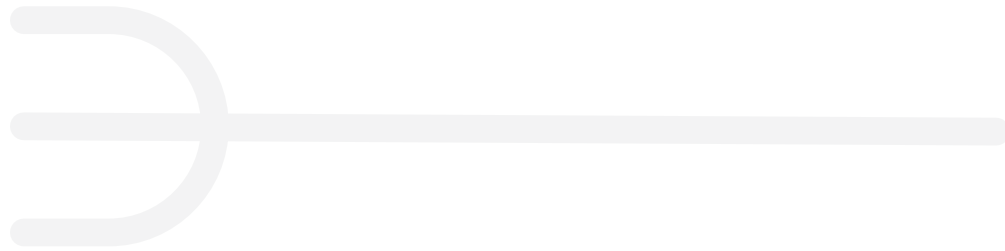


2024 ANNUAL REPORT



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ABOUT US



CHICKEN FARMERS OF CANADA (CFC) WAS ORIGINALLY FOUNDED AS THE CANADIAN CHICKEN MARKETING AGENCY UNDER THE FARM PRODUCTS AGENCIES ACT IN 1978 THROUGH AN AGREEMENT OF THE FEDERAL GOVERNMENT, PROVINCIAL AGRICULTURE MINISTERS, AND CHICKEN FARMERS IN MEMBER PROVINCES. IN 1997, THE AGENCY BECAME CHICKEN FARMERS OF CANADA, A BODY THAT ENSURES A SUFFICIENT AMOUNT OF FRESH, SAFE, HIGH-QUALITY CHICKEN IS RAISED TO MEET CANADA'S NEEDS.

Chicken Farmers of Canada's 2,853 farmers proudly raise Canada's number one meat protein for Canadians. Canadian chicken farmers operate under the uniquely Canadian risk management system of supply management. Supply management allows Canadian dairy, poultry, and egg farmers across the country to match their production to Canadian demand. By using this system, consumers are assured a reliable supply of fresh, high-quality food raised with care. Supply management supports a healthy, sustainable sector whose farmers are able to reinvest with confidence in their communities and businesses. CFC plays a key role in developing and managing programs for Canada's chicken farmers that allow farmers to grow the safe, sustainable chicken raised with care that Canadians trust. Through programs such as our *Raised by a Canadian Farmer* On-Farm Food Safety Program, *Raised by a Canadian Farmer* Animal Care Program, and *Raised by a Canadian Farmer* Sustainability Excellence, CFC works closely with farmers, government and industry stakeholders to keep the sector innovative and

nimble. Through our robust engagement with governments of all levels, CFC also strives to ensure that key decision makers fully understand and consult the Canadian chicken sector when making important agriculture, food, and trade policy decisions.

ECONOMIC CONTRIBUTION

The 2,853 Canadian chicken farmers who raise Canada's number one meat protein are responsible stewards of the land, and are key contributors to Canada's urban and rural economies. Our farmers play a significant role in the value chain by creating jobs and stimulating the economy in each of the ten provinces, strengthening both urban and rural economies. In total, the sector:

- » sustains 112,600 jobs
- » contributes \$12.2 billion to Canada's Gross Domestic Product
- » pays \$4 billion in taxes
- » purchases 3 million tons of feed



OUR VISION

Canadian Chicken: Trusted.
Preferred. Sustainable.



OUR MISSION

To lead and grow a trusted
and sustainable Canadian
chicken sector.

REPORT FROM THE CHAIR AND CHIEF EXECUTIVE OFFICER



REPORT FROM THE CHAIR AND CHIEF EXECUTIVE OFFICER



THE PAST YEAR WAS A DYNAMIC AND EVENTFUL ONE FOR CHICKEN FARMERS OF CANADA. IN 2024, WE MADE REMARKABLE STRIDES IN INCREASING BRAND AWARENESS, STRENGTHENING ADVOCACY EFFORTS, AND NAVIGATING THE ONGOING CHALLENGES OF AVIAN INFLUENZA—ALL WHILE CONTINUING TO DO WHAT WE DO BEST: PROVIDING CANADIANS WITH SAFE, HIGH-QUALITY CHICKEN.

Like any year, 2024 brought its share of hurdles. Yet, through every challenge, our Board of Directors, staff, and valued partners remained steadfast in their commitment to ensuring a steady supply of Canada's most popular meat protein. From policy advocacy to promotional campaigns, we worked hard to protect and promote Canadian chicken farmers, ensuring their voices were heard and their contributions recognized.

One of the most exciting achievements this year was our success in boosting brand recognition for Canadian chicken. We exceeded expectations, reaching a brand awareness level of 53.3%—well beyond our initial target of 39-45%. This significant milestone reflects the growing trust that Canadians have in both the chicken they purchase and the farmers who raise it. While overall chicken consumption remained stable, the increased visibility of our brand is a positive step in reinforcing the value of homegrown, high-quality chicken.

Advocacy remained at the heart of our efforts in 2024, particularly in relation to key government and private members' bills that directly impact our sector. We engaged extensively on Private Members' Bill C-282 (*An Act to amend the Department of Foreign Affairs, Trade and Development Act* (supply management)), Bill C-275 (*An Act to amend the Health of Animals Act*), and Bill C-293 (*An Act respecting pandemic prevention and preparedness*). Our leadership on the passage of Bill C-282, alongside the SM5 (CFC, Dairy Farmers of Canada, Egg Farmers of Canada, Turkey Farmers of Canada, and Canadian Hatching Egg Producers),

was especially critical. Through lobbying efforts, committee appearances, and an expanded media and social media presence, we made the case for safeguarding Canada's supply-managed sectors amid ongoing trade negotiations.

The Chicken Champs program also reached a key milestone in 2024, celebrating its first full year of operation. With 29 new CFC ambassadors participating in over 15 activations across the country, the program made its mark through magazine and podcast interviews, panel discussions, tradeshow booths, and television commercials. Our partnerships with Skate Canada and Swimming Canada further strengthened our brand's presence, culminating in a standout commercial featuring Olympian Sophie Angus and Nova Scotia broiler farmer Rachel Sheffield. The ad, which aired during the Paris 2024 Summer Olympics, beautifully captured the shared dedication of farmers and athletes alike.

On the allocation side, CFC set seven allocations for periods A-189 to A-195 throughout 2024. Combined domestic allocations for the six periods was 1,265 Mkg, a 0.6% increase over base. Due to volatile market conditions, directors decided to change its existing practice of setting two allocations at a time and moved to setting one at a time indefinitely. Chicken production in 2024 was 1,402 Mkg, representing an increase of 0.1% above last year and 3.6% above 2022.

Avian influenza remained a pressing issue in 2024, as it has in recent years. While we saw some relief in the spring and summer months,

the fall migration season brought renewed challenges. Fortunately, our refined response protocols—developed through years of experience—allowed for a swift and coordinated approach. We are grateful for the ongoing efforts of the Canadian Food Inspection Agency (CFIA) and our government partners, who continue to play a vital role in managing outbreaks. Additionally, we remained vigilant in monitoring avian influenza cases in U.S. dairy cattle, ensuring we stay ahead of potential risks to our industry.

Investing in the next generation of leaders remains a key priority, and the CFC Young Farmers Program continued its mission in 2024-2025 by welcoming four new participants: Caleb Westeringh (British Columbia), Callie Haverkamp and Jessica Szmielt (Ontario), and Frédérick Cloutier (Quebec). These young farmers represent the future of our sector, and their participation ensured that we are building a strong foundation for leadership and governance at both the provincial and national levels.

Our commitment to sustainability and antimicrobial stewardship also remained front and center

in 2024. As part of our ongoing work to address antimicrobial resistance, CFC collaborated with federal and provincial governments to advance the Pan-Canadian Action Plan. Having successfully eliminated the preventive use of Category I and II antimicrobials, we are now exploring non-regulatory methods to further reduce Category III usage. A dedicated focus group of experts across the supply chain convened throughout the year to develop strategies that will ensure the continued responsible use of antimicrobials while maintaining animal health and food safety standards.

Through the strength of supply management and the dedication of our Board, staff, committees, and industry partners, 2024 reaffirmed our unwavering commitment to our mission. The past year has further cemented chicken as Canada's number one meat protein, and we are excited to build on this momentum in the years to come.

Thank you for your continued support and dedication to Canadian chicken. With collaboration and commitment, we can confidently look to the future, knowing that the Canadian chicken sector is in good hands.



A handwritten signature in black ink, appearing to read 'Tim Klompmaker'.

TIM KLOMPMAKER/Chair



A handwritten signature in black ink, appearing to read 'Michael Laliberté'.

MICHAEL LALIBERTÉ/CEO

BOARD OF DIRECTORS AND COMMITTEES



OUR BOARD

THE CANADIAN CHICKEN SECTOR IS GUIDED BY A 15-MEMBER BOARD OF DIRECTORS, MADE UP OF FARMERS AND OTHER DOWNSTREAM STAKEHOLDERS. THE BOARD PROVIDES LEADERSHIP ON THE STRATEGIC DIRECTION OF THE ORGANIZATION. REPRESENTATIVES ON THE BOARD INCLUDE A FARMER-DIRECTOR FROM EACH PROVINCE, TWO PROCESSORS, ONE FURTHER PROCESSOR, AND A REPRESENTATIVE FROM THE FOODSERVICE SECTOR. AS A RESULT, CFC AND ITS STAKEHOLDERS WORK TOGETHER ON BEHALF OF THE SECTOR, FROM FARMER TO CONSUMER.

CFC BOARD OF DIRECTORS

Chair: Tim Klompmaker (Ontario)
Ray Nickel (British Columbia)
Rob Van Diemen (Alberta)
Tiffany Martinka (Saskatchewan)
Stuart Nikkel (Manitoba)
Rick Kaptein (Ontario)
Luce Bélanger (Quebec)
Marco Volpé (New Brunswick)
Nick de Graaf (Nova Scotia)
Barry Uytterlinde (Prince Edward Island)
Theresa Heffernan (Newfoundland & Labrador)
Yvan Brodeur (Canadian Poultry and Egg Processors (CPEP): Chicken Primary Processing (CPP))
Kerry Towle (CPEP, CPP, retired October 2024)
Don Kilimnik (CPEP: Poultry Further Processing)
Peter Vale (Restaurants Canada)

EXECUTIVE COMMITTEE

Chair – Tim Klompmaker
1st Vice Chair – Nick de Graaf
2nd Vice Chair – Ray Nickel
Member-at-Large – Luce Bélanger

AUDIT COMMITTEE

Chair – Marco Volpé
Barry Uytterlinde
Theresa Heffernan

GOVERNANCE COMMITTEE

Chair – Don Kilimnik
Stuart Nikkel

ALLOCATION POLICIES & PROCEDURES COMMITTEE

Chair – Rob Van Diemen
Rick Kaptein
Ray Nickel
Stuart Nikkel
Yvan Brodeur (CPEP - Primary Chicken Sector)

PRODUCTION COMMITTEE

Chair – Nick de Graaf
Luce Bélanger
Rob Van Diemen
Rick Kaptein
Lucy McKee (CPEP - CPP alternate)

REPRESENTATIVES TO OTHER ORGANIZATIONS

Canadian Federation of Agriculture (CFA):
Scott Buchan
Canadian Poultry Research Council (CPRC):
Ray Nickel
National Farm Animal Care Council (NFACC):
Nick de Graaf
Animal Health Canada: Luce Bélanger



FROM LEFT TO RIGHT

TOP ROW

Barry Uyterlinde
Marco Volpé
Rob Van Diemen
Yvan Brodeur
Ray Nickel
Don Kilimnik

FRONT ROW

Nick de Graaf
Stuart Nikkel
Tiffany Martinka
Luce Bélanger
Theresa Heffernan
Tim Klompmaker
Rick Kaptein



STRATEGIC PLAN

2024 PRIORITIES AND DELIVERABLES

Sustainability - Continuously improve the sustainability of the Canadian chicken sector

Growth – Profitably grow per capita consumption for Canadian chicken

Telling Our Story – Canadians and government have full confidence in Canadian chicken farmers

Risk Management – Manage existing and emerging sector risks effectively



PUBLIC AFFAIRS



JOINT ANNUAL RECEPTION

Chicken Farmers of Canada, alongside Egg Farmers of Canada, Turkey Farmers of Canada, and the Canadian Hatching Egg Producers, hosted a successful Joint Annual Reception (JAR) at the Fairmont Château Laurier on March 20, 2024. Following the CFC Annual General Meeting, CFC Directors, Alternates, Provincial Board Managers, and staff enjoyed an evening with industry peers and government officials.

PARLIAMENTARY INTERNSