optimism. Demand for Canadian chicken is positive and improving, and our industry has proven its resilience and adaptability in an ever changing, dynamic environment. This industry is built on relationships, and our success is a testament to everyone's dedication to doing their part to achieve common goals. Thank you to our Directors, staff, producers, and industry partners for your commitment to the collective success Alberta's chicken industry. ■



# Strategic Plan

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

Collaboration is integral to our strategic planning process. We value the participation of our three major processors and the Alberta Hatching Egg Producers in our strategic planning process, 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 in 2021 by *Intensions Consulting***
- **CFC's new 5-Year Strategic Plan, and**
- **Impacts of external challenges including avian influenza**

Much of our time with our value-chain partners was focused on continuing to build trust throughout the value-chain and identifying current risks and challenges. Top shared sector issues that were identified by our industry partners included increased effectiveness of allocation and chick supply, pricing, and emergency preparedness.



## 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 2023 in alignment with our vision, mission and strategic goals and in response to the opportunities and risks facing our industry.

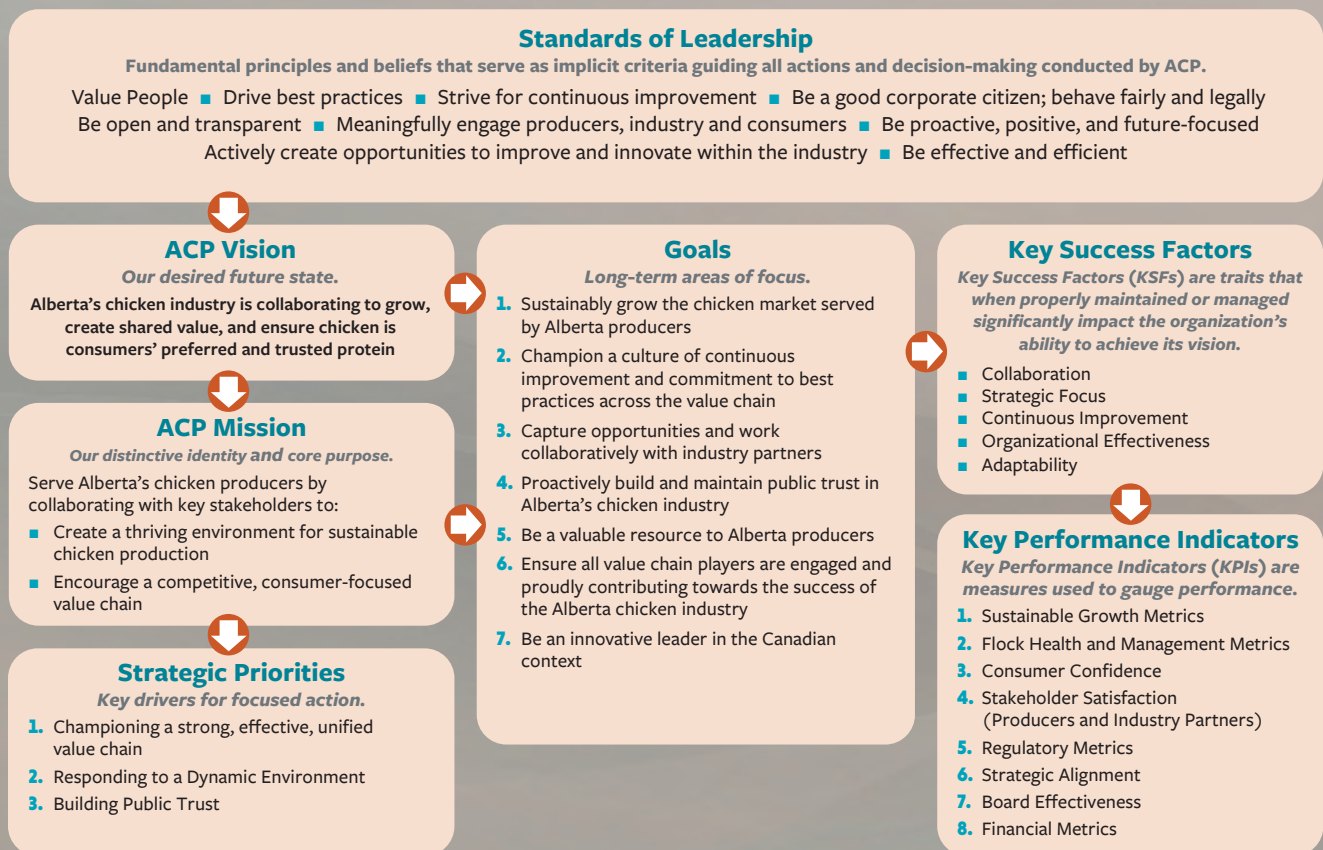
Our three strategic priorities are:

- **Championing a strong, effective, unified value chain**
- **Responding to a dynamic environment**
- **Building public trust**

## 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

## 2022 Board Meetings

The following is a snapshot of meetings held throughout 2022:

- 14 Board meetings
- 6 Allocation-related meetings
- 18 meetings with our industry partners on topics of mutual interest
- 17 meetings dedicated to developing a long-term live price agreement

In March, the Board held its annual Orientation Session at the Board office for new and current Directors. The Orientation provides Directors with an in-depth understanding of the Alberta Chicken Producers (ACP) Board's fiduciary responsibilities, governing policies, practices and culture, and ACP's 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.

## Producer & Industry Meetings

- ACP's 2022 Annual General Meeting was held in a hybrid format, offering both in-person and virtual attendance.
- ACP's Fall Regional Meetings returned to an in-person format, following two years of virtual meetings, and were held in Lethbridge, Red Deer and Edmonton.
- The Board held informal face-to-face meetings and virtual meetings with processors throughout the year to collaborate on issues of mutual interest.
- The Board held several meetings with processors, hatcheries and the Alberta Hatching Egg Producers Board throughout the year to discuss chick supply and the impacts of avian influenza.
- The ACP and Alberta Hatching Egg Producers Boards met several times this past year to discuss common issues and to continue building relationships. The Chairs and Executive Directors of both Boards also met several times throughout the year to discuss issues impacting the Alberta value chain.
- The Board held its annual Strategic Planning Retreat in September 2022 with Processors and representatives from the Alberta Hatching Egg Producers Board.

- Several Western Boards' Meetings, Western Meetings with Processors, and Western Executive Directors' Meetings were held virtually throughout the year.
- ACP's CFC Director and CFC Alternate attended the annual CFC Summer Meeting in Prince Edward Island in July 2022.
- ACP participated in the Annual General Meetings of the Chicken Farmers of Canada, Chicken Farmers of Ontario, Manitoba Chicken Producers, Chicken Producers of Quebec (EVQ), and Alberta Pork.



## Professional Development & Continuous Learning

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

The following are Virtual Webinars, Courses, or Workshops attended in 2022:

- Microbes to Metabolites in Animal Production
- Chronic Gut Inflammation in Broilers
- Antibiotic Reduction
- Dealing with Difficult Behaviors Workshop
- Incident Command System Training
- CFC Auditor Training Workshop on Dealing with Difficult People
- Mental Health Resiliency Workshop
- Assertive Communications Webinar
- Canadian Poultry Research Forum
- Inner MBA Program
- Economic Outlook for the Meat and Poultry Industry
- Power of Meat 2022 Consumer Research Report
- Economic Outlook & Key Recession Risks
- 2023 Food Trend Report
- IRI Stats on Top Trends in Fresh Products: How Consumers Found Value in 2022
- Segmenting Canadian Consumer for the New Inflationary Realities
- Food Service Facts 2022: Reset, Revive, Redefine
- The State of the Economy
- The Future of the Food Retail
- EI Economic Outlook: Mapping the Road Ahead
- Inflation Impact or Recession
- 98th Annual Agricultural Outlook Forum
- The Future of Food Conference



Conferences: *all attended virtually*

- Western Poultry Conference
- AFAC Livestock Care Conference
- Inspiring Producer-led Conversations through Unexpected Collisions – RDAR Summer Round-up
- Canadian Poultry Research Forum
- Feeding Breeders Poultry Value Chain Workshop
- Poultry Service Industry Workshop
- Spark 2.0 Collaborate – Incubate – Ignite
- ACP/PIP Feed and Water Symposium
- PIP Influencing the Future Feeding Breeders Webinar Series and Summit
- The Gathering – Marketplace Conference

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



# Governance Committee

Respectfully Submitted,  
**ROB VAN DIEMEN**, *Committee Chair*

**T**he Governance 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 is comprised of two Directors and the Executive Director, and its Work Plan is reviewed and updated annually by the Board.

The Committee's initiatives in 2022 included:

- updating ACP's Organizational Culture and Policies Handbook;

- leading ACP's Orientation Session for new Directors following the 2022 Annual General Meeting;
- integrating Producer Representatives into ACP's Committees;
- assessing options for ongoing Board development;
- holding a Board governance workshop in November; and
- holding Board and Director peer feedback reviews.

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,  
**ROSS BEZOVIE**, *Committee Chair*

**T**he 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 2022 were Alberta’s production performance, the 49-day lease window review, and the Direct Marketing Lease Program.

The Production Committee met with processors in August to review the Board’s production performance metrics, including our target of 100% quota utilization, and to discuss means of optimizing production performance going forward. Chick supply challenges and the losses due to avian influenza tested the industry throughout the year. Despite these production difficulties, all industry partners worked diligently to optimize Alberta’s production performance, and it was affirmed that the Board’s current policies provide the environment to achieve these results.

This year, our staff also met one-on-one with each of the hatcheries and procurement staff to discuss the capabilities

of ACP’s Grower Program and to identify data and reporting that best meet the needs of each company. As part of ACP’s Grower Program maintenance this enhanced reporting to our hatcheries and processors will further support production planning and optimization.

Another responsibility of the Production Committee is reviewing our Direct Marketing Lease Program applications prior to being presented to the Board for approval. In 2022, seven applications were reviewed by the Committee, and all were approved by the Board. A total of 293,000 direct marketing lease kilograms out of the available pool of 300,000 kilograms will be leased to seven producers for the 2023 calendar year. For comparison, 298,500 direct marketing lease kilograms were leased to seven producers in 2022. All of the approved applicants have established direct to consumer sales channels and have previously participated in the program since it was implemented in 2013.

I would like to thank fellow Committee members Rob van Diemen, Bruce Baerg, 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,  
**DENNIS STEINWAND**, *Committee Chair*

The Supply Chain Committee, which includes representatives from Alberta Hatching Egg Producers, Alberta's hatcheries and processors, the feed industry, poultry veterinary services, and representatives of the Alberta Chicken Producers' Board and staff, is guided by its mandate **"to foster an industry culture of collaboration and commitment to continuous improvement and best farming practices that support growth for the chicken market served by Alberta producers"**. The committee takes a collaborative approach to addressing current and emerging challenges before they become roadblocks for the industry.

## Update on the Antimicrobial Use (AMU) Strategy

Chicken Farmers of Canada's Responsible AMU Strategy was launched in 2012 as part of a global initiative of antibiotic reduction, stewardship, research and innovation to meet consumer expectations, to protect the health and welfare of birds, and to preserve effective treatment options. On the farm, Category I and II antimicrobials of importance for human health are no longer in use for disease prevention. When these antimicrobials are used on-farm for disease treatment and prevention, veterinary prescriptions are required.

Antimicrobial resistance in disease-causing bacteria is on the decline in Canada. The Public Health Agency of Canada's surveillance program – The Canadian Integrated Program for Antimicrobial Resistance Surveillance (CIPARS) has demonstrated the elimination of preventative use resulting from the chicken sector's AMU strategy is a major factor for this.

In 2022, the Canadian broiler industry was focused on reassessing use of Category III antimicrobials. Following review of the original goal of reviewing industry readiness to eliminate the preventative use of Category III antimicrobials by the end of 2020, it was determined that a mandatory regulatory requirement was not a responsible approach at this time. The focus on a non-regulatory approach to reduce the preventative use of Category III antimicrobials reaffirms CFC's commitment to antimicrobial reduction.

The Alberta broiler industry and allied partners were consulted on how Category III antimicrobials could be strategically reduced as part of a responsible use strategy. In 2022, Alberta was a leader in Canada for reduced Category III antimicrobial use. Consultations in Alberta demonstrated that industry partners are open to implementing viable reduction strategies if they had not done so already. Options to limit antibiotic use to the highest-risk period for development of gut health disorders and to minimize use later in the finisher period are examples of strategies that demonstrate the sector is taking a responsible, pragmatic approach to antimicrobial use reduction. Actions like these will result in meaningful reductions in antibiotic use in broiler chickens.

