

Annual Report

2023



57th Annual Report



Fiscal Year
December 1, 2022 – November 30, 2023

Table of Contents

Board & Staff	2
Board Structure	3
Chair & Executive Director Report.....	4
Strategic Plan, Vision & Mission	7
Activities & Achievements	9
Professional Development	10
Governance Committee	11
Production Committee	12
Supply Chain Committee.....	13
Flock Health and Management Committee	15
Research Committee	17
Emergency Management & Avian Influenza	18
Public Relations.....	20
Corporate Social Responsibility	26
Government Relations.....	28
Poultry Diagnostics.....	30
Chicken Farmers of Canada.....	31
Producer Representatives.....	35
Industry Advisory Committee.....	35
Market Reports.....	36
Tribute	41
Financial Statements	42

Our People

Board



David Hyink
Chair



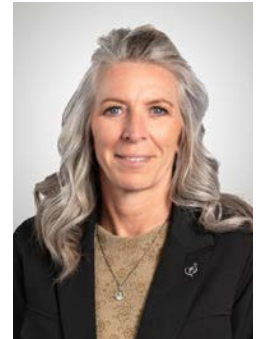
Rob van Diemen
Vice-Chair



Wes Nanninga
Director



Ross Bezovie
Director



Tara deVries
Director

Staff



(Back, L-R): **Geoff Brown**, Executive Director; **Ashley Ward**, Producer Programs Coordinator; **Laurie Power**, Producer Services Coordinator; **Robert Renema**, Producer Programs & Research Manager; **Karen Miller**, Business & Market Analyst
(Front, L-R): **Maria Leslie**, Manager of Public Affairs & Strategic Partnerships; **Sheila Rai**, Administration & Producer Services Coordinator; **Wendy Telcs**, Bookkeeper; **Vera Ward**, Office Manager & Executive Assistant

Board Structure

Director Terms of Office

David Hyink, *Chair*

Completes his second 3-year term in 2026

Rob van Diemen, *Vice Chair*

Completes his second 3-year term in 2024

Wes Nanninga, *Director*

Completes his first 3-year term in 2024

Ross Bezovie, *Director*

Completes his first 3-year term in 2025

Tara deVries, *Director*

Completes her first 3-year term in 2026

ACP Committees

Director & Producer Representative Leads

Finance

Wes Nanninga, *Chair*

Tara deVries

Flock Health & Management

Tara deVries, *Chair*

Wes Nanninga

Hinke Therrien

Governance Committee

Rob van Diemen, *Chair*

David Hyink

Production

Ross Bezovie, *Chair*

Rob van Diemen

Erwin Claassen

Research

Tara deVries, *Chair*

Wes Nanninga

Anke Wierenga

Supply Chain

Rob van Diemen, *Chair*

Ross Bezovie

Arjan Spelt

Catching Manual Working Group

Wes Nanninga, *Chair*

David Hyink

Roles & Responsibilities

Media Spokespersons

David Hyink

Geoff Brown

Rob van Diemen

Tara deVries

Public Relations

David Hyink

Geoff Brown

Chicken Farmers of Canada (CFC)

Rob van Diemen, *Director*

Ross Bezovie, *Alternate*

Canadian Broiler Council (CBC)

Rob van Diemen

External Committees

Agri-Environmental Partnership of Alberta

David Hyink, *Poultry Industry Representative*

AgSafe Alberta

Dan Entz, *Poultry Industry Representative*

Intensive Livestock Working Group (ILWG)

David Hyink

Policy Advisory Group

Rob van Diemen

David Hyink

Poultry Diagnostics

Geoff Brown

RDAR Advisory Committee

Rob Renema

RDAR Class A Members Meeting

Tara deVries

Western Meetings

David Hyink

Rob van Diemen

Ross Bezovie

Geoff Brown

Chair & Executive Director Report

2023 has been a year of new beginnings. We welcomed a new Executive Director and a new board member to the organization at the end of February. Although we saw an emergence of Highly Pathogenic Avian Influenza (HPAI) again this fall, it appears the industry is starting to move into recovery mode after some very turbulent years. We started the year with the signing of a new Live Price Memorandum of Understanding (MOU), which was the culmination of a lot of good work between our directors, staff and processors. We've had meetings with a new Agriculture Minister, and also welcomed some new producer representatives in various regions across the province.

The continued presence of HPAI tops the list of challenges for Alberta chicken producers. While we did enjoy a quiet spring with no reported cases of HPAI in Canada, inevitably the virus did return infecting a total of ten commercial poultry farms and nine small flocks in Alberta, with infections spanning early September to the beginning of December. A total of 233,000 broilers were affected by these infections but fortunately, there was minimal impact on Alberta hatching egg flocks in 2023. Import hatching egg supply appears to have improved significantly, and we are hopeful that supplies are adequate to stop-gap any hatching egg shortages that may occur with domestic production.

At this time last year, we were optimistic for a successful outcome with regard to our AgriRecovery submission to the Government of Alberta in covering organizational losses that occurred as a result of the enactment of our Emergency Reserve Fund. Though it was close, an AgriRecovery request was not triggered in 2023, resulting in a loss of approximately \$227,000 for the Alberta Chicken Producers (ACP). It is important to note that even if our request had been successful, it would have only been one-time funding. Going forward, producers are encouraged to continue to access programs like AgriStability for ongoing business risk management. ACP continues to investigate new ways of managing the risk of HPAI, and will be presenting our findings on implementing a reciprocal insurance program for our producers early in 2024.

Although it was disappointing to see the return of HPAI in the fall, it is clear that the sector has gained experience and proficiency in dealing with an outbreak. The Alberta Poultry Industry Emergency Management Team (APIEMT) refined its organizational structure in the spring of 2023 and continued to facilitate coordination of the four poultry boards in supporting Alberta poultry producers. The APIEMT was also successful in obtaining \$140,000 in Canadian Agricultural Partnership (CAP) funding to purchase equipment for emergency depopulation and surge capacity, which is now housed in strategic locations around the province.



David Hyink
Chair

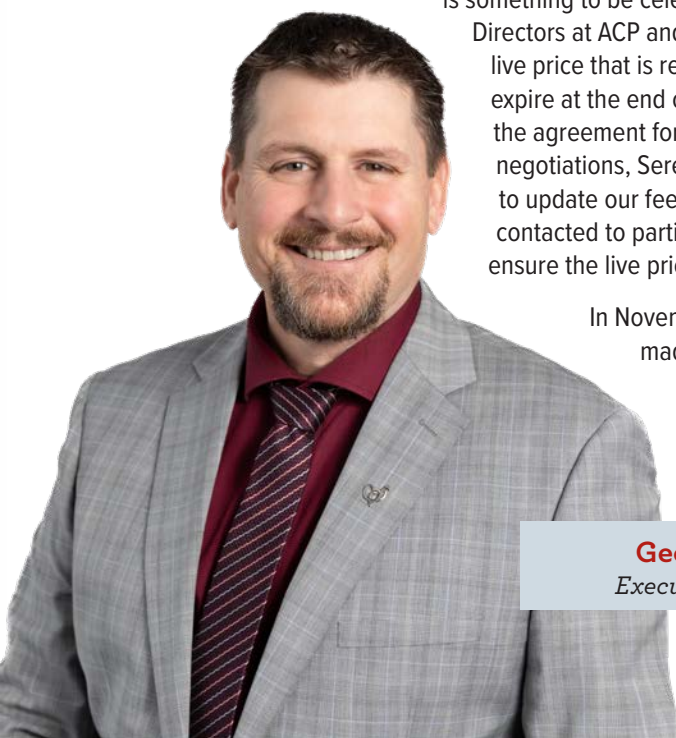


Poor chick supply, because of Alberta breeder flocks lost to HPAI, as well as a very tight supply of import hatching eggs, significantly limited our ability to meet provincial and national allocations of chicken production in 2023. As a province, Alberta has been under-produced in our last 11 consecutive growing periods, which translates to over 13 million kilograms of chicken that could have been produced in that time. Despite this underproduction, there was still an estimated 2.19% growth in Alberta's 2023 chicken production year over year. Although this market growth isn't as high as anticipated, it maintains a positive trend line and we are hopeful that we will continue to see market growth increase once chick supply improves to normal levels.

To support this growth, it is critical that we continue to see an increase in production capacity, both through increased barn space and new producers entering the industry. We are happy to report that in 2023 we saw 15 new barns constructed in Alberta, with 12 of these new barns representing new capacity for broiler production. Over the last five years, despite inflationary pressures and disease outbreak, Alberta has seen an average of seven new producers a year join the broiler sector, indicating we still have a healthy flow of people aspiring to be Alberta chicken producers.

In February of 2023, we were pleased to announce the signing of a new Live Price MOU with Alberta processors, the first long-term pricing agreement in Alberta for many years. This agreement is something to be celebrated, as it is the culmination of great work from both our Directors at ACP and our Processors in allowing us to set a predictable and stable live price that is reflective of producer's costs. The current agreement is set to expire at the end of A-188 (May 5, 2024), and we are hopeful that a renewal of the agreement for the upcoming year can be achieved. In preparation for these negotiations, Serecon will once again be reaching out to producers to collect data to update our feed conversion rate. We would encourage all producers who are contacted to participate in this survey. By providing your flock results, we can ensure the live price agreement is reflective of producers' costs.

In November of 2022, the Western Provincial Chicken Marketing Boards made the decision to transfer the payment for catching costs to processors, effective A-194 (February 9, 2025). A letter was sent on behalf of the four Western Boards to Western Processors in November of 2022 to inform them of the change, providing



Geoff Brown
Executive Director

27 months' notice to implement. The Western Boards believe that implementation of the transfer will create consistency amongst all provinces within the Canadian industry with regard to payment terms for catching, will increase the transparency between provincial live price variances, and will align the payment for catching with those that manage the catching component. ACP will commit to working with Alberta processors to assist with the logistics of this change and maintain and enforce the standard of our Humane Catching & Transportation Standards Manual, developed with our value-chain partners. ACP encourages processors and producers to continue to work together, follow the guidelines in the catching manual, communicate, and provide notice of any changes regarding the catching process.

Every second year, ACP engages the services of Intensions Consulting to perform a consumer study to provide us with data on key demographics, consumption and latest trends. The results of this year's Consumer Study were presented at our Strategic Planning session in October 2023, where value-chain partners (AHEP & Alberta Processors/Hatcheries) were in attendance to provide valuable perspective. While there were no substantive changes to this year's Strategic Plan, our strategic priorities were reaffirmed as ***championing a strong, effective, unified value chain, responding to a dynamic environment, and building public trust and sentiment***. The results of this year's consumer study will be presented to producers at the 2024 Annual General Meeting.

On the operational side of things, ACP was happy to welcome new bookkeeper, Wendy Telcs to the team. Wendy comes to us with a wealth of experience in agriculture and non-profit organizations, and was instrumental in keeping our finances on track this year. She has led initiatives to update our accounting system to an online platform and provided a high level of expertise in preparation of this year's financial audit. ACP staff continue to function at a very high level and the support they provided Executive Director Geoff Brown was greatly appreciated as he transitioned into his new role with the organization. We have a highly specialized team at ACP and we would like to express our appreciation for their dedication and expertise in moving the sector forward.

As an industry, we have seen a lot of challenges in the last three years, but our sector has remained resilient through the headwinds and responded in tremendous fashion. New beginnings provide opportunity for a fresh perspective and new solutions, and it feels like we are poised to move into the next few years with confidence, knowing how well we have responded to the challenges we faced. The base of this strength is with our relationships. Strong relationships with our directors, staff, producers, value chain partners and key stakeholders. Thank you for your continued dedication and commitment. It is an exciting time to be part of the Alberta chicken industry and we wish you all a happy and prosperous 2024. ■



Strategic Plan

Alberta Chicken Producers' 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 included:

- **Insights from our Consumer Study conducted this past summer by Intensions Consulting**
- **Impacts of external challenges, including avian influenza, and**
- **CFC's Strategic Plan**

Much of our time with our value-chain partners was focused on identifying the '*big opportunities*' for the chicken sector in the next five to ten years. All sector partners agreed that the ultimate opportunity was to become the number one consumed and trusted protein in Alberta. A focus on increasing farmer sentiment and improved perceptions around chicken production were seen as ways to appeal to a rapidly increasing population of Albertans. Another theme emerged around embracing new technologies and expanding the types of chicken products available to fully supply Alberta consumers with locally produced chicken.

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 2024 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 and sentiment**

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.

Standards of Leadership

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

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

ACP Vision

The vision articulates the desired future state.

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

ACP Mission

Our distinctive identity and core purpose.

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

Key drivers for focused action.

1. Championing a strong, effective, unified value chain
2. Responding to a Dynamic Environment
3. Building Public Trust and Sentiment

Goals

Long-term areas of focus.

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

Key Success Factors

Key Success Factors (KSFs) are traits that, when properly maintained or managed, significantly impact the organization's ability to achieve its vision.

- Collaboration
- Strategic Focus
- Continuous Improvement
- Organizational Effectiveness
- Adaptability

Key Performance Indicators

Key Performance Indicators (KPIs) are measures used to gauge performance.

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

Activities & Achievements

2023 Board Meetings

The following is a snapshot of meetings held throughout 2023:

- 14 Board meetings
- 6 Allocation-related meetings via ZOOM video conference
- 7 meetings with our industry partners to discuss live price and other topics of mutual interest

In March, the Board held its annual Orientation Session at the Board office for newly elected and current Directors. The Orientation provides Directors with an in-depth explanation of the Alberta Chicken Producers (ACP) Board fiduciary responsibilities, governing policies, practices and culture, as well as office protocols. This session serves as a refresher for current Directors and provides a lay of the land for newly elected Directors.

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

Producer & Industry Meetings

- ACP's 2023 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; no hybrid option was offered.
- 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 (AHEP) Board throughout the year to discuss the impact of Avian Influenza on chick supply and quality.
- The ACP and AHEP Boards continue to meet to discuss common issues and to continue building strong working relationships. The Value Chain Issues Mapping continues to be a matter of mutual importance impacting the Alberta Value Chain.
- The Board held its annual Strategic Planning Retreat in October 2023 with Processors and representatives from the AHEP Board.
- The Western Boards' meetings, meetings with Processors, and Provincial Board Managers meetings continue to add value to all participants in making positive strides in the industry.
- ACP participated in the following Annual General Meetings: Chicken Farmers of Canada (CFC), Chicken Farmers of Ontario, BC Chicken Marketing Board,



Manitoba Chicken Producers, Chicken Producers of Quebec (EVQ)

- ACP's CFC Director and Alternate attended the annual CFC Summer Meeting in Montreal, QC in August.

