

THE CHICKEN FARMER

in this issue

- 3 Avian Influenza Epidemic in Europe
- 4 Growth begins in the gut: research examines improved yeast-based feed products
- 4 CPRC Update
- 6 Cabinet Swearing-In
- 11 CPTPP Accession Talks
- 12 Relative Retail Prices of Main Proteins: A Canadian Perspective
- 16 Reminder: Register in the Poultry and Egg On-Farm Investment Program
- 17 Factsheet - Can I use this in my barn?



For comparison, the left is a photo from NASA's The Earth Observatory of the Fraser River from 2011. Courtesy of NASA, on November 17, 2021, Chris Hadfield shared the image on the right showing the floods from space.

FARMERS PICKING UP THE PIECES IN BRITISH COLUMBIA

British Columbia (B.C.) faced significant concerns in November and December due to excessive rain and subsequent flooding over the past several weeks, as well as landslides that cut off roads, rail, and pipelines to the coast. Rivers were overflowing and thousands of people were evacuated in the Abbotsford area.

WHO'S IMPACTED?

Catastrophic flooding poses extreme challenges to all involved. Many of B.C.'s chicken farms are located in these areas. Farmers struggled to cope.

As of December 8, 2021, 18 regulated poultry premises remained under evacuation order and 25 regulated poultry premises were under evacuation alert. But many of the affected farms have been restocking and placements have been moving ahead as planned.

CONTINUED ON PAGE 2

www.chicken.ca
www.chickenfarmers.ca



Canada's chicken industry is working alongside our federal and provincial partners to provide support and assistance wherever possible.


Locally, the B.C. poultry industry (chicken and turkey) was working collaboratively with the Abbotsford Emergency Operations department and the provincial Emergency Operations Centre to help mitigate impacts to the poultry industry and allow us to get back to business quickly and safely. They were also working with those in the high-risk areas to ensure that families were safe and helping to move birds out as quickly as possible.

Canadian chicken farmers work hard each day to provide the best possible care for their birds, and to ensure their health and welfare. The health and safety of birds, our farmers, and industry partners, continues to be a priority. While the priority within this crisis in B.C. is with keeping everyone safe, chicken farmers continue to work diligently to protect the birds in their care.

In addition, maintaining the integrity of the food supply chain during this, or any, emergency is essential. The chicken sector's decision makers at both local and national levels have been meeting regularly to discuss this situation and how we can maintain fluidity in this situation and taking the necessary steps to ensure, where possible, that the entire value chain operates effectively and keeps supply lines moving to consumers. The objective is always to ensure that consumers are always able to access the quality chicken they expect.

FARMERS IN HIGH-RISK AREAS HAVE BEEN UNDER SIGNIFICANT STRESS. THEY ARE DOING THEIR BEST TO MANAGE WHAT THEY CAN. IT'S IMPORTANT TO REMEMBER THAT THIS IS THE LIVELIHOOD OF MANY FARM FAMILIES; SOME OF THESE FARMS HAVE BEEN IN FAMILIES FOR GENERATIONS – THIS IS A VERY DIFFICULT TIME.

HOW ARE FARMERS DOING?

Farmers in high-risk areas have been under significant stress. They have been doing their best to manage what they can. It's important to remember that this is the livelihood of many farm families; some of these farms have been in families for generations – this is a very difficult time. 



AVIAN INFLUENZA EPIDEMIC IN EUROPE



Avian influenza (AI) cases have been popping up across Europe and Asia over the last 6 months, prompting many regions to implement heightened biosecurity requirements on farms.

Since the beginning of August, 130 cases or outbreaks of avian influenza have been detected in wildlife or on farms in Europe¹. In the first week of November alone, highly pathogenic H5N1 outbreaks have been reported on more than 20 commercial flocks in Italy, Poland, Netherlands, Denmark as well as numerous outbreaks in wild birds and small flocks in the UK, Germany, and Ireland. Avian influenza prevention measures have now been implemented for the poultry industry in the UK, Netherlands, and France.

Highly pathogenic H5N1 is spreading in wild birds mainly along the wildfowl migration flyway in Scandinavia and northern Germany. H5 viruses have produced far more virulence in wild birds than previously seen. Despite large die offs, the virus appears to be spreading more efficiently via migratory birds than ever.


This **map** created by poultryworld.net provides a good visual of where high pathogenic AI cases are occurring and offers more information on each outbreak, including species, virus type, and date of reporting to the World Organization for Animal Health (OIE).

In North America, four incidents of low pathogenic avian influenza have been reported in domestic poultry in California². In the late summer/early Fall, both the Ontario and Quebec governments released an AI advisory for the poultry industry in light of the AI cases occurring across Europe and Asia^{3,4}.

Given the current situation globally, this serves as a good reminder for the poultry industry here in Canada that the risk of AI is still very real. Vigilance in implementing good biosecurity on farms, each and every day, is important for protecting not only your flocks, but those of your neighboring farms as well.

Minimizing direct contact between poultry and wild birds, as well as preventing potentially contaminated footwear, clothing and equipment from entering production areas, is of primary importance in protecting the health and welfare of your birds. As always, following the requirements described in the On-Farm Food Safety Program for biosecurity is the best defense against pathogens on the farm, including avian influenza.

If you're interested in following the global avian influenza situation more closely, below are some links to various resources with more information and updates:

- 1 **The Feather Board Command Centre**, based on Ontario, issues a monthly global notifiable disease summary
- 2 Canadian Wildlife Health Cooperative **Avian influenza world news reports** and **Wild bird surveillance test results**
- 3 European Commission **HPAI portal** – latest developments and background information
- 4 **Weekly avian influenza updates** from the World Health Organization. 

A microscopic view of numerous yeast cells, showing their oval shape and internal structures, set against a light blue background with a brown geometric overlay at the top.

CPRC UPDATE

GROWTH BEGINS IN THE GUT: RESEARCH EXAMINES IMPROVED YEAST-BASED FEED PRODUCTS

In the race to replace antibiotics on Canadian poultry farms, some producers have successfully adopted yeast-based prebiotic supplements. But there's more potential to enhance the bioactivity of yeast-based products once researchers develop a better understanding of poultry gut health and the minute components that are active in yeast.

Recent work from Professor Bogdan Slominski, leader of the novel feed technology research program at the University of Manitoba, has led to promising results using new bioactive combinations, and new recommendations for how researchers should study poultry digestion in the future.

ENZYME COMBINATIONS ARE KEY

"Yeast products are rich in protein and other nutrients, and they provide bioactive components that are known for their intestinal health benefits," says Slominski. "Feed supplements in general are pretty expensive, so we want to make sure we are enhancing bioactivity to make them more powerful, and bring more value to producers."

Slominski's team is working to understand to what extent feed additives change the proliferation of different good and bad bacteria in a chicken's gastrointestinal tract. He believes that combining yeast products and their fractions with specific enzymes will allow them to develop an even better product.

GETTING TO THE FRACTIONS

To find the right combination of enzymes, Slominski needs to break down the yeast cell wall to access its specific components – a task that was impossible until recently, when his team landed on a process in previous research. Now, they are building on their work to access those fragments at the fractional level and release specific combinations that may be used to enhance yeast-based products.

In the first part of the most recent study, Slominski's team used a yeast-based growth promoter alone, and in combination with other enzymes, to measure how they modulate gut physiology of young turkeys to have an anti-inflammatory effect and generally improve essential functions and fight disease.

"We haven't found the ideal combinations – we aren't there yet," Slominski says. "Once we find the best combination, we will produce larger amounts of the enzyme-modified yeast cell wall products and test them in *Salmonella* challenge studies using broilers and laying hens."


NEW RECOMMENDATION FOR POULTRY RESEARCHERS

Slominski says researchers commonly look to the ceca – a small pouch joining the small and large intestine – for information about microbiota, but the digestive process mostly happens in the small intestine. By looking at both, he found the small intestine provides more relevant information on microbiota proliferation and any beneficial effects related to gut health.

“Gut health refers to the ability of the gastrointestinal tract to perform its function of digestion and absorption efficiently,” says Slominski. “Prebiotic components have a profound effect on the proliferation and function of the growth of beneficial bacteria to control pathogens and to ensure food safety.”

The qualitative structure of the material Slominski found in the gastrointestinal tract of young turkeys showed that the small intestine is a better showcase of the physiological processes related to feed additives, than the ceca. He notes a young turkey’s digestive system closely resembles a chicken’s digestive system.

FUNDING

This research is funded by the Canadian Poultry Research Council as part of the Poultry Science Cluster which is supported by Agriculture and Agri-Food Canada as part of the Canadian Agricultural Partnership, a federal-provincial-territorial initiative. Additional funding was received from CBS Bio-Platforms and Manitoba Egg Farmers. 



Bogdan Slominski

GUT HEALTH REFERS TO THE ABILITY OF THE GASTROINTESTINAL TRACT TO PERFORM ITS FUNCTION OF DIGESTION AND ABSORPTION EFFICIENTLY.

A newly updated report is available from CPRC! Click [here](#) to read about the results of 13 different projects from the current Poultry Science Cluster.



Hill Watch

CABINET SWEARING-IN

Prime Minister Justin Trudeau named his new cabinet on October 26th. Chicken Farmers of Canada (CFC) looks forward to once again working alongside returning Minister of Agriculture and Agri-Food, Marie-Claude Bibeau; returning Minister of Finance, and Deputy Prime Minister Chrystia Freeland; and returning Minister of International Trade, Export Promotion, Small Business and Economic Development, Mary Ng.

CFC will work on fostering new relationships with the new Minister of Public Safety, Marco Mendicino; Minister of Health, Jean-Yves Duclos; and the new Minister of Minister of Rural Economic Development, Gudie Hutchings.

The next step will be reaching out and connecting with both new and re-elected MPs, and targeted new cabinet Ministers after the House of Commons convenes on November 22nd with a Speech from the Throne. CFC hopes to schedule a number of meetings between Parliamentarians and the CFC Executive Committee once the House returns.

CFC YOUNG FARMERS MEET THE CANADIAN AGRICULTURAL YOUTH COUNCIL

CFC's Young Farmers Program participants met with the Canadian Agricultural Youth Council's (CAYC) Agriculture and Education Awareness working group on October 26, to build relationships and discuss issues facing young chicken farmers in this country.

The CAYC has been tasked with raising awareness about Canadian agriculture amongst high school students, as well focusing on the promotion of careers in agriculture and mentorship.

CFC's representatives had the opportunity to speak to the working group about their experience as young chicken farmers, in addition to CFC's Young Farmers Program. The bulk of the conversation was focused on struggles with succession planning and mental health as young people look to take over the family farm.

