

Volume 23, Issue 3 | 2021

THE CHICKENFARMER

in this issue

- CFC's Antimicrobial Use
 Strategy demonstrates
 positive outcomes:
 Government
- 4 Hill Watch
- 6 Retail Chicken Sales During the Pandemic

8 CPRC Update

10 2020 report card for the *Raised by a Canadian Farmer* Programs





POULTRY AND EGG ON-FARM INVESTMENT PROGRAM

Following the conclusion of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), Government of Canada promised to provide compensation to supply-managed sectors for market access concessions made under the agreement. This announcement was included in Issue 2 of The Chicken Farmer.

The Poultry and Egg On-Farm Investment Program (PEFIP) has been put in place and will provide \$347.3 million for chicken producers to invest in their operation. Each eligible producer will be allocated a share of the program's funding based on their share of provincial quota or production, as identified by their respective provincial marketing board and based on January 1, 2021 quota holdings.

The program is a ten-year program, which will end March 31, 2031. Under this program, producers will have the flexibility to seek funding for eligible activities that started on or after March 19, 2019. The applications must be submitted by March 31, 2030 and project activities must be completed by March 31, 2031. Producers will have their individual funding amount to be used during the 10 years of the program and can plan their investments when it is convenient for their operation.

CONTINUED ON PAGE 2

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All activities must contribute to on-farm modernization of the poultry and/or egg enterprise. This includes:

- » increasing efficiency or productivity
- » improving on-farm food safety and biosecurity
- » improving environmental sustainability
- » responding to consumer preferences (improving animal welfare, adopting alternative housing systems, transitioning to organic production, etc.)

PRODUCERS WILL BE ABLE APPLY MORE THAN ONCE, AND FOR MORE THAN ONE PROJECT, SO LONG AS THEIR MAXIMUM FUNDING AMOUNT UNDER THE PROGRAM HAS NOT BEEN EXCEEDED.

ELIGIBLE ACTIVITIES INCLUDE, BUT ARE NOT LIMITED TO:

- hiring of external expertise to assess how the poultry and/or egg farm enterprise can improve efficiencies and productivity
- construction of new infrastructure of expansion of infrastructure
- » building retrofits
- » purchase of equipment and/or fit-ups of current facilities related to the installation and operation of equipment
- » conversion of poultry housing system
- shipping, transportation, and installation of eligible assets/materials (for example, construction materials, equipment, commercial off-the-shelf software, and IT infrastructure)
- training related to other eligible project activities
- » Ineligible costs include
- » used equipment purchased through private sale
- » equipment not directly related to poultry and/or egg production
- » purchases of additional quota, land, or animals

AAFC's contribution will not normally exceed 70% of eligible project costs. Subject to certain conditions, AAFC may provide up to 85% of eligible project costs for young producers who were 35 years old or younger on January 1, 2021.

Producers will be able apply more than once, and for more than one project, so long as their maximum funding amount under the program has not been exceeded.

Applicants will be able to determine their maximum funding amount by registering with the program's Online System (PEFIPOS).

In the PEFIPOS, registration involves creating a "User" profile for yourself, and then creating a program "Participant" profile for the entity (that is, the individual, corporation, cooperative, partnership or trust) that holds the license and that will apply for project funding.

Multiple users may have access to a Participant profile to work together on an application or claim. Applicants with multiple licenses will have the option to register all their licenses together, rather than registering each license separately with the program. Registering multiple licenses together can:

- » make it easier for applicants to manage their project applications, contribution agreements and claims by accessing them via the same account on the Poultry and Egg On-Farm Investment Program Online System (PEFIPOS)
- » allow applicants to combine their maximum funding amounts from multiple licenses towards a large project

Program applications must be submitted by March 31, 2030.

You can find the PEFIP website by going to https://www.agr.gc.ca/eng/ agricultural-programs-and-services/poultryand-egg-on-farm-investment-program/

CFC'S ANTIMICROBIAL USE STRATEGY DEMONSTRATES POSITIVE OUTCOMES: **GOVERNMENT**

The Chicken Farmers of Canada (CFC) *Responsible AMU* Strategy was launched in 2012 to demonstrate responsible antimicrobial use in the Canadian chicken sector. A part of this strategy focused on eliminating the preventive use of antibiotics of importance to human medicine. The Canadian chicken industry successfully eliminated the preventive use of Category I antibiotics in May 2014 and Category II antibiotics in 2018.