Professional Development & Continuous Learning:

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

The following Virtual Webinars, Courses, or Workshops were attended in 2023

- Mental Health: Building Resiliency Together
- Bridging the Gap: Introduction to Knowledge Mobilization
- Adobe Max
- What you Can and Can't Ask in an Interview
- Managing a Hybrid & Remote Workforce
- CFC's OFFSP/Animal Care Program Delivery Agent Certification Training
- SAI Global Internal Auditing: Lead Auditor Course ISO:19011
- Poultry Pro Certification Course (PIC via University of Guelph)
- Water-wash or Barn Cleaning with Disinfectants: Broiler Performance and Gut Health (PIP)
- Calcium Digestibility in Poultry Feed Ingredients: Required Digestible Calcium for Broilers (PIP)
- Broiler School: Advancing Broiler Performance – 4 Part Webinar Series (Canadian Poultry)
- Animal Depopulation Resiliency Check In Tools Webinar (Dr. Elizabeth Strand, University of Tennessee)
- Using Gene Expression to Understand Problems and Solutions of Poultry Production
- Bridging the Gap: Introduction to Knowledge Mobilization
- Water-wash or barn cleaning with disinfectant: Which is better for broiler performance and gut health?
- Calcium Digestibility in Poultry Feed Ingredients: Required Digestible Calcium for Broilers
- Artificial Intelligence and the Big Three

- Vaccination as a tool in the battle against Necrotic Enteritis
- Channel Shifting in Canada
- Connecting Canadian Population Trends to Purchasing Behaviour
- State of the Canadian Consumer
- Meat Industry Outlook
- Strategies for Managing Difficult Conversations
- Impact of Consumer Perceptions and Behaviours on the Meat Case
- Evolving Consumer Preferences in Protein
- Trends to Watch out for in Protein
- Four Canadian Consumer Trends and Their Impact on Business
- Futureproofing Canada's Food System
- 2024 Food Trend Report / Food and Drink Trends
- Foodservice Facts 2023: Rebalancing the Growth
- 2023 Restaurant Market Update
- Top Trends in Fresh: The Mindsets Driving Today's Shoppers
- Behind the Data: The Grocery Landscape in Canada
- Global Economic Outlook
- 99th Annual Agricultural Outlook Forum

Conferences

- Western Poultry Conference
- Poultry Service Industry Workshop
- Social Media Marketing World Conference
- RDAR Research Showcase
- Enlighten, Engage, Energize – RDAR Round-Up 2023
- Poultry Service Industry Workshop
- Spark 4.0 Collaborate – Incubate – Ignite
- CFC OFFSP / Animal Care Auditor Annual Training Meeting
- Global Protein Summit

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

Governance Committee

Respectfully Submitted,
Rob van Diemen, *Committee Chair*

The 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 Governance Committee's initiatives in 2023 included:

- Review and update of ACP's Executive Director Succession Plan;
- Leading ACP's Orientation Session for new Directors following the 2023 Annual General Meeting;
- Integrating Producer Representatives into ACP's Committees;
- Updating the ACP Committee Terms of Reference Document;
- Assessing options for ongoing Board development; and
- Holding a Board governance workshop in November

The committee also reviews and monitors Board meeting evaluations, leads the Board through ongoing leadership and team development activities, encourages Directors to pursue professional development activities, and continuously supports the Board in developing current and future leaders for the industry. I would like to thank committee members David Hyink and Geoff Brown for their valued contributions to our committee's activities over this past year. ■



Production Committee

Respectfully Submitted,
Ross Bezovie, *Committee Chair*

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

The primary areas of focus for the committee in 2023 were Alberta’s production performance, the New Market Development Policy, 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. As was the case in 2022, the biggest barrier to achieving 100% utilization was a chick shortage due to avian influenza.

Strategies for reducing New Market Development during times of domestic underproduction were discussed by the

committee. As a result of the discussion, the Production Committee suggested amendments to the Market Development Policy to account for times of domestic chick shortage. Other areas of discussion included the overall impact of carrying forward underproduction to subsequent growing periods on achieving 100% quota utilization during times of chick shortage.

Another responsibility of the Production Committee is reviewing our Direct Marketing Lease Program applications prior to being presented to the Board for approval. In 2023, six applications were reviewed by the committee, and all were approved by the Board. A total of 225,400 direct marketing lease kilograms out of the available pool of 300,000 kilograms will be leased to six producers for the 2024 calendar year. For comparison, 279,000 direct marketing lease kilograms were leased to seven producers in 2023. We had one new applicant approved this year along with five previously approved applicants that 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, Erwin Claassen, 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,
Rob van Diemen, 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 Strategy

Chicken Farmers of Canada's (CFC) Responsible Antimicrobial Use (AMU) Strategy was launched in 2012 as part of a global initiative to meet consumer expectations of reduced antibiotic use, while still protecting the health and welfare of birds and preserving effective treatment options. As a result of this initiative, antibiotic use in broiler production is in decline in Canada. Category I and II antimicrobials with importance for human health are no longer used for treatment or prevention of disease without veterinary prescription, and strategies to reduce remaining antibiotic use are being implemented.

CFC's Responsible AMU Strategy is not only having an effect on antibiotic use, but there is also evidence of reduction in antimicrobial resistance in targeted bacteria. The Canadian Integrated Program for Antimicrobial Resistance Surveillance (CIPARS) has indicated the elimination of preventative use resulting from the chicken sector's AMU strategy is a major contributing factor.

Figure 1 (right) demonstrates that *E. Coli* antimicrobial resistance trends have decreased 16% from 2016 to 2020. Most of this change happened following changes in veterinary oversight and CFC's elimination of the preventative use of Category II antimicrobials.

Figure 2 demonstrates the impact of CFC's policy of eliminating preventative use of Category I antimicrobials at the end of 2014. Since 2015, Ceftiofur use has been eliminated resulting in a reduction in *Salmonella*

resistance to this class of drugs in bacteria from retail and human isolates.

Action 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 being used that demonstrate the broiler sector is taking a responsible, pragmatic approach to antimicrobial use reduction. Approaches like these will result in meaningful reductions in antibiotic use in broiler chickens.

Update to the Humane Catching & Transportation Standards Manual

In September, 2022, changes to Alberta's Humane Catching & Transportation Standards manual went into effect outlining producer responsibilities for providing catchers access to hand-washing and toilet facilities at the farm, along with processes for addressing damage to facilities or other issues. The updates were developed in consultation

FIGURE 1: Antimicrobial use and antimicrobial resistance from chicken farms, 2016-2019

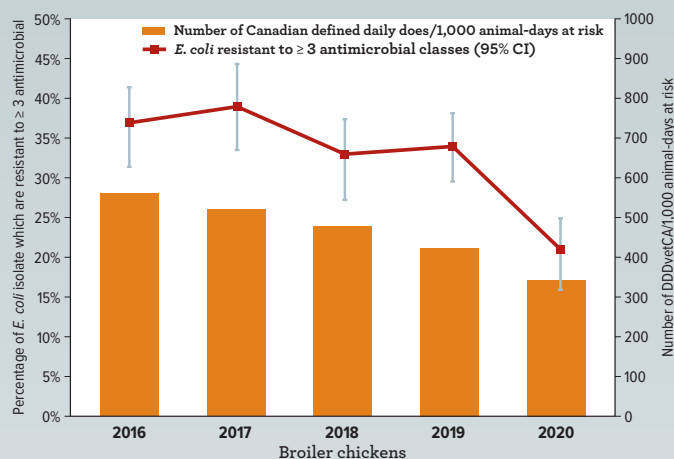
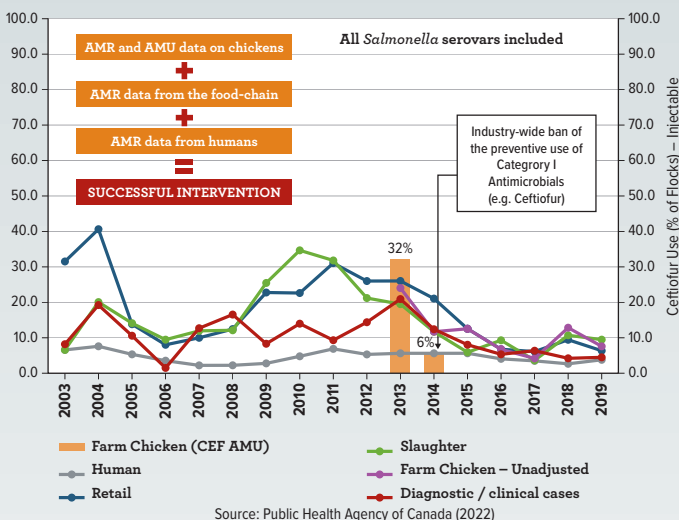


FIGURE 2: Temporal variation in frequency of ceftriaxone resistance (%) among all salmonella serovars and ceftiofur use (% of flocks) by host species (chicken and human) and cipars surveillance component, 2003-2019



Source: Public Health Agency of Canada (2022)

with the Catching Working Group, which has representation from processors, catching companies and producers. In order to ensure implementation of these changes, catchers were asked to note anomalies to the requirements in the catching load-out reports.

Assistance was available for farms seeking to make improvements to their facility, with many taking finding solutions such as providing temporary wash stations to making small renovations to meet requirements. Farms that renovated to provide a sink and toilet have been able to successfully include project expenses in their Poultry and Egg Farm Improvement Program (PEFIP) claims. As a result, the industry made significant progress in providing access to hand-washing and/or toilet facilities.

Progress to date was reviewed in the October 2023 Catching Working Group meeting with producers being updated in the fall regional meetings. The ACP office has requested a list of the few remaining farms yet to make improvements for follow-up so the initiative can be successfully completed. Future requested changes to the catching manual included making basic catching equipment washing options available to limit the potential risk of spread of diseases (such as Avian Influenza) to improve biosecurity with equipment moved from farm to farm.

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

The Supply Chain Committee is responsible for maintaining the Broiler Chick Quality manual as well as 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 reliable tools we have for identifying emerging production and quality issues with regard to monitoring impact of changes in the broiler industry. The committee has been monitoring 7-day

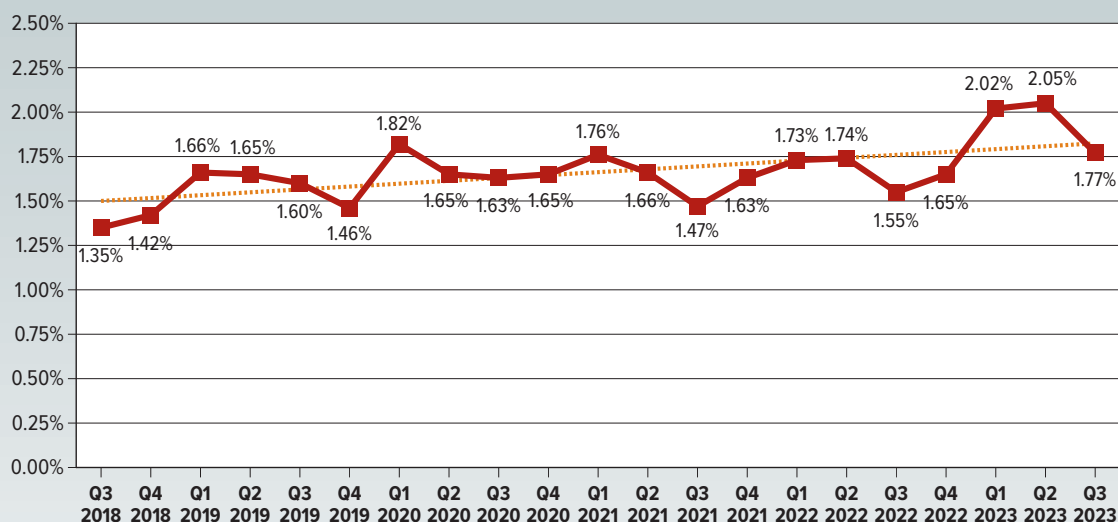
mortality since concerns were raised in late 2014, when 7-day mortality was 2.35%. Through careful monitoring of this metric, 7-day mortality was reduced to 1.46% by the end of 2018. New rules on veterinary oversight for use of medications went into effect at this time, along with CFC banning the use of Category II antimicrobials for disease prevention. Following these changes to reduce dependence on targeted antimicrobials, 7-day mortality averaged 1.65% between 2019 and 2022.

Challenges with egg and chick supply caused by Avian Influenza in 2022 affected 7-day mortality in 2023, when the average value spiked to 1.95%. In the first half of 2023, mortality exceeded 2% for the first time in over eight years. Both producers and processors noted increased variability in results, linking some of their ongoing challenges with a reduced ability to ensure a consistent hatching egg supply. With chick supply improving in the fall, average 7-day mortality dropped to 1.77%. While Avian Influenza also affected a number of hatching egg farms in Western Canada this fall, the impact does not appear as great as it was last year, and producers are hopeful the downward trend in 7-day mortality will continue.

The committee extends a big thank you to producers for your continued and timely reporting of 7-day mortality to your processor/hatchery. A complete data set is integral to measuring our progress. We are thankful to our processors, who have been able to report quarterly values representing the vast majority of their farms to ensure an accurate read on current trends.

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 Ross Bezovie, Arjan Spelt, Ed Fetting, Kerry Towle, Jorge Gallegos, Shannon Buskas / Frank Maenhout, Nancy Fischer, Dr. Tom Inglis, Dr. Darko Mitevski, Rob Renema and Geoff Brown. ■

7-Day Mortality Trend



Flock Health and Management

Respectfully submitted,
Tara deVries, *Committee Chair*

In 2023, the Flock Health and Management Committee was asked to provide feedback on proposed updates to the On-Farm Food Safety Program (OFFSP) related to in-barn hatching, and provide input into plans for developing emergency mass bird disposal plans for individual broiler farms. Additionally, the committee continued monitoring progress on the Chicken Farmers of Canada (CFC) antimicrobial use (AMU) surveys.

