



THE CHICKEN FARMER

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Update on the North American Free Trade Agreement

The modernization of the North American Free Trade Agreement (NAFTA) has now run through five of the anticipated seven rounds of talks. While the first three rounds focused on establishing the draft consolidated texts that the negotiating teams then work from, round four saw the tabling of a number of proposals that delved into substantive issues including government procurement, rules of origin, dispute settlement and market access.

The tabling of proposals has clearly split the talks into two separate veins of negotiations. The first is genuinely focused on modernizing the 23-year old agreement and improving the flow of trade across all three borders. Discussions that fall under this aspect include improving regulatory cooperation and aligning competition law, as well as determining how to incorporate text on issues like e-commerce

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and biotechnology, which did not exist when NAFTA was first negotiated. By all reports, the discussions on this track are proceeding steadily and collegially.

However, any progress achieved in these areas is being overshadowed by the second stream of negotiations, which has been defined by a series of outrageous proposals tabled by the U.S. These proposals include highly restrictive rules of origin on autos, a sunset proposal that would undermine the very stability and certainty that trade agreements are meant to provide, as well as the elimination of all Canadian tariffs on imports of U.S. dairy, poultry, and egg products, essentially dismantling one of the critical pillars of Canada's supply management system.

Round five, which took place in Mexico City from November 17 to 21, focused primarily on non-controversial issues, such as sanitary and phytosanitary issues and biotechnology, in order to make progress without touching on the U.S.'s unrealistic and unorthodox proposals. The U.S. request to eliminate tariffs on dairy, poultry and egg products has been firmly rejected by Canada as a non-starter.

Due to the challenges posed by the U.S.'s unorthodox and seemingly immovable negotiating positions, all three countries have decided to slow down the pace and factor additional time in between rounds to allow for necessary analysis and deliberation. Ministers also confirmed that, as the end of year deadline was no longer achievable, they have agreed to continue negotiations into the first quarter of 2018. The first round of 2018, round six, will be held in Montreal from January 23 to 28, following an intersessional meeting being held in Washington D.C. from December 12 to 17. Based on the progress to date, it is difficult to imagine that substantive progress will be made before the spring of 2018 – let alone the achievement of a deal. As a result, unless the U.S. decides to withdraw from

NAFTA, the negotiations are likely to slow down, or even be suspended, until after the Mexican elections in July and the U.S. mid-term elections in November. Chicken Farmers of Canada continues to monitor the talks and to work closely with Canadian officials, providing advice on how to ensure a positive outcome for the Canadian chicken sector.

UPDATE ON THE TRANS-PACIFIC PARTNERSHIP

On November 11, 2017, ministers from the remaining 11 members of the Trans-Pacific Partnership announced at their meeting on the sidelines of the Asia-Pacific Economic Co-operation (APEC) leaders' summit in Da Nang, Vietnam, that they had agreed on the "core elements" of the newly renamed Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). They did not, as hoped by some countries, conclude an "agreement in principle", partially due to the Canadian government's insistence on first resolving the issues surrounding the rules of origin for autos and the ability for nations to protect and promote their cultural industries.

However, the section on market access that contains the concessions made by Canada on Canadian dairy, poultry and eggs has not been reopened or suspended. The access granted in the original TPP was in response to the U.S.'s demands – and we see no rationale in keeping this concession with the U.S.'s exit from the agreement.

While there is currently no information available on the next meetings or new deadlines for the CPTPP talks, Chicken Farmers of Canada is actively engaging with Canadian officials, and highlighting how there is no justification for the retention of the original concessions, which now represent a wholly unjustified "gift" to the remaining CPTPP members. **CF**

- UPDATE -

Life Cycle Assessment of the Canadian Chicken Industry

The analysis stage of the Canadian Chicken Life Cycle Assessment (LCA) surveys is underway now that the survey stage has been closed. Surveys were sent out to producers and value chain members this summer, with a fall deadline to participate and complete them.

AGÉCO, the company contracted to conduct the LCA, is currently reviewing, organizing, and analyzing the data from the surveys, as well as compiling secondary data to compare to the data collected.

AGÉCO plans to present the results of the LCA in accordance with Chicken Farmers of Canada's four pillars of sustainability, which are:

- Environmental Stewardship
- Worker & Community Wellbeing
- Animal Health and Welfare
- Business Management

The results from both the environmental and social LCA are expected early in the New Year. The environmental LCA will provide the chicken industry with a baseline estimate for its impact on climate change, natural resources, biodiversity and ecosystem quality, and human health while the social LCA will provide a qualitative assessment of the industry's socio-economic impacts.

Chicken Farmers of Canada would like to thank everyone who participated in the Canadian chicken industry LCA, and would like to congratulate the draw winners. As many of you will remember, each producer that submitted an LCA survey was entered into a draw for one of twelve \$500 Visa gift cards. When the survey closed, AGÉCO drew twelve e-mail addresses at random.

Congratulations to all our winners and thank you to our provincial partners for collaborating with us on this project. 

Licences

Applications for 2018-2022 licences are now available through the www.chickenfarmers.ca website.

For industry members whose interprovincial or export trade licence expires December 31, 2017. The application for a 2018–2022 interprovincial or export trade licence can be found [here](#). The fee for each licence is \$100 per category.

For processors whose market development licence expires December 31, 2017. The application for a 2018–2022 market development licence can be found [here](#).

Please complete the application and return to Chicken Farmers of Canada with the appropriate fee, without delay, to allow us time to process it before the end of the current year. 





Hill Watch



Government Backs Down on Tax Changes

This past July, the federal government announced a series of transformative tax proposals that were seen to potentially have severe negative impacts on family farm corporations, particularly for multi-generational farms. As members of the Canadian Federation of Agriculture (CFA), Chicken Farmers of Canada relied on them to take the lead in advocating for changes to these proposals as they were positioned to affect all farmers.

Following the 75-day consultation period throughout the summer and into October, the government announced they had heard the concerns of farmers and other groups, and decided against their proposed plans to limit the lifetime capital gains exemption and options to convert income to capital gains. In addition, the government announced a simplified reasonableness test and a minimum threshold on the taxation of passive investment income, further indicating their willingness to work with farmers on these changes.

The government also announced that the 10.5% small business tax rate will drop to 10% in 2018 and 9% in 2019. The CFA will continue its outreach efforts with elected officials from all parties, and all departments with a link to agriculture, to ensure that farmers' perspectives are included as part of the policy development process. Chicken Farmers of Canada applauds the work done by both the CFA, and our government partners, to ensure fair and reasonable changes to the Canadian tax system.

A FOOD POLICY FOR CANADA

Health Canada held a stakeholder engagement session this fall to discuss the various initiatives they are undertaking for the Healthy Eating Strategy. At the session, the department also provided an update on the Food Policy for Canada being championed by Agriculture and Agri-Food Canada. Spokespeople reported that through the online consultations, the department received 40,000 submissions, 75% of which were women.

The overall message from Canadians was that food in Canada is affordable, but the policy needs to address that people are still food insecure. Many groups—including the Canadian Federation of Agriculture—have put forward the idea of a National Food Policy Council that would bring together stakeholders from across the food system including governments, civil society groups, academic experts, to provide monitoring, advice, and broad stakeholder support for A Food Policy for Canada. The new food policy is anticipated in the first half of 2018. **CF**

CANADIAN *Chicken industry* REDUCES *antimicrobial use*

REDUCTION TIMELINES

Step 1

Elimination of the preventive use of Category I antibiotics in May 2014

Step 2

Elimination of the preventive use of Category II antibiotics by the end of 2018

Step 3

Goal to eliminate the preventive use of Category III antibiotics by the end of 2020

Following the successful elimination of Category I antibiotics for disease prevention in Canadian chicken production in May 2014, Chicken Farmers of Canada (CFC) has established timelines to further its strategy to eliminate the preventive use of antimicrobials of human importance.