CFC looks forward to continuing our work with the Council.

CHICKEN FARMERS OF ONTARIO VIRTUAL LOBBY DAY

Chicken Farmers of Canada staff attended the Chicken Farmers of Ontario (CFO) virtual lobby day alongside farmers from Ontario in early November. This annual event brings together chicken farmers and Ontario Members of Provincial Parliament (MPPs) to talk about the chicken sector.

Farmers had the opportunity to discuss the impacts of COVID-19 on Ontario chicken farming families, the CFO Cares: Farmers to Food Banks program, shared priorities around farm security, expanding rural broadband access, and innovations and sustainability in chicken farming.

The meetings were a great opportunity to discuss shared priorities with elected officials and provide an update on how chicken farmers continue to provide consumers with a reliable supply of safe, healthy, locally-grown chicken.

CANADIAN FEDERATION OF AGRICULTURE UPDATE

The Canadian Federation of Agriculture held a Board of Directors meeting at the end of October. Topics covered included:

- » Grocery Code of Conduct
- » Election and Post-election Activities
- » COP26
- » Upcoming FPT Meeting
- » Trade update

CFA also held its General Managers Meeting virtually from November 3-4, covering many of the same topics outlined above.



Top: CFC Young Farmers meet the Canadian Agricultural Youth Council.

Bottom: Chicken Farmers of Ontario Virtual Lobby Day.



Of note, there was extensive discussion around the Next Policy Framework (NPF) and CFA's joint priorities with other agriculture stakeholders. Federal-Provincial-Territorial agriculture Ministers met for their annual meeting in early November, and the priority this time around was determining the path forward for the NPF.

The CFA Executive Committee presented to Ministers and there was much alignment between government and industry on the importance of ecological goods and services programming, collaboration and science in support of environmental targets, triple bottom line sustainability and the need for strong risk management programming to support the sector.

THIS FIVE-YEAR FRAMEWORK DETERMINES THE PRINCIPLES, OBJECTIVES, AND PRIORITIES IN AGRICULTURE ACROSS THE COUNTRY, WHILE EVOLVING TO HELP THE SECTOR ADAPT TO ONGOING VOLATILITY, RISK, AND THE CHANGING PREFERENCES OF CANADIAN CONSUMERS.

FEDERAL-PROVINCIAL TERRITORIAL AGRICULTURE MINISTERS' MEETING

The Ministerial statement coming out of the FPT included the following policy priorities:

Building sector capacity, growth and competitiveness: continued emphasis on value-added, food processing and productivity enhancements through technology adoption, while introducing labour retention and attraction, fostering the next generation of farmers, and the pursuit of efficiency improvements, food waste and growth in the bioeconomy.

Climate change and environment: Focuses on sector vitality and economic opportunities associated with evolving consumer demands. This is reinforced through specific priorities supporting Beneficial Management Practices, accelerating technology adoption, carbon sequestration, and ecological goods and service including protection/regeneration of soil, water and air quality, improving biodiversity and protecting sensitive habitats.

CFC WILL CONTINUE TO ENGAGE IN NPF CONSULTATIONS UNTIL THE NEW FRAMEWORK IS ADOPTED IN 2023. THE PRIORITIES FOR THE CHICKEN SECTOR INCLUDE:

Science, research and innovation: Speaks directly to the importance of science and innovation in addressing climate change, attracting new markets, energy efficiencies, innovative labour solution and bioproducts. Emphasis is now also placed on enhanced data collection, extension, performance measures, and knowledge transfer.

Market development and trade: This priority is centered around defending Canadian trade interests and advancing science-based trade rules. Market diversification also remains a priority, including direct attention to interprovincial trade, domestic market development, and buy local. International market development is also a continued focus, with “export readiness” identified as a particular focus.

Resiliency and public trust: This brings together two previous priorities, risk management and public trust, through a focus on resilience across the entire food chain:

- » Focus on equitable BRM programming and proactive risk management, including climate risk
- » Fostering awareness of the sector’s commitment to sustainable production, while increasing sector awareness of consumer expectations
- » Support for mental health as well as worker health and safety

The statement also notes the guiding principles for the NPF, which include:

- » Sustainability through addressing climate change and creating conditions for industry to succeed and compete
- » Collaboration to leverage innovation, regional strengths and diversity
- » Responsiveness to the realities of producers and participants, seeking to reduce red tape
- » Addressing barriers to underrepresented groups and strengthening relationships with Indigenous Peoples

CFC will continue to engage in NPF consultations until the new framework is adopted in 2023. The priorities for the chicken sector include:

- » FPT recognition protocol for the Raised by a Canadian Farmer Animal Care Program
- » Funding for CgFARAD (Canadian global Food Animal Residue Avoidance Databank)
- » Compensation model for farmers in the event of depopulation caused by processing plant shutdowns or capacity issues
- » Continued financial support for the On-Farm Food Safety Recognition Program (OFFSRP) office within the Canadian Food Inspection Agency to support the oversight of food safety programming in conjunction with provincial and territorial governments
- » Resources for the Canadian government to promote the benefits of the OFFSRP to domestic consumers and customers
- » Programming to support common priorities of industry and government where there is shared responsibility and shared benefit
 - Programming to help farmers put in place practices to reduce antimicrobial use
 - Programming to help farmers contribute to the pathogen (e.g. Salmonella) reduction initiative.
 - Programming to help farmers implement animal care protocols