## Update to the Humane Catching & Transportation Standards Manual

Meetings with the Catching Working Group led to updates to Alberta's Humane Catching & Transportation Standards manual. The manual was revised in late 2021 to clarify and update responsibilities for producers, catching companies, and processors regarding access to hand-washing and toilet facilities. Processes for addressing damage to facilities or other issues were also added. 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.

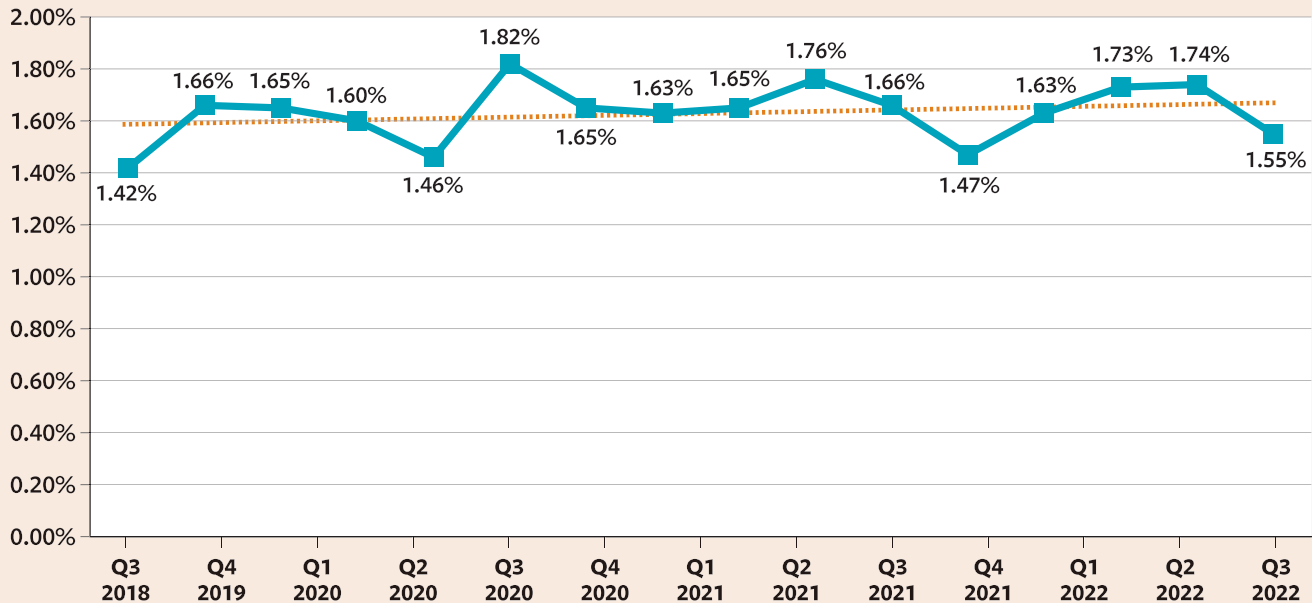
Changes to the Manual went into effect in September of 2022. Following a review of progress to date, catchers were asked to document any issues with availability of or access to hand-washing and toilet facilities in the catching load-out report. Farms that had issues with their facility have taken a wide range of approaches to resolve them. Solutions have ranged from providing temporary wash stations to small renovations. Farms that renovated to provide a sink and toilet have been able to successfully include projects expenses in their Poultry and Egg Farm Improvement Program (PEFIP) claims.

## 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 condemnments relative to the rest of Canada. Monitoring of 7-day chick mortality is one of the most sensitive tools we have



### 7-Day Mortality Trend



for identifying emerging production and quality issues, and monitoring impact of changes on the broiler industry. The committee has been monitoring 7-day mortality since late 2014, when 7-day mortality was 2.35%. At the end of 2018, new rules on veterinary oversight for use of medications went into effect. Along with this change, 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 2022 it has average 1.65%.

In 2022, Avian Influenza challenged our broiler chick supply. However, despite hatcheries having to work creatively to source out hatching eggs to meet placement needs, 7-day chick mortality was not seriously affected. Since the ban on use of Category II antimicrobials for disease prevention at the end of 2018, we had noted an emerging pattern of the lowest rates of the year in the October to December period, followed by the highest rates of the year in the January to March period. This year the cyclic winter peak in 7-day mortality dragged out until summer, likely reflecting the challenges in egg supply in the April to June quarter.

For 2023, the Supply Chain Committee is renewing goals to reduce 7-day mortality rates. Now that strategies for reduction in use of Category III antimicrobials for disease prevention have been established, we can move away from the goal of holding 7-day mortality values steady, to actively trying to reduce them again. This can happen through a combination of

industry-wide initiatives and work with individual producers. Specific targets will be set by the committee in early 2023.

The Committee 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. Processors have been able to report quarterly values representing the vast majority of their farms.

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 Rob van Diemen, Erwin Klassen, 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 Committee

Respectfully submitted,  
**WES NANNINGA**, *Committee Chair*

In 2022, Avian Influenza created new challenges for our industry and shifted some focus away from implementing new initiatives to keeping our core producer programs working successfully. The Flock Health and Management Committee was asked to provide feedback on the success of the implementation of the revised On-Farm Food Safety Program that went into effect in January, 2022. The committee also reviewed producer-facing documents outlining bird disposal options and standard operating procedures for cases of mass bird disposal during a disease outbreak. Additionally, the committee continued monitoring progress on CFC's antimicrobial use surveys.

## ***Food Safety and Animal Care Program Updates***

The updated On-Farm Food Safety Program (OFFSP) went into effect in January, 2022. After field-testing the program and audit changes for several months, the audit team provided feedback to CFC on questions from the field. Questions from

Alberta were largely about the updates to barn cleaning and disinfection methods, and about how to classify farms into the original vs new categories. At the end of the year, the committee was asked to provide feedback on implementation and auditing of the OFFSP and Animal Care Programs, and on the need for any additional training material.

Implementation of the electronic version of the OFFSP and Animal Care audit started at the end of the year, with the goal for a full field roll-out in early 2023. This is a significant improvement to the audit section of our Grower Program that adds efficiency to the audit management process.

The audit team began developing emergency response procedures for the farm audit program. In the last few years, both COVID-19 and Avian Influenza affected our ability to go on-farm or to access bird areas when we can be on-farm. In 2022, we were able to complete all of our farm audits with only minor changes to the timing of audits for some farms due to local risks. Efforts to catch up on internal audit processing once the Spring Avian Influenza outbreak was behind us paid off and we successfully passed the audits of our program management by both CFC and an external auditing organization.





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

2022 was the ninth year our audit team performed the AMU survey with producers during their on-farm audits. The AMU survey allows CFC to characterize the shift in product choice and overall volume use, and preparedness of the poultry industry to revise or eliminate use of specific products for prevention of disease. In the most recent results, Alberta broiler farms had nearly the lowest antibiotic use in Canada. This could be attributed in-part to strategies used by many farms and feed mills to minimize use later in the finisher period.



## ***Mass Disposal Protocol Development***

Working with individual farms during the Spring and Fall Avian Influenza outbreaks identified the need for better information resources for carrying out large-scale livestock mortality disposal. As such, the poultry boards have been developing decision-making trees and standard operating procedure documents for the primary methods used. These went to our committee for review late in the year. The next steps will be sharing of these documents with producers and rolling out an initiative to create mass-disposal plans for each of our farms.

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. 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 Ross Bezovie, 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*

**A**lberta 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 became the new, Poultry Innovation Partnership (PIP). This new PIP structure supports ACP's priorities of prioritizing extension and education opportunities and leveraging industry funds contributed to PIP in research grant applications. This new structure also allows more strategic use of ACP's funding contribution and increased collaboration on tech transfer activities that supports aspects of our own strategic plan.

This was another big year for PIP as they continue to deliver on the project objectives of their \$400,000 grant to expand capacity in tech transfer. As a partner in PIP, ACP directly benefits from this project by collaborating on specific tech transfer initiatives. Additionally, Val Carney, the PIP Lead, received a commitment of an additional three years of funding for her position from the Results Driven Agricultural Research (RDAR) organization. This will ease the pressure on the feather board partners as they move into the planning phase for the next PIP research and tech transfer contract.

In 2022, we participated in PIP's second Canadian Poultry Research Forum – a successful virtual event that brought together research and student presentations from every major poultry research site in Canada. PIP also organized Spark 2.0, a collaborative event designed to bridge the gap between research projects and industry needs. New this year was the Feeding Breeders webinar series and workshop. These meetings highlighted the need for a value-chain approach to the successful production of broilers and honed in on how to communicate research results to industry effectively. The meetings took a practical look at bird biology and health, management and systems, and tools and technology. Finally, ACP collaborated with PIP in the design and presentation of the Feed and Water Flock Talks for producers in October.

## *Research and Development*

In the last few years, ACP has shifted the way we engage with researchers and the way we support research projects. This is done strategically to increase the potential impact of research for our producers. 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. 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 has helped us operate in a more competitive research funding environment and has supported the creation of collaborations that also serve to increase the impact of the work and return on investment of the research funding.

In 2022, ACP provided funding to two projects as follows:

- **A plant-derived multicomponent vaccine for poultry coccidiosis and necrotic enteritis** (*J. Alcantara, University of Calgary*). We provided support and feedback during the planning of this project and, while it was initially funded without ACP, we were asked to support new costs related to changes in research location when bird work moved to the University of Alberta.
- **The impact of barn sanitation practices on antimicrobial resistance in broiler chickens** (*B. Willing, University of Alberta*). We provided a significant amount of funding to the initial portion of this project and facilitated completion of the work in commercial broiler facilities. This extension of the project allows new lab analysis on samples already collected during the original project, thereby efficiently increasing the potential industry impact of the work.

The list of projects under review for funding in the coming year is extensive, and we look forward to facilitating funding of research relevant to Alberta broiler producers.

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). In addition, I would like to thank Wes Nanninga, Adrian Tobler, Darko Mitevski, Valerie Carney, and Dervan Bryan have made this year through their time and participation on this committee. We are also happy to welcome Jeff Notenbomer to our committee beginning in 2023. The committee is grateful for the industry partners and researchers who provide their on-going support and commitment to research and development. ■



# Emergency Management and Avian Influenza

Respectfully submitted,  
**ROB RENEMA and KAREN KIRKWOOD**

**T**he Alberta Poultry Industry Emergency Management Team (APIEMT) was formed after the Avian Influenza outbreak in British Columbia in the winter of 2004. It was created to address the need for large scale emergency preparedness plans for disease outbreaks and other cross-commodity emergencies. The APIEMT consists of four poultry commodities, Alberta Chicken Producers (ACP), Alberta Turkey Producers (ATP), Alberta Hatching Egg Producers (AHEP), and Egg Farmers of Alberta (EFA). The broader APIEMT includes the poultry commodity boards, egg graders, egg processors, feed industry, meat and egg hatcheries, and meat processors, and is advised by Risk Ready, an emergency response service provider.

The APIEMT team has planned, prepared, and practiced procedures for the poultry industry during a scalable emergency (an emergency that rapidly grows and affects multiple commodities), with the intent that members are able to assist those impacted and communicate effectively with other industry stakeholders during an emergency. The APIEMT went on high alert when H5N1, a highly pathogenic form of Avian Influenza, was found in eastern Canada in December, 2021. It subsequently moved from the wild-bird winter

grounds in the southern USA towards Alberta in the spring of 2022.

## *Avian Influenza in Alberta in 2022*

Between April and May, 2022, a total of eight Alberta broiler farms were diagnosed with H5N1 Avian Influenza and depopulated, with 560,000 broilers affected. This fall, Avian Influenza came back to Alberta, primarily affecting turkey farms. A total of five broiler flocks located on mixed poultry premises were impacted when turkeys at those sites got sick, representing an additional loss of 56,000 broilers.

To date, 6.9 million poultry have been impacted by Avian Influenza in Canada since December of 2021. While the impacts were significant and the accumulative total birds lost high, this represents a lower proportion of birds impacted than in the USA. Canada has strong biosecurity programs and smaller-scale farms with fewer regions of highly-concentrated production.

When Avian Influenza hit Alberta, the APIEMT fully activated and assigned people to the key operational roles, engaged with the feather boards, CFIA and Alberta Agriculture in scaling up our response. Since Avian Influenza is a federally reported





disease, under the Health of Animals Act, activities are led by the CFIA's policies and protocols. Our industry team serves as a conduit between the CFIA and industry and support affected producers throughout the response and recovery.