The Canadian Integrated Program for Antimicrobial Resistance Surveillance (CIPARS) of the Public Health Agency of Canada (PHAC) monitors trends in antimicrobial use and antimicrobial resistance in selected bacterial organisms from human, animal, and food sources across Canada.

The recently published 2019 CIPARS report on antimicrobial use and resistance from surveillance activities on chicken farms sheds some positive light on the effects of the Category I and II

KEY FINDINGS FROM THE REPORT INCLUDED:

- > Over 60% of antimicrobials reported used in 2019 were not medically important for human medicine
- » Over 98% of surveyed flocks were not administered any antimicrobials at the hatchery
- » No flocks were administered any Category I antimicrobials
- The use of Category II antimicrobials dropped significantly – indicating the successful implementation of CFC's Category II policy
- » Bacitracin continued to be an important antimicrobial used for disease prevention
- PHAC results show a decrease in bacterial resistance across most antimicrobials in response to the CFC Category I and II policy changes; CIPARS has also previously reported on the success of the Category I policy in previous reports and bulletins

preventive use eliminations. The report derived data from 147 chicken farms that were surveyed by 17 veterinarians in British Columbia, Alberta, Saskatchewan, Ontario, and Quebec.

These positive surveillance results help to demonstrate the sector's strong commitment to responsible use and allow the sector to communicate the success of industry's policies. Maintaining these positive results takes a team effort – from all stakeholders in the chicken supply chain.

Antimicrobials are, and will remain, essential tools to protect the health and welfare of the birds and to ensure a safe food supply. CFC's policies operate in concert with federal government policies on antimicrobial use and resistance to be able to provide confidence to consumers. These policies include:

- » All antimicrobials used in agriculture are approved for use and safety by Health Canada
- » All antibiotics of human importance are used in conjunction with a veterinary prescription
- All growth promotion claims have been removed from antimicrobials of importance to human medicine
- » Health Canada requires pharmaceutical companies to report annual sales

For more information on the CIPARS reports available click **here**. For articles, podcasts and case studies on the CFC AMU strategy, check out the Farmer **Resource Portal.**

3



2021 FEDERAL BUDGET

The **2021 Federal Budget** was announced on April 19th, the first budget released in two years.

For the agriculture sector, there are several areas of interest. Not only did supply managed producers receive compensation for the CETA and CPTPP trade deals as previously announced, the budget lays out plans to ensure Canada's dairy, poultry and egg processors receive \$292.5 million over seven years for CETA and CPTPP support. Furthermore, it states that the "Government of Canada is committed to full and fair compensation with respect to the new NAFTA."

THE BUDGET LAYS OUT PLANS TO ENSURE CANADA'S DAIRY, POULTRY AND EGG PROCESSORS RECEIVE \$292.5 MILLION OVER SEVEN YEARS FOR CETA AND CPTPP SUPPORT.

> Budget 2021 also addresses antimicrobial resistance with the provision (AMR) of \$28.6 million over five years to the Public Health Agency of Canada, Health Canada, and the Canadian Food Inspection Agency to help prevent the inappropriate use of antimicrobials and expand the monitoring of AMR in Canada.

> It also references the steps the government will take to bolster its system of trade controls, including the strengthening of oversight and controls for imports of supply managed goods, and will provide \$38.2 million over five years to support Canada's trade control regime. We are hopeful these funds could potentially be used to address the spent fowl issue.

> Finally, there are a number of environmental provisions that may impact our sector. The budget announced its intent to return a portion of the proceeds from the price on pollution directly to farmers in backstop jurisdictions (currently Alberta, Saskatchewan, Manitoba, and Ontario), and announced an immediate \$200 million

over two years for on-farm climate action under the Agricultural Climate Solutions program and \$10 million over two years from the Agricultural Clean Technological Program towards powering farms with clean energy.