Here was the FPT release:

CANADA'S FEDERAL, PROVINCIAL AND TERRITORIAL MINISTERS OF AGRICULTURE SET THE DIRECTION FOR THE NEXT AGRICULTURAL FRAMEWORK

November 10, 2021 – Guelph, Ontario – Agriculture and Agri-Food Canada

Today, Canada's federal, provincial, and territorial (FPT) Ministers of Agriculture wrapped up their annual conference by issuing the "**Guelph Statement**". Their shared vision for the next agricultural policy framework will position our agri-food producers, processors and others in the sector for continued success as world leaders in sustainable agriculture, and will enable a globally competitive sector. Ministers also acknowledged and recognized the hard work of everyone involved in maintaining the strong food supply chain for Canadians during COVID-19.

Ministers agreed on the sustainable agriculture approach needed to help shape the next policy framework, which includes environmental, social and economic considerations in all priority areas. Ministers agreed on the following five priority areas for the next framework: (1) climate change and the environment; (2) science, research and innovation; (3) market development and trade; (4) building sector capacity and growth; and (5) resiliency and public trust.

The vision agreed upon by Ministers for the next agricultural policy framework charts an ambitious path for the sector. It states that "Canada is recognized as a world leader in sustainable agriculture and agri-food production and drives forward to 2028 from a solid foundation of regional strengths and diversity, as well as the strong leadership of the Provinces and Territories, in order to rise to the climate change challenge, to expand new markets and trade while meeting the expectations of consumers, and to feed Canadians and a growing global population."

Ministers also agreed to continue to improve the suite of business risk management (BRM) programs to make them timely, equitable, and easy to understand, while supporting the competitiveness and sustainability of the sector.

During the conference, Ministers made progress on other key action areas that will help position the sector for economic recovery and sustainable growth, including labour, African swine fever, Animal Health Canada, trade and market access, regulatory priorities (including interprovincial trade and the Canadian Plant Health Council), retail fees, and mental health.

For more information, please consult the associated **Background**.

QUOTES

"Today, my provincial and territorial colleagues and I agreed on an ambitious vision that will guide the development of the policy framework to follow the Canadian Agricultural Partnership. We all want to ensure that our agriculture is sustainable and that our farmers and agri-food entrepreneurs succeed. They must be incredibly resilient and innovative in the face of many challenges, including climate change, fluctuations in international trade, and labour shortages. Together, we will invest wisely to grow the sector while protecting our environment, reducing our emissions and safeguarding the well-being of those who ensure our food security."

– The Honourable Marie-Claude Bibeau, federal Minister of Agriculture and Agri Food

"It's been an honour to host my FPT colleagues in Guelph, Ontario's hub for agriculture and food. The discussions over the last few days focused on the need to continue our efforts to build a competitive, sustainable agriculture sector that is well positioned for growth and includes the use of research, technology and innovation to help us meet the challenges of the future, and the Guelph Statement reflects this. Our discussions on strengthening collaboration, improving agri-food labour capacity, supporting innovation, increasing trade and investment, enhancing mental health supports for farmers and their families, and protecting our hog sector from African Swine Fever were extremely productive. I know these discussions will help us continue to build strong relationships across Canada as we build on our shared vision of encouraging and promoting agriculture."

– The Honourable Lisa Thompson, Minister of Agriculture, Food and Rural Affairs for Ontario

QUICK FACTS

This year's conference was co-chaired by the Honourable Marie-Claude Bibeau, federal Minister of Agriculture and Agri-Food, and the Honourable Lisa Thompson, Ontario's Minister of Agriculture, Food and Rural Affairs.

Canadian farmers have always been good stewards of the land and have a solid track record of sustainable agriculture, with sound management practices, innovation, and new technologies. Over the past two decades, farmers have doubled the value of production while stabilizing greenhouse gas emissions. In that time, the amount of agricultural emissions per dollar of GDP generated by the sector has dropped by half.

The Guelph Statement reflects the large amount of input received so far through stakeholder consultations over the past year. Consultations are continuing, to gather input from a wide range of stakeholders.

The next agricultural policy framework will follow the Canadian Agricultural Partnership, a five-year, \$3 billion commitment by Canada's federal, provincial and territorial governments that supports Canada's agri-food and agri-products sectors. The Partnership includes both federal programs, as well as those that are cost-shared between the federal (60%) and provincial/territorial (40%) governments.

Despite many challenges over the past year, including the COVID-19 pandemic and extreme weather events, the Canadian agri-food sector remains resilient and poised for continued growth. Exports of agriculture and agri-food products continue to grow, worth nearly \$74 billion in 2020, compared to \$67 billion in 2019.

The agriculture and agri-food value chain continues to be an economic engine driving Canada's economy, contributing nearly \$140 billion, or 7.4% of national GDP, and responsible for more than 2 million jobs in Canada.

Related products

- » **Backgrounder**
- » **The Guelph Statement**

Associated links

- » **Canadian Agricultural Partnership**
- » **The Next Agricultural Policy Framework**



CPTPP ACCESSION TALKS



When the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) was negotiated, it was done so with the eventual expansion of its membership in mind. Although it is now only in the fourth year of its implementation, the agreement has already attracted interest from a handful of potential new members, some of which are being more readily received than others.