Most early challenges with depopulation timelines, staffing and the support of disposal efforts disappeared in later cases as we learned how to best support each-other. Our poultry vets, provincial labs and board offices were just a few of the stakeholders that dropped everything and did what it took to support our affected farms as the outbreak ballooned. We were able to establish an in-house, hybrid permitting team with the CFIA that created huge efficiencies in planning while the Primary Control Zones were in place. Our mapping team collaborated across industry group lines to accelerate identification of emerging control zones and potentially-affected farms. Board and industry were able to supply liaisons to affected farms to coach farms through the various steps, help prepare farm-specific disposal and cleaning plans for farms, and, as needed, to be onsite during key CFIA inspections. The board office was heavily involved with reaching out to producers in affected zones as new cases appeared, and in ongoing communication with producers as their zone status changed, or CFIA policy updates went into effect. Our communications teams had to be flexible as they waiting on late-breaking news each day. They established a website where documents and producer resources were housed to speed up sourcing of information. Processors and farms collaborated to find space to grow birds that were not

able to be placed, allowing Alberta to produce almost all of its production allocation. In a few cases, we needed to certify turkey barns or recently retired barns for emergency use for broiler production.

With the quick spread of the Alberta Avian Influenza outbreak, it was soon clear emergency funds would become stretched. Our feather boards quickly moved ahead with efforts to establish an Agri-Recovery program for our affected producers, and supported producers as needed through the CFIA compensation phase of their recovery.

As we look to 2023, we have a strong framework and much more nimble response procedures in place. The board is evaluating an Avian Influenza insurance program for potential implementation this year. As well, the feather boards are collaborating with Alberta Agriculture to approve mass mortality disposal plans for each of our farms. This will save precious time near the beginning of an infection and both reduce period of restrictions on neighboring farms and speed up the recovery process for the infected premise. It was impressive to see the industry pull together to deal with this disease crisis and our deep thanks go to each of our partners for their role in supporting our efforts and our farms. We would like to express a special thank-you to Kim Irving at Risk Ready for helping to keep us all on track. Kim ensured that our efforts were well documented and he supported the creation of new procedures that will help us support those impacted in future outbreaks. ■



# Public Relations

## Strategy

### How do we choose what to participate in?

Each year we build our strategy based off of the key findings that are identified in our consumer research.



The research brings forward industry myths, consumer perceptions and demographics in which ACP can strategically target our key audiences with impactful and appropriate messaging. We work to “meet the audience where they are at”, utilizing different platforms and engagement opportunities to do so.

We also ensure that our efforts align with and complement CFC's strategy, and through our activations we promote both the Alberta Chicken Producer brand and the Raised by a Canadian Chicken Farmer brand.

Our 2021 research findings included many positives for how our brand and messaging has been effective in resonating with our target audiences. Consumer recall of our ACP videos and events was high and showed an increase in positive sentiments toward chicken farmers as a result of these activations. We also saw growth in both the **Chicken Fan** and **Industry Advocate** demographics.

As well, both ours and CFC's brands continue to receive positive recognition from by Albertans.

Based on this research, we have identified three new demographics to focus our marketing efforts on, with the **Young Adults** demographic being the primary focus.

The common attitudes among all three demographics that have the greatest impact on consumption are:

- Chicken is versatile
- Chicken is healthy (Muscles/fitness/health)

In 2023, we will continue to work strategically to incorporate messaging that relates to the three 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.

ACP will be conducting further consumer research in 2023, to continue to effectively inform our marketing efforts.





## 2022 Highlights

### Strategic Partnerships

Annually when reviewing our strategy, we determine whether a partnership continues to align with Alberta Chicken Producers' values and if it delivers on our strategic goals. In 2022, we were able to participate in events with our existing partners, host contests and provide messaging that is shared to their networks. A few of our current strategic partnerships include:

- Alberta on the Plate
- AMA Backyard BBQ
- Agriculture for Life
- Inside Education
- Edmonton Valley Zoo
- Alberta Blogger and Influencer, Linda Hoang
- Alberta Motor Association (AMA) for the Backyard BBQ
- Registered Dietitian Emily Mardell
- Stollery Children's Hospital and Stollery Women's Network



alberta  
on the plate

Ag for Life

Inside  
education

CAA AMA



STOLLERY  
CHILDREN'S  
HOSPITAL  
FOUNDATION

VALLEY  
ZOO  
DEVELOPMENT  
SOCIETY

### NEW PARTNERSHIP: NAIT Culinary Team

We're excited to announce that Alberta Chicken Producers has officially partnered with the NAIT Culinary Team. The partnership is based on a one-year pilot contract that will allow us to build our relationship and measure the success. The partnership will support future culinary leaders in their efforts as they prepare for the 2024 Olympics.

Over the next year, culinary students at NAIT will compete, practice and attend events in hopes of securing a spot on the final team roster. We look forward to working with NAIT and its culinary program to connect students and academia with the farm. As well, the team will include chicken-focused menu items during preparation and competitions and on the menu at Ernest's Restaurant, located at NAIT.



To learn more  
about the NAIT  
Culinary Team,  
scan this code or  
visit this link:

[www.nait.ca/nait/schools-programs/school-of-skilled-trades/beyond-the-classroom/nait-culinary-team](http://www.nait.ca/nait/schools-programs/school-of-skilled-trades/beyond-the-classroom/nait-culinary-team)

**“We are extremely pleased to have this partnership with Alberta Chicken Producers. As the NAIT Culinary Team prepares for the 2024 IKA Culinary Olympics in Stuttgart, Germany, we are excited to feature the versatility and taste of “Alberta Chicken” on our menus. Thank you!”**

**- Hong Chew** ccc RSE, Program Chair,  
Culinary Arts Department of Culinary Arts & Professional Food Studies

### Dietitian Partnership

Our consumer research continues to reaffirm that Albertans see dietitians as a trusted source.

In collaboration with Registered Dietitian Emily Mardell, we develop recipes and social media content and participate in Global Television spots and events to share meaningful chicken-related nutritional information with consumers.



get joyful  
SUMMER SHARE PLATES

Tip #1.  
Cook once, eat twice!  
SPATCHCOCK ROAST CHICKEN WAS THE HERO OF TONIGHT'S EPIC MEAL PREP. TURNS OUT...THE ULTIMATE COMFORT FOOD CAN ALSO BE THE ULTIMATE TIME-SAVER, TOO.



## 2022 Events

Reflecting back on 2022, it truly felt like a “comeback” year.

A huge thank-you to those who stepped up to volunteer. We wouldn't have been successful without the hardworking individuals who set aside time over the past year to help us spread good news stories and teach Albertans about the great work our farmers do.

- Calgary Stampede
- Mountain View Aggie Days
- Aggie Days Calgary
- Stollery Teddy Bear Fun Fest
- Raymond Aggie Dayz
- Christmas in November
- **NEW** – Alberta Day  
*Alberta Chicken Producers' participated in the Calgary portion of the event by hosting a booth and engaging with an urban audience.*
- **NEW** – Inside Education Cultiv8te Youth Leadership Summit  
*The objective of the summit is to increase students' understanding of agriculture in Alberta. Students were able to connect with farmers one-on-one and ask critical-thinking questions to our volunteers.*
- **NEW** – Terroir Symposium  
*Terroir is a food focused conference bringing together food service, chefs and restaurant owners - where our very own farmer, Byron Ference and industry veterinarian, Dr. Teryn Girard were able to discuss topics such as avian influenza, preserving the family farm and animal care with an eager and curious audience.*





## project AGRICULTURE

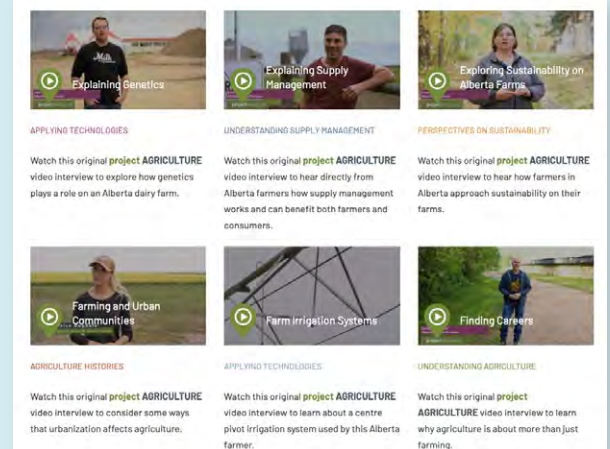
### Junior and Senior High Agricultural Education Program

The 2021-22 school year was the second full implementation year for **project AGRICULTURE** and included the expansion of the project with three new crop-focused topics and addition of Alberta Canola, Pulse Growers of Alberta and Alberta Wheat and Barley to the program. This overview provides highlights of the main events, analytics and insights gained from implementation this school year.

The program provides a unique resource for teachers and students, as it represents a collaborative effort now between nine different producer groups in Alberta. The wide range of evidence-based information, examples and perspectives increases awareness and understanding of agriculture and issues associated with the food system. The inclusion of authentic photos, videos, stories and articles focused on Alberta agriculture continues to be a strong feature of the program.

As with the previous school year, the ongoing situation with COVID-19 and its impact on teachers influenced program uptake and, more specifically, the submission of projects. Despite this, the project AGRICULTURE program continues to grow each school year, with increased website visits, resource downloads, subscribers, and increasing user rates.

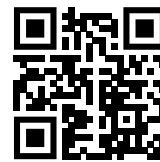
Through the project AGRICULTURE website students are able to watch videos featuring local farmers and submit their own questions.



[www.projectagriculture.ca](http://www.projectagriculture.ca)



## ACP Take Care Film



To check out this video, scan this code or visit this link:

[youtu.be/XP7cLTQtI8](https://youtu.be/XP7cLTQtI8)

## Crisis Communications

In the spring of 2022 the Alberta Poultry Industry Emergency Management Team (APIEMT) activated its team to support our producers and industry through what we had hoped, would be very few Avian Influenza (AI) outbreaks. Alberta Chicken Producers' Manager of Public Affairs and Strategic Partnerships, Maria Leslie, assumed the role of Information Officer alongside David Webb from Egg Farmers of Alberta.

As the outbreak progressed the APIEMT communications team delivered on ensuring our farmers and industry were "in the know". The team worked hard to ensure consistency with what the CFIA, our national agencies and the Government of Alberta were reporting, all the while, protecting and maintaining a positive and accurate portrayal of our industry and the situation.

We continue to learn and adapt how we communicate internally and externally to best serve our farmers and industry.

### APIEMT Town Hall Information Session for Farmers Webinar Recording:





# Corporate Social Responsibility

Alberta Chicken Producers' Public Relations and Corporate Social Responsibility strategy aren't mutually exclusive, they go hand-in-hand. When we approach a new opportunity to connect with our target audiences, we evaluate how the activation or partnership aligns with both strategies. In many cases, we can achieve a win/win, where we are able to connect with our target audience and make a meaningful impact in the community.

## Alberta Chicken Producers Celebrate Third Year of the "Good Neighbours Program"

ACP's **Good Neighbours Program** is a formal framework that guides the social responsibility efforts ACP takes on.

### Corporate Social Responsibility Pillars:

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

## Food insecurity in Alberta is the highest in the country and Alberta farmers are stepping up to ensure Albertans' plates aren't left empty.

On December 6, 2022, Arianna Scott, CEO of Food Banks Alberta joined Alberta Chicken Producers' farmers and staff to present a \$30,000 cheque to Food Banks Alberta.

This financial contribution builds on Alberta Chicken Producers' donations in 2020 and 2021 and as of December 5, 2022, the total funds donated to assist Alberta families in need is \$90,000.

This is one of many initiatives included in Alberta Chicken Producers' **"Good Neighbours Program"**. For full details, please visit: [www.chicken.ab.ca/good-neighbours/](http://www.chicken.ab.ca/good-neighbours/)



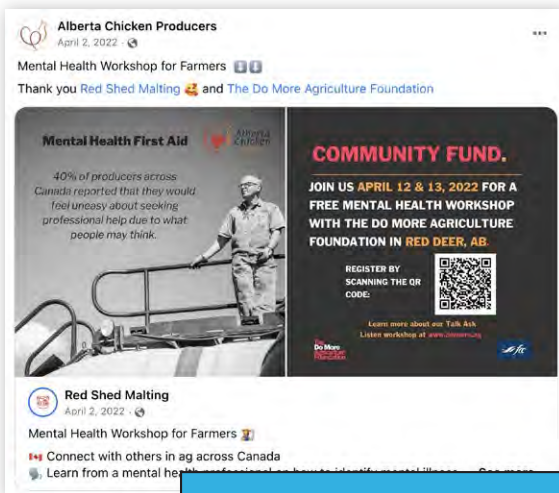
**“Protein, especially meat protein like chicken, is invaluable for our food banks and food bank clientele. Protein plays a critical role in our overall health - from building bones and muscle tissue, to ensuring that we have enough energy to get through the day. Meat and animal protein in particular has become increasingly costly for individuals and families in today's economic climate; and many have to make the difficult choice to do without.”**

**Thanks to support from Alberta's Chicken Producers, Food Banks Alberta has been able to provide over \$90,000 worth of chicken protein to our member food banks since 2020, serving the 155,000-plus individuals and families who access the food bank on a monthly basis.**

**Protein is a critical component of a healthy diet, particularly in children and youth. We are thankful for Alberta Chicken Producers for their ongoing support of food banks across our province. Because no Albertan should go hungry.**

**Eric Motuzas,**

Chair of the Food Banks Alberta Board of Directors





Photographed at the Food Banks Alberta Warehouse in Leduc, Alberta

(L-R) Albert Hofer, Jason Lyver, Development Manager for Food Banks Alberta, Jeroen Velthuis, Shawn Power, Laurie Power, Tara deVries, Darren deVries, Hinke Therrien, Arianna Scott, CEO of Food Banks Alberta and Chris Hofer. *Captured by Maria Leslie.*



To view the  
ACP Food Banks Alberta  
donation video  
scan this code  
or visit this link:

[youtu.be/RojwzMUwzOU](https://youtu.be/RojwzMUwzOU)

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



**Alberta  
Chicken**  
PRODUCERS



# Chicken Farmers of Canada

Respectfully submitted,  
**DENNIS STEINWAND**, CFC Director

**2022** was a pivotal year for Chicken Farmers of Canada (CFC), marking the last year of CFC's 5 Year Strategic Plan and development of a new Strategic Plan. The year was also focused on managing through the Highly Pathogenic Avian Influenza outbreak, responding to the impacts of inflation and the war in the Ukraine on the market, all the while remaining focused on CFC's strategic priorities

As Alberta's CFC Director, it is a pleasure to highlight the following national topics.

## ***Production***

Allocations in 2022 were set with relative ease compared to the two previous years when COVID-19 and its impact on the Canadian chicken market dominated allocation discussions and necessitated frequent adjustments

The healthy over-base increases for allocations set in 2022 were reflective of strong market conditions during the year. Unfortunately, actual production in several periods

was significantly lower than the allocated volumes due to a challenging hatching egg and chick supply shortage. While production in period A-174 was 3.3 Mkg evis (1.6%) higher than what was allocated, production in the next four periods was substantially less than the allocated volumes. Production in periods A-175 to A-178 came in at 21 Mkg evis (2.5%) below allocation. As hatching egg and chick supplies improved towards the end of the year production in the last period of 2022, period A-179, was close to the allocated amount.

## ***Market Information Working Group***

In December 2021 the CFC Board of Directors agreed to establish a Market Information Working Group (MIWG). The purpose of a MIWG is to support the mandate in the CFC strategic plan towards the goal of improving the effectiveness of the allocation system by providing an additional layer of discussion and analysis in setting periodic allocations on an agreed set of fact-based factors.

Work began in April 2022 and the working group released its first report for the allocation setting of period A-178. The working group met a total of five times and issued five reports in 2022.



## Food Safety & Animal Health

The 2022 avian influenza (AI) outbreak was the largest ever seen in Canada and had significant impacts on the Canadian poultry sector.

By the end of 2022, over 270 farms were confirmed with the virus, spanning nine provinces. Approximately 65% of those farms were commercial premises, and over 6 million birds were affected.

Chicken Farmers of Canada worked closely throughout the year with partners in the National Poultry Group to play a coordinating role in the response from the national perspective, remaining in constant communication with both government and industry partners to facilitate and optimize the outbreak response.

## AMU Strategy

CFC's Antimicrobial Use Strategy (AMU) continued to be a focus nationally and provincially. In 2014, the Canadian chicken sector banned the preventative use of Category I antimicrobials and in 2018 followed with the preventative use of Category II antimicrobials. With a continued focus on antimicrobial reduction, CFC conducted in-depth consultations with provincial boards and industry stakeholders and considered impact assessments of the removal of Category I and II antimicrobials in order to evaluate its approach for Category III. The consultation process concluded at the end of September 2022, and in November 2022 the CFC Board made the decision to transition the AMU strategy from a regulatory elimination target to a non-regulatory reduction target for overall antimicrobial use, with a focus on Category III antimicrobials.

## Brand

A consumer survey conducted in 2021 regarding CFC's marketing and advertising resulted in the creation of a new brand statement for 2022, with a focus on chicken's versatility: *Different Day, Different Dish*. This created new and exciting messaging opportunities for the brand and was included in eight new commercials in French and English for both TV and video platforms.

2022 also saw the ***Raised by a Canadian Farmer*** brand partner with retailers such as Bar Burrito, FreshHouse Foods, and Opportunity Traders. Anticipated new signees for early 2023 include Scores, Mary Brown's, and 7-11.

## Government Relations

Chicken Farmers of Canada held two advocacy days in Ottawa in 2022—the Annual Lobby Day on May 17th and the Fall Lobby Day on November 15th. CFC representatives met with Parliamentarians to discuss topics including supply management, trade agreements, spent fowl, labour shortages, food security, Avian Influenza, and sustainability.

Additionally, CFC actively advocated to government on a number of important issues throughout the year, including compensation for farmers affected by HPAI, CUSMA mitigation, Ukrainian chicken imports and private members' bills. CFC also worked closely with the SM4/5 and Canadian Federation of Agriculture on broader issues of common interest. ▶▶▶



ACP representatives, Steve Leech (CFC) and MP Blaine Calkins



ACP representatives, Kerry Towle (Sofina) and Lauren Kennedy (CFC) with Alberta MPs Glen Motz, Damien Kurek, Arnold Viersen, John Barlow



## ***International Trade***

### **WTO Public Forum**

CFC representatives Luce Bélanger, Ray Nickel, and Yves Ruel participated in the WTO Public Forum held in Geneva, Switzerland, from September 27 to 30. Food insecurity, sustainability, and climate change adaption and mitigation were major topics during the 2022 forum. While there were increasingly more voices advocating for the inclusion of sustainability concepts into trade policies to avoid allowing unfair advantages to countries that do not respect sustainable environmental goals, challenges remained on how to best implement these concepts into trade agreements going forward. The importance of a reliable dispute resolution process was also discussed.

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

Of the agreement's original 11 members, Brunei, Malaysia and Chile had not finalized their ratification processes at the start of 2022.

CPTPP entered into force for Malaysia on November 29, 2022. While Malaysia's chicken sector produces primarily for the domestic market, the country does export birds, mostly live or fresh, to Thailand, Singapore, Japan, Hong Kong, and Brunei. Malaysia is not currently eligible to export chicken meat to Canada.

On October 11, 2022, the Chilean Senate voted in favour of ratifying CPTPP, and officially ratified the CPTPP agreement at the end of the year. The agreement will enter into force for Chile starting February 21, 2023, meaning Chilean exports into Canada will be able to take advantage of the market access negotiated through the CPTPP. For the Canadian chicken sector, this means that 23.5 Mkg of Chilean chicken will enter the Canadian market duty free.

## ***Ukraine Goods Remission Order***

The Tariff Remission Order for Ukraine was implemented on June 9, 2022, for one year. The order implied the suspension of all Tariff Rate Quota provisions, meaning unlimited imports, including chicken, could come into Canada from Ukraine duty-free during that period. At the time of the Order, Ukraine was not on the CFIA list of eligible countries for importation of meat products into Canada, but later in the summer, the Canadian Food Inspection Agency (CFIA) published an update to their Automated Import Reference System (AIRS) with distinct Harmonized System (HS) codes for chicken products from Ukraine.

Despite numerous discussions between CFC representatives and government officials, including a study by the House of Commons Standing Committee on Agriculture and Agri-Food on the issue, the CFIA issued an Official Meat Inspection Certificate for poultry from Ukraine on December 1, 2022. The first export certificate was issued by Ukraine on December 28, 2022.

## ***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). The online application process for the Poultry and Egg On-Farm Investment Program remains open and program funds will be allocated over a period of 10 years. While the processing of applications was initially slow, many producers are successfully utilizing these funds to invest in their farms.

## ***CUSMA Mitigation Program***

Chicken Farmers of Canada, Egg Farmers of Canada, Turkey Farmers of Canada, and the Canadian Hatching Egg Producers welcomed the federal government's November 2022 announcement addressing the market access impact of the Canada-United States-Mexico Agreement (CUSMA). This was the final piece of a process that began in 2017 when the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) was announced. Farmers wanted to see a focus on investments that improve farm productivity and sustainability and requested for CUSMA mitigation funds to be added to the existing CPTPP-related Poultry and Egg Farm Investment Program (PEFIP). As a result, the program adjusted eligible investment amounts for each farmer.



## Looking ahead...

2022 marked the last year of Chicken Farmers of Canada's current Strategic Plan, and much of CFC's efforts throughout the year were focused on consulting stakeholders, examining trends, and identifying key result areas for the upcoming years.

What emerged from Strategic Planning process for CFC was a renewed vision, **"Canadian chicken: Trusted. Preferred. Sustainable,"** and Mission, **"To lead and grow a trusted and sustainable Canadian chicken sector."**

There are four Key Result Areas in the new CFC Plan:

1. Sustainability
2. Growth
3. Telling our Story
4. Risk Management

Sustainability is built on 5 principles, which are:

- **Animal welfare** – Protecting bird health and welfare
- **High Quality Food** – Producing safe chicken for Canadians
- **Environment** – Preserving the environment
- **Economic** – Having a prosperous Canadian chicken sector
- **Social** – Promoting social responsibility

Growth includes promotion and awareness of the *Raised by a Canadian Farmer* brand; market and consumer research, the allocation system, and import controls.

Telling our story includes CFC's initiatives to build public and government trust in our sector; and risk management includes implementing contingency and emergency management strategies for major risks and reviewing them annually.

CFC has set ambitious desired outcomes in its new plan, which include:

- Chicken per capita consumption increases by 1 kilogram per year.
- Canadians are confident that chicken is a safe and healthy source of protein, raised by farmers they trust.
- Consumers, retailers, and food service recognize, trust and champion the *Raised by a Canadian Farmer* brand.
- Our credible and sustainable on-farm food safety and animal care programs are recognized by governments and supported by consumers and the chicken sector.
- Governments demonstrate support for supply management including its pillars of import control, production discipline and farmer pricing.
- The Canadian chicken sector embraces and tells the economic, environmental, and social sustainability story of Canadian chicken farming.
- Existing and emerging risks to our sector are managed effectively.

It is a tremendous privilege to serve our producers and industry on the CFC Board. The staff of CFC are dedicated to serving our industry and fulfilling our strategic ambitions; and we are confident that CFC will continue to deliver successful results for our farmers, industry partners, governments, and consumers. I would also like to acknowledge and thank our Alternate Director, Rob van Diemen, for his ongoing support and leadership on these national files. ■





# Government Relations

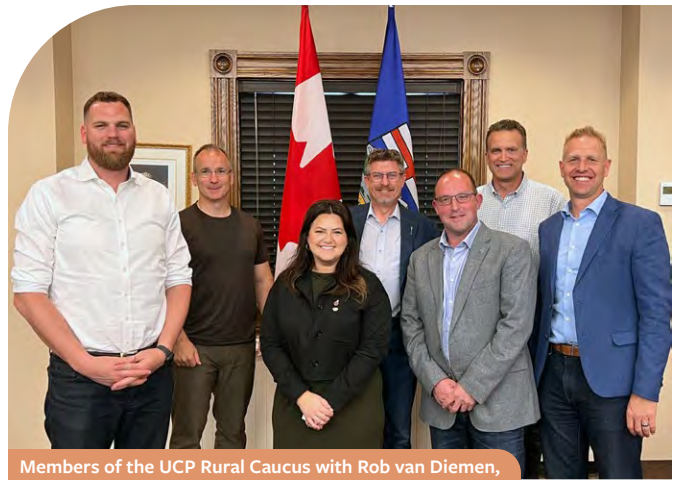
This year's Government Relations activities included the following:

- **CFC Spring Advocacy Day** – on May 17, 2022, Alberta representatives David Hyink, Dennis Steinwand, and Kerry Towle met with five Alberta Members of Parliament and two Senators. Key topics of discussion included avian influenza, trade, and the importance of our domestic Canadian chicken supply system.
- **Meeting with Minister of Agriculture and Irrigation, the Honourable Nate Horner** – on June 1, 2022, the Chairs and Executive Directors of Alberta's poultry boards met with Minister Horner to discuss the impacts of the Highly Pathogenic Avian Influenza Outbreak and to express our appreciation for the Minister's support for our producers and the dedication of Alberta Agriculture and Irrigation staff in managing through this crisis.