Food Safety and Animal Care Program Updates

Updated Canadian hatchery regulations have made it possible for in-barn hatching to occur without the farm needing to have a hatchery license. In-barn hatching is the practice of taking 18-day incubated eggs and transferring them directly to the broiler barn for the portion of incubation that would normally take place in a hatcher machine. When done correctly, there is potential for positive effects on flock health and uniformity; however, it creates more work at the broiler farm and may not be suitable for some hatcheries, farms, or farm management styles.

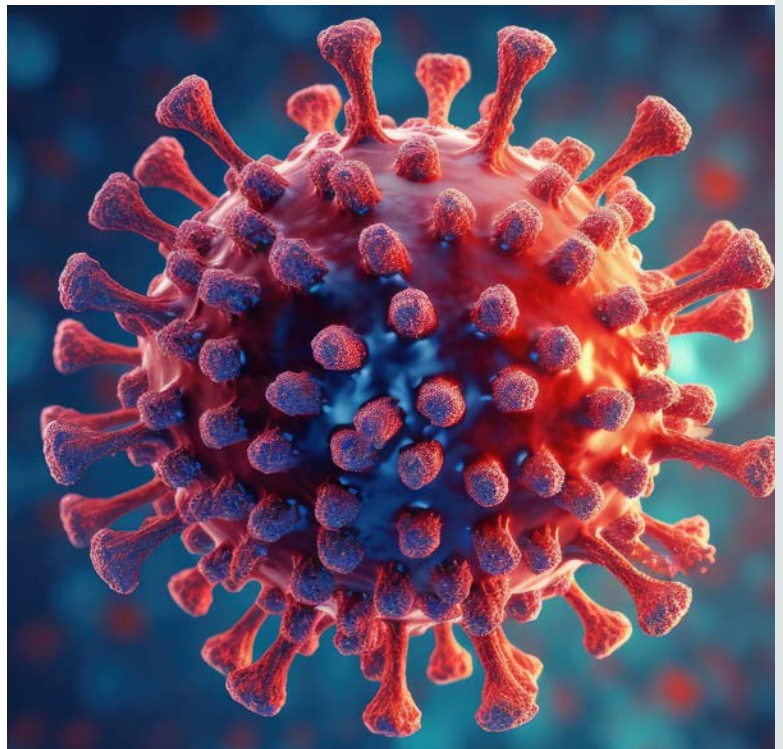
CFC initiated an update to the OFFSP program that specifically addressed in-barn hatching. The scope of the project was limited to changes that would need to be made to the OFFSP and Animal Care programs and audit. With the process of in-barn hatching being new to most provinces, many questions were raised about technicalities of the process, how it would fit into exiting hatchery processes and pay structures, and who would be responsible if things did not go according to plan. The Flock Health and Management Committee sought out perspectives of hatcheries, processors, and producers familiar with the process to develop feedback on the proposed addendum to the OFFSP manual, with a second review occurring in early 2024. While the proposed addendum will address how the on-farm portion of in-barn hatching will fit into our OFFSP program and how it will be audited, it will not address the logistic issues that hatcheries, processors, and producers would need to resolve in any province implementing the practice.

Since 2020, both COVID-19 and Avian Influenza affected ACP's ability to go on-farm, or to access bird areas when we can be on-farm. In 2023, ACP was able to complete all farm audits with only minor changes to the timing or scope for some farms due to local risks. Moving forward, program auditors will need to continue to fully access farms as part of the Animal Care Program review. ACP has been developing procedures for managing audits in times of human or animal disease outbreaks that will ensure the ongoing integrity of the audit process.

The OFFSP / Animal Care program auditors were trained on implementation of the electronic version our program audits. Refinements to the audit stalled the roll-out of the electronic platform, but we expect implementation of this technology early in 2024. ACP is in the midst of training new auditors to join the team as our existing auditors make plans to phase out of audits. New auditors are being trained directly on the use of the electronic auditing platform.

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

2023 was the tenth year ACP's audit team performed the AMU survey with producers during on-farm audits. The AMU survey allows CFC to identify shifts in product choice and overall volume use, and indicates preparedness of the poultry industry to reduce or eliminate use of specific antimicrobials. The AMU survey has been updated for 2024 to include more comprehensive coverage of products provided in the water.



The most recent results indicated Alberta and Saskatchewan broiler farms had the lowest antibiotic use in Canada. A number of Alberta farms and feed mills had begun to implement strategies to minimize or eliminate antibiotic use in the finisher period. This approach fits well with CFC's updated responsible antibiotic use strategy and demonstrates that implementing strategies for reduced dependence on antimicrobials can be achieved. We look forward to seeing the industry impact as CFC's responsible use strategy is more fully implemented. ACP is thankful to farmers for their on-going involvement in the AMU surveys.

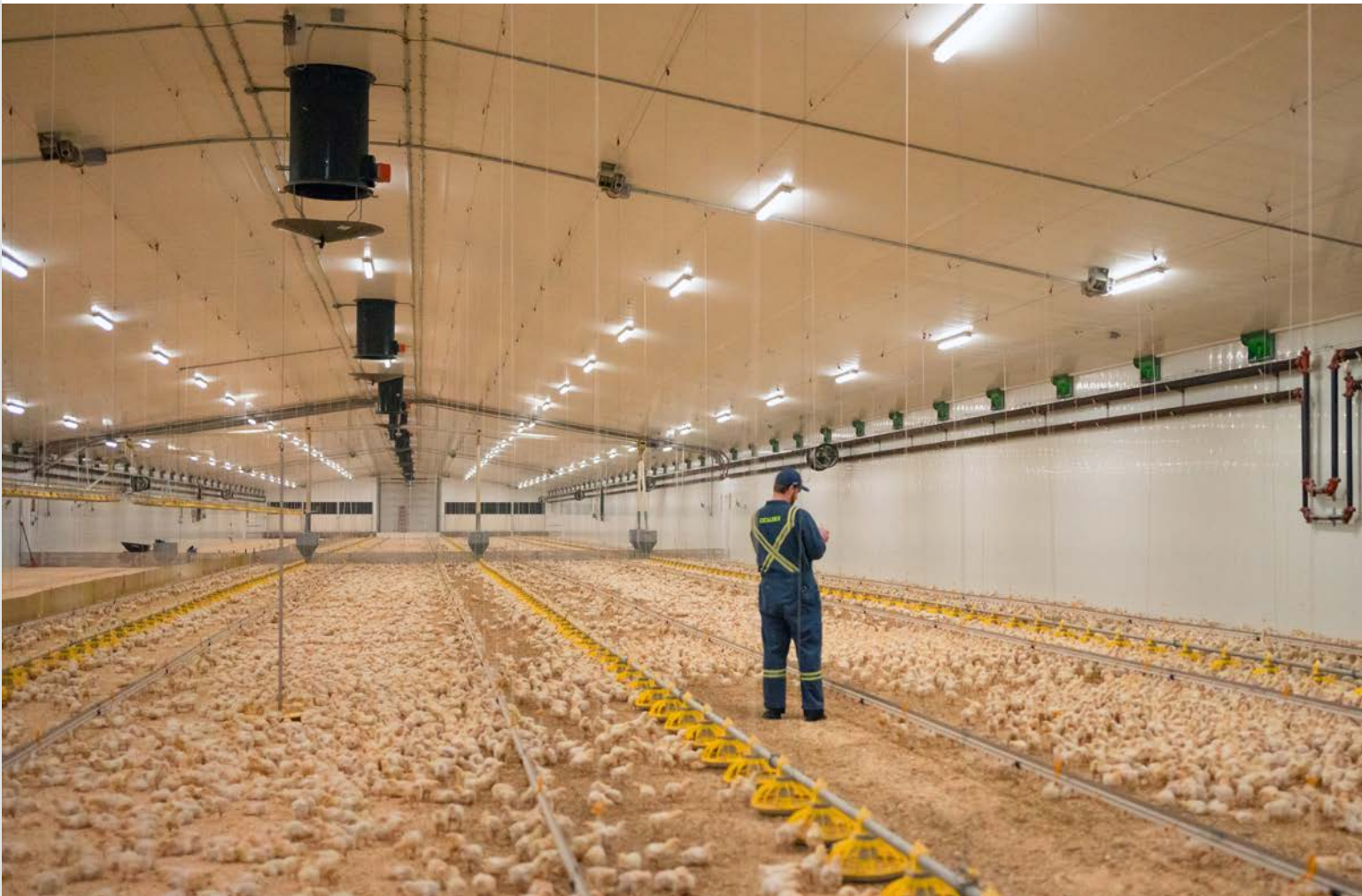
Mass Disposal Protocol Development

The sudden appearance of Highly Pathogenic Avian Influenza (HPAI) in Alberta in 2022 demonstrated the need for better information resources for carrying out large-scale poultry mortality disposal. In 2023, ACP along with the other provincial poultry boards launched an initiative to create mass-disposal plans for each of our farms. The process was reviewed by ACP's Flock Health and Management Committee and was rolled out to broiler farmers in the fall. The advantages of reducing time

between having a suspect case of HPAI and approval of a disposal plan resulted in excellent uptake by producers. The ACP office is maintaining producer plans and, for farms where burial or surface composting is possible, ACP is coordinating with Alberta's Chief Provincial Veterinarian Office for additional review. ACP will seek out ways to refine and add value to the planning process as this initiative continues in 2024.

The Flock Health and Management Committee provides input into educational opportunities for producers and helps direct what can be done provincially; or alternatively, what can be done nationally through CFC. The Alberta Broiler Chick Quality Manual, the Basic-Better-Best biosecurity best management guide, the Western Poultry Conference, and producer workshops are actions ACP has taken provincially to address chick quality, flock health, and performance.

ACP extends a thank you to committee members Wes Nanninga, Hinke Therrien, 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,
Tara deVries, *Committee Chair*

Leveraging ACP's Contributions to the Poultry Innovation Partnership

Alberta Chicken Producers (ACP) 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 poultry boards came together to ensure support for local poultry research. The structure was reorganized in 2020 to become the Poultry Innovation Partnership (PIP). Industry cash and in-kind contributions can now more actively be leveraged into research grant applications and ACP's priorities of leveraging extension and education opportunities are being maximized. As a major funding partner, ACP contributes a cash contribution each year and provides direction to the organization through participation on the PIP board and on various committees.

In 2022, PIP released their new Research & Extension Strategy document for 2023-2028. This vision for the future provides a clearer and more detailed statement of PIP's planned activities. Following extensive industry consultation, the following five key program themes were identified:

- Productivity and Business Risk Management
- Environmental Sustainability
- Animal Health and Welfare (One Health)
- Poultry and Egg Quality / Value Added
- Food Safety

With this clear direction established, PIP is now working to secure the future of researcher positions and facilities. The University of Alberta has come through a period of budgetary challenges and significant administrative reorganization, and is now looking to the future. PIP has been working to with new administrators to advocate on the impact, and importance of PIP to the University. PIP will be developing a new funding agreement in 2024, so ensuring the continuity of poultry research infrastructure will be critical to a successful future.

Research and Development

A key role ACP plays in its support of poultry research is the facilitation of new projects and in supporting development of new collaborations. For example, this year ACP brought together water researchers and connected them with farms and processing plants to provide context for our industry challenges and research opportunities. ACP encourages researchers to reach out to the ACP office early in the development of their project applications to help ensure maximum industry impact. ACP also provides poultry industry expertise for projects that would benefit from a stronger tie to poultry production. These strategies and in-kind contributions increase ACP's ability to leverage research dollars for the benefit of the poultry sector.

In 2023, ACP provided \$110,000 in funding commitments across five research projects:

- ***A multicomponent plant-derived vaccine for poultry salmonellosis*** (J. Alcantara, University of Calgary).
- ***Exploring potential of Western Canadian faba beans as a feedstuff for broiler chickens and laying hens*** (D. Korver, University of Alberta).
- ***Use of oral probiotics to enhance immune response against infectious bronchitis in broiler chickens*** (F. Careem, University of Calgary).
- ***Bioactive glucosamine-derived caramels to increase bone and gut health in broiler chickens*** (D. Korver, University of Alberta).
- ***Environmental monitoring of Highly Pathogenic Avian Influenza (HPAI) virus in Alberta with a focus on transmission to commercial poultry operations.*** (F. Careem, University of Calgary).

Review of projects for 2024 are underway and we look forward to facilitating funding of research relevant to Alberta broiler producers.

In closing, we 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, we extend our appreciation for the contributions Wes Nanninga, Anke Wierenga, Darko Mitevski, Valerie Carney, Jeff Notenbomer, Jorge Gallegos and Bill Cassaday have made this year through their time and participation on this committee. We thank Dervan Bryan and David Hyink for their time on the committee, and are happy to welcome Airell Deslaurier to our committee beginning in 2024. 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,

Robert Renema, *Producer Programs & Research Manager*
and **Geoff Brown**, *Executive Director*

The 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 was created by the four provincial poultry Boards, Alberta Chicken Producers (ACP), Alberta Turkey Producers (ATP), Alberta Hatching Egg Producers (AHEP), and Egg Farmers of Alberta (EFA). The APIEMT also engages other supply chain players including egg graders, processors, hatcheries, veterinarians and the feed industry.

The APIEMT has planned, prepared, and has conducted mock exercises simulating a scalable emergency (an emergency that rapidly grows and affects multiple commodities), with the intent that members will be more prepared to assist those impacted and communicate effectively with other industry stakeholders during a real-life scenario.

The APIEMT mobilized when H5N1, a highly pathogenic form of Avian Influenza, was found in eastern Canada in December 2021, and subsequently moved from the wild-bird winter grounds in the southern USA towards Alberta in the spring of 2022. By the end of 2023, Alberta was ending its fourth wave of the disease, with outbreaks appearing in conjunction with spring and fall wild bird migrations.

The APIEMT has continued to refine procedures and update internal structure to better meet the needs of farmers in a poultry disease emergency. In 2023, responsibilities of the Planning and the Operations teams merged into one unit to streamline duties based on lessons learned in 2022. A Producer Liaison team was formed to create a direct point of communication between the APIEMT and affected farms. This role provides a consistent point of contact, information and support

through key steps of the recovery process, and ensures program requirements are being applied consistently across farms.

Since Avian Influenza is a federally reported disease under the Health of Animals Act, all activities are led by CFIA policies and protocols. The APIEMT serves as a conduit between the CFIA and industry to support affected producers throughout the response and recovery.

Avian Influenza in Alberta

In the spring of 2022, eight Alberta broiler farms were depopulated due to Avian Influenza, with a total 560,000 broilers affected. In the fall of 2022, five broiler flocks were depopulated due to proximity to infected turkey flocks on the same premises, representing an additional 56,000 broilers.

While there were no commercial premises affected in the spring of 2023, a total of 19 cases of Avian Influenza occurred in the fall, with eight of those cases on commercial farms. While four of these farms had broiler flocks depopulated, only one broiler flock broke with the disease as the initial point of infection. A total of 233,000 broilers were depopulated due to Avian Influenza in 2023.

Processors and farms collaborated to find space to grow birds not able to be placed, allowing Alberta to produce as much of the provincial allocation as possible. Several recently-retired broiler barns were re-certified to allow for production of flocks that could not be placed on farms recovering from Avian Influenza.

A virus will tend to change and adapt over time, and this Avian Influenza virus appears to be following that pattern. On some farms, mortality was less extreme than was observed in 2022, making Avian Influenza more difficult to differentiate from background diseases that were also contributing to elevated mortality. The CFIA continues to look into the epidemiology of the 2023 cases and are investigating whether Alberta had several unique disease variants appearing on farms, or if other factors were impacting the virulence of the disease in 2023. The total compensation to date for Canadian poultry farmers for birds ordered destroyed by the CFIA is 183.2 million since the outbreak began in early 2022.

Preparing for the Future of Avian Influenza in Alberta

Canada has strong biosecurity programs and smaller-scale farms with few regions of highly-concentrated production. The geographic spread of Alberta poultry farms helps limit farm-to-farm spread. However, the numerous spot

infections observed in Alberta with no clear link to route of entry demonstrate that even the most biosecure farms are at risk of disease. To limit the impact of Avian Influenza on poultry production, ACP supported the following initiatives in 2023:

■ ***Avian Influenza Research.***

Many new research projects have been initiated to explore how this disease is getting into farms and for ways to modify farms to improve biosecurity or reduce viral survival.

■ ***Emergency Surge Capacity Equipment.***

The Alberta poultry industry received a \$140,000 Canadian Agricultural Partnership (CAP) grant to expand capacity to support the CFIA in depopulation. Equipment purchased using grant funding consists of three sets of gas manifolds and equipment to support depopulation at small to medium sized farms. A rental program administered by the APIEMT is being established for farms needing the equipment for non-emergency use.

■ ***Farm-specific Mass Disposal Plans.***

Individual plans for where to locate sites for surface composting, shallow burial, or deep burial are being developed in collaboration with farmers and with the Alberta poultry boards. This accelerates the disposal process, reduces restrictions on neighbouring farms,

allowing farms to return to production as soon as possible.

■ ***Updated CFIA Procedures:***

Updates to CFIA procedures reduced disruption to farms in the infected zone, streamlined movement permits, and simplified flock health monitoring procedures for farms in primary control zones. Affected producers can apply for a Distinct Unit Classification to divide the farm when more than one type of poultry is on site, provided a strict list of separation criteria has been in effect, potentially saving healthy flocks from destruction.

■ ***Avian Influenza Vaccination Programs:***

Numerous Avian Influenza vaccines are in development and International health and trade bodies are evaluating how they might be implemented. There is much work to be done and even if vaccination is approved in Canada in the future, broilers are not likely to be vaccinated given logistics with current products and techniques.

Unfortunately, elevated disease risk due to Avian Influenza has become the new norm but by working together, the industry has gained experience and expertise in managing through the Avian Influenza disease crisis. Sincere thanks go to each of our partners for their role in supporting Alberta Chicken Producers during this time. ■



Public Relations



Respectfully submitted,

Maria Leslie, *Manager of Public Affairs and Strategic Partnerships*

Strategy:

How do we choose what to participate in?

Each year, we build our strategy based on the key findings 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 2023 consumer study findings included many positives regarding how our brand and messaging have been effective in resonating with our target audiences.

Consumer Study Key Findings:

In 2023, our study found that a majority of Alberta residents recalled seeing an ACP marketing campaign. Marketing recall was highest among those aged 16-29 (78%), dieters (67%), and visible minorities (66%). Furthermore, 51% of Alberta residents now say they are aware of the ACP brand – an 11% increase compared to 2021.

Using regression modelling, we found that ACP marketing recall was associated with a **37% increase in chicken spend**, and ACP-RBCF brand awareness was associated with an 18% increase in chicken spend.

In 2023, chicken product attitudes have remained stable, with the majority of Alberta residents continuing to have positive chicken sentiment and holding positive chicken attitudes. Chicken farmer attitudes have declined slightly compared to 2021, but the majority of Alberta residents continue to have positive farmer sentiment, while positive farmer attitudes remain stable.

Based on this research, **Young Adults (Gen Z 16-29)** will continue to be the primary demographic we target. Our secondary target audiences will be **Millennials (30–44)** and **Visible Minorities/New Albertans**.

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 2024, we will continue to work strategically to incorporate messaging that relates to these attitudes and utilize values-based messaging that resonates with our target audiences.

ACP will be conducting further consumer research in 2025 to continue to effectively inform our marketing efforts.



2023 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 2023, 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
- Alberta Blogger and Influencer, Linda Hoang
- Alberta Motor Association (AMA) for the Backyard BBQ
- Food Banks Alberta
- Getjoyfull – Registered Dietitian, Emily Mardell
- Former Edmonton Oiler, Jason Strudwick
- Edmonton Oilers Entertainment Foundation/Edmonton Oil Kings
- NAIT Culinary Team
- Stollery Children's Hospital and Stollery Women's Network



Alberta Chicken Featured at Edmonton Oil Kings Game

On Sunday, February 26, 2022, as part of the Alberta Chicken Producers' and Edmonton Oilers Entertainment Group, pilot 1-year partnership, chicken was featured at a home game.

Fans enjoyed chicken trivia that highlighted ACP's key messages, participated in the chicken dance and were sent home with a squishy chicken and spice package.

The game provided a great opportunity for brand exposure to a key target demographic – young families.

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.



2023 Events

2023 was our busiest year of events yet!

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
- Kathryn Aggie Days
- Stollery Teddy Bear Fun Fest
- Christmas in November
- Terroir Symposium



EVENT HIGHLIGHTS:

2023 Stollery Teddy Bear Fun Fest

On May 13, 2023 our farmers supported the Stollery Children's Hospital Foundation at the Teddy Bear Fun Fest.

Overall the event raised more than \$170,000 (gross revenue) in support of the Stollery Children's Hospital!

Throughout the morning our farmers chatted chicken with Stollery families as they prepped for the run/walk. Following the run, our farmers with the support of our friends Lilydale and Explore Edmonton donated and served a nutritious chicken lunch! A HUGE thank-you to our volunteers!

More about the Stollery: www.stollerykids.com/who-we-are/



2023 TEDDY BEAR FUN FEST

**\$170,000
RAISED**

**Over 330
ACTIVE FUNDRAISERS**

**995 people
registered for the event
(both in-person and at-home!)**

**Over 1,000 people
in attendance at Rundle Park**



(L-R) Jessilyn, Dennis, Kristen, Sharlene, Hinke, Jacob and David



Thank you to the Therrien family for participating in a cheque presentation to the Stollery Children's Hospital Foundation, on behalf of Alberta Chicken Producers.

Calgary Stampede

This year just over 1.3 million people from near and far took in the Stampede. This important event allows us the opportunity to directly connect farmers to consumers. Our consumer research identifies this as a variable that can impact the likelihood of a consumer purchasing chicken. As well, it has shown to increase positive sentiment towards chicken farmers. We had several volunteers cover multiple shifts due to a lack of sign-ups. In 2024, we hope to have some new faces join our volunteer crew.

Thank you to our volunteers!

- Erna, Reg and Byron Ference
- Luuk VanAken and family
- Kevin, Nick and Sam Morgan
- Jacob and Janny Middelkamp
- Jeff, Grejanka, Hayden, Riley and Carter Kamlah
- Mark Oostebrug and Rachel Voth
- Nieske and Henk Schuur
- Andre, Hannah, Aiden, Emma and Addie Poulin
- Brian and Roseline Wassink
- Gary Hofer, Martin Mandel, Joe Hofer and Peter Kleinsasser
- George, Jeremy, Adam, Jason and Grace Hofer
- Brianna Wollman



NEW in 2023: Calgary Stampede Theatre Kitchen

On July 11 and 12, 2023 ACP partnered with Peter Zukiwski of Pitt Country BBQ to host chicken cooking demonstrations and offer samples. The event drew a packed house, with many eager to sample the dishes. Throughout Peter's presentation he shared ACP's key messages regarding family farms, buying Albertan/Canadian and the great care that farmers take to raise a healthy product. Once Peter completed his presentation he took time to answer the audiences many grilling questions.



Terroir Symposium 2023

What is the Terroir Symposium?

Terroir is a conference that is hosted annually in Calgary and is attended by individuals from across the food and restaurant industry. Throughout the event we were able to engage with students, chefs, restaurant owners and restaurant industry service providers. Chefs and restaurant owners have the ear of consumers through menu choices, branding and messaging. They can play a key role in either improving or tarnishing consumer trust of agriculture. This event allows us a platform for those with boots on the ground to share their stories firsthand.

During the event, farmer Hinke Therrien represented ACP on a panel with Guillaume Lhermie, University of Calgary and Paul Rogalski, Chef/Owner of Rouge Restaurant. As well, both Hinke and George Hofer, participated in a fireside chat sharing stories from their farms.

On Saturday, Chef Erika Araujo prepared delicious dishes featuring Alberta Chicken for our booth guests to enjoy. Participants were encouraged to stop in for a snack and enjoy a cup of coffee in our "coffee with a farmer booth".





FCC Outstanding in the Field Ag Education Event

On October 25, 2023 Alberta Chicken Producers participated in the annual agriculture education event, Outstanding in the Field in Brooks, Alberta. This year approximately 400 students took in the event, touring from station to station, and learning about how farmers grow and raise crops/livestock in Alberta.



Christmas in November 2023: A Culinary Celebration with ACP and Emily Richards

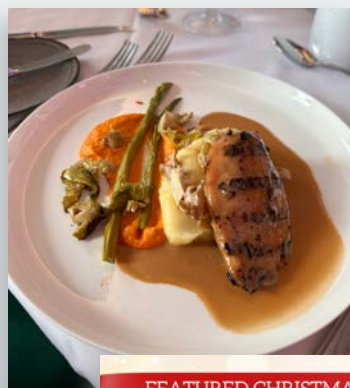
As the festive season approached, Alberta Chicken Producers (ACP) embraced the spirit of Christmas by collaborating with the esteemed Canadian chef, author, and home economist, Emily Richards. The partnership unfolded at the annual Christmas in November event, a culinary celebration hosted in Jasper, Alberta.

Throughout the festivities, Emily hosted engaging cooking demonstrations, treating attendees to delectable samples and, of course, showcasing a mouthwatering chicken dish that highlighted the versatility and flavour of Alberta Chicken.

A heartfelt thank-you goes to Sofina, a valued partner that played a pivotal role in making this collaboration possible. Sofina not only supported ACP in bringing this culinary experience to life but also generously supplied the chicken that was served throughout the event.

Beyond the culinary delights, Christmas in November 2023 became a platform for ACP to engage with the community and share the story of Alberta's thriving chicken industry. The success of this collaboration underscores the importance of fostering partnerships within the culinary world, connecting producers with renowned chefs to showcase the versatility and quality of Alberta Chicken.

Recipe link: chicken.ab.ca/eggplant-chicken-roll-ups/



**FEATURED CHRISTMAS IN NOVEMBER RECIPE:
ROASTED EGGPLANT ALBERTA
CHICKEN ROLL UPS**

click
here!
for recipe!



Emily Richards
one of Canada's most celebrated
chefs, home economists and authors

Alberta Chicken Producers





Alberta Chicken Farm: Raising food for our family, friends and neighbours.



ABChickenProducers
526 subscribers

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3



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out the
video,
scan
this code

Alberta Chicken Featured on CTV Fields to Forks

Throughout September/October ACP promoted a new commercial produced by Maria Leslie, in partnership with CTV Fields to Forks, featuring ACP Director, Tara deVries.

Checkout the commercial here:

www.youtube.com/watch?v=pp4cBQMLtzo



Meet Your Farmers

Ference Family Spotlights in New 'Day in the Life' Film by Chicken Farmers of Canada

Watch film here:

www.chickenfarmers.ca/farmers/erna-ference-and-byron-ference/



To check
out the
video,
scan
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Chicken Farmers of Canada @TheInsideCoop · May 14, 2023

Meet Erna and her son Byron Ference! Their farms are situated in the beautiful rolling hills just outside of Black Diamond Alberta. Learn about the Day In the Life of a Canadian chicken farmer! #IHeartChickenFarmers @Alberta_Chicken



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Corporate Social Responsibility

The Public Relations and Corporate Social Responsibility strategies of Alberta Chicken Producers are closely intertwined rather than mutually exclusive. When exploring new opportunities to engage with our target audiences, we assess how the activation or partnership aligns with both strategies. Often, we can create a mutually beneficial scenario, allowing us to connect with our target audience while also making a meaningful impact in the community.

Alberta Chicken Producers Celebrate Fourth 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**

In early January 2024, Alberta Chicken Producers will host a volunteer donation day with farmers and present Food Banks Alberta with a donation. This financial contribution builds on Alberta Chicken Producers' donations, which began in 2020. As of January 22, 2024, the total funds donated to assist Alberta families in need amount to \$120,000.