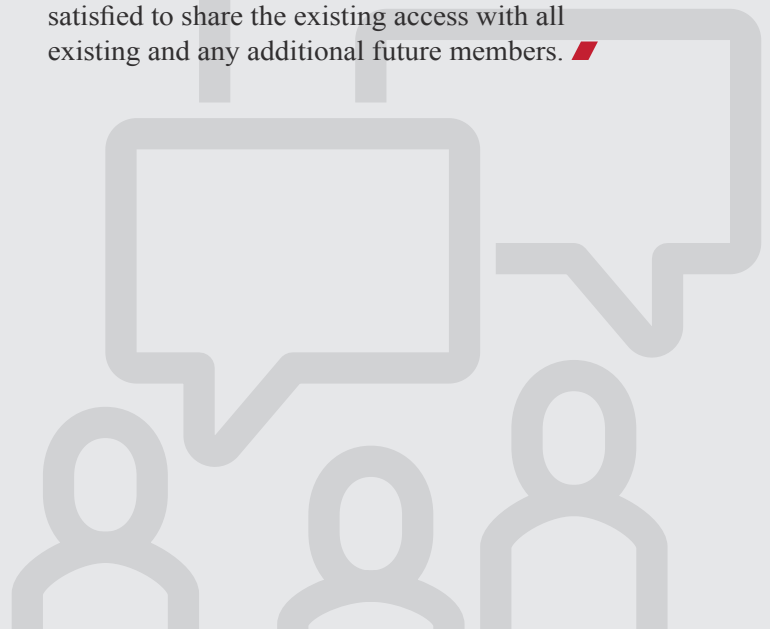
In February this year, the United Kingdom submitted its official request to join the CPTPP, which it sees as a means of diversifying its export market in the wake of its 'Brexit' departure from the European Union in 2020. The formal negotiations of its possible accession to the trade pact began at the end of September, and trade observers anticipate that an agreement on the terms the UK will face to join could be reached by the end of 2022.

On September 16 and 22, both China and Taiwan respectively submitted their official requests to join the partnership. Not only does this situation bring the contentious issue of Taiwan's status as a nation independent of China into the CPTPP forum, but it has also fuelled speculation over whether China's application will prompt the United States to reconsider the decision it made under the Trump Administration to leave the agreement. Although CPTPP members have not yet officially responded to accession requests from China and Taiwan, most reports indicate a very low level of interest.

Thailand, the Philippines, South Korea, and Indonesia have also made statements regarding their interest in joining the CPTPP; however, none have formally tabled any official requests to accede. Of the agreement's original 11 members, three – Brunei, Malaysia and Chile – have still not finalized their ratification processes. Chile, which is of particular interest due to its chicken exporting capacity, is currently engaged in the re-writing of its constitution. This new constitution is expected to be submitted to a referendum in 2022.

THE FORMAL NEGOTIATIONS OF ITS POSSIBLE ACCESSION TO THE TRADE PACT BEGAN AT THE END OF SEPTEMBER, AND TRADE OBSERVERS ANTICIPATE THAT AN AGREEMENT ON THE TERMS THE UK WILL FACE TO JOIN COULD BE REACHED BY THE END OF 2022.

Chicken Farmers of Canada does not oppose the accession of new countries to the CPTPP. However, it is imperative that Canada does not concede any additional access or reduce any over-quota tariffs during potential accession negotiations. New CPTPP members must be satisfied to share the existing access with all existing and any additional future members. ▀



RELATIVE RETAIL PRICES OF MAIN PROTEINS: A CANADIAN PERSPECTIVE

According to Statistics Canada and the Bank of Canada, the 2021 summer season saw Canada's inflation rate and consumer price index rise at their fastest pace since 2003 and brought the two market indicators to their highest levels in the past 18 years. These increases have impacted the prices of all industries.

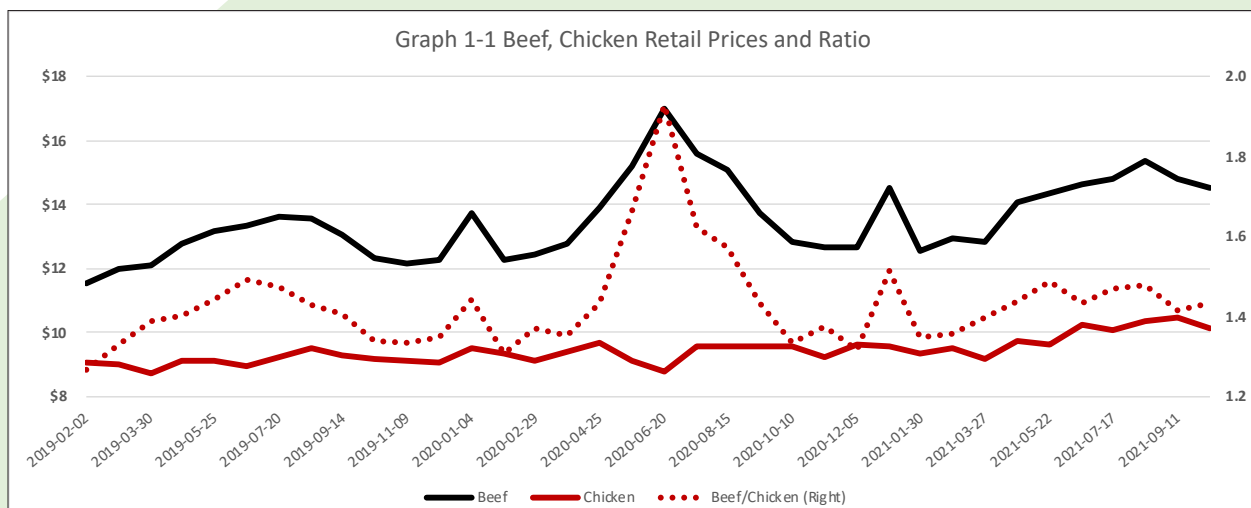
To understand the impacts of inflation on the meat protein sector, CFC pulled together the four Nielsen weekly data sets from week ending (w/e) February 2, 2019 to w/e October 9, 2021 (a total 144 weeks, or 36 periods) to look at the three main proteins' (beef, chicken, and pork) average retail prices and their relative prices.