CFC's comprehensive antimicrobial use (AMU) strategy eliminates the preventive use of Category II antimicrobials by the end of 2018, and sets the goal to eliminate the preventive use of Category III antibiotics by the end of 2020.

The objectives and approach of CFC's strategy works in collaboration with the Canadian government's Pan-Canadian

Framework on Antimicrobial Resistance and Antimicrobial Use.

CFC's policy will maintain the use of ionophores (those antimicrobials not used in human medicine) along with the use of antibiotics for therapeutic purposes to treat disease.

The key guiding elements of the reduction strategy include surveillance, stewardship, and research. CFC will continue collaborating on industry and government surveillance programs to monitor antibiotic use and the impacts of the reduction strategy, while CFC will invest in research to provide innovative solutions. Stewardship of antibiotic use will be promoted by reviewing best

management practices, by increasing the availability of feed additives, and by focusing on quality throughout the stakeholder chain.

This strategy provides a sustainable means of meeting consumer expectations, protecting the health and welfare of birds, and preserving effective treatment options.

As always, consumers can be assured that Canadian chicken is free of antibiotic residues. Canada has strict regulations with respect to antibiotic use and withdrawal times to ensure that chicken reaching the marketplace does not contain residues, which is monitored by the Canadian Food Inspection Agency.

www.chickenfarmers.ca
www.chicken.ca



Chicken Farmers
of Canada
Les Producteurs de
poulet du Canada

Update on the Animal Care Assessment Framework

The Animal Care Assessment Framework (ACAF) is a tool created by the National Farm Animal Care Council (NFACC) to assist industry in developing and revising animal care assessment programs.

Animal care assessment programs, such as Chicken Farmers of Canada's Raised by a Canadian Farmer Animal Care Program, are built upon the NFACC's Code of Practice, and are the vehicles used to implement the Code of Practice.

Cycle for Code Development and Animal Care Assessment

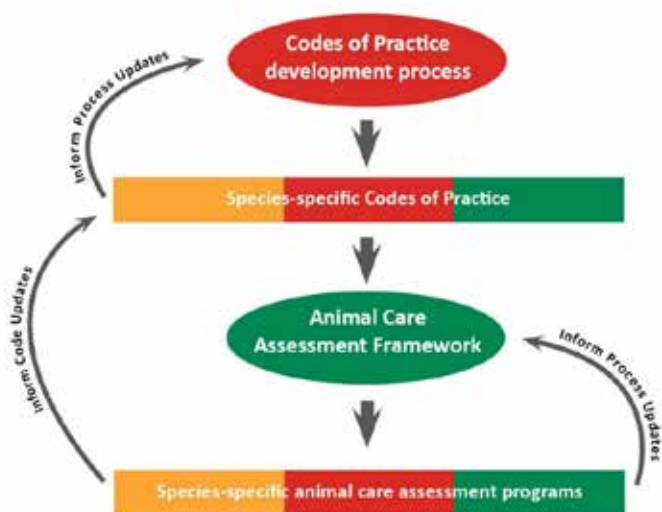


Figure 1. The Cycle for Code Development and Animal Care Assessment diagram illustrates how the species specific Code of Practice feeds back to the ACAF process used to develop and revise the animal care assessment programs (i.e. Chicken Farmers of Canada's Raised by a Canadian Farmer Animal Care Program). Feedback from program implementation then supports the ACAF and Code revisions. Source: <http://www.nfacc.ca/animal-care-assessment>

To read more about the ACAF process visit <http://www.nfacc.ca/animal-care-assessment>

In 2016, NFACC released a new Code of Practice for the Care and Handling of Hatching Eggs, Breeders, Chickens and Turkeys. In response, Chicken Farmers of Canada began the ACAF process to review the Animal Care Program standards, and bring them into line with the new Code of Practice.

In order to include industry stakeholders in the revision process, Chicken Farmers of Canada formed a Program Development Team (PDT), composed of representatives from across the value chain ranging from farmers, animal welfare advocates, auditors, veterinarians and scientists to processors, transporters, and retailers.