This initiative is part of Alberta Chicken Producers' 'Good Neighbours Program.' For full details, please visit: www.chicken.ab.ca/good-neighbours/



Community Unites: ‘Face-Off Against Hunger’ Surpasses Expectations, Donates Over 9,000 lbs

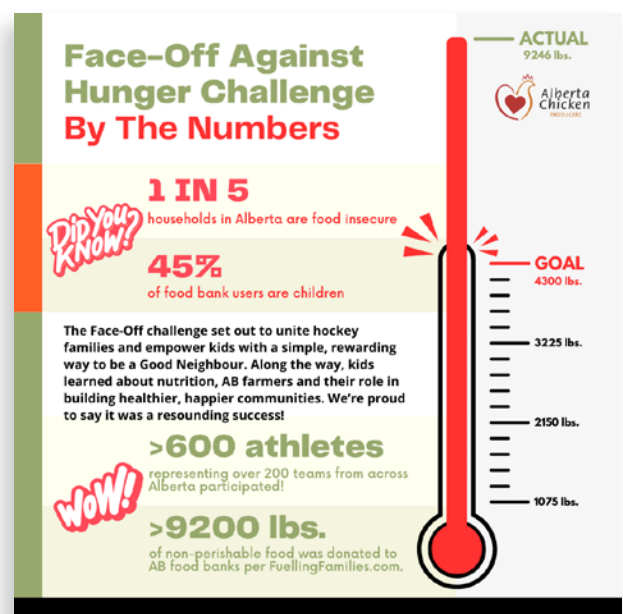
Alberta Chicken Farmers Score Big in Face-Off Against Hunger Partnership

In a partnership highlighting shared values centred around community, family, and health, Alberta chicken farmers joined forces with former Edmonton Oiler, Jason Strudwick, and Registered Dietitian, Emily Mardell. This unique partnership not only elevated the game for young athletes but also left a lasting impact on community health and well-being.

“Face-Off Against Hunger” Food Drive Unites the Community:

The partnership didn't stop at health and well-being; it extended to a passionate commitment to community service. Through the “Face-Off Against Hunger” food drive, hockey camp participants and minor hockey teams across the Edmonton area were invited to contribute to their local food bank. The added incentive of winning a team practice experience with Jason Strudwick fuelled an enthusiastic response from players and families alike.

The hockey community rallied together to support the cause, and the results exceeded expectations. With an initial campaign goal of 4,600 lbs, the “Face-Off Against Hunger” food drive saw an overwhelming response, amassing over 9,000 lbs of donated food. This impressive feat speaks volumes about the generosity and compassion within the Edmonton hockey community.



November 23, 2023 marked the culmination of this extraordinary journey as we hosted a practice for the winning “Face-Off Against Hunger” team – SEERA Stealth in Edmonton.

As we reflect on this campaign of collaboration, community engagement, and healthy living, it’s clear that the synergy between Alberta chicken farmers, the Strudwick team, our partner Dietitian, Emily Mardell, and hockey families has created a winning recipe for success. ■



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



Government Relations

This year's Government Relations activities included the following:

Alberta Chamber of Commerce Political Action Day Event and MLA Dinner

On March 28, 2023, Alberta Chicken Producers' Executive Director, Geoff Brown, Director, Tara deVries and Manager of Public Affairs and Strategic Partnerships, Maria Leslie participated in the annual event. The occasion offered an opportunity to engage with elected officials and raise awareness about our sector."



Premier Danielle Smith provided an update on the UCP plans leading into the 2023 election. Following her speech, she opened the floor to questions from the audience.



Alberta Chicken Producers' Executive Director, Geoff Brown; Minister of Agriculture and Irrigation, Nate Horner; and ACP Director, Tara deVries

CFC Spring Advocacy Day

On May 9, 2023 in Ottawa, Alberta representatives Rob van Diemen, Tara deVries, Maria Leslie and Kerry Towle met with five Alberta Members of Parliament and two Senators. Key topics included discussion on Bill C-282, Bill C-293, Bill C-234, Bill S-241 and the Ukraine Goods Remission Order.



(L-R): MP Damien Kurek; ACP Director, Tara deVries; ACP Manager of Public Affairs and Strategic Partnerships, Maria Leslie, and ACP Vice Chair, Rob van Diemen



(L-R): CFC Executive Director, Michael Laliberté; CFC Chair, Tim Klompaker; MP John Barlow; ACP Vice Chair, Rob van Diemen; ACP Manager of Public Affairs and Strategic Partnerships, Maria Leslie



(L-R): Sofina VP of Industry & Government Relations, Kerry Towle; Senator, Scott Tannas; ACP Director, Tara deVries; ACP Vice Chair, Rob van Diemen

Provincial Agriculture Roundtable Meeting

On July 17, 2023, Alberta Chicken Producers had the opportunity to present to the newly elected Government of Alberta Agriculture and Irrigation Minister, the Hon. RJ Sigurdson. ACP Chair, David Hyink, and Executive Director, Geoff Brown, represented Alberta Chicken Producers at the meeting. The roundtable event featured several other Alberta commodities and provided an opportunity for everyone to inform the Minister of issues and key messages in preparation for the Annual Federal-Provincial-Territorial Ministers and Deputy Ministers meeting in Fredericton, New Brunswick, from July 19 to 21, 2023.



Meeting with the Minister of Agriculture and Irrigation, the Honourable RJ Sigurdson

On August 23, 2023, ACP representatives, including Chair David Hyink, Director Rob van Diemen, Executive Director Geoff Brown, and Manager of Public Affairs and Strategic Partnerships Maria Leslie, had the opportunity to meet with the Minister and staff to discuss important challenges, including avian influenza and the carbon tax. ■



(L-R): ACP Chair, David Hyink; Minister of Agriculture and Irrigation, RJ Sigurdson; ACP Director, Rob van Diemen; ACP Executive Director, Geoff Brown; and ACP Manager of Public Affairs and Strategic Partnerships, Maria Leslie

ASK YOUR MP TO SUPPORT FARMERS AND VOTE IN FAVOUR OF BILL C-234

Bill C-234 will extend the exemption from carbon pricing for on-farm use of propane and natural gas. It will provide much needed relief, leaving more money in the pockets of farmers to re-invest in their operations.

Support Canada's farmers. Scan this QR code and fill out a short form to send a letter to your MP urging them to vote in favour of Bill C-234.

Learn more at agcarbonalliance.ca/bill-c-234/



ACA Agriculture Carbon Alliance



(L-R): MP Martin Shields; ACP Director, Tara deVries; Sofina VP of Industry & Government Relations, Kerry Towle; ACP Manager of Public Affairs and Strategic Partnerships, Maria Leslie; ACP Vice Chair, Rob van Diemen



(L-R): ACP Vice Chair, Rob van Diemen; Senator, Paula Simons; ACP Director, Tara deVries; ACP Manager of Public Affairs and Strategic Partnerships, Maria Leslie

Poultry Diagnostics

Respectfully submitted,
Geoff Brown, *Executive Director*

In 2021, the four poultry Boards established a partnership with the University of Calgary, Faculty of Veterinary Medicine (UCVM) to create a long-term strategy and business plan for poultry diagnostic services. The UCVM's Diagnostic Services Unit (DSU) opened poultry services on April 1, 2021 with a three-year agreement in place with the Alberta poultry industry to deliver diagnostic services to our sector.

Since opening, the DSU has made great strides with increasing diagnostic capacity. The Bacteriology lab, which opened on November 1, 2021 is processing an increased number of submissions each year, and has significantly improved turn-around times of testing. New this year was the opening of the DSU's Serology lab which opened on October 16, 2023, allowing for detection of Avian Encephalomyelitis (AE), Infectious Bursal Disease (IBD), Infectious Bronchitis Virus (IBV), Newcastle Disease Virus

(NDV) and Avian Reovirus (REO). Further expansion plans include the launch of a Molecular Diagnostic lab, planned for completion in December of 2024, thanks to a one-time capital investment by the Government of Alberta of \$1.2 million as well as \$0.5 million in Canadian Agricultural Partnership (CAP) funding for lab equipment purchase.

The poultry agreement with the UCVM introduces many veterinary students to the sector through the inclusion of poultry in fourth-year rotations and pathology rounds, in hopes of recruiting new poultry veterinarians. The agreement also funds the establishment of a poultry-specific faculty member (Dr. Ashish Gupta DVM, PhD, Postdoc, DACVP poultry pathologist) as well as a bacteriology technician (Karan Gadani, BSc Microbiology) and a serology technician (Dr. Manga Devi Nookala, DVM, MSc – Veterinary Microbiology).

The current agreement with the UCVM for the DSU is set to expire at the end of March 2024, and the Alberta Poultry Boards have indicated support for a four-year renewal of the agreement beginning in April 2024.

The four poultry Boards extend their sincere thanks and appreciation to Dr. Jennifer Davies and her team at the DSU for their continued efforts to expand the services and diagnostic infrastructure at UCVM. We would also thank the Government of Alberta for their support of increased diagnostic capacity in the province, which will serve to benefit all poultry and livestock producers well into the future. ■



Chicken Farmers of Canada

Respectfully submitted,
Rob van Diemen, CFC Director

Production & Allocation

In 2023, CFC set seven allocations for periods A-182 to A-188, deciding to set each allocation at in-person meetings.

Initially planning to revert to a policy of setting two allocations simultaneously, the unpredictability around imports from Chile and Ukraine led the board to postpone this shift. Reassessments occurred in May and August, with a final decision to return to the policy made in October for periods A-187 and A-188.

The allocation for period A-182 (April 9 – June 3, 2023), established in January, was a modest 0.5% over base due to uncertainties around imports, inflationary pressures, and softer economic conditions. Despite this, it marked a significant production increase from the previous year's underproduction.

A more aggressive approach was taken for period A-183 (June 4 – July 29, 2023), set at 4% over base, reflecting a good performance in the food service sector, strong TRQ utilization, population growth, and clearer expectations regarding imports from Chile.

The allocation for A-184 (July 30 – September 23, 2023), was set at 3% above base, driven by favorable market conditions, higher than normal TRQ utilization, and above-average population increases.

Period A-185 (September 24 – November 18, 2023) continued with positive market sentiments, resulting in an allocation set at 3.5% above base.

The next three periods saw more conservative allocations due to weaker market conditions. A-186 (November 19, 2023 – January 13, 2024) was set at 2% above base. A few weeks later, a request for reconsideration and a reduction of the A-186 allocation was made but did not receive enough support.

The base allocations, along with a medium-term growth target of 2.5%, were decided for periods A-187 to A-192 in September. Allocations for A-187 (January 14 – March 9,

2024) and A-188 (March 10 – May 4, 2024) were set in October at 1.5% and 0.5% above base, respectively, reflecting lower wholesale prices and stronger-than-expected imports from Chile. Record-high frozen inventories resulted in conservative allocations for the first four months of 2024.

Market conditions were generally healthy in 2023, with strong TRQ imports, good wholesale prices, and a robust performance in the food service sector. However, the industry faced challenges, including underproduction in the early part of the year due to tight hatching egg and chick supplies. Concerted sector efforts improved Canadian hatching egg and chick supplies, leading to overproduction in later periods.

The temporary suspension of the quota utilization component in the allocation formula, initiated in A-176, continued throughout 2023, resuming once a new data set of six audit periods is available. All provinces in Atlantic Canada except for Prince Edward Island received kilograms under the Atlantic Canada Safeguard Agreement, and the recovery of kilograms under the A-163 and A-164 regional allocations recovery framework continued in five of the seven periods.

Specialty production policy

Following a provincial request and a review by the Allocation Policies and Procedures Committee, the board decided to add ISA Brown female birds from 19 to 21 weeks of age to the list of eligible classes of specialty chicken under CFC's Specialty Production Policy. The maximum weight for short and long cycle Taiwanese class specialty chickens was also increased from 2.36 kg live to 2.4 kg live and from 2.02 kg live to 2.6 kg live, respectively.

Market information Working Group (MIWG)

The working group met five times and issued the same number of reports in 2023. Following a review by the Allocation Policies and Procedures Committee, the board decided to make some minor changes to the terms of reference of the working group.

International Trade

2023 served as a preparation phase for the 13th ministerial conference (MC13) in February 2024. After the 2022 conference, members were asked to address food security, along with standard topics of agriculture negotiations: domestic support, market access, and export competition.

Domestic support proposals lacked necessary support for an MC13 agreement but set the stage for ongoing discussions. The market access proposal was not responded to due to its late introduction, with sanitary and phytosanitary issues often impeding inter-country agricultural trade.

Concerns arose regarding food security and disciplines related to public stockholding, particularly for India. Members recognized their significance but pursued different paths in addressing them. Some supported liberalized trade for enhanced food security, while others supported nurturing domestic capacity.

Throughout the year, Chicken Farmers of Canada, in collaboration with the SM5, monitored WTO activities diligently. CFC staff made two visits to Geneva, meeting with Canadian ambassador to the WTO Nadia Theodore, Chair of WTO agriculture negotiations Ambassador Acarsoy, and, agriculture attachés from many countries. The subsequent presence at the WTO public Forum in September provided an opportunity to identify key trade issues.

On the bilateral and regional trade front, March saw the United Kingdom (UK) joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). Anticipated ratification in 2025 will open the door for UK's chicken product export to Canada under the CPTPP tariff rate quota (TRQ). Concurrently, Canada engaged in ongoing negotiations with the UK, Indonesia, India, and ASEAN nations, closely monitored by Chicken Farmers of Canada.

In international collaboration, CFC's commitment extended beyond the work done with the SM5 to the World Farmers Organisation (WFO) and the International Poultry Council (IPC). Active participation in their annual conference and representation on their trade committee accentuated CFC's dedication. During the WFO's June 2023 General Assembly, efforts to modify references to the importance of domestic production systems in their trade policy were stopped, thanks to the successful advocacy of CFC representatives alongside the Canadian delegation.

Levy Increase

On December 6, 2023, the CFC Board of Directors approved a levy rate increase from 0.59 to 0.61 cents per kilogram live weight, effective May 5, 2024 (period A-189), a \$0.02 per 100 kilograms increase. The decision considered a 2018 resolution for a \$0.02 yearly increase, delayed by two years due to pandemic-related cost reductions. Postponing the increase any longer would necessitate a larger increase. The decision aligns with the 2023–2025 strategic plan and 2024 priorities, aiming for short and long-term funding of branding, promotional, and research programs.