UPDATE ON PRIVATE MEMBERS' LEGISLATION

There are several Private Members' Bills before the House of Commons right now that are supportive of Canadian agriculture, and in particular, of the Canadian chicken sector. The updates for the closely followed bills are:

- » Bill C-205, An Act to amend the Health of Animals Act (Biosecurity on Farms), presented by Conservative MP John Barlow. This bill was adopted by the Standing **Committee on Agriculture and Agri-Food and has** been presented to the House with an amendment. CFC appeared as a witness before the committee in early June.
- » Bill C-206, An Act to amend the Greenhouse Gas *Pollution Pricing Act (qualifying farming fuel)* presented by Conservative MP Philip Lawrence. This bill was adopted by the Standing Committee on Agriculture and Agri-Food in May and has been presented to the House with an amendment. CFC is supportive of the bill.
- » Bill C-208, An Act to amend the Income Tax Act (transfer of small business or family farm or fishing corporation), presented by Conservative MP Larry Maguire, has passed third reading and is at third reading in the Senate.
- » Bill C-216, An Act to amend the Department of Foreign Affairs, Trade and Development Act (supply *management)* introduced by Bloc Québecois MP Louis Plamondon. This bill was adopted by the Standing **Committee on International Trade and has been** reported back to the House. CFC is supportive of this bill.





CHICKEN FARMERS OF CANADA ANNUAL LOBBY DAYS

The areas of interest in the budget mirrored our key messages for CFC's Lobby Day meetings. A few days after the budget was released, CFC held its spring Lobby Days on April 21st and April 22nd. The Lobby Days took place over two days (and a few days after), and CFC was able to secure virtual meetings with over 50 MPs, Senators, and staff.



Despite being unable to host the annual Downtown Diner in Ottawa this year, the dairy, poultry, and egg sectors worked together to create the 6th annual edition of the popular publication The Farmers' Times that is usually distributed at the event. Showcasing the contributions and resilience of the supply-managed sectors, The Farmers' Times highlights the collective strength of supply-managed farms and how we're contributing to a bright future for Canadians.

Click here to read it!

The meetings were successful, and we've had several follow-ups regarding the issues we raised, including some MPs doing outreach to the Minister of Public Safety and Emergency Preparedness regarding spent fowl. The focus of these meetings was trade, mitigation measures, food security and spent fowl.

EXTRA! EXTRA!

RETAIL CHICKEN SALES DURING THE PANDEMIC

Canadian families consumed more chicken during the pandemic due to lockdown and restrictions. This article looks at the retail volumes in the 52 weeks period collected from Nielsen and breaks down the retail chicken volumes into fresh and frozen cuts. Data shows that frozen chicken enjoyed a higher increase than fresh chicken because Covid-19 forced consumers to stockpile food, however, the gap between Top 5 popular chicken cuts and other cuts for fresh chicken is bigger than that of frozen chicken.

Manitoba combination (6.2%),

SECTION A TOTAL CHICKEN

The 52 weeks' fresh and frozen chicken retail sales across Canada ending March 27th, 2021 was 360 million kg (Mkg), accounting for \$3.5 billion revenues. Compared to the prior 52 weeks ending March 28th, 2020, total retail chicken experienced increases in both volumes and revenues, 5.2% and 8.1% respectively and therefore, a rise in average price (2.7%).

Each province saw more retail consumption in the 52 weeks ending March 27th, 2021, but at different levels. Quebec had the highest volume increment (6.6%), followed by Saskatchewan and

DATA SHOWS THAT FROZEN CHICKEN ENJOYED A HIGHER INCREASE THAN FRESH CHICKEN BECAUSE COVID-19 FORCED CONSUMERS TO STOCKPILE FOOD, HOWEVER, THE GAP BETWEEN TOP 5 POPULAR CHICKEN CUTS AND OTHER CUTS FOR FRESH CHICKEN IS BIGGER THAN THAT OF FROZEN CHICKEN.

Ontario (5.5%) and British Columbia (5.4%), while Maritimes, Alberta and Newfoundland and Labrador were a bit behind the national level (see Figure 1). These brought Central Canada the region with the highest growth rates in terms of both dollars and kg, as well as the average price. West and East Canada came after respectively.

Frozen food industry sales enjoyed high growth during the pandemic because consumers were forced to eat more at home, especially in the first few months of the pandemic, people shopped less frequently and bought more frozen food to put in the freezer. Meanwhile, at the beginning of the pandemic, consumers stockpiled lots of food, making the fresh food less available. Nielsen retail data shows that 52 weeks' frozen chicken. although only accounted for 15% of total chicken in the retail side, experienced much higher growth rate than its fresh counterpart during the pandemic in all provinces (see Figure 2).

SECTION B FRESH CHICKEN

The 52-week total fresh chicken consumption hit 300 Mkg by March 27th, 2021, a 3.7% increase versus the prior 52 weeks total. This brought the fresh chicken revenues to \$2.8 billion, 5.5% more than the 52 weeks ending March 28th, 2020. Chicken breast, whole chicken, chicken thighs, drumsticks and wings dominated the top 5 most preferred chicken cuts in both two 52 week periods, accounting for 80% of total fresh chicken volume while 88% of total revenues (see Figure 3). Chicken breast, as the most popular cut across Canada, contributed 36% volume and 46% of revenues. It is also the most expensive fresh chicken cut as per kg (see Table 1).

Table 1 – Fresh Chicken Cut Price (52 weeks ending March 27th, 2021)

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Cut	Price
Breast	\$12.0
Wings	\$10.1
Thighs	\$9.6
Whole	\$7.9
Others	\$6.9
Drumsticks	\$6.6

SECTION C FROZEN CHICKEN

The remaining 60 Mkg in the 52 weeks ending March 27th, 2021 came from frozen chicken, contributing \$677 million for that period. Due to the pandemic and consumer behavior change, frozen chicken enjoyed a double-digit growth rate in both volume and revenues – 12.7% and 20.1% respectively.

Different from fresh chicken, the top 5 most popular cuts are chicken wings, strips, burgers, nuggets, and breast/ fillets (see Figure 4). The fact that strips, burgers, and nuggets are more popular on the frozen side is partly because they are easier to be preserved and cooked for family after further process. In Ontario and Maritimes, strips even replaced wings as the family's top frozen chicken choice.

Similar with fresh chicken, the top 5 most popular frozen products also account for more than 80% of the total frozen chicken market in both periods in terms of kg and dollars. However, the gap between dollar share and kg share was very small (84% kg share and 83% dollars share), indicating that popular frozen products' prices per kg did not vary too much with other products (see Table 2).

Table 2 – Frozen Chicken Cut Price (52 weeks ending March 27th, 2021)	
Cut	Price
Nings	13.0
Breast/Fillets	12.6
Others	12.3
Strips	10.5
Nuggets	9.1
Burgers	9.1

oc 18% 14% 10% 6% 2%

6.6%

-2%



Figure 2-Fresh and Frozen Chicken Volume % Change (52 weeks ending March 27th, 2021 vs 52 weeks ending March 28th, 2020)











CPRC UPDATE



VENTILATION IS A BALANCING ACT

Air quality concerns are a known problem on many Canadian poultry operations because emissions of particulate matter and ammonia are difficult to balance. Now, thanks to ongoing evaluation of various air quality control strategies, producers are better positioned to adopt tools that meet environmental, economic and animal welfare requirements for producing more sustainable eggs and poultry meat.

Bill Van Heyst, professor of Environmental Engineering in the School of Engineering at the University of Guelph, has spent nearly a decade evaluating air quality control strategies in use on Canadian poultry operations. He conducts measurement campaigns on various farms to collect data points including indoor concentrations of pollutants, barn ventilation rates, samples from excreta, as well as other barn parameters such as indoor and outdoor temperatures and humidity levels.

"Recently we've been specifically looking at problems with ammonia and particulate matter," says Van Heyst. "Ammonia is generated when barns have wet litter conditions, and particulate matter is generated in dry, dusty scenarios. Farm operators have to find this happy medium in terms of their litter management so moisture content doesn't favour one side or another."

Van Heyst has completed studies of cage-free egg barns in Saskatchewan and Ontario, across various seasons. He is leading similar work in broiler breeder barns in Ontario. Particulate matter is easy to spot in a barn setting because the air appears dusty. Van Heyst's research has revealed particulate matter is a bigger problem in the prairie provinces, where winter conditions are dry, and barn ventilation evaporates moisture off of the litter pack. He notes size fractionated particulate matter is a nasty toxin that poses a human and animal health risk and is declared toxic under the *Canadian Environmental Protection Act*.

Conversely, humid winters more common in southern Ontario often lead to moisture finding its way into the barn, especially around air intakes as moisture condenses. Ammonia is common in barns with humid weather conditions, and it is more difficult for the average farm to monitor. Van Heyst says most people entering a barn may notice ammonia through a burning feeling in their eyes, but they will grow accustomed to it fairly quickly, and they might not register a problem.

Van Heyst says poultry barn ventilation is typically triggered off of temperature difference only, but secondary conditions such as carbon dioxide and ammonia levels are also reasons to increase air flow.



If carbon dioxide levels get too high, birds may become sleepy. If ammonia is too high, it may lead to eye and respiratory tract irritation. Prolonged exposure to high levels of ammonia can even lead to blindness in birds.

"Managing these toxins is a balancing act, and seasonal conditions across geographic locations can put that balancing act into question," says Van Heyst. "Farmers really have to understand their own barn, and how it performs in different conditions

This research was funded by the Canadian Poultry Research Council as part of the Poultry Science Cluster, which is supported by Agriculture and Agri-Food Canada (AAFC) as part of the Canadian Agricultural Partnership (CAP) program. Additional support was received from Egg Farmers of Canada, Canadian Hatching Egg Producers and the School of Engineering, University of Guelph.

FARMERS REALLY HAVE TO UNDERSTAND THEIR OWN BARN, AND HOW IT PERFORMS IN DIFFERENT CONDITIONS – EVEN A NEW BARN MIGHT TAKE A FEW FLOCKS TO GET VENTILATION UNDER CONTROL. ONCE YOU UNDERSTAND IT, IT'S EASIER TO USE.

Bill Van Heyst, Professor of Environmental Engineering in the School of Engineering at the University of Guelph.

- even a new barn might take a few flocks to get ventilation under control. Once you understand it, it's easier to use."

He also notes that tools and strategies for managing air flow are never one-sized-fits-all, and a solution that fails to meet economic, environmental and animal welfare needs is not truly sustainable. It's important that producers and researchers collect data to inform how new strategies perform in specific environments.

2020 REPORT CARD FOR THE *RAISED BY A CANADIAN FARMER* PROGRAMS



For the fifth year in a row NSF's management audits of the national office and provincial board offices have demonstrated that Chicken Farmers of Canada (CFC) has effectively and consistently implemented the *Raised by a Canadian Farmer* On-Farm Food Safety Program and the *Raised by a Canadian Farmer* Animal Care Program.

NSF International is an internationally-recognized third-party certification body and the results from NSF audits are imperative in building and maintaining trust and confidence between Canadian chicken farmers and the consumers. This information is increasingly sought after by downstream customers, such as the Retail Council Canada, the Canadian Federation of Independent Grocers, and

Continuous improvement is integral to CFC's on-farm programs. On an annual basis, CFC typically conducts management reviews, internal audits, witness audits of auditors, and third-party audits of the entire program. Each of these initiatives helps to ensure effective implementation and to refine the programs. Some examples of continuous improvement include:

- » COVID-19 presented a challenge for on-farm assessments, however effective oversight of the programs continued throughout the year. For on-farm witness audits there is ongoing field evaluation of alternative means of conducting these assessments virtually.
- » A prevalence survey was conducted in 2020 for the main pathogen of interest,

Restaurants Canada for evidence of credible animal care and food safety programs on farms.

CFC would like to acknowledge all Canadian chicken farmers for their ongoing commitment to raising quality chickens through the implementation of food safety and animal care programs on the farm.

Salmonella Enteritidis. This surveillance will provide a baseline for Canadian production and insight into the ongoing monitoring needs that are appropriate for Canadian chicken farms.

 CFC is currently in the process of updating the On-Farm Food Safety Program and is expecting to release the new manual in 2021. More information to follow in the upcoming months.

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