



THE CHICKEN FARMER

Volume 20, Issue 2 | APRIL/MAY 2018

North American Free Trade Agreement Modernization Update

Since the last publication of The Chicken Farmer, negotiators working on the modernization of the North American Free Trade Agreement (NAFTA) have met twice: once in Montreal from January 21 to 29, and again in Mexico City from February 26 to March 6.

So far, six of the agreement's approximately 30 chapters have been closed since the renegotiations began in August last year:

- » Good Regulatory Practices
- » Transparency
- » Sanitary and Phyto-Sanitary Measures
- » Competition
- » Small and Medium Enterprises
- » Corruption

There was still very little movement, if any, on the United States' "poison pill" proposals on rules of origin in autos, intellectual property, government procurement, chapter 19 and trade remedies – despite Canada's proposal on rules of origin in autos. With respect to agriculture, progress has been made over the past two rounds on the technical issues such as biotechnology, but the agriculture text continues to remain largely bracketed (under discussion). It is not expected that the issues related to supply management will be raised until the latter stages of the negotiations.

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The future of the NAFTA renegotiations remains unclear, given the upcoming Mexican presidential election on July 1st and U.S. midterm elections on November 6th, as well as the uncertainty stemming from U.S. President Trump's recently imposed steel and aluminum tariffs and continued threat to withdraw from the agreement. Nonetheless, the next (the eighth round) is expected to take place in Washington D.C. in early April.

Chicken Farmers of Canada executive members and staff have been present at each round, taking the opportunity to meet with government officials as well as attending briefings provided by Canada's negotiators. Chicken Farmers of Canada joined other supply management sectors, including poultry and dairy processors, in hosting a reception during the Montreal round, in demonstration of the sector's united support of the government's position that supply management remains a vital and non-negotiable part of Canadian agriculture.

COMPREHENSIVE AND PROGRESSIVE TRANS-PACIFIC PARTNERSHIP UPDATE

On March 8th, Canadian Minister of International Trade, the Hon. François-Philippe Champagne, joined representatives from the 10 other members of the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) in Santiago, Chile to officially sign the trade agreement, and set into motion a flurry of domestic ratification processes. Although there is no exact timeline, the agreement will come into effect 60 days after six, or 50 per cent, of the signatory members have completed their ratification process.

Canada continued to allow the market access concessions to its chicken market, despite the fact that the main demandeur of this access – the United States – is no longer party to this agreement. Chicken Farmers of Canada executives and staff met with Ministers Champagne and (the Hon. Lawrence) MacAulay, to reiterate the fact that Chile, which already exports chicken to Canada, will fill the new CPTPP chicken access.

Annually, Chile's chicken exports exceed 100 million kg. Over the CPTPP implementation period, 410 million kg will be imported, displacing farm production valued at \$865 million based on the farm gate price. At the end of the implementation period, 26.7 million kg of new annual access will be provided on top of the existing WTO/NAFTA access, altogether representing approximately 9.6% of domestic production.

FREE TRADE TALKS LAUNCHED WITH MERCOSUR

On March 9th, Minister Champagne formally announced the launch of Canada's free trade talks with Mercosur, the South American trade bloc comprised of Argentina, Brazil, Paraguay, and Uruguay. Although the details remain unconfirmed, the first round of talks between Canada and Mercosur are expected to take place in Ottawa starting on March 20th.

Canadian chicken farmers are concerned about these talks, as Brazil is world's largest chicken exporter, and Argentina has been pursuing an aggressive campaign to open Canadian market to its chicken exports. Brazil's exports last year were almost four times Canada's entire chicken production, and it has already secured significant access to the Canadian market.

Brazil exported 4 billion kg of chicken in 2017, with more than 16 million kg of it going to Canada, making it Canada's second largest source of chicken imports after the U.S. Argentina has already secured the right to export chicken products into Canada, and currently has global annual exports of around 185 million kg.

Canada's market access level of 7.5% of our production was already significant prior to the completion of the CPTPP. The completion of the CPTPP will add another 2.1%, meaning that the annual market access under Canada's tariff rate quota will increase to approximately 9.6% of our production. It is imperative that the government does not concede any additional market access or any reductions to chicken's over-quota tariffs under the ongoing NAFTA and Mercosur talks. **CF**

CANADA
CONTINUED TO
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THE FACT THAT THE
MAIN DEMANDEUR
OF THIS ACCESS –
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– IS NO LONGER
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AGREEMENT.