Animal Care program and the NFACC Code of practice

The *Raised by a Canadian Farmer Animal Care Program* has ensured the highest standards of animal care on CFC's 2,800+ chicken farms since 2009. Despite the continued avian influenza challenges, audits continued, maintaining 100% certification on farms.

In 2023, CFC and the other poultry groups requested an update to the Poultry Code in NFACC's funding application for their upcoming phase, participating actively in NFACC's Code Development Committee. CFC is advocating for government recognition of animal care programs, collaborating with NFACC, Animal Health Canada, and other stakeholders.

Food Safety

The *Raised by a Canadian Farmer On-Farm Food Safety Program* (OFFSP) is a cornerstone of the brand, ensuring food safety and mandate biosecurity at every production stage. Despite avian influenza challenges, OFFSP audits and oversight persisted in 2023, maintaining recognition by federal, provincial, and territorial governments.

In 2023, CFC was able to resume the annual in-person auditor training sessions, the first since 2019, fostering nationwide consistency in OFFSP and Animal Care program implementation and auditing. This collaborative effort ensures consumer confidence in the food production process, contributing to the brand's success.

Brand

In 2023, Chicken Farmers of Canada strengthened the *Raised by a Canadian Farmer* brand across diverse channels: TV, social media, websites, search engines, magazines, sponsorships, events, in-store promotions, on-pack displays, restaurants, and newsletters. Two creative campaigns, "Different Day. Different Dish" and the revamped "Answer Chicken's Call," highlighted chicken's culinary diversity. Additionally, an alternative protein campaign targeted health-conscious consumers, highlighting the muscle growth benefits of chicken, especially for Gen Z and Millennials.

Consumer engagement strategies remained central to CFC's mission as Canada's favourite meat protein. Through owned social channels, the organization connected with diverse audiences, sharing insights on farmers, recipes, nutrition, and food safety. Collaborating with the Quelle agency, CFC hosted influencer events in key locations and organized five cooking classes led by chefs at the Royal Agricultural Winter Fair.



Consumer Research

CFC completed two research projects in 2023. The Psychographic & Demographic Segmentation Analysis offered insights into our target audience, emphasizing Gen Z, Millennials, and Visible Minorities. Simultaneously, the fall 2023 Market Tracking Study provided valuable consumer marketplace insights, measuring trends and assessing the impact of our initiatives. Impressively, the 2023 Fall Marketing Campaign achieved a substantial 31% ad recall, significantly surpassing the 16% recorded in 2022. Looking forward to 2024, we plan to conduct two more studies to stay ahead of evolving consumer trends.

Ukraine Goods Remission Order

On June 9, 2022, the government of Canada issued a one-year Goods Remission Order for all products from Ukraine, allowing unlimited, duty-free imports of all products, including chicken. Although some chicken product were imported under the Order, CFIA detected an antibiotic not allowed in Canada, leading to the rejection of a portion.

On June 9, 2023, the government renewed the Goods Remission Order for another year. However, chicken products were excluded, allowing their continued import only under the WTO TRQ.

Domestic Supply and Supply Management Research

In late 2023, CFC and the SM5 conducted research on Canadians perspective on the Canadian food system and emphasized the value placed on supply management. An overwhelming 9 in 10 Canadians expressed the importance that their dairy, egg, chicken, and turkey products come from Canada. This sentiment resonates strongly across demographics and regions, underlining a collective belief in the benefits of supply management.

The unanimous support signifies the alignment of this system with Canadian values, reinforcing its pivotal role in ensuring domestic food security.

CFC Annual Lobby Day

On May 9, 2023, Chicken Farmers of Canada board directors, staff and provincial representatives convened in Ottawa for the Annual Lobby Day, participating in over 50 meetings with Parliamentarians and their staff. The day concluded with an evening reception at the Métropolitain Brasserie, fostering continued discussions about the significance of the chicken sector.

SM5 Advocacy Day

In collaboration with the SM5, CFC participated in a targeted Lobby Day on November 7 and November 23, 2023. Delegates from the SM5 emphasized supporting Bill C-282, engaging key with Parliamentarians, specifically Senators, and committee members in agriculture and international trade.

Federation of Canadian Municipalities Annual Conference and Trade Show

Partnering with the SM5, the group sponsored the Federation of Canadian Municipalities Annual Conference and Trade Show in Toronto. The SM5 engaged with municipal officials, emphasizing the role of supply management in fostering national stability.

SM4 Effort

Joint Annual Reception and Downtown Diner events highlighted collaborative efforts with Egg Farmers of Canada, Turkey Farmers of Canada, and Canadian Hatching Egg Producers, showcasing the importance of supply management in local communities.

Public Relations Programs

- **Young Farmers Program:** The Young Farmers Program featured a successful 2022-2023 cohort, actively participating in key events, including the Joint

Annual Reception, Lobby Day, and CFC's orientation session.

- **Chicken Champ Program:** Launched in 2023, the Chicken Champs Program aimed to enlist 50 farmers as CFC Ambassadors. The inaugural year saw 28 enthusiastic Chicken Champs joining. The program aims to foster ongoing engagement and quick access to trained farmers for diverse projects or initiatives.

Partnerships

- **Swimming Canada:** Celebrating a decade of partnership, CFC engaged in various activities, including the Canadian Swimming Championships and a commercial shoot for the 2024 Olympics. A special commercial featuring Young Farmer participant Rachel Sheffield and National Team Swimmer Sophie Angus is set for release before the Paris Olympics in 2024.
- **Skate Canada:** In 2023, CFC became the official meat protein sponsor of Skate Canada, supporting their

recreational and competitive programs. Filming for the Day In the Life series took place in Norwood, Ontario, showcasing the partnership and sponsorship of the CanSkate Program.

- **Women in Agriculture:** CFC collaborated with the Canadian Federation of Agriculture for the Level the Field initiative, developing a framework to Engage and Advance Women in Agriculture. The initiative received positive feedback at the Advancing Women in Agriculture Conference.

Avian Influenza Response

Addressing the avian influenza outbreak, CFC collaborated with the National Poultry Group, supporting provincial boards in preparedness and response. Resources on barn entry biosecurity and mental health support were developed. CFC acknowledged the crucial role of the Canadian Food Inspection Agency and supported Animal Health Canada in advancing preparedness efforts. ■



Producer Representatives



Erwin Claassen
Calgary South

Anke Wierenga
Calgary to Lacombe

Arjan Spelt
Lacombe to Leduc

Hinke Therrien
Leduc North



Industry Advisory Committee

Back Row (L-R): John Third, David Hyink, David Zimmer, Darko Mitevski, Ed Fetting, Ross Bezovie, Arjan Spelt, Anke Wierenga, Erwin Claassen, Jennifer Davies, Brian Wassink, Val Carney, Rob van Diemen, Janet Dietrich
Front Row (L-R): Frank Maenhout, Geoff Brown, Tara deVries, Wes Nanninga, Hinke Therrien, Victor Palominotapia



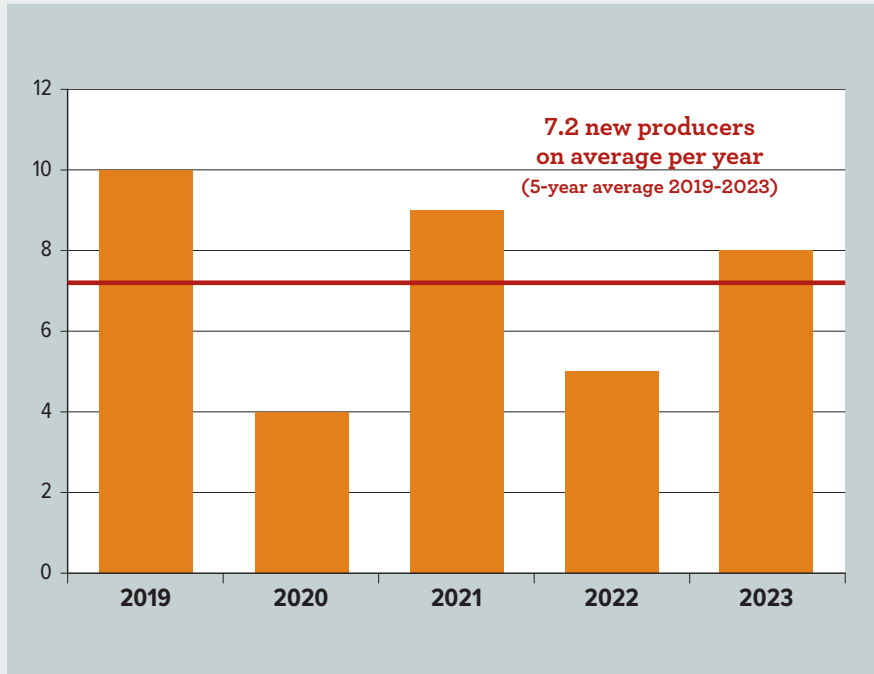
The Industry Advisory Committee (IAC) meets twice per year to share information and discuss issues that impact the chicken industry.

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.

Market Reports

Number of New Entrants 2019 – 2023



Alberta saw eight (8) new producers become licensed and start production in 2023.

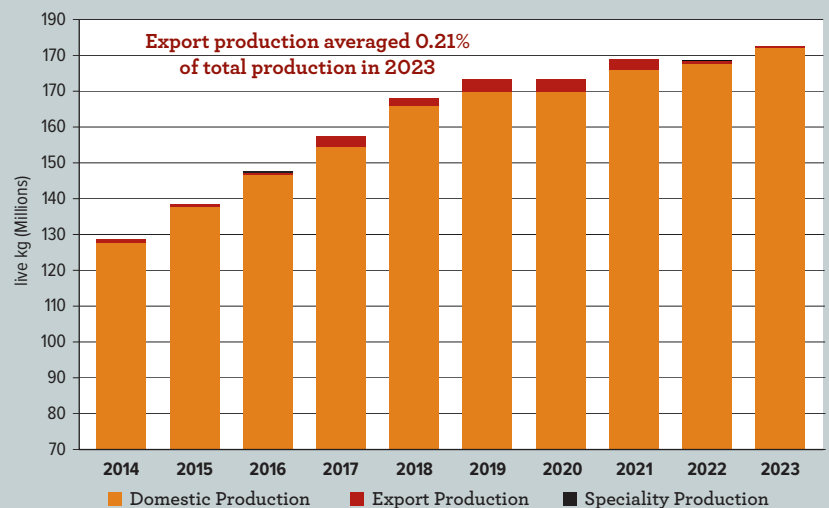
An average of seven (7) new producers per year have entered Alberta's chicken industry over the last five years (2019-2023).

Alberta's Annual Production 2014 – 2023

Alberta's domestic production in 2023 is estimated to be 180.61 million live kilograms, an increase of 4.62 million live kilograms, or 2.63%, from 2022. Canada's 2023 domestic production is estimated to be 1.84 billion live kilograms, an increase of 66.35 million live kilograms, or 3.74%, from 2022.

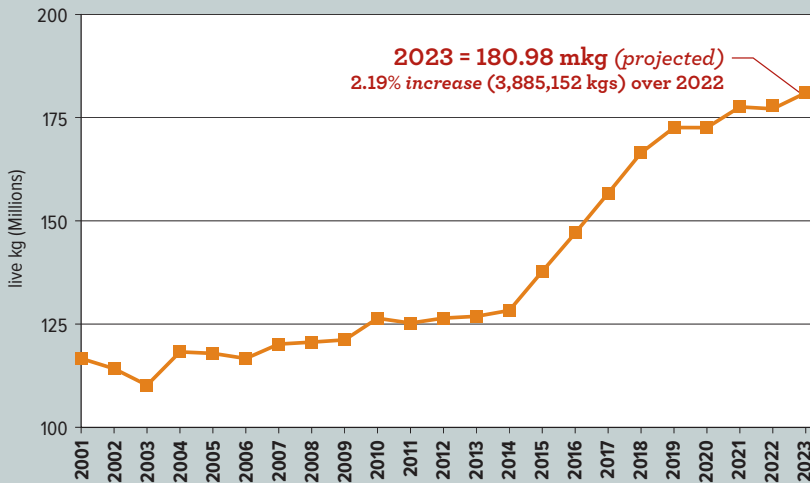
Alberta's export production (market development) in 2023 was 376,786 live kilograms, a decrease of 719,294 live kilograms, or 65.6%, from 2022. Alberta's market development represented 0.21% of Alberta's total production in 2023, versus 0.62% in 2022 and 1.68% in 2021. Comparatively, national market development represented 2.05% of Canada's total production in 2023, versus 2.49% in 2022 and 3.11% in 2021. Highly Pathogenic Avian Influenza (HPAI) in 2022 and 2023 and COVID-19 in 2021 and 2022 have limited export opportunities.

Alberta's specialty chicken production did not occur in 2023. 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 again briefly in A-177 to A-179. We do not anticipate specialty chicken production to be active in 2024.



2023 total production includes 376,786 kgs of export production & 0 kgs of specialty production

Alberta's Annual Total Chicken Production



Alberta's total chicken production in 2023, which includes market development and specialty chicken production, is estimated to be 180.98 million live kilograms, an increase of 3,885,152 live kilograms, or 2.19%, from 2022.

Canada's total chicken production in 2023, including market development and specialty chicken production, is estimated to be 1.89 billion live kilograms, an increase of 59.73 million live kilograms, or 3.26%, from 2022.

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) outbreaks in 2022 and 2023 impacting chicken supply and export opportunities.

In the four years prior to the COVID-19 pandemic (2016-2019), Canada's average growth per year was 3.25% while Alberta's averaged 4.34%. Comparatively, for the four years since COVID-19 (2020-2023), the average growth per year has been 2.44% for Canada and 1.24% for Alberta.

Alberta's Quota Utilization (A-172 – A-184)

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

In 2023, Alberta's utilization performance is estimated to average 95.7%.

In 2022, Alberta experienced its first ever outbreak of Highly Pathogenic Avian Influenza (HPAI), which continued in 2023, although on a smaller scale. With an already tight chick supply situation in the United States, the Alberta chick supply worsened as a result of the depopulation of domestic breeder flocks impacted by HPAI. The industry saw 11 consecutive A-Periods of underproduction beginning in the spring of 2022 (A-175) until the fall of 2023 (A-185).