(L-R) Cara Prout, Laurel Winter, Jeff Notenbomer, Bob Smook, Minister Nate Horner, David Hyink, Pete Waldner and Karen Kirkwood

- **Meeting with Alberta UCP Rural Caucus** – on June 22, 2022, ACP Director, Rob van Diemen and Marketing and Communications Specialist, Maria Leslie met with the UCP Rural Caucus. The meeting provided an opportunity for the members to learn about the Alberta chicken industry and discuss important topics such as: Avian Influenza, the federal carbon tax, right to farm, feed costs and southern Alberta water availability.



Members of the UCP Rural Caucus with Rob van Diemen, Alberta Chicken Producers' Director

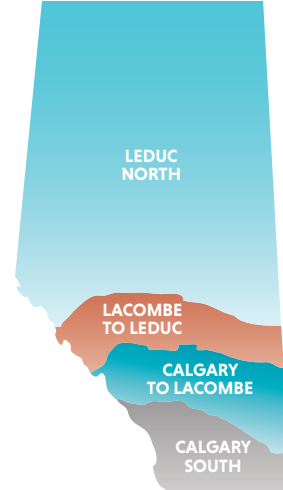
- **CFC Fall Advocacy Day** – on November 15, 2022, Alberta representatives David Hyink, Dennis Steinwand, and Rob van Diemen met with a number of Members of Parliament as part of a CFC's Fall Advocacy Day that included two one on one meetings and larger reception provided opportunity to discuss a variety of topics including supply management, sustainability, trade agreements, spent fowl, avian influenza, and inflation.



# Producer Representatives



(L-R) Bruce Baerg – Calgary to Lacombe; Tara deVries – Leduc North; Adrian Tobler – Lacombe to Leduc; (missing) Erwin Claassen – 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.

The Committee met twice during the year; once in the spring and once in the fall. Along with the Industry and Producer Representative updates, agenda topics focused on Avian Influenza, national issues, and Strategic Priorities.

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.



Alberta Chicken Producers' Board and Executive Director photographed wearing toques gifted from friends at Alberta Hatching Egg Producers (AHEP). Thank you AHEP!

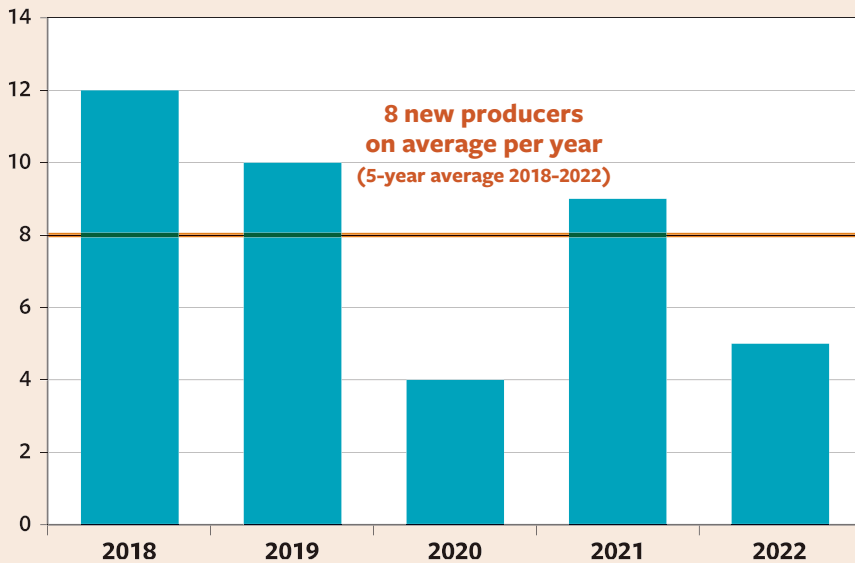


(L-R back) Karen Kirkwood, David Hyink, Rob van Diemen, Bruce Baerg, Jeff Notenbomer, Adrian Tobler, Ross Bezovie, Dennis Steinwand, Marcia Hewitt-Fischer (front) Brent McEwan, Dr. Kathleen Long, Wes Nanninga, Tara DeVries, Ed Fetting, Bob Smook



# Market Reports

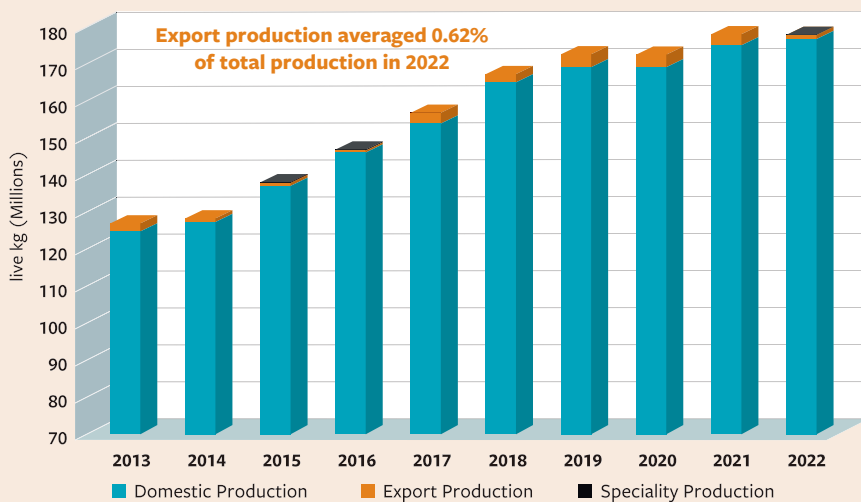
## Number of New Entrants 2018 – 2022



Alberta saw five (5) new producers become licensed and start production in 2022.

An average of eight (8) new producers per year have entered Alberta's chicken industry over the last five years (2018-2022).

## Alberta's Annual Production 2013 – 2022



2022 total production includes 1,096,080 kgs of export production & 22,630 kgs of speciality production

Alberta's domestic production in 2022 is estimated to be 176.73 million live kilograms, an increase of 2.16 million live kilograms, or 1.24%, from 2021. Canada's 2022 domestic production is estimated to be 1.77 billion live kilograms, an increase of 54.47 million live kilograms, or 3.17%, from 2021.

Alberta's export production (market development) in 2022 was 1.1 million live kilograms, a decrease of 1.88 million live kilograms, or 63.2%, from 2021. Alberta's market development represented 0.62% of Alberta's total production in 2022, versus 1.68% in 2021 and 1.96% in 2020. Comparatively, national market development represented 3.01% of Canada's total production in 2022, versus 3.11% in 2021 and 2.49% in 2020. Highly Pathogenic Avian Influenza (HPAI) and COVID-19 have impacted exported opportunities in recent years.

Alberta's specialty chicken production was minimal in 2022 having only commenced in the back half of the year. This program was implemented in August 2015, and the production of specialty birds in Alberta was active consecutively from A-132 to A-139 and then resumed in A-177. We anticipate specialty chicken production to be active throughout 2023.

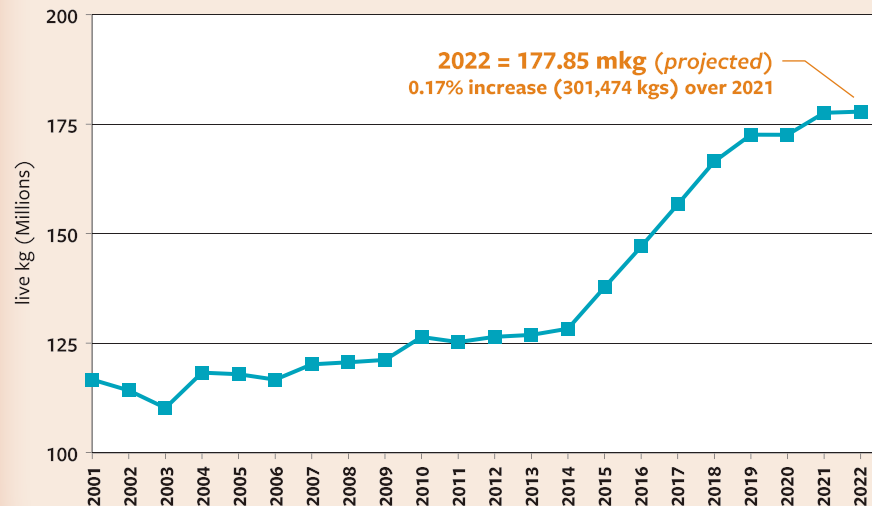
Alberta's total chicken production in 2022, which includes market development and specialty chicken production, is estimated to be 177.85 million live kilograms, an increase of 301,474 live kilograms, or 0.17%, from 2021.

Canada's total chicken production in 2022, including market development and specialty chicken production, is estimated to be 1.83 billion live kilograms, an increase of 44.39 million live kilograms, or 2.48%, from 2021.

Since 2020 the industry has faced many challenges from the COVID-19 pandemic to inflation impacting overall consumer buying patterns to the Highly Pathogenic Avian Influenza (HPAI) outbreak in 2022 impacting chicken supply and export opportunities.

In the three years prior to the COVID-19 pandemic (2017-2019), Canada's average growth per year was 2.58% while Alberta's averaged 3.38%. Comparatively, for the three years since COVID-19 (2020-2022), the average growth per year has been 2.05% for Canada and 1.03% for Alberta.

### Alberta's Annual Total Chicken Production



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

In 2022, Alberta's utilization performance is estimated to average 96.6%. In the spring of 2022 Alberta experienced its first outbreak of Highly Pathogenic Avian Influenza (HPAI) ever in its history. This, along with an already tight chick supply situation in the United States contributed to under production, which began in A-175.

The impacts of HPAI were also experienced nationally although not to the same extent as Alberta, resulting in an estimated utilization performance for Canada of 98.3% in 2022, 1.7% better than Alberta.

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

Alberta's utilization performance prior to HPAI (2021) was an impressive 100.7%, with underproduction being mainly isolated to the summer months. Utilization performance nationally in 2021 was also impressive at 99.6%.

The ACP Board and our industry partners remain committed to working together to optimize production and achieve 100% utilization, and to continuing to navigate challenges nimbly and effectively. We are confident our production performance will return to pre-HPAI figures going forward.

This year's domestic allocation covered the 6 block periods of A-175 to A-180 (March 13, 2022 to February 11, 2023). Alberta was allocated 4.65% growth over its adjusted base, comparatively the allocation nationally was 4.47%.

### Alberta's Quota Utilization (A-166 – A-178)

Period	Dates		Utilization			AB Compared to Canada	AB Compared to Western Canada
			Alberta	Western Canada	Canada		
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%	99.9%	0.8%	-1.3%
A-168	02/14/21	04/10/21	104.5%	102.8%	101.4%	3.1%	1.7%
A-169	04/11/21	06/05/21	101.1%	102.0%	99.9%	1.2%	-0.9%
A-170	06/06/21	07/31/21	96.8%	97.2%	96.2%	0.6%	-0.4%
A-171	08/01/21	09/25/21	98.3%	98.7%	98.5%	-0.2%	-0.4%
A-172	09/26/21	11/20/21	102.3%	99.2%	100.9%	1.4%	3.1%
A-173	11/21/21	01/15/22	101.4%	99.7%	100.7%	0.7%	1.7%
A-174	01/16/22	03/12/22	100.8%	100.5%	101.5%	-0.7%	0.3%
A-175	03/13/22	05/07/22	96.7%	98.0%	97.9%	-1.2%	-1.3%
A-176	05/08/22	07/02/22	91.7%	95.0%	95.3%	-3.6%	-3.3%
A-177	07/03/22	08/27/22	96.0%	98.1%	97.7%	-1.7%	-2.1%
A-178	08/28/22	10/22/22	97.7%	97.9%	99.0%	-1.3%	-0.2%
2 YEAR AVERAGE			99.2%	99.4%	99.3%	-0.1%	-0.2%

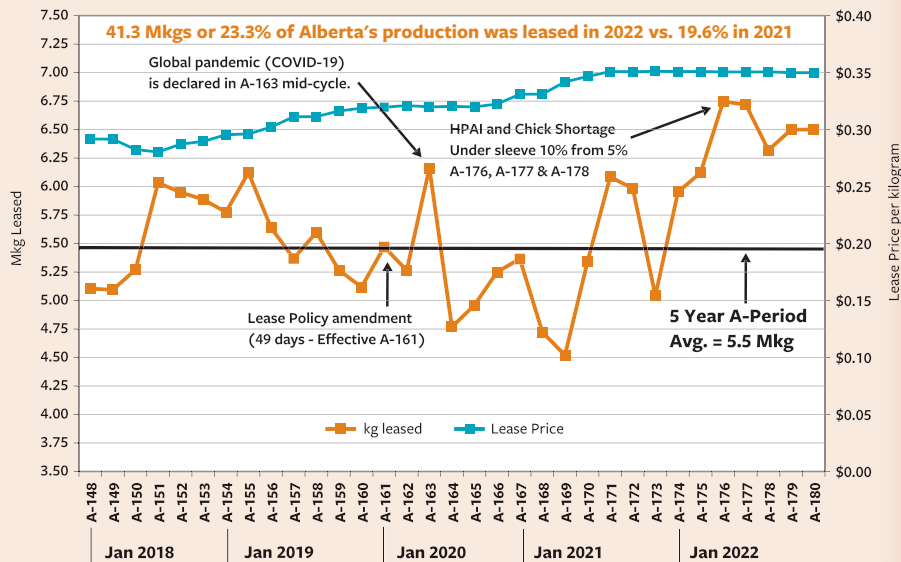
### Allocation Growth Over Adjusted Base

	Adjusted Base (Mkg)	Domestic Allocation (Mkg)	% Growth Over Adj. Base
A-175 to A-180			
Alberta	118,496,983	124,003,183	4.65%
Canada	1,177,953,126	1,230,601,847	4.47%



## Market Reports (continued)

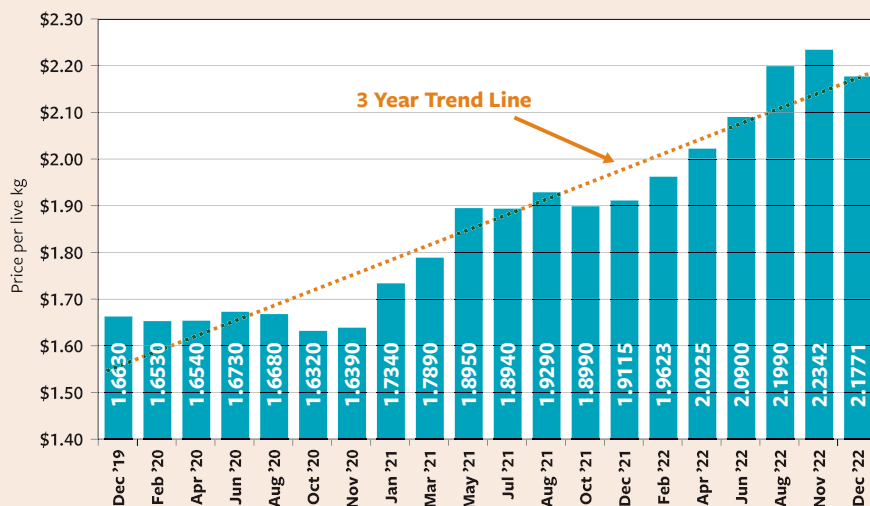
### Volume/Price of Marketing Kilograms Leased per Period



A total of 41.3 million kilograms, or 23.3 % of Alberta's total production, is the preliminary estimate of kilograms leased in 2022. This represents an increase of 6.77 million kilograms, or 19.6%, from 2021. Highly Pathogenic Avian Influenza and increased allocation likely influenced the year-over-year volume increases in periodic leases in 2022.

An estimated total of 1,907 periodic lease transactions were approved by the Board of Directors in 2022, this is an increase of 214, or 12.64%, from 2021.

### Alberta's Producer Live Price



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

Alberta's average live price for 2022 was \$2.1142/kg, an increase of \$0.2497/kg (24.97 cents) from the 2021 average. This increase in Alberta's live price is on par with increases across Canada and has been primarily driven by rising feed and chick prices. Extreme weather conditions along with the war in Ukraine has had a substantial impact on feed costs in Alberta and across Canada for all livestock.

In 2022, Alberta's live price was at its lowest in Period A-173 (January/February) at \$1.9623/kg and at its highest in Period A-178 (October/November) at \$2.2342/kg. The difference between the high and low in 2022 was \$0.2719/kg (27.19 cents).

The Board is setting live price on a period by period basis and continues to work with processors to establish a long-term live price memorandum of understanding.

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

As of 2021, per capita consumption (availability) of chicken in Canada was 34.5 kg, followed by beef at 24.1 kg and pork at 19.0 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 through to 2014. In 2015 chicken consumption started to increase again (32 kg per capita), 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 2021, excluding fish, was 85.5 kg, representing a 1.8 kg decrease from 2020. Pork and chicken increased 0.2 kg respectively while beef decreased 1.8 kg. As a % share of total meats consumed in 2021, chicken, beef, and pork hold almost a 91% combined share, of which 40.4% is chicken, 28.2% is beef, and 22.2% is pork.

Total per capita meat consumption (availability) peaked in 1999 at 98.6 kg and has since declined 13.1 kilograms. Since this peak 22 years ago, chicken consumption has continued to increase, gaining 6.7 kg per capita, while beef and pork have declined 8.5 kg and 11.1 kg respectively.

Per capita consumption (availability) for 2022 will not be assessed until later in 2023.

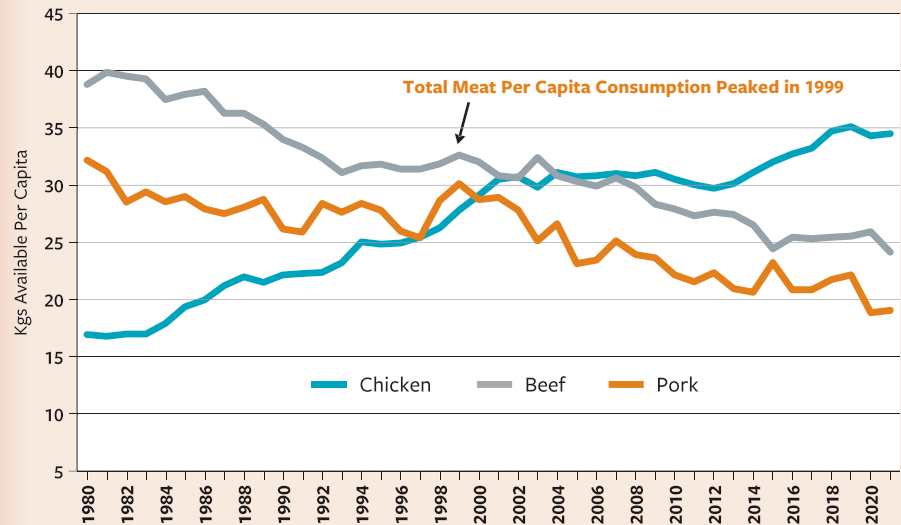
Retail scan data, as provided by *Nielsen Fresh Track*, shows that over the last three years (2019-2021), chicken gained 0.7% market share by volume. At the same time, beef and pork gained 0.4% respectively, while turkey declined by 0.7%.

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 share surpassing its 2015 peak in 2018 with 39% volume share of the fresh meat category.

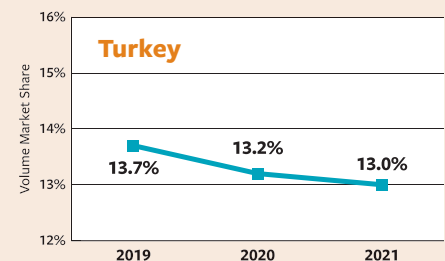
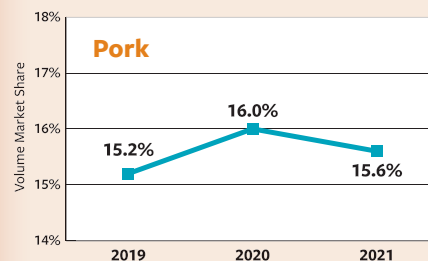
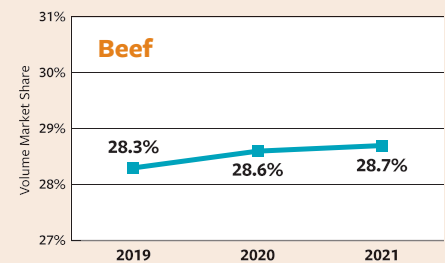
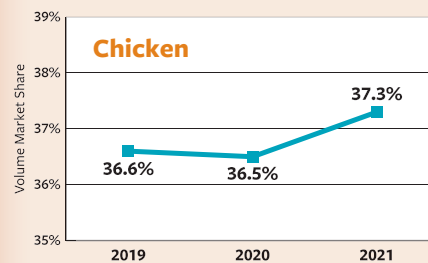
The COVID-19 altered consumer buying behaviour, shifting the market share balance between spending on food at home and away from home at restaurants and take out. We also know there is a strong interaction between beef and chicken purchases compared to other meats in the meat case. These factors combined with inflationary pressures now facing consumers, have translated into a fluctuating volume market share for chicken and all proteins at retail. Despite these challenges, year after year chicken continues to have the largest volume market share of the fresh meat category at retail.

Moving into an economic downturn with continued inflation, we anticipate consumers will seek to economize, which will be favorable for chicken demand.

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



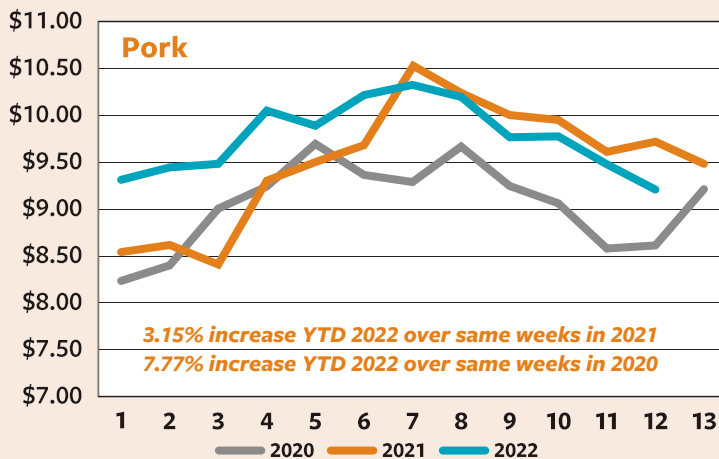
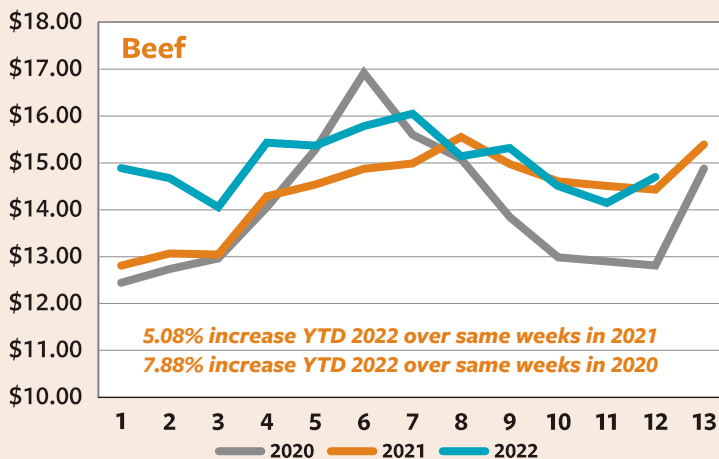
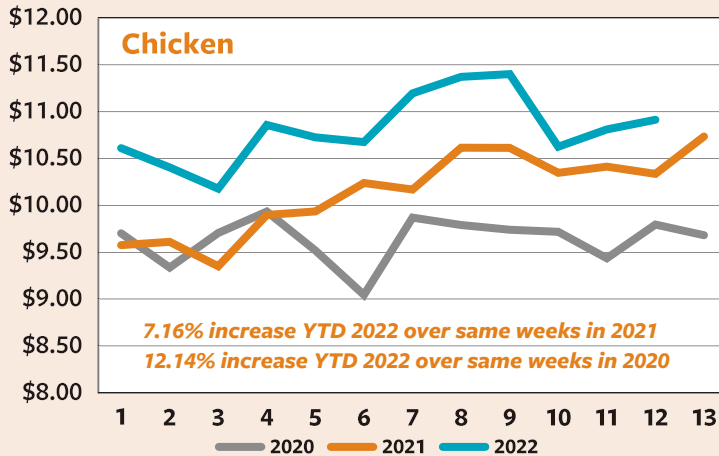
### Canadian Meat Protein Market Shares by Volume





## Market Reports (continued)

### Canadian Meat Protein Retail Prices



Inflation, extreme weather, war, soaring fuel and transportation costs, supply chain disruptions and labour shortages have been the consumer buzz words for 2022.

