

Supply Management & Consumer Prices

DON'T BELIEVE THE HYPE

LET'S BE CLEAR

Farmers don't set retail prices.

That job belongs to retailers and restaurant owners, who charge what they believe consumers will pay.

STORE PRICES ARE INFLUENCED BY THINGS LIKE:

COST OF COMPETING MEATS
BRAND POSITIONING
RETAILER COMPETITION
STORE SPECIALS

AND THESE CAN CAUSE BIG FLUCTUATIONS IN PRICE.

Comparison shopping has shown that the price of chicken varies widely from:

Week to week

Product to product

Store to store

So, what's the biggest influence on retail prices in Canada?

WHERE, AND WHEN YOU SHOP.

CHECK THIS OUT

SAME brand, SAME cut, SAME week, SAME city, DIFFERENT stores

LEADING BRAND OF CHICKEN BREASTS

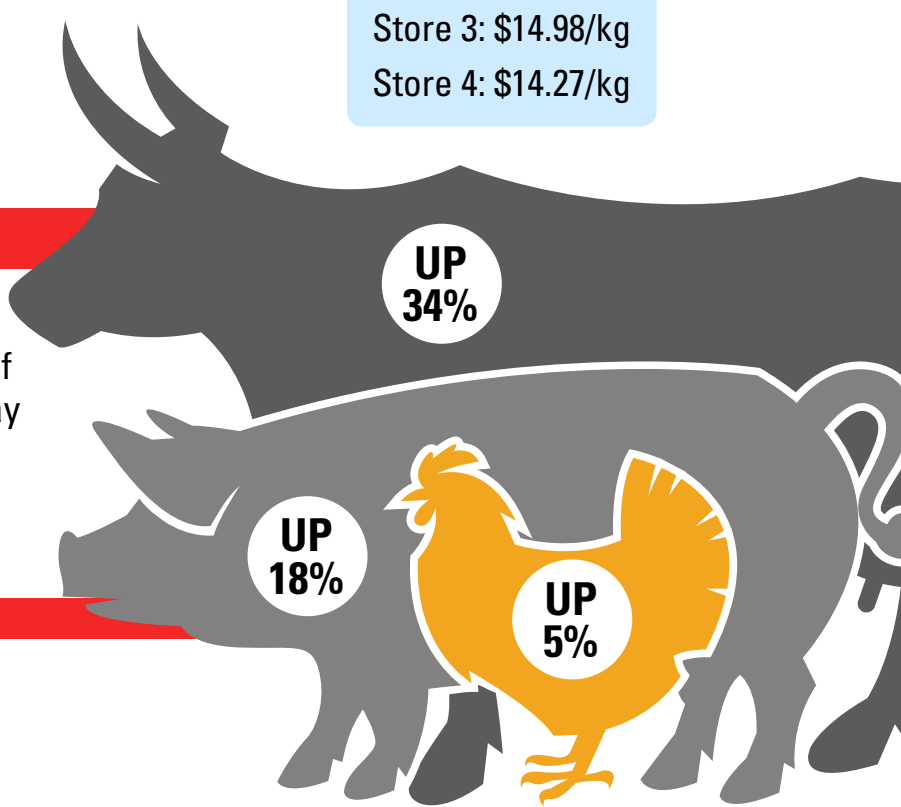
Store 1: \$15.41/kg
Store 2: \$24.23/kg
Store 3: \$26.43/kg

LEADING BRAND OF WINGS

Store 1: \$9.41/kg
Store 2: \$13.21/kg
Store 3: \$14.98/kg
Store 4: \$14.27/kg

DESPITE VARYING PRICES, chicken has barely grown in price – beef and pork get more expensive every day

Food price fluctuations, year over year, Consumer Price Index from June 2013-June 2015



nothing SUPPLY MANAGEMENT HAS TO DO WITH CONSUMER PRICES

Farmers only receive about **\$1.56 per kg**, as the flock leaves the farm. It's called the "live price", most of which goes toward covering the cost of feed and chicks and it's **THE ONLY PRICE** chicken farmers get to negotiate. It's not much, but it keeps farms sustainable by covering a farmer's cost of production.

AND IT KEEPS PRICES STABLE.

\$1.56

that's not much
To put it another way, the farmer's share of a restaurant plate is usually less than tip you give your server!

In fact, in the past year the live price of chicken has declined by 5.0% and over the past two years, it is down a **HUGE 7.7%**.

Clearly, there is a disconnect between the farmer price and the retail price.

TO LEARN MORE ABOUT HOW SUPPLY MANAGEMENT WORKS AND HOW IT BENEFITS CANADIAN FARMERS AND CONSUMERS PLEASE VISIT:

WWW.CHICKENFARMERS.CA