The impacts of HPAI were also experienced nationally; although, not to the same extent as Alberta. This resulted in an estimated utilization performance for Canada of 99.1% in 2023, 3.4% higher than Alberta's utilization of 95.7%.

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

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

The ACP Board and our industry partners remain committed to navigating future challenges together to optimize production and achieve 100% utilization, and are optimistic that production performance will return to pre-HPAI figures in 2024.

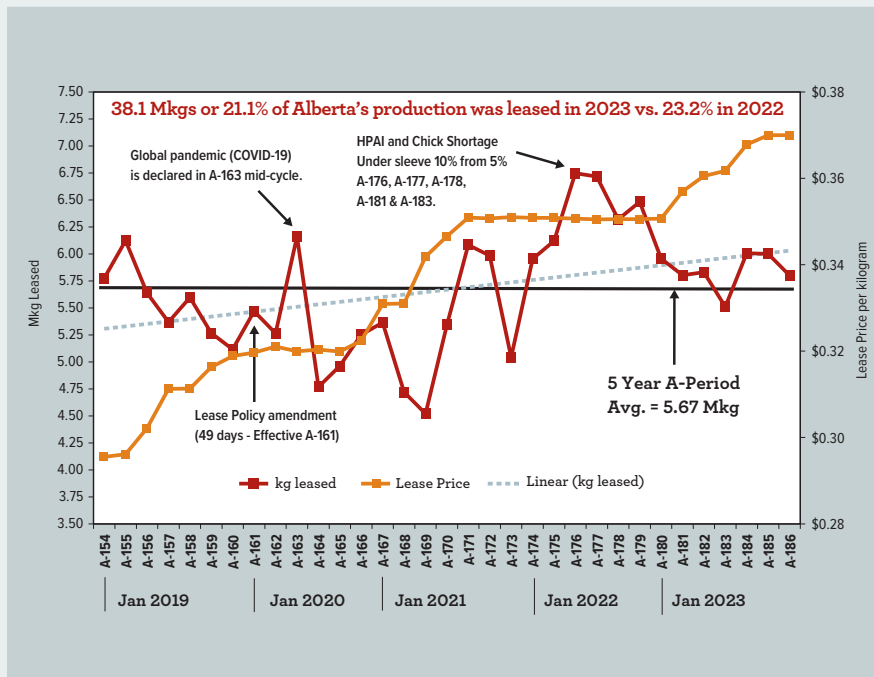
Period	Dates		Utilization			AB Compared to Canada	AB Compared to Western Canada
			Alberta	Western Canada	Canada		
A-172	09-26-21	11-20-21	102.3%	99.2%	100.9%	1.4%	3.1%
A-173	11-21-21	01-15-22	101.4%	99.7%	100.7%	0.7%	1.7%
A-174	01-16-22	03-12-22	100.8%	100.5%	101.6%	-0.7%	0.3%
A-175	03-13-22	05-07-22	96.7%	98.1%	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	95.9%	98.2%	97.8%	-1.8%	-2.2%
A-178	08-28-22	10-22-22	97.8%	98.3%	99.3%	-1.5%	-0.5%
A-179	10-23-22	12-17-22	98.0%	97.5%	99.9%	-1.9%	0.5%
A-180	12-18-22	02-11-23	98.7%	96.1%	98.7%	0.0%	2.6%
A-181	02-12-23	04-08-23	93.9%	96.6%	98.0%	-4.1%	-2.7%
A-182	04-09-23	06-03-23	97.2%	98.0%	98.7%	-1.5%	-0.9%
A-183	06-04-23	07-29-23	90.9%	96.4%	97.0%	-6.1%	-5.5%
A-184	06-30-23	09-23-23	95.9%	101.0%	100.8%	-5.0%	-5.1%
2 YEAR AVERAGE			97.0%	98.0%	99.0%	-1.9%	-1.0%

Allocation Growth Over Adjusted Base

A-181 to A-186	Adjusted Base (Mkg)	Domestic Allocation (Mkg)	% Growth Over Adj. Base
Alberta	124,567,384	127,702,277	2.52%
Canada	1,230,816,522	1,259,636,956	2.34%

This year's domestic allocation covered the six block periods of A-181 to A-186 (February 12, 2023 to January 13, 2024). Alberta was allocated 2.52% growth over its adjusted base as compared to the national allocation of 2.34%.

Volume/Price of Marketing Kilograms Leased per Period



The preliminary estimate of kilograms leased in 2023 is a total of 38.1 million kilograms, or 21.1 % of Alberta's total production. This represents a decrease of 3.1 million kilograms, or 7.6%, from the all-time high we saw in 2022 due to Highly Pathogenic Avian Influenza (HPAI) cases on broiler farms which increased the necessity to lease.

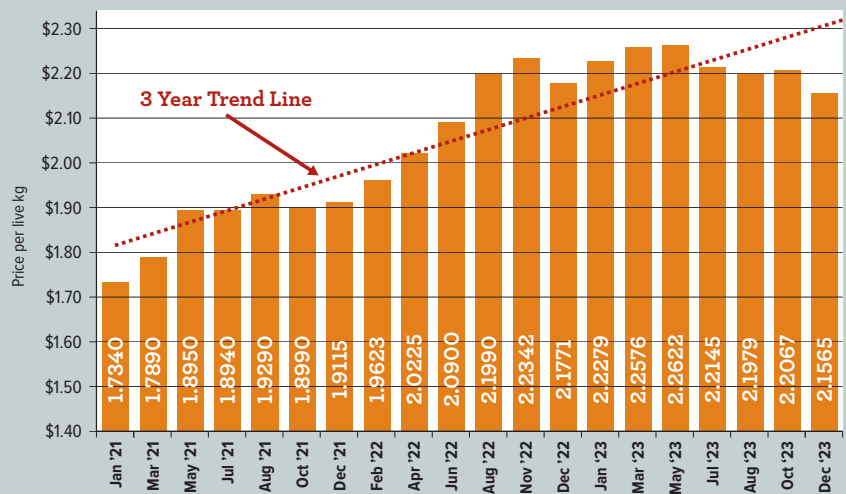
An estimated total of 1,720 periodic lease transactions were approved by the Board of Directors in 2023, which is a decrease of 175, or 9.25%, from 2022.

Alberta's Producer Live Price

Alberta's average live price for 2023 was \$2.2176/kg, an increase of \$0.1034/kg (10.34 cents) from the 2022 average. This increase was primarily driven by rising feed and chick prices. Record high feed grain commodity prices in 2023 had a substantial impact on feed costs in Alberta and across Canada for all livestock.

In 2023, Alberta's live price was at its lowest in Period A-186 (November/December) at \$2.1565/kg and at its highest in Period A-182 (April/May) at \$2.2622/kg. The difference between the high and low in 2023 was \$0.1057/kg (10.57 cents).

Alberta is currently operating under a long-term pricing agreement with processors for the A-181 to A-188 growing periods. This live price memorandum of understanding (MOU) provides the industry with stability and predictability on pricing. Alberta's live price is established by using Ontario's cost of production formula as the base, while adjusting for Alberta feed costs (less a negotiated bandwidth), deducting Ontario specific costs and adding catching costs paid by Alberta producers.



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

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

Several meat publications such as the Daily Livestock Report note that per capita consumption is largely a supply measure, it shows how much meat is available per person each year.

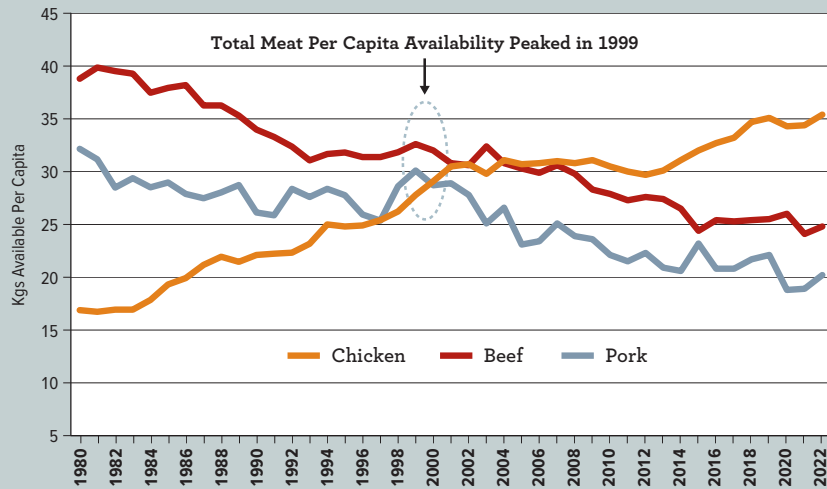
Per capita consumption data for 2023 will not be released by Stats Canada until later in 2024.

As of 2022, per capita consumption of chicken in Canada was 35.4 kg, followed by beef at 24.8 kg and pork at 20.2 kg. Chicken has remained the number one consumed protein in Canada after it surpassed beef in 2004.

Per capita chicken consumption peaked in 2004 (31.1 kg) then started to decline though to 2014. In 2015 chicken consumption 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 1970s and early 1980s.

Total meat consumption in 2022, excluding fish, was 88.3 kg, representing a 2.8 kg increase from 2021. Pork and chicken increased by 1.3 kg & 1.0 kg respectively while beef increased 0.7 kg. As a % share of total meats consumed in 2022, chicken, beef, and pork hold just over 91% combined share, of which 40.1% is chicken, 28.1% is beef, and 22.9% is pork.

Total per capita meat consumption (availability) peaked in 1999 at 98.6 kg and has since declined 10.3 kilograms. Since this peak 23 years ago, chicken consumption has continued to increase, gaining 7.6 kg per capita, while beef and pork have declined 7.8 kg and 9.9 kg respectively.



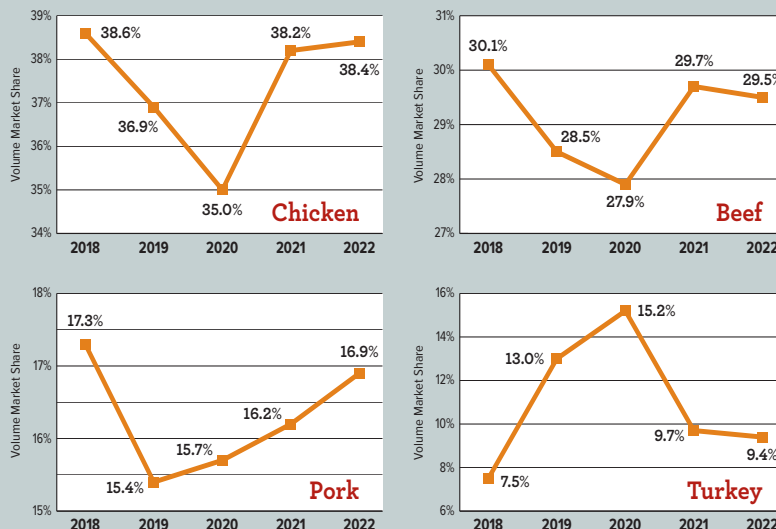
Canadian Meat Protein Market Shares by Volume

Retail scan data, as provided by *Nielsen Fresh Track*, shows volume shares for chicken, beef, pork and turkey shifted greatly among these proteins between 2019 and 2020. Stability appears to be returning in 2022 as volume shares appear to be normalizing, particularly for chicken, beef and pork.

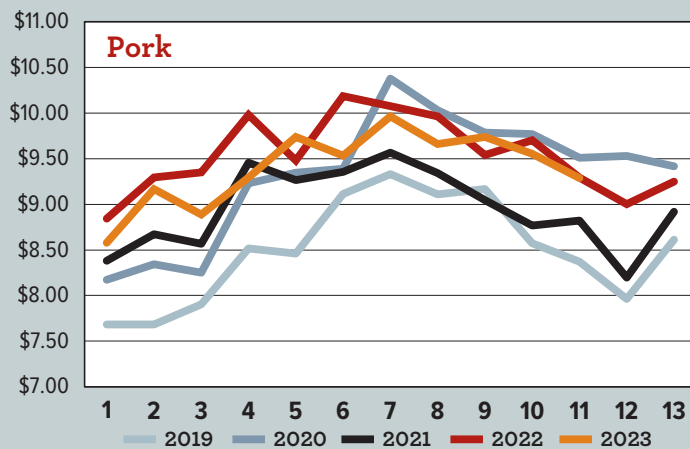
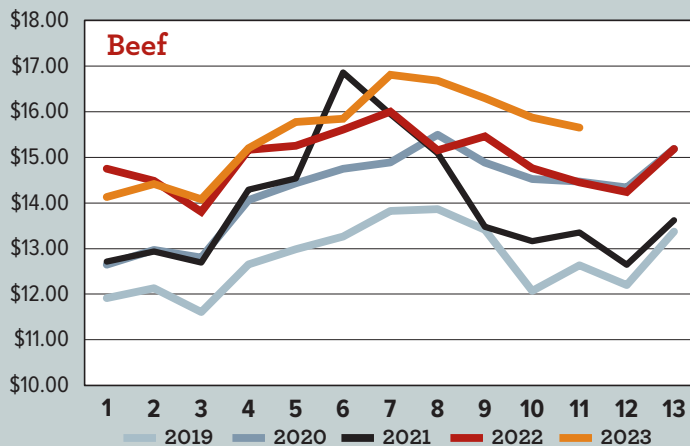
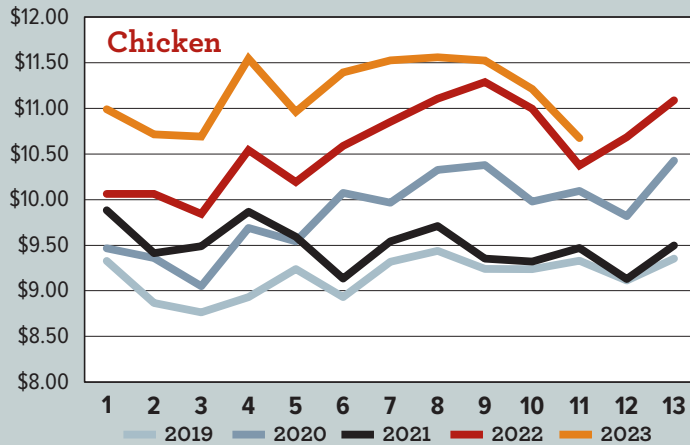
Pandemic restrictions began in 2020 altering consumer buying behaviour shifting normal market share balances between spending on food at home versus spending at restaurants and take out. Other disruptions to the market included panic buying at the start of the pandemic, stimulus payments to those that qualified, along with COVID-19 outbreaks at processing facilities. All these factors translated into fluctuating volume market share for chicken and other proteins at retail. Any return to stability as we recovered from COVID-19 was interrupted by Highly Pathogenic Avian Influenza (HPAI) cases across Canada and consumers facing inflationary pressures which extended the timeframe to normalized markets. Despite the challenges over the last few years, chicken year after year continues to have the largest volume market share of the fresh meat category at retail.