The 2022 average retail price for chicken increased by \$0.72/kg, or 7.16%, beef increased \$0.73/kg, or 5.08%; and pork increased \$0.30/kg, or 3.15% since 2021. In the last two years consumers have seen the average price of chicken, beef and pork per kilogram increase \$1.17, \$1.10, \$0.70 respectively.

With food inflation at record levels consumers will remain price-sensitive and increasingly concerned about food affordability. This shift to lower cost meats and discount channels will be favourable for affordable, versatile, healthy and quick to prepare proteins such as chicken.



## TRIBUTE

# Dennis Steinwand

**D**ennis Steinwand was first elected to the Board at the February 25, 2014 Annual General Meeting, and was re-elected consecutively in 2017 and 2020. During his nine-year tenure, Dennis assumed many leadership roles and is highly respected by his Board, ACP staff, industry, and his peers provincially and nationally. Although Dennis is required to step down from the Board after completing his third consecutive three-year term in February 2023, the positive impacts he has made for our organization and the industry provincially and nationally will have a lasting effect.

Dennis humbly served in many leadership roles over the years at the provincial and national levels. Immediately following his election to the Board in 2014, Dennis assumed the role of Alternate Director on the Chicken Farmers of Canada (CFC) Board; and, since 2017, he has served as Alberta's CFC Director. In these positions, Dennis participated in many CFC Committees and served as Chair of the CFC Governance Committee, Finance Committee and the Canadian Broiler Council.

Provincially, Dennis served as ACP's Vice-Chair for three years, and he participated in many of Alberta Chicken Producers' Committees over the years, including the Broiler Chick Quality, Food Safety & Animal Care, and Production Committees, ACP's Catching Working Group, Finance, Governance and Supply Chain Committees, which he chaired. Dennis also applied his leadership skills externally through his involvement in Western meetings and in the Provincial Government's Policy Advisory Group.

He has built positive relationships and quickly gained the respect of others by offering sound logical input to discussions and decision making process provincially and nationally - what he says makes sense! Dennis' commitment to learning and continuous growth allowed him to excel as a Director and ambassador for the industry. Throughout his tenure, Dennis generously shared his knowledge and experience, often hosting farm tours to educate the public, government and those starting their career in the industry. He has also been a champion of good governance practices, both through his roles nationally and provincially, and through his own example.

Dennis' presence, keen business sense, well thought-out analysis, logical discussions and out-of-the-box thinking have been a tremendous asset to our organization and he will be missed. We also extend our sincere appreciation to Dennis' wife, Jacquie, for always supporting Dennis as he passionately and professionally represented our industry.

With mixed emotions, we wish you great happiness in your retirement from the Board, Dennis. Enjoy your time with your family, grandchildren, and friends as you embark on this next chapter in your life; and remember that our door is always open for a visit!





## TRIBUTE

# Karen Kirkwood

**K**aren Kirkwood began her career as General Manager with Alberta Chicken Producers on July 20, 2009, and quickly gained the respect of her provincial and national peers. As time went on, we quickly saw a rising star who humbly elevated the industry to a better place, placing Alberta as a leader nationally.

She tenaciously and passionately served the chicken industry in a professional manner. Having a high standard in work ethics, she led by example with her staff and elevated their potential by ever-so-gently guiding and mentoring through coaching sessions. She never shied away from rolling up her sleeves and helping out wherever there was a need for a lending hand; in fact, she insisted on it. Often putting others ahead of herself, celebrating milestones and successes was important to Karen and she ensured we took time along the way to enjoy those moments.

Karen was instrumental in rallying together industry partners, committees, and in particular, the Western Provinces to build relationships and collaborate on mutual matters. Her communication style and way with words always made everything sound better! She facilitated many meetings over the years, bringing about effective changes to Alberta's Humane Catching & Transportation Standards Manual, the Alberta Poultry Industry's Emergency Management Plans and structure, and many policies that have lent to optimizing production performance. She also worked with the board to continuously improve ACP's governance and operational policies. Allocation became a focus for many years; and, under her leadership nationally and provincially, Alberta brought about change to the national allocation system that will continue to bring benefit to the Alberta chicken industry and provincial economy for years to come.

Her tenure was met with several unprecedented challenges. The COVID-19 Pandemic posed many issues and unpredictable situations, and Karen worked diligently with her staff to ensure no disruption of service to producers and the industry. In the spring of 2022, Karen's life was consumed by the High Pathogenic Avian Influenza outbreak that broke throughout Alberta. Knowing it was breaking new ground, she accepted the challenge of forging ahead for a quick resolve and her leadership instrumental in guiding the industry through this period of time, logging many hours of critical intense conversations, creating working groups and teams, scheduling meetings, sending out communications, all with very little sleep.

Karen worked with four Chairs during her tenure: Scott Wiens, Erna Ference, Jason Born, and currently David Hyink, along with many Directors and Producer Representatives. All speak very highly of Karen and marvel at the accomplishments she made through these years.





Scott speaks to his earliest recollection of working with Karen at the 2007 Chicken Farmers of Canada Annual Meeting in Kelowna.

“At this meeting, Karen and I first introduced the topic of Differential Growth to the rest of the Canadian Industry. Needless to say, it was not the last time Karen and I would work on that file together! For so many years and through so many meetings, Karen tirelessly led our Board and the country along the road of Differential Growth. She never wavered in the importance of the topic and yet always had the interest of the greater industry at heart. One of her skills that I witnessed on this file – and in the years since – was her ability to be inclusive in pursuing solutions always striving to understand the issues and concerns on behalf of all parties. I have come to appreciate that Karen always sought solutions that represented the values of all groups involved. Her perseverance and patience eventually realized a conclusion to the Differential Growth topic almost a full decade after we first introduced it!

Another highlight that has to be recognized is that during her time with the Alberta Chicken Producers, the province signed onto the National Animal Care Program. It was Karen's leadership and direction that not only saw this program's full implementation in our province before many others, but also facilitated the way into many discussions around the Program amendments that needed to be made as it grew into a robust part of our National Industry.

Very closely related to the Animal Care Program was also the continuous changes and application of the On Farm Food Safety Program in the province during her time. Given the nature of this program, there are many items that have required alterations, new methodologies of implementation, monitoring, recording and auditing; Karen led the office staff as well the Board and even producers through these changes. Her conflict resolution skills have been on full display for the greater industry to learn from and as a province, we have clearly benefitted from her ability to manage differing values and differing perspectives.

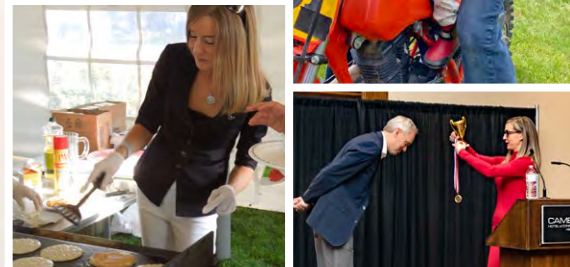
The notion of a standard pricing MOU with Processors was a venture that Alberta has led throughout the West, if not the country. Karen has been at the heart of that endeavor as well. This is another perfect example of her desire to see complex needs from multiple industry players met in a manner that complimented the industry as a whole while serving the individuals well.

Without doubt I am leaving other examples unnamed – things like fostering relationships with Government at municipal, provincial and federal levels, leading the industry through the economic climate of 2009, the multiple realities that Coronavirus brought to the industry and even more recently the challenges we have faced with Avian Influenza. In all of these situations, Karen has made the essence of her person a contribution to not only the Alberta chicken industry but also to the Canadian chicken industry. Leadership, patience, trust in people, belief in process and a deep desire to see good governance exemplified are all qualities that she is leaving with the industry.

Karen has successfully held the Alberta chicken industry to the mission it claims and into its stated vision. She has successfully prompted the industry to dream bigger than where it was when she entered it.

As a friend and as a colleague, Karen, many thanks to you for all you have done for the industry! I am certain that whatever your next pursuit in life, you will leave the same marks of character in that arena as you have blessed us with for so many years! ”

~ Scott Wiens







Erna recalls Karen was with Alberta Chicken Producers for the majority of years she spent on the ACP Board of Directors.

“It was a real pleasure to witness her growth as she developed strong professional working relationships with industry partners. Whether it was people in agriculture, politics, finance, or education Karen possessed the ability to communicate and connect with people that was personal yet professional; it is truly an endearing quality. As a lifelong learner Karen has sought out educational growth opportunities that would interest her and then she would successfully apply what she learned to situations around her and create opportunities for those connected to her world in the most unselfish and helpful ways; she genuinely wanted everyone to do and be their best. Obtaining her Certified Executive Coach Designation as well as her Institute of Corporate Director Certification enabled her to further these pursuits. Ethical, fair, principled, and thorough are characteristics I would use to describe Karen and these values are why she is so highly regarded and respected. I have no doubt what whatever direction Karen’s life and interests take her she will continue to influence and positively affect those in her life. Karen, your skills and expertise have contributed greatly to Alberta Chicken Producers and those connected to the organization. Thank you!”

~ Erna Ference

Jason reflects there were many strategic accomplishments over the 9 years that he worked with Karen as a Board Member and as Chair.

“From my perspective, the most significant accomplishment was a big picture one that really encompasses many of the other specific achievements over Karen’s tenure while I was on the ACP Board. Karen’s strategic focus and her leadership in the evolution of ACP’s strategic planning process resulted in the first class strategic plan it is today and brought ACP’s resources to bear on our priorities in a way that had never been done before and the results have been incredible. From operational targets like 100% utilization and 7 day mortality through to large priorities like strategic alignment with our Western board partners and measuring consumer behaviours, our strategic planning process and the plan that resulted from it helped focus our organization and industry on what mattered most. This combined with Karen’s dedication and skill in translating ACP’s strategic priorities into staff goals and priorities resulted in total strategic alignment within our ACP team so we were all rowing together in the same direction! Congratulations Karen, you accomplished so much at ACP during your tenure and I consider our years working together as Chair and Executive Director the most rewarding of my professional career! I wish you all the best as you now get to spend more time focusing on what matters most to you – your family!!”

~ Jason Born

In December 2019, Karen’s life changed when she and husband Dave adopted twin babies from birth, Alice and Darwin. To no surprise, her priorities shifted and the decision was made to leave Alberta Chicken Producers to focus on her young family.

Please join us as we extend our grateful thanks to Dave for sharing Karen with our chicken family for 13 years and a huge heartfelt thanks to Karen herself for her selfless dedicated service to our industry! Her immeasurable contributions to the chicken industry will always be held in high regard and we will immensely miss her leadership and her positive personality. With mixed emotion, we wish the Kirkwood family all the very best as you enjoy creating those precious family memories. Karen, the office doors are always open for a visit with your kiddos.



In closing, the staff and board have left their tribute to Karen in their own words:

“Karen is a highly competent leader who cares deeply for those around her, helping them become their best selves. Karen leaves the organization on a high note and it will be up to the rest of us to continue the culture of caring and success.”

“Karen has been the most thoughtful and supportive boss I have had the pleasure of working for, and I speak for many when I say she will be greatly missed! Karen, I wish you the best as you embark on this new exciting chapter in life!”

“Karen puts people, staff and the industry first, no matter what she has on her plate and I want to tell you how amazing you and your actions are because of it. You will be missed, but at the same time, I couldn't be happier for you and your family.”

“Karen is always an inspiration to all who work alongside her, making others around her better people and is continually lifting up her colleagues especially when she leaves small little notes of encouragement at different times when you least expect it. She carries herself with dignified grace and I will always look up to her.”

“Karen, it has been an absolute pleasure and privilege to work under your leadership. We will miss your positivity and the words of encouragement you bring to our team, always giving us the direction we need.”

“Karen will leave a lasting mark on this industry for her gracious and impeccable leadership. For her mentorship, support and encouragement in my role with Alberta Chicken Producers and in my life – I will be forever grateful.”

“Karen truly was a one-of-a-kind leader. Her enthusiasm, thoughtfulness and professionalism inspired those around her to rise to the occasion and strive to be the best version of themselves.”

“Karen, I have so much respect for you, for who you are as a person, and for all that you've accomplished; you've worked so hard and made many sacrifices resulting in the industry being in a better place now than when you came. You will be missed beyond measure!”

“I really started to appreciate Karen's professionalism when working closely together. Alberta Chicken Producers is lucky to have had Karen leading the organization with such dedication.”