2018

Board of Directors & Committees

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National Farmed Animal Health and Welfare Council – Marco Volpé



Hill Watch

2018 Federal Budget

Finance Minister Bill Morneau presented the 2018 federal budget, which laid out the government's fiscal plan for the upcoming year. As expected with a mid-mandate budget, there was no major spending or programming introduced. Sticking with this government's feminist agenda, the budget was created with a gender-based analysis.

The budget included very little on agriculture, and more specifically, nothing on supply management. Budget 2018 has allocated \$2.5 billion in program spending for Agriculture and Agri-Food Canada.

However, the budget contains initiatives that will build on the growth agenda for agri-food set out in Budget 2017. That budget featured

many significant ongoing investments to help farm families and agri-food processors excel; these include the \$3 billion federal-provincial-territorial agricultural policy framework, the Canadian Agricultural Partnership, \$950 million Innovation Supercluster

Initiative, \$1.26 billion Strategic Innovation Fund, \$70 million for agricultural science, and \$2 billion in rural infrastructure.

MUCH LIKE IN THE PAST, THE LIBERAL GOVERNMENT INTENDS TO RUN A STEEP DEFICIT OVER THE NEXT FEW YEARS IN ORDER TO STRENGTHEN THE ECONOMY AND GROW THE MIDDLE CLASS.

Much like in the past, the Liberal government intends to run a steep deficit over the next few years in order to strengthen the economy and grow the middle class.

Investments in agriculture include:

- » **\$100 million** for access to high-speed internet in rural areas.
- » **\$511 million** to the regional development agencies, which will support many agri-food businesses.
- » A new **\$50,000 threshold per year on passive income**.
- » **\$19.9 million** for an Apprenticeship Incentive Grant for Women, so women in Red Seal Trades (ex. bakers, agriculturalists) would receive **\$3,000 for each** of their first two years of training.
- » A new **lending product** designed specifically for women entrepreneurs through Farm Credit Canada.
- » **Nearly \$4 billion in Canada's research system** to support the work of researchers and to provide them state-of-the-art tools and facilities – much of which will directly benefit the agriculture sector.
- » **\$49.4 million** to Statistics Canada to conduct the 2021 Census of Agriculture.
- » **\$75 million over 5 years, with \$11.8 million beyond that**, to strengthen Canadian presence and promote trade in China and other Asian markets.
- » **\$29 million** to help the CFIA continue opening up markets – and ensuring rules are based in science.
- » **\$47 million** to help CFIA address food safety issues before they reach domestic consumers.



- » Committed to **working with the supply-managed sectors** to evaluate the potential economic impacts of trade agreements, and ensure these key sectors remain strong and competitive.
- » **\$11.5 million** to pursue a regulatory reform agenda with an initial focus on agri-food businesses.
- » **\$448.5 million** to the Youth Employment Strategy, including youth in the agriculture sector.

CANADIAN FEDERATION OF AGRICULTURE UPDATE

The Canadian Federation of Agriculture Annual General Meeting (AGM) was held at the end of February, and gathered members, stakeholders, elected officials, and public servants to Ottawa to discuss Canadian agriculture.

The AGM's opening keynote speech was delivered by Minister of Agriculture and Agri-Food, Lawrence MacAulay, who spoke on NAFTA, the CPTPP, the government's support for supply management, and the Canadian Agricultural

Partnership. He also highlighted the productive relationship between farm organizations and governments, particularly in this time of evolving trade.

Other speakers included Conservative agriculture critics, Luc Berthold and John Barlow, NDP agriculture critic Alistair MacGregor, Chief Agriculture Negotiator for NAFTA, Frédéric Seppey, and Agriculture and Agri-Food Deputy Minister Chris Forbes. There was also a panel that addressed the Canadian economic outlook in agriculture, an update from CFA partners, and a presentation on Climate Smart Agriculture.

In addition to the packed agenda, CFA members passed 42 resolutions – including one on defending supply management in trade negotiations – that will guide its advocacy efforts in the coming year. This year's resolutions covered a range of areas including: trade, business risk management, transportation, tax policy, sustainability, crop protection, labour, animal health, rural infrastructure, and other topics. **CF**

Chicken Farmers are Committed to Sustainability Excellence

Chicken farmers in Canada have been active on sustainability initiatives for years! The Sustainability Excellence Commitment is a way of bringing all of these initiatives under one umbrella to promote the hard work and dedication of Canadian chicken farmers.