The Canadian chicken industry had two exceptional years of high volume growth in 2014 and 2015 while beef had its lowest volume sold at retail at that time. By 2018, beef had recovered the majority of market share it lost in 2014 and 2015. Chicken's market share peaked in 2015 at 37.7%, dipped again in 2016-2017, and then started to gain share once again surpassing its 2015 peak in 2018 with an all time high volume share of 38.6%. After the challenges of the last few years, 2022 appears to have chicken volume share of the fresh meat category returning to the record highs of 2018.

With the current economic slowdown and easing (but continued) inflation, we anticipate consumers will seek to economize, which will be favorable for chicken demand.



Canadian Meat Protein Retail Prices



Canadians continue to feel the pressures of overall inflation with higher commodity prices and operational costs resulting in higher prices for meat.

The 2023 average retail price since 2022 (year to date) for chicken has increased by \$0.64/kg, or 6.06% while beef increased \$0.52/kg, or 3.48%; and pork decreased \$0.19/kg, or 1.99%. In the last two years, consumers have seen the average price of chicken, beef and pork per kilogram increase by \$1.36, \$1.38, \$0.19 respectively.

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

Karen Miller



This past year, Karen Miller celebrated her fifteenth year with Alberta Chicken Producers as Business and Market Analyst!

Over the years, Karen has gained national recognition for her accuracy and steadfast reporting on the analytical side of allocation, pricing and consumer trends. Her unique background in retail management enables Karen to seek out information on many levels to ensure decisions are made considering sound data that reflects the current landscape in an ever-changing business environment.

Karen is always eager to learn and grow her expertise on all levels. She demonstrates true professionalism and is often the 'go to' person when others require a guiding hand; taking great care and patience when explaining the story behind the numbers.

Thank you Karen for your dedication and continued leadership in the industry. We look forward to working with you for many more years. Congratulations!

15 Years

Financial Statements

Alberta Chicken Producers

Year Ended November 30, 2023

Independent Auditor's Report.....	43
Statement of Financial Position.....	45
Statement of Operations	46
Statement of Changes in Net Assets.....	47
Statement of Cash Flows	48
Notes to Financial Statements	49



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INDEPENDENT AUDITOR'S REPORT

To the Members of Alberta Chicken Producers

Opinion

We have audited the financial statements of Alberta Chicken Producers (the Board), which comprise the statement of financial position as at November 30, 2023, 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, 2023, 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.

King + Company

Edmonton, AB

January 10, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS

Statement of Financial Position

As at November 30, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 236,302	\$ 136,908
Accounts receivable	157,143	162,214
Prepaid expenses (Note 2)	104,297	124,903
Current portion of mortgage receivable (Note 3)	9,874	9,491
	<u>507,616</u>	433,516
MORTGAGE RECEIVABLE (Note 3)	1,192	11,066
RESTRICTED CASH AND PORTFOLIO INVESTMENTS (Note 4)	2,000,000	2,000,000
PROPERTY AND EQUIPMENT (Note 5)	917,125	977,423
	<u>\$ 3,425,933</u>	<u>\$ 3,422,005</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 6)	\$ 417,701	\$ 301,505
Current portion of obligations under capital lease (Note 5)	1,740	-
	<u>419,441</u>	301,505
OBLIGATIONS UNDER CAPITAL LEASE	2,301	-
	<u>421,742</u>	301,505
COMMITMENTS (Note 7)		
LIQUIDATED DAMAGES RESOLUTION (Note 8)		
NET ASSETS		
Invested in property and equipment	917,125	977,423
Internally restricted reserve (Note 9)	2,000,000	2,000,000
Unrestricted	87,066	143,077
	<u>3,004,191</u>	3,120,500
	<u>\$ 3,425,933</u>	<u>\$ 3,422,005</u>

ON BEHALF OF THE BOARD

Director

Director

Statement of Operations

Year Ended November 30, 2023

	Budget (Unaudited) 2023	2023	2022
REVENUE			
Levies (Note 10)	\$ 2,557,500	\$ 2,442,002	\$ 2,377,931
Other production income	167,900	144,989	147,666
On-Farm Food Safety charges	96,600	92,849	71,551
Producer grower program	72,140	71,772	70,560
Investment	46,890	48,438	53,543
Monetary penalties	30,000	47,746	17,223
Administrative fees and other	12,400	33,136	9,898
Rental	24,000	24,000	10,000
Refund of levies paid	-	-	(229,686)
	3,007,430	2,904,932	2,528,686
EXPENSES			
Salaries, contracts, benefits and fees (Note 12)	1,231,300	1,171,443	1,097,980
Research grant expenses	145,000	286,170	149,213
Advertising, promotion and sponsorship	284,800	276,203	292,536
Travel	173,010	212,944	175,857
Diagnostic services	214,400	209,005	214,200
Producer grower program	210,000	208,836	204,480
Office, training and memberships	222,750	201,844	155,677
Professional fees	260,000	185,214	160,044
On-Farm Food Safety charges	109,725	104,535	88,367
Amortization of property and equipment	63,000	71,494	64,609
Taxes and fees	68,000	63,861	59,691
Repairs and maintenance	18,000	43,369	16,062
Telephone and utilities	31,100	33,768	30,888
Equipment rentals	32,500	28,867	30,421
Insurance	12,000	11,475	10,625
Interest and bank charges	6,600	8,688	8,914
	3,082,185	3,117,716	2,759,564
DEFICIENCY OF REVENUE OVER EXPENSES FROM OPERATIONS	(74,755)	(212,784)	(230,878)
OTHER INCOME (EXPENSES)			
Project grant revenues	-	139,068	68,000
Loss on disposal of property and equipment	-	(3,993)	(10,776)
Project grant expenses	-	(8,096)	(80,000)
Increase (decrease) in fair value of portfolio investments	-	(14,208)	(5,376)
Highly Pathogenic Avian Influenza Emergency Funding (Note 9)	-	(16,296)	(202,829)
	-	96,475	(230,981)
DEFICIENCY OF REVENUE OVER EXPENSES	\$ (74,755)	\$ (116,309)	\$ (461,859)

Statement of Changes in Net Assets

Year Ended November 30, 2023

	Invested in Property and Equipment	Internally Restricted Reserve (Note 10)	Unrestricted	2023	2022
NET ASSETS -					
BEGINNING OF YEAR	\$ 977,423	\$ 2,000,000	\$ 143,077	\$ 3,120,500	\$ 3,582,359
Excess (deficiency) of revenue over expenses	(75,487)	(16,296)	(24,526)	(116,309)	(461,859)
Transfers	-	16,296	(16,296)	-	-
Purchase of property and equipment, net	15,189	-	(15,189)	-	-
NET ASSETS - END OF YEAR	\$ 917,125	\$ 2,000,000	\$ 87,066	\$ 3,004,191	\$ 3,120,500

Statement of Cash Flows

Year Ended November 30, 2023

	2023	2022
OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ (116,309)	\$ (461,859)
Items not affecting cash:		
Amortization of property and equipment	71,494	64,609
Loss on disposal of property and equipment	3,993	10,776
Unrealized (increase) decrease in fair value of portfolio investments	14,208	5,376
	<u>(26,614)</u>	<u>(381,098)</u>
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	116,194	53,703
Prepaid expenses	20,606	22,540
Accounts receivable	5,071	(9,105)
	<u>141,871</u>	<u>67,138</u>
Cash flow from (used by) operating activities	<u>115,257</u>	<u>(313,960)</u>
INVESTING ACTIVITIES		
Proceeds from mortgage receivable	9,490	9,112
Transfer from restricted cash and portfolio investments, net	(9,428)	(5,372)
Purchase of property and equipment	(15,188)	(22,772)
Cash flow used by investing activities	<u>(15,126)</u>	<u>(19,032)</u>
FINANCING ACTIVITIES		
Repayment of obligations under capital lease	(737)	-
Cash flow from (used by) financing activities	<u>(737)</u>	<u>-</u>
INCREASE (DECREASE) IN CASH	99,394	(332,992)
CASH - BEGINNING OF YEAR	136,908	469,900
CASH - END OF YEAR	\$ 236,302	\$ 136,908

Notes to Financial Statements

Year Ended November 30, 2023

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 \$0.0195/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 may produce up to 5% over their allocated production amount without incurring a penalty. When farmers exceed this lower over-production sleeve of 5%, they are required to pay a penalty of \$0.44/kg for the next 5%, which will be up to 10% over their allocated production. When the farmers exceed this 10%, they are required to pay a penalty of \$0.88/kg. Prior to January 19, 2020, the lower over-production sleeve was 7% and the upper-production sleeve remained 10%.

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

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

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

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

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

(continues)

Notes to Financial Statements

Year Ended November 30, 2023

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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 and accounts receivable. Financial liabilities measured at amortized cost using the straight-line method include accounts payable and accrued liabilities.

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.

Cash

Cash is comprised of cash held with financial institutions.

(continues)

Notes to Financial Statements

Year Ended November 30, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

	2023	2022
Poultry service agreement contributions	\$ 71,400	\$ 93,198
Other	18,206	15,678
Insurance	14,691	27
Prepaid office renovations	-	16,000
	\$ 104,297	\$ 124,903

Notes to Financial Statements

Year Ended November 30, 2023

3. MORTGAGE RECEIVABLE

	2023	2022
Monthly repayments of \$845, including 4% interest, due December 1, 2024, secured by an office condominium mortgage agreement	\$ 11,066	\$ 20,557
Amounts payable within one year	(9,874)	(9,491)
	<u>\$ 1,192</u>	<u>\$ 11,066</u>
Principal repayment terms are approximately:		
2024	\$ 9,874	
2025	<u>1,192</u>	
	<u>\$ 11,066</u>	

4. RESTRICTED CASH AND PORTFOLIO INVESTMENTS

	2023	2022
Guaranteed investment certificates	\$ 1,224,789	\$ 1,224,352
Mutual funds	724,466	687,940
Cash	<u>50,745</u>	<u>87,708</u>
	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>

The guaranteed investment certificates earn interest at rates ranging from 1.31% to 5.32% and have maturity dates ranging from September 15, 2025 to October 30, 2028.

Notes to Financial Statements

Year Ended November 30, 2023

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Condominium units	\$ 1,768,921	\$ 900,175	\$ 868,746	\$ 914,469
Furniture and fixtures	409,633	385,428	24,205	27,216
Computer equipment	77,338	57,464	19,874	35,738
Computer software	106,918	106,918	-	-
	\$ 2,362,810	\$ 1,449,985	\$ 912,825	\$ 977,423

The following assets are held under capital lease :

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Equipment under capital lease	\$ 4,778	\$ 478	\$ 4,300	\$ -
Total property, plant & equipment	\$ 2,367,588	\$ 1,450,463	\$ 917,125	\$ 977,423

Equipment under capital lease consists of a folding machine. The lease term is 36 months (ending July 15, 2026), at which point the Board will exercise the bargain purchase option. Minimum quarterly payments are \$435, totalling \$1,740 per annum; the implicit interest rate is 6.736%.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
Trade	\$ 391,639	\$ 258,255
Government remittances	14,780	12,073
Vacation accrued	7,082	26,977
Security deposit	4,200	4,200
	\$ 417,701	\$ 301,505

7. COMMITMENTS

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. This agreement was extended until April 1, 2024 with one additional payment of \$78,836

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.

Notes to Financial Statements

Year Ended November 30, 2023

8. LIQUIDATED DAMAGES RESOLUTION

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

As a member of CFC, pursuant to the Liquidated Damages Resolution, the Board is required to post security in the amount of \$165,068 (2022 - \$165,068) to secure the CFC's position should the marketing in Alberta exceed the allocation. At November 30, 2023, 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, \$16,296 was paid out to producers.

10. LEVIES

	<u>2023</u>	<u>2022</u>
Levies charged	\$ 3,478,206	\$ 3,388,245
CFC Portion	<u>(1,036,204)</u>	<u>(1,010,314)</u>
Net levies	<u>\$ 2,442,002</u>	<u>\$ 2,377,931</u>

11. PENSION EXPENSE

Pension expense included in salaries, contracts, and benefits is \$41,786 (2022 - \$46,283).

Notes to Financial Statements

Year Ended November 30, 2023

12. SALARIES, CONTRACTS, BENEFITS AND FEES

	Salaries and Contract	Benefits	Fees	2023	2022
Salaries, contracts and benefits					
Office staff	\$ 828,325	\$ 150,968	\$ -	\$ 979,293	\$ 910,801
Director fees					
David Hyink	\$ -	\$ -	\$ 60,549	\$ 60,549	\$ 53,613
Rob Van Diemen	-	-	40,235	40,235	44,257
Bezovie Ross	-	-	29,353	29,353	17,530
Wesley Nanninga	-	-	28,767	28,767	29,872
Tara Devries	-	-	23,462	23,462	-
Dennis Steinwand	-	-	9,784	9,784	28,542
Jason Born	-	-	-	-	13,365
	-	-	192,150	192,150	187,179
	\$ 828,325	\$ 150,968	\$ 192,150	\$ 1,171,443	\$ 1,097,980

13. BUDGET

The budget is unaudited and was approved by the Board on October 6, 2022.

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, 2023.

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Board is exposed to credit risk primarily from cash and accounts receivable. The Board maintains its cash in a major financial institution. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information.

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

Market Risk

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

(continues)

Notes to Financial Statements

Year Ended November 30, 2023

14. FINANCIAL INSTRUMENTS *(continued)*

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.



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