“Karen's impeccable leadership has greatly impacted and improved the chicken industry not only in Alberta but across the country. She has expertly lead ACP with wisdom, humility, passion, authenticity and grace while establishing sincere and meaningful relationships with so many producers and stakeholders.”

“I've appreciated working with Karen for the past two years and wish her and family well; enjoy your time together as a family.”

“Karen, Thank you for your dedication and visionary leadership of ACP over the past 13 years! Your attention to detail and good will has positioned our organization for success now and into the future; but, it's your smile along with a welcoming hug and the high regard for all you do that will be missed and know I'm wishing you all the best this life has to offer – you deserve it!”

“It's been a pleasure working with you over the last year, my only wish is that I could have worked with you longer. Thanks for being an integral part of Alberta Chicken and the poultry industry – you will definitely be missed... All the best to you in the future!!”





# Financial Statements

Alberta Chicken Producers  
**Year Ended November 30, 2022**

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## INDEPENDENT AUDITOR'S REPORT

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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, 2022, 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, 2022, and the results of its operations and 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 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 these 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 related 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.

### *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.

(continues)



Independent Auditor's Report to the To the Members of Alberta Chicken Producers *(continued)*

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.



Edmonton, AB

February 1, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS

## Statement of Financial Position

As at November 30, 2022

	2022	2021
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 136,908	\$ 469,900
Accounts receivable	162,214	153,109
Prepaid expenses (Note 2)	124,903	147,443
Current portion of mortgage receivable (Note 3)	9,491	9,122
	<u>433,516</u>	<u>779,574</u>
<b>MORTGAGE RECEIVABLE (Note 3)</b>	<b>11,066</b>	<b>20,547</b>
<b>RESTRICTED CASH AND PORTFOLIO INVESTMENTS (Note 4)</b>	<b>2,000,000</b>	<b>2,000,000</b>
<b>PROPERTY AND EQUIPMENT (Note 5)</b>	<b>977,423</b>	<b>1,030,036</b>
	<u>\$ 3,422,005</u>	<u>\$ 3,830,157</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 301,505	\$ 247,798
<b>COMMITMENTS (Note 7)</b>		
<b>LIQUIDATED DAMAGES RESOLUTION (Note 8)</b>		
<b>NET ASSETS</b>		
Invested in property and equipment	977,423	1,030,036
Internally restricted reserve (Note 9)	2,000,000	2,000,000
Unrestricted	143,077	552,323
	<u>3,120,500</u>	<u>3,582,359</u>
	<u>\$ 3,422,005</u>	<u>\$ 3,830,157</u>
<b>ON BEHALF OF THE BOARD</b>		
_____ Director		
_____ Director		



## Statement of Operations

Year Ended November 30, 2022

	Budget (Unaudited) 2022	2022	2021
<b>REVENUE</b>			
Levies ( <i>Note 10</i> )	\$ 2,380,812	\$ 2,377,931	\$ 2,184,216
Refund of levies paid	-	(229,686)	-
Other production income	151,075	147,666	138,971
On-Farm Food Safety charges	92,000	71,551	81,635
Producer grower program	70,560	70,560	70,560
Investment	45,300	53,543	39,940
Monetary penalties	75,000	17,223	56,661
Rental	-	10,000	13,500
Administrative fees and other	12,400	9,898	11,339
	2,827,147	2,528,686	2,596,822
<b>EXPENSES</b>			
Salaries, contracts, benefits and fees ( <i>Note 12</i> )	1,100,596	1,097,980	1,040,476
Advertising, promotion and sponsorship	269,000	292,536	206,454
Diagnostic services	214,400	214,200	190,041
Producer grower program	204,500	204,480	205,080
Travel	188,900	175,857	83,231
Professional fees	265,000	160,044	244,001
Office, training and memberships	215,500	155,677	149,826
Research grant expenses	145,000	149,213	78,836
On-Farm Food Safety charges	104,500	88,367	95,580
Amortization of property and equipment	76,000	64,609	71,617
Taxes and fees	62,000	59,691	58,163
Telephone and utilities	25,000	30,888	30,387
Equipment rentals	32,500	30,421	29,079
Repairs and maintenance	18,000	16,062	24,573
Insurance	13,000	10,625	8,885
Interest and bank charges	6,400	8,914	10,447
	2,940,296	2,759,564	2,526,676
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS</b>	(113,149)	(230,878)	70,146
<b>OTHER INCOME (EXPENSES)</b>			
Project grant revenues	68,000	68,000	50,000
Increase (decrease) in fair value of portfolio investments	-	(5,376)	81,800
Loss on disposal of property and equipment	-	(10,776)	(4,226)
Project grant expenses	-	(80,000)	(60,000)
2022 HPAI Emergency Funding ( <i>Note 9</i> )	-	(202,829)	-
	68,000	(230,981)	67,574
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	\$ (45,149)	\$ (461,859)	\$ 137,720

## Statement of Changes in Net Assets

Year Ended November 30, 2022

	Invested in Property and Equipment	Internally Restricted Reserve (Note 10)	Unrestricted	2022	2021
<b>NET ASSETS -</b>					
<b>BEGINNING OF YEAR</b>	\$ 1,030,036	\$ 2,000,000	\$ 552,323	\$ <b>3,582,359</b>	\$ 3,444,639
Excess (deficiency) of revenue over expenses	(75,385)	(202,829)	(183,645)	<b>(461,859)</b>	137,720
Transfers	-	202,829	(202,829)	-	-
Purchase of property and equipment, net	22,772	-	(22,772)	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 977,423</b>	<b>\$ 2,000,000</b>	<b>\$ 143,077</b>	<b>\$ 3,120,500</b>	<b>\$ 3,582,359</b>



## Statement of Cash Flows

Year Ended November 30, 2022

	2022	2021
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$ (461,859)	\$ 137,720
Items not affecting cash:		
Amortization of property and equipment	64,609	71,617
Loss on disposal of property and equipment	10,776	4,226
Unrealized (increase) decrease in fair value of portfolio investments	5,376	(81,800)
	<u>(381,098)</u>	<u>131,763</u>
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	53,703	22,734
Prepaid expenses	22,540	(104,224)
Accounts receivable	(9,105)	25,398
	<u>67,138</u>	<u>(56,092)</u>
Cash flow from (used by) operating activities	<u>(313,960)</u>	<u>75,671</u>
<b>INVESTING ACTIVITIES</b>		
Proceeds from mortgage receivable	9,112	8,768
Transfer from restricted cash and portfolio investments, net	(5,372)	81,800
Purchase of property and equipment	(22,772)	(12,671)
Cash flow from (used by) investing activities	<u>(19,032)</u>	<u>77,897</u>
<b>INCREASE (DECREASE) IN CASH</b>	<b>(332,992)</b>	<b>153,568</b>
<b>CASH - BEGINNING OF YEAR</b>	<b>469,900</b>	<b>316,332</b>
<b>CASH - END OF YEAR</b>	<b>\$ 136,908</b>	<b>\$ 469,900</b>

## Notes to Financial Statements

Year Ended November 30, 2022

### 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.

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## Notes to Financial Statements

Year Ended November 30, 2022

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

#### Change in Significant Accounting Policies

##### **Financial Instruments - Related Party Transactions**

The Board applied the amendments to Financial Instruments, Section 3856, relating to the recognition of financial instruments originated or exchanged in a related party transaction effective January 1, 2021.

Under these new requirements, such a financial instrument is initially measured at cost, which is determined depending on whether the instrument has repayment terms.

Subsequent measurement depends on the initial method used and is usually at cost less any reduction for impairment.

The adoption of these new requirements had no impact on the Board's financial statements.

#### Financial Instruments

##### Initial Measurement

The Board initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Board is in the capacity of management, are initially measured at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If it does, the cost is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. Otherwise, the cost is determined using the consideration transferred or received by the company in the transaction.

##### Subsequent Measurement

The Board subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in earnings in the period incurred.

Financial assets measured at amortized cost using the straight-line method include cash

##### Transaction Costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in earnings in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in earnings over the life of the instrument using the straight-line method.

##### Impairment

For financial assets measured at cost or amortized cost, the Board determines whether there are indications of possible impairment. When there are, and the company determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in earnings. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may be no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in earnings.

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## Notes to Financial Statements

Year Ended November 30, 2022

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

#### 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. PREPAID EXPENSES

	2022	2021
Poultry service agreement contributions	\$ 93,198	\$ 97,410
Prepaid office renovations	16,000	-
Other	15,678	12,148
Insurance	27	10,022
Sponsorships	-	27,863
	<u>\$ 124,903</u>	<u>\$ 147,443</u>



## Notes to Financial Statements

Year Ended November 30, 2022

### 3. MORTGAGE RECEIVABLE

	2022	2021
4%, monthly repayments of \$845, including interest, due December 1, 2024, secured by an office condominium mortgage agreement	\$ 20,557	\$ 29,669
Amounts payable within one year	(9,491)	(9,122)
	<u>\$ 11,066</u>	<u>\$ 20,547</u>

Principal repayment terms are approximately:

2023	\$ 9,491
2024	9,874
2025	1,182
	<u>\$ 20,547</u>

### 4. RESTRICTED CASH AND PORTFOLIO INVESTMENTS

	2022	2021
Guaranteed investment certificates	\$ 1,224,352	\$ 1,298,704
Mutual funds	687,940	668,344
Cash	87,708	32,952
	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>

The guaranteed investment certificates earn interest at rates ranging from 1.31% to 4.60% and have maturity dates ranging from October 10, 2023 to September 16, 2027.

### 5. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Condominium units	\$ 1,768,921	\$ 854,452	\$ 914,469	\$ 962,599
Furniture and fixtures	406,931	379,715	27,216	29,300
Computer equipment	76,716	40,978	35,738	38,137
Computer software	106,918	106,918	-	-
	<u>\$ 2,359,486</u>	<u>\$ 1,382,063</u>	<u>\$ 977,423</u>	<u>\$ 1,030,036</u>

## Notes to Financial Statements

Year Ended November 30, 2022

### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
Trade	\$ 258,255	\$ 216,009
Vacation Accrued	26,977	12,163
Government remittances	12,073	19,626
Security deposit	4,200	-
	<u>\$ 301,505</u>	<u>\$ 247,798</u>

### 7. COMMITMENT

#### Grants to University of Alberta

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

#### 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.

### 8. LIQUIDATED DAMAGES RESOLUTION

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

As a member of CFC, pursuant to the Liquidated Damages Resolution, the Board is required to post security in the amount of \$165,068 (2021 - \$165,068) to secure the CFC's position should the marketing in Alberta exceed the allocation. At November 30, 2022, certain investments of the Board have been pledged as security.

### 9. 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.

The Board has applied the reserve fund to provide assistance to producers that has been impacted by the Highly Pathogenic Avian Influenza. During the year, \$202,829 was paid out to producers.

### 10. LEVIES

	2022	2021
Levies charged	\$ 3,388,245	\$ 3,194,835
CFC Portion	<u>(1,010,314)</u>	<u>(1,010,619)</u>
Net levies	<u>\$ 2,377,931</u>	<u>\$ 2,184,216</u>



## Notes to Financial Statements

Year Ended November 30, 2022

### 11. PENSION EXPENSE

Pension expense included in salaries, contracts, and benefits is \$46,283 (2021 - \$44,709).

### 12. SALARIES, CONTRACTS, BENEFITS AND FEES

	Salaries and Contract	Benefits	Fees	2022	2021
<b>Salaries, contracts and benefits</b>					
Office staff	\$ 769,958	\$ 140,843	\$ -	\$ 910,801	\$ 843,593
<b>Director fees</b>					
David Hyink	\$ -	\$ -	\$ 53,613	\$ 53,613	\$ 33,885
Rob Van Diemen	-	-	44,257	44,257	45,019
Dennis Steinwand	-	-	28,542	28,542	32,050
Wesley Nanninga	-	-	29,872	29,872	19,306
Jason Born	-	-	13,365	13,365	61,585
Bezovie Ross	-	-	17,530	17,530	-
Henk Schuur	-	-	-	-	5,038
	-	-	187,179	187,179	196,883
	\$ 769,958	\$ 140,843	\$ 187,179	\$ 1,097,980	\$ 1,040,476

### 13. BUDGET

The budget is unaudited and was approved by the Board on October 7, 2021.

### 14. 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, 2022.

#### 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.

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## Notes to Financial Statements

Year Ended November 30, 2022

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### 14. FINANCIAL INSTRUMENTS (*continued*)

#### 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.

### 15. COMPARATIVE FIGURES

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



## Notes









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