Sustainability Excellence is a combination of the Raised by a Canadian Farmer On-Farm Food Safety Program and Animal Care Program, the antimicrobial use reduction strategy, environmental initiatives, and the industry's commitment to the Canadian economy and to rural communities.

Sustainability is an overused term that can mean different things to different people. One consistent element is Canadians want to know more about where their food comes from and how it has been produced.

The Sustainability Excellence initiative provides a great way for the industry to easily communicate its strategy and the great environmental, economical, and social sustainability work that is being done.

Chicken Farmers of Canada released its first Sustainability Report in 2016. For more details, check out www.chickenfarmers.ca/wp-content/uploads/2017/02/Sustainability-report-ENG.pdf. A revised report will be released in 2018 to update the initiatives.

Look for the new Sustainability Excellence logo as Chicken Farmers of Canada and members promote the industry sustainability strategy to customers and consumers.

This logo represents the four Key Values of Sustainability, which are:

PROTECTING BIRD HEALTH AND WELFARE

Protecting bird health and welfare is at the heart of chicken farming. The first and foremost concern of a chicken farmer is ensuring the birds in their care are healthy and comfortable.

PRODUCING SAFE CHICKEN FOR CANADIANS

Food safety begins on the farm and we value our reputation for producing safe chicken for Canadians. By implementing a program to ensure that we are providing Canadians with the safe, fresh, high-quality chicken they expect, we play our part in assuring food safety.

PRESERVING THE HEALTH OF THE LAND AND OF OUR FARMS

The health of our birds and the health of our farms go hand in hand. Healthy farms means not only protecting the natural environment, but also ensuring safe farm practices and encouraging new entrants to the industry.

Providing value to Canada and affordable food to Canadians through supply management

By contributing to the Canadian economy and our rural communities, we ensure the sustainability of the industry, and a high quality protein source for Canadians, for years to come. **CF**

Debunking the Deviation Record Sheet

WHAT IS A DEVIATION?

In the context of chicken production, a deviation is anything that happens outside of the Standard Operating Procedures (SOP) during a flock cycle. In other words, extenuating circumstances or occurrences that are not part of your normal operations or production practices, but occur nevertheless.

Deviations are not run-of-the-mill occurrences, such as temperature adjustments within the SOP range, they are significant events that have likely never happened before or happen very seldom such as a disease outbreak or a barn system failure.

WHY IS IT IMPORTANT TO RECORD DEVIATIONS?

Thorough deviation records are a strong asset to producers as they can provide clues to identify and address the source of a problem as well as help mitigate issues before they arise. Furthermore, these records can fill in communication gaps in multi-personnel operations as well as act as a comforting failsafe for human memory.

WHEN TO RECORD A DEVIATION?

Any occurrence that is different from what should normally happen on farm is a deviation worth noting. Deviations only need to be recorded if they exceed the upper or lower limits outlined in the SOP. For example, a generator malfunction during a power outage leading to significant changes in lighting or to a feed and water delivery outage, would need to be recorded.

Some deviations may occur for obvious reasons and can be readily addressed by the producer. However, other situations may be more complex such as a steep increase in mortality rate, which may require consulting a veterinarian and/or a feed representative to confirm and address the suspected issue.

The length of the deviation record should match the complexity of the issue. For example, a significant increase in barn humidity levels (i.e. above the SOP range) due to a heatwave that can easily be resolved by changing ventilation settings would require a deviation record, but it would be a short, straightforward entry. Whereas a significant increase in ammonia levels (i.e. above the SOP range) due to a bedding quality or feed issue may require more involved actions ranging from increasing ventilation to adding or neutralizing bedding, changing feed, etc. In this scenario, each action taken to resolve the issue needs to be recorded, even unsuccessful attempts, making the record longer.



HOW TO MAKE DEVIATION RECORDS

Deviations can be recorded on the Deviation Chart on the Flock-Specific Record form or on a similar form. Deviations themselves are not Corrective Actions; they are only subject to corrective action if a particular deviation becomes an ongoing occurrence (see section 10.3 of the On-Farm Food Safety Manual).

