

BACKGROUND:

The Market Development Policy is coordinated with that of Chicken Farmers of Canada. Under the CFC Policy, Licenses are limited to Federally inspected primary Processors.

The Policy provides an opportunity for Alberta producers to grow and Alberta Processors to process and market chicken for export into international markets in conjunction with Chicken Farmer of Canada's ("CFC") Market Development Policy.

The terms New Market Development and Market Development are used interchangeably and have the same meaning.

POLICY:

1. Increase chicken production and processing in Alberta.
2. Maximize the opportunities provided for by Chicken Farmers of Canada Policy.
3. Provides profitable production opportunities.
4. Facilitate sustainable and orderly export market conditions.
5. The Program does not adversely affect Alberta Chicken Producers or the Alberta chicken domestic market.
6. The Program applies equally to all Federally inspected Processors.

GUIDELINES:

1. There are three separate and distinct Market Development Programs:

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| Generic | Available to all chicken producers at all Processors |
| Plant Specific | Available to all producers at a designated Processor |
| Product Specific | Available to only those producers selected by the Processor and only the product specific program requires a supply agreement |

2. The Program is available to all authorized chicken producers.
3. Supply agreements between the producer and Processor for the 'product specific program' may be made to supply chicken with specific market characteristics, such as, but not limited to chicken grown without antibiotics or organic chicken.
4. Supply agreements between the producer and Processor for 'product specific program' must be at the same price for the same time period for the same product.

DISCLAIMER: *The Alberta Chicken Producers' Regulation will prevail the Policies contained herein*

5. Processors who participate in the 'product specific program' will export the majority of the product grown in this program, recognizing that market conditions may vary from time to time. Processors will maintain records supporting the actual type of product exported.
6. A Processor may apply for Market Development allocation up to CFC Market Development provincial cap. If the sum of all Processor requests exceeds CFC Market Development provincial cap, the amount available to each Processor will be determined by the formula set out in the procedures contained in the Policy.
7. A Processor who is not currently participating in the program may apply for an allocation. The amount of allocation available is contingent upon the conditions at the time of the application:
 - a. Up to the full amount of the provincial Market Development quota is available when there are no other Processors requesting Market Development Lease;
 - b. When two or more Processors requesting an allocation of Market Development Lease Kg the amount available will be determined by the formula set out in the procedures contained in this Policy.
8. When two or more Processors are participating in the program and the maximum provincial Market Development allocation is requested. If a Processor wishes to increase their share, the increase will be determined by the formula set out in the procedures contained in this policy.
9. Processors will ensure the United States Department of Agriculture (USDA) and the Canadian Food Inspection Agency (CFIA) approves the export of the chicken products.
10. Over-marketing will be applied to the domestic production calculation for producers who exceed the eligible kilograms available to them during any cycle.
11. The combination of all programs will determine the amounts available to a processor.
12. Producer allocation of Market Development Lease for the generic program and the plant specific program will follow the procedure outlined in S 28(1) (12) of the Alberta Chicken Producers Marketing Regulation.
13. Producers must submit bids for Market Development by the deadline stated in the advertisement from the Board office to qualify for Market Development Lease.
14. Producers must be fully licensed to apply for Market Development.

PROCEDURE:

1. Producers must be fully licensed to apply for Market Development.
2. Plant-specific Program:
 - a. Processor Requests: Processors will advise Alberta Chicken Producers of the requested amount of production required for each respective A-Period and the requested Lease price for the Market Development Lease, which will be subject to ACP Board approval prior to the CFC Allocation meeting for that grow period.
 - i) Should a Processor wish to reduce its requested volume of Market Development kilograms at any time after 6 weeks prior to the A-Period, the Processor must submit a

written request to the Board, providing justification for the revision. If approved, the Processor is responsible for communicating the change to its respective producer(s).

- b. Alberta Chicken Producers will advertise the offer to producers:
 - i) Producers will be advised to contact the Board office to obtain the amount of Market Development Lease kilograms the individual producer is eligible to apply for (as per 2.2.b. below)
 - ii) Eligible kilograms are calculated as follows:
#Quota units* x conversion factor x 8 x 100% = ?? eligible kg
*Units assigned to producer during A-Period in which the Lease is applicable
 - iii) Should the producer market to more than one Processor: the producer will be deemed to have quota assigned to each respective Processor, based on the Assurance of Supply Form information, and the quota units assigned to the Processor for which Market Development is being applied will be used in the calculation above.
 - iv) Alberta Chicken Producers will provide the Processor(s) with a summary (spreadsheet) of Market Development Lease kilograms that individual producers shipping to that Processor are eligible to apply for.
- c. Producers who are interested and qualify will indicate the number of kilograms they want to Lease. Submissions will be returned to the Board office no later than the date identified in the Market Development letter from the Board office.
 - i) Should a producer plan to acquire, Lease, or sell quota units in the period in which Market Development is being applied, a written request for Market Development based on this reallocation, along with the applicable reallocation documentation, signed by both parties, must be submitted to the Board Office before the deadline date for the Market Development request to be approved.
- d. Alberta Chicken Producers will enter producer requests into the Market Development Report and allocate requests in rounds of one quota unit to each eligible bidder until all available Leased quota is distributed, as per S 28(1) (12) of the Alberta Chicken Producers Marketing Regulation:

Calculation:

Total Processor request / # eligible bidders = # kg's allocated to each eligible producer
Should a producer request less than they are eligible to grow, they will be allocated their full request, and the remaining kg's will be added to the total pool of remaining kilograms.

All remaining kg's will be allocated in rounds of one kilogram to each remaining eligible bidder (remaining kg's / # remaining eligible bidders = # kg's allocated to each remaining eligible bidder).

This process will be followed until all kg's are allocated.

The Report will include notes to explain any pending reallocations that will apply during the A-Period and any accompanying documentation submitted by producers as per 2.3.a.

- e. The report is submitted to the Executive Director and to the Board for approval via non-controversial motion.
- f. On approval by the Board, the Board office will issue the report to the Processor.
- g. On receipt of confirmation from the designated Processor that the authorized producer has agreed to the amount payable for the Market Development Lease, the Board will Lease to that producer, Market Development quota.

3. Freight is negotiated as part of the supply agreement.

4. Product Specific Program:

- a. Processors will supply Alberta Chicken Producers the criteria used to select individual producers to grow chicken under the 'product specific' program.
- b. When a Processor chooses to use a 'product specific program', the Processor will select those authorized producers who will grow chicken under a supply agreement. The selection criteria filed with the Board is the one that needs to be followed in selecting producers for participation.
- c. Alberta Chicken Producers will approve or deny the supply agreement; therefore, it is not to be construed as a permanent entitlement under any circumstance.

5. The price paid to the producer is the Minimum Live Price set by the Board. The Market Development Quota Lease Price is recommended by each respective Processor and set by the Board. Producers pay the Market Development Quota Lease Price directly to their Processor.

6. Alberta Chicken Producers will match all supply agreements that start in the same A-Period and end in the same A-Period to ensure the same price is paid to all producers.

7. Individual producers who may be marketing at 2 or more plants will be deemed to have quota assigned to each respective Processor, based on the Assurance of Supply Form information.

8. Market Development Lease kilograms expires with the supply agreement; therefore it is not to be construed as a permanent entitlement under any circumstance.

9. Production must occur in the period covered by the allocation.

10. Alberta Chicken Producers will audit to ensure that all producers receive the same treatment as other producers in the same circumstance, and that Processors follow the program.

11. When the sum of Processor requests exceeds the provincial Market Development quota allocation, the amount available to each Processor is determined by the following formula:

- a. The Board will set aside 25% of the provincial Market Development kilogram Lease to be shared among all participants (Market Development Lease pool);
- b. Processors will share the Market Development quota pool proportional to the share of the total provincial marketing, averaged over the two most recent period for which the information is available;

- c. The balance of the Market Development Lease will remain with the participants in the same proportion as was allocated in the previous period;
- d. If the provincial Market Development Lease is not all allocated after steps, a) through c), the remainder will first be made available to those Processors who were previously participating in the program on a proportionate basis; and second, to all remaining participants in proportion to the share of total provincial marketing, averaged over the two most recent periods for which the information is available.

NOTE: By using this formula, assuming the Processor requests all exceed the maximum, the respective allocation will equal the proportional share of the provincial domestic market; therefore, producers will have equal opportunity to participate regardless of the Processor to whom they market birds.

Reference Minutes of:

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| October 28, 2003 | March 1, 2005 | October 16, 2009 | August 22, 2015 | February 15, 2026 |
| February 22, 2017 | August 31, 2023 | November 28, 2025 | | |