We then looked at how consumers reacted to these price changes in 2021, compared to how they reacted to changes during the same period in 2019. We found that, for the chicken market, prices and consumer reactions have remained relatively stable.

EVOLUTION OF MAIN PROTEINS' RELATIVE RETAIL PRICES (2019-2021)

Over the past 36 periods, beef saw the widest average price range of \$5.45/kg, spanning from a minimum price of \$11.55/kg to a maximum of \$17/kg, followed by pork with a price range of \$3.11/kg. With its \$1.76/kg price range, chicken's retail price proved more stable than those of its competing meats.

Graph 1-1 clearly shows how, up until the week ending on May 22, 2021, the beef-chicken retail price ratio has most closely tracked beef's price trends, indicating that the price of beef fluctuated more substantially than did the price of chicken.

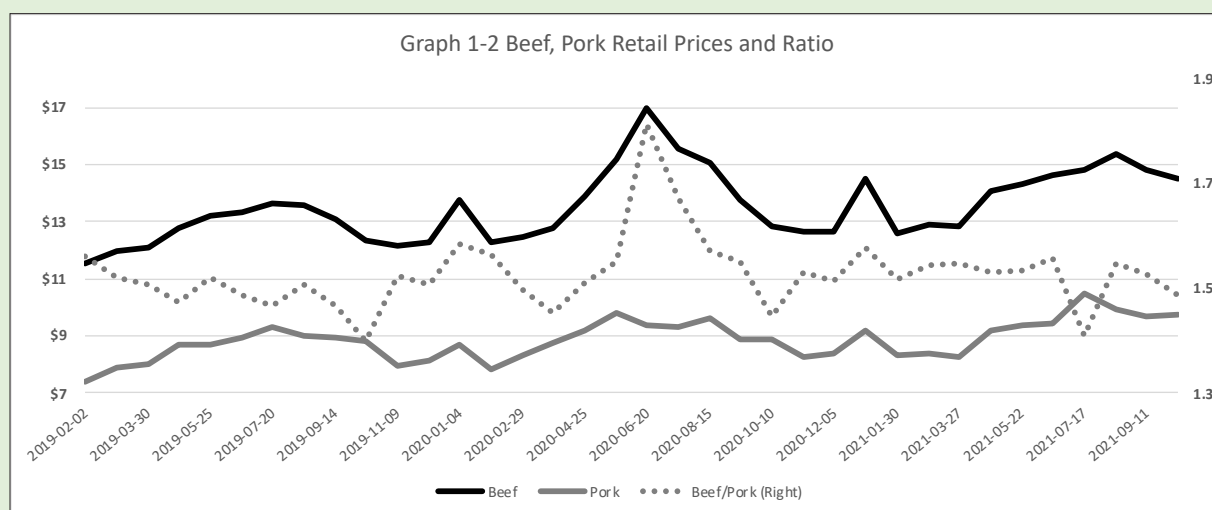


Since 2019, the ratio between beef and chicken prices has generally remained relatively stable between 1.3 and 1.5, with the higher ratio occurring around Christmas and in the summer. Around Christmas, consumer preference for luxury beef cuts pushes up demand, which is then reflected in higher retail beef prices. In the summer, beef production slows due to hotter pasture conditions, and this drop in supply also becomes reflected in higher prices at retail.

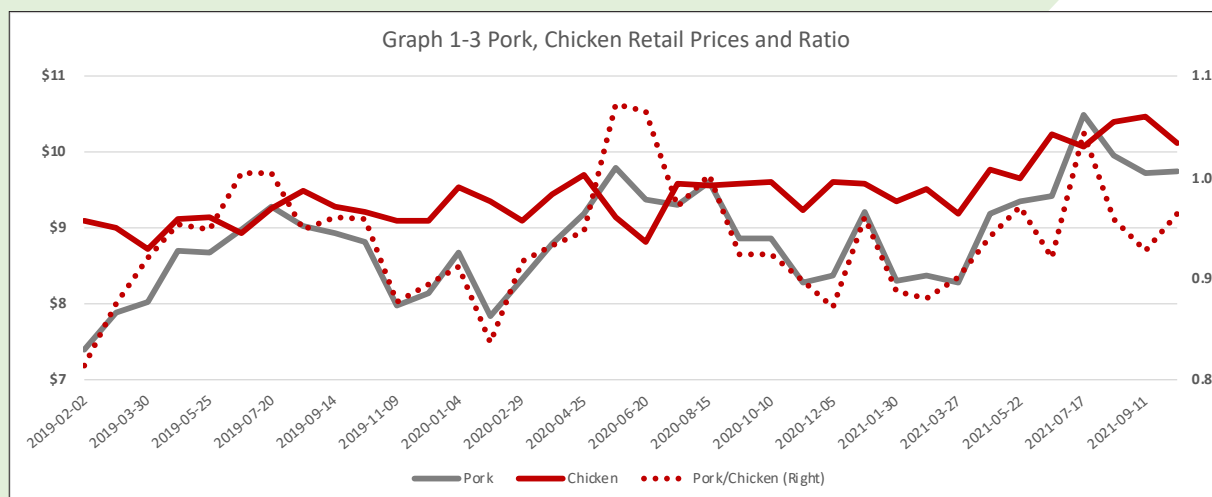
In June 2020, the temporary closure of some beef (and pork) processing plants due to Covid-19 outbreaks worsened the historical summer temperature-related reduction in supply, pushing beef prices ever higher and bringing the beef-chicken price ratio to its highest level since 2019.

However, when chicken's production was seriously impacted from late May to late September 2021, the price ratio became more turbulent compared to same period two years ago.

Beef prices have also experienced greater volatility relative to pork prices. Although the trends of chicken's two biggest competitors' prices were almost identical (see: Graph 1-2), the domestic demand for pork is not as strong as it is for beef, so the price of pork is not likely to see the increases seen in the beef market. In normal times, the beef-pork retail price ratio remains steady between 1.4 and 1.5. Even in June 2020, when some pork processing plants were shut down, there were no significant changes to the average price for pork.



Graph 1-3 shows the relative price of pork to chicken. This pork-chicken retail price ratio usually falls between 0.8 and 1. Exceptions to this occurred in the summer of 2020 when pork supply was constrained by the closure of some pork processing plants due to Covid, and again in the summer of 2021, which saw a very short-term pork price peak driven by bacon, one of pork's most popular but also more expensive cuts.



HOW DID CONSUMERS REACT TO RETAIL PRICE CHANGE?

As of early October 2021, all three main proteins' prices have increased significantly compared to January 2021. As a response to the rising meat prices, consumers have cut their consumption of these main meat proteins. Table-1 shows the change in prices and disappearance volumes from w/e January 30, 2021 to w/e October 9, 2021.

Table-1 Price and Volume Change in 2021 (w/e Jan 30 vs w/e Oct 9)		
	Price ▲	Volume ▲
Pork	+18%	-21%
Beef	+15%	-15%
Chicken	+8%	-9%

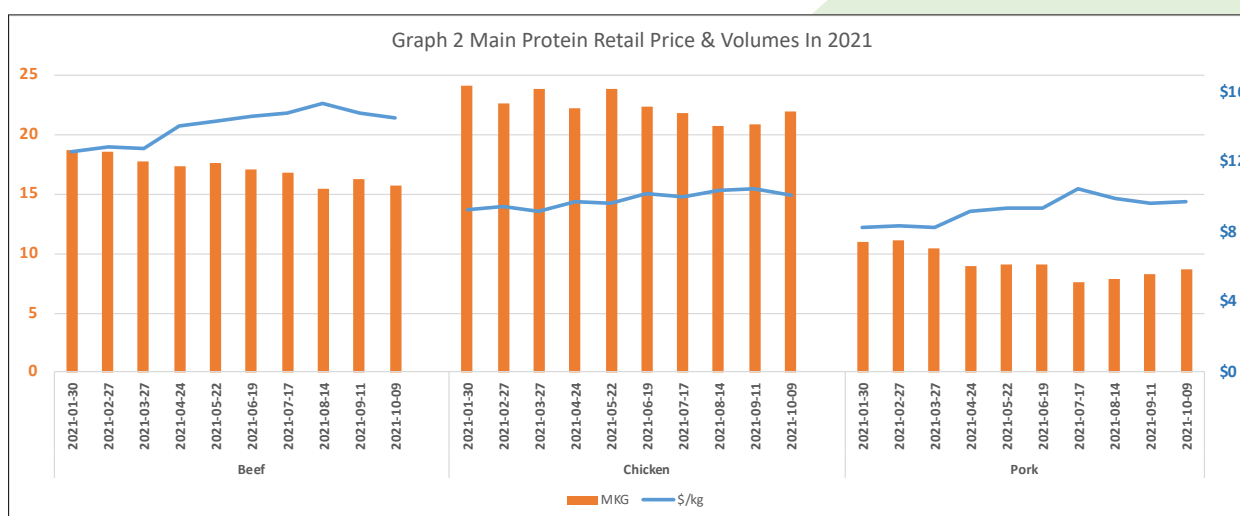



Table 1 and Graph 2 indicate that consumers are sensitive to short-term price changes. When prices increase over what they were in recent periods, people are more likely to purchase less. Taking chicken as an example, the average retail price in early October 2021 was 8% greater than it was at the beginning of the year, and the volume sold was down for 9% at the same time.

However, in order to learn more about consumers' long-term reaction to meat price increases, it's worth comparing the 2021 retail market with the market conditions in 2019, which was a normal year without Covid.

Table-2 Price and Volume Change in 2019 (w/e Feb 2 vs w/e Oct 12)		
	Price ▲	Volume ▲
Pork	+19%	-22%
Beef	+7%	+6%
Chicken	+1%	-2%

Table 2 looks at price and volume changes over the same timeframe (Feb. 2 to Oct. 12) that is shown in Table 1, albeit in 2019. Compared to 2019, the 2021 pork market did not see too many changes. But consumers have become more responsive to changes in the price of beef: In 2019, when beef's average per kilo cost was 7% higher in early October 2019 than it was at the beginning of 2019, retail demand still rose by 6%; however, in 2021, the 15% price increase over the same timeframe was accompanied by a 15% decrease in the volume of sales.



Conversely, it appears that consumers were less sensitive to changes in the price of chicken. Two years ago, a 1% chicken price rise was accompanied by 2% volume decrease. If nothing had changed, an 8% price increase in 2021 should have seen a 16% reduction in volume, but in the real world, the consumption of chicken only decreased by 9%.

CONCLUSION

In conclusion, while Canadian consumers' demand for beef was more sensitive to price changes in 2021 than it was in 2019, their demand for chicken has remained strong and stable. With its more relatively stable price compared to beef and pork, chicken has generally maintained its position as the most consumed protein choice for Canadian consumers. ▀

REMINDER: REGISTER IN THE POULTRY AND EGG ON-FARM INVESTMENT PROGRAM

Registration has begun for Agriculture and Agri-Food Canada's Poultry and Egg On-Farm Investment Program (**PEFIP**), which was put in place to assist Canadian poultry and egg producers adjust to the market access losses incurred during the negotiation of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

Over ten years, the PEFIP will provide \$347.3 million to chicken producers to offset eligible investments made in their operation. Eligible producers are allocated a share of the program's funding based on their share of provincial quota or production on January 1, 2021, as identified by their respective provincial marketing board. Program applicants are able to determine their maximum funding amount by registering with the PEFIP's online system: the **PEFIPOS**.

Registration via the **PEFIPOS** is required to access the program. Applicants must first create a user profile. Once this participant profile is registered, then project applications can be completed and submitted.

Eligible on-farm investments must increase efficiency or productivity, improve on-farm food safety and biosecurity, improve environmental sustainability, and/or respond to consumer preferences, such as improving animal welfare, adopting alternative housing systems, or transitioning to organic production.

Each applicant has the flexibility to determine how to use their individual funding amount over the ten years of the program so long as all project applications are submitted by March 31, 2030, and all project activities are completed by March 31, 2031. Applicants can even seek retroactive funding for eligible activities that began on or after March 19, 2019.

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

Please consult the PEFIP **website** for all additional information regarding the program and visit the PEFIPOS **portal** to register. 



CAN I USE THIS PRODUCT IN MY BARN?



Great Question!

No matter what type of product is being used, you always need to consider if that product is approved to be used in agricultural facilities, and what the potential impact of that product may be on the food safety of the final product – chicken.

Remember, always use the correct product for your situation and always follow the label directions. Record the use of each of these products in your flock records.

Labels can be confusing. It's true. But here's a few helpful hints to help figure out if a product can be used in or around your barns.

RODENTICIDES/PESTICIDES

- » All pest control products must be approved by the Pest Management Regulatory Agency of Canada.
- » Approved products are given an individual "Registration number".
- » The approved list of products can be found using an **online search**, or you can **download an app** on your phone.
- » Health Canada's restrictions for using rodenticides on agricultural premises **is here**.

MEDICATIONS

- » All medications must be approved by Health Canada.
- » Approved products are issued a "Drug identification Number" (DIN).
- » A listing of approved medications can be found on **Health Canada's Drug Product Database**.
- » The Canadian Food Inspection Agency approves the medications that are permitted to be used in feed; these are listed in the **Compendium of Medicating Ingredient Brochures (CMIB)**.

VACCINES

- » All vaccines must be approved by the Canadian Food Inspection Agency.
- » Approved products are given a "CCVB Number".
- » A complete listing of approved vaccines can be found on the **CFIA veterinary biologics website**.

DISINFECTANTS

- » Products labeled as disinfectants are regulated by Health Canada.
- » Approved disinfectants are issued a "Drug Identification Number" (DIN).
- » A listing of approved disinfectants can be found on **Health Canada's Drug Product Database**.

CLEANERS/SANITIZERS (FOR BARN, EQUIPMENT, WATER LINES), PH MODIFIERS

- » Cleaning and sanitizing products are registered differently depending on their use and how they are marketed.
- » While all products need to respect Canadian government requirements for labeling and safety, there is no government registration required. Some products may have a "Drug identification Number" (DIN), but most will not.
- » To be used, products must either be approved for use in food animal premises by having a "Drug Identification Number" (DIN), have directions specific for use in chicken production or livestock barns, be listed on the **Organic permitted substances list**, or be used in conjunction with a veterinarian.

FEED ADDITIVES

- » Any products used in feed must be approved for use by the Canadian Food Inspection Agency.

WATER ADDITIVES

- » Water additives (e.g. vitamins, probiotics, essential oils, etc.) that are being used to impact the health or nutrition of the flock must be approved for use by either the Canadian Food Inspection Agency or Health Canada.
- » Water additives are registered differently depending on how they are being used. Water additives must be approved in one of the following ways:
 - As a feed by the Canadian Food Inspection Agency - and have been issued a Feed Registration Number.
 - As a drug by Health Canada - and have been issued a Drug Identification Number (DIN). These can be found on **Health Canada's Drug Product Database**.
 - As a Veterinary Health Product by Health Canada - and have been issued a notification number. A list of these products can be found on **"List C" published by Health Canada**.

More information can be found in the OFFSP manual.