Chicken Farmers of Canada's ultimate goal is to release a revised Animal Care Program manual that reflects changes to the Code of Practice, while also taking into account practical implementation feedback received through consultation with stakeholders.

While the entire Animal Care Program manual is under review, many of the changes will reflect the new Animal Care Program's Highly Recommended (HR) production practices that were implemented in 2017, these sections include, but are not limited to:

- » Air quality monitoring
- » Lighting
- » Bird monitoring and handling
- » Euthanasia
- » Flock health plan

To date, two re-drafted manuals have been presented to the Chicken Farmers of Canada Board of Directors, one in August and one in October, 2017. Provincial boards were consulted at these times, and the documents were circulated for their review and to seek comments.

NEXT STEPS

There is one more ACAF meeting scheduled, in February 2018, and Chicken Farmers of Canada anticipates finalizing the changes to the Animal Care Program, based on the ACAF, by April 2018. Following a final round of consultations with provincial boards, downstream stakeholders and approval from the Chicken Farmers of Canada board of directors, a revised edition of the Animal Care Program manual should be available to producers in the fall of 2018. **CF**





Update on the Canada Food Guide

As reported in the previous edition of *The Chicken Farmer* (October), Health Canada is making several changes to the way its recommendations about Canadians should eat in an effort to improve the overall health and well-being of the population.

This process launched in late 2016, and is ongoing. Health Canada recently called for stakeholders to rendezvous in Ottawa for an update on the various elements of the Healthy Eating Strategy.

With a full day agenda, participants were provided with updates on:

- » The Background to the Healthy Eating Strategy
- » The Crisis of Chronic Disease and the Impact of Unhealthy Eating
- » Food Safety: Protecting and Informing Canadians
- » The Healthy Eating Strategy: Reaching Canadians
- » A Food Policy for Canada
- » Stakeholders Were Engaged

There were several short opportunities for discussion, and short question and answer periods were included in the agenda. These were informative, but did not lead to greater information flow, and participants left wondering what the next steps were. Health Canada has yet to circulate the “what we heard” document after the second round of online public consultations, which received a much lower response rate than the first round.

Questions remain regarding the new direction being taken by the Food Guide, among other elements of the Healthy Eating Strategy – such as marketing to children, and front-of-package labelling.

Health Canada continues to preach transparency, and posts all documents received or submitted on its transparency web page – but continues to eschew consultation with industry directly, even highlighting its impartiality repeatedly during the stakeholder engagement session. Many of the stakeholders in the room offered substantial comment and feedback on the Food Guide, which appeared to be largely unheard. Questions were asked about timelines, next steps, and for more technical information on the different elements of the Healthy Eating Strategy – but the different speakers were unclear with their responses.

Short breakout sessions were held, but those were not reported back to the group at large, nor were their notes or discussions included in the meeting materials made available after the engagement session was concluded.

SO WHAT NOW?

Health Canada is keeping its cards close to its vest and it has so far remained mostly mum on what it considers the appropriate next steps, or whether it will continue to modify its guiding principles, as circulated earlier this year. Until more is known on the final version of the Food Guide and the Guiding Principles, this issue continues to be a concern for Chicken Farmers of Canada. We continue to develop tools and messaging in case animal-based protein sources are wrongly identified as foods to avoid or limit in Health Canada’s Healthy Eating Strategy. **CF**

CHANGES ARE COMING FOR HOW YOU PURCHASE VETERINARY DRUGS FOR YOUR LIVESTOCK AND POULTRY

Effective December 1, 2018 you will need a veterinary prescription to use medically important antimicrobials

What are medically important antimicrobials?

Many of the chemical classes of antimicrobial drugs, or antibiotics, used in animals are also used in humans. Some of these antimicrobials are essential for the treatment of serious life-threatening infections in humans. If these drugs become ineffective due to the development of bacterial resistance, alternative antimicrobials may not be available to treat infections caused by resistant bacteria. Drugs with limited or no alternatives for treatment of infections, or where alternatives available are within the same class, are considered more important than others (Table 1).

What does this mean for me?

Effective December 1, 2018 you will need to have a veterinary prescription to use Category I, II and III antimicrobials (Table 1) as a part of the care for your animals. Only licensed veterinarians and feed mills will be able to sell these medications. You will not be able to get these drugs from a livestock medicines outlet, co-operative, or other places

where over-the-counter animal medications are sold. As well, from November 17, 2017 on you will no longer be able to import these antimicrobials.

It is important to work with your veterinarian

Having a veterinary-client-patient-relationship is critical before a veterinarian prescribes any medication, including an antimicrobial. This means you regularly work with a veterinarian who knows your animals and your production practices. This working relationship is documented and relied upon for the health of your herd or flock. This allows the veterinarian to make a diagnosis in the event of an animal health problem on your farm, which may in turn result in the prescription of an antimicrobial if needed.



Table 1: Criteria for antimicrobial drug categorization

Category	Preferred choice for serious human infections	No or limited alternatives available
I – Very High Importance	Yes	Yes
II – High Importance	Yes	No
III – Medium Importance	No	No/Yes
IV – Low Importance	Not applicable	Not applicable

Source: *Veterinary Drugs Directorate, Health Canada*

What else should I know?

As of December 1, 2018 the manufacturers and distributors of veterinary drugs will no longer include growth promotion claims on their antimicrobial products.

Going one step further, animal medications that contain medically important antimicrobials will include a new logo on the label to help make them more easily recognised.

These steps are being taken in recognition of the importance of responsible antimicrobial use to help ensure these important health tools remain effective.

Retiring AFTER 22 YEARS



MIKE DUNGATE, EXECUTIVE DIRECTOR, WILL BE LEAVING CHICKEN FARMERS OF CANADA AT THE END OF 2017, HAVING SERVED FOR 22 YEARS.

When Mike joined us at CFC in January 1996, he came aboard as Head, Trade, Policy and Economics. It was part of an Interchange Agreement with what was once called the Department of Foreign Affairs and International Trade.

In May 1997, with the announcement of the departure of Cynthia Currie, Mike became the Acting General Manager and was hired as General Manager in July. His title was later changed to Executive Director.

Chicken Farmers of Canada's objectives and responsibilities increased and evolved, often requiring more staff resources to take on these additional challenges. Staff increased from 14 members in 1997 to the team of 26 that it is today.

Some of the highlights of Mike's time at CFC are the signing of the National allocation Agreement in 1997 and the

Federal Provincial Agreement for Chicken in 2001. After about a decade under that agreement, Mike worked alongside the Board of Directors to resolve some emerging allocation issues, with a particular emphasis on differential growth.

After several years of meetings and negotiations, the operating agreement was completed this past October. This was the final step in concluding a new Federal Provincial Agreement for Chicken. This allowed CFC to welcome Alberta back to the table, after having withdrawn in 2013.

Mike also helmed the work behind the creation of a national, mandatory, auditable program for both Food Safety and Animal Care, as well as putting forward a plan with concrete steps dedicated to ensuring that our industry takes itself out of the antimicrobial resistance picture and uses antibiotics responsibly.

Under Mike's wing, CFC has raised over \$430,000 for the Ottawa Food Bank and many thousands for other food banks around the country – and Chicken Farmers of Canada has created a national brand that is being recognized and supported across the country.

Throughout his tenure, Mike helped the Board maintain the strategic focus that helped the organization become more proactive and progressive, while always considering the long-term impacts of decisions made today. He also worked hard to ensure that the voice and interests of Canada's chicken farmers was heard and taken into account, both within Canada and overseas.

Twenty-two years represents an incredible commitment and sacrifice. As farmers and as an industry, we are glad to have had his leadership and passion.



FROM ALL OF US AT
CHICKEN FARMERS OF CANADA,

WE WISH YOU
-HAPPY-

Holidays

-AND-
A GREAT NEW YEAR