As the deviation chart found on page 2 of the Flock-Specific Record sheet illustrated below depicts, the deviation record must include:

THE DATE OF THE DEVIATION

- » A description of the deviation (e.g. water system was down for 2 hours)
- » A reason for the deviation (e.g. shut off water to fix a leak)
- » Actions taken to correct the deviation (e.g. fixed the leak, will check pipes between flocks)

DEVIATION CHART

Complete this table when a deviation from any Standard Operating Procedures occurs including:

- ☐ Temperature levels
- ☐ Bedding quality
- ☐ Humidity or ammonia levels
- ☐ Lighting program
- ☐ Medication delivered through feed or water
- ☐ High mortality
- ☐ Alarm systems

Date	Description of the Deviation	Reason for the Deviation	Actions taken to Correct the Deviation

Be Prepared for AMU Reduction

Starting January 2019, Category II antibiotics will no longer be allowed to be used in a preventive manner.

It is recommended that all supply chain members – farmers, veterinarians, feed mill representatives, and hatchery representatives prepare for this date by working together and determining the opportunities for success.

ANY CATEGORY II ANTIBIOTICS THAT ARE USED IN A PREVENTIVE MANNER WILL BE IMPACTED BY THIS REQUIREMENT.

This timeline is part of Chicken Farmers of Canada's antimicrobial use reduction strategy, which also includes the goal of eliminating the preventive use of Category III antimicrobials by the end of 2020. The goal for Category III antimicrobials is contingent upon a review in 2019 by the Chicken Farmers of Canada Board of Directors.

It is important to note that the strategy is not a "Raised without the Use of Antibiotics" (RWA) strategy. Product raised to be RWA cannot be administered any Category I, II, III, or IV products.

Key differences in the strategy include:

- » Maintaining the use of ionophores (Category IV) and coccidiostats for prevention
- » Maintaining the use of antibiotics for treatment

Chicken Farmers of Canada's antimicrobial use strategy focuses on the preventive use of antibiotics of importance to human medicine (i.e. those antibiotics categorized as I, II, and III). The strategy provides a sustainable means of meeting consumer expectations, while protecting animal health.

This policy will be included in the *Raised by a Canadian Farmer* On-Farm Food Safety Program and will be incorporated into the audit process. Farmers will be receiving an addendum to the program manual in the spring of 2018.

As part of the strategy, on January 1, 2019 hatcheries will begin indicating on the delivery document that the chicks have not been treated with Category II antibiotics in a preventive manner.



WHICH ANTIBIOTICS ARE IMPACTED?

Any Category II antibiotics that are used in a preventive manner will be impacted by this requirement.

Disease prevention is defined as the administration of an antimicrobial to animals when no clinical signs of disease are being exhibited, whereas disease treatment is defined as the use of antimicrobials in response to the identification of a known clinical or subclinical disease.

While not an exhaustive list, the most commonly used products in a preventive manner are the following:

	PRODUCTS
Antibiotic Use at the Hatchery	
Category II	Linco-Spectin
	Gentamycin/Gentocin
Antibiotic Use in the Feed	
Category II	Virginiamycin, Stafac
	Lincomix
	Tylosin/Tylan
	Penicillin G Procaine, Pen-P
Category III	Bacitracin – BMD, Albac, Zinc Bacitracin
Antibiotic Use in the Water	
Category II	Vibiomed Booster, Medivit, Super Booster

Check out Chicken Farmers of Canada's Antimicrobial Use magazine!

GET UP TO DATE INFORMATION ON THE STRATEGY, REDUCTION TIMELINES AND
HEAR FROM EXPERTS ON MANAGEMENT ISSUES SUCH AS WATER LINE CLEANING
AND MUCH, MUCH MORE!



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*Chicken Farmers
of Canada*
*Les Producteurs de
poulet du Canada*

Canadian Young Farmers Forum

Chicken Farmers of Canada was proud to sponsor this year's Canadian Young Farmers Forum (CYFF) annual conference held in Saskatoon, Saskatchewan. The conference brought farmers aged 18–40 from all across Canada together for a weekend filled with workshops, networking, and meeting fellow Canadian farmers.

For three days, farmers heard about everything from dealing with stress on their farm, to upcoming and on-going consumer trends, how to use social media to promote farming, farm finances, succession planning, new technology, and so much more. CYFF made sure to equip young farmers with great tools and resources to help them succeed on their farms and in their future.

This conference also allowed young farmers to share virtual tours of their farms, sharing their experiences and proudly showing their livelihood. A number of chicken farmers were present, including many from the Chicken Farmers of Ontario Artisanal program.

Chicken Farmers of Canada is looking forward to sponsoring the event again in 2019, and is looking to develop a program to send young chicken farmers to the conference.

Stay tuned for more information on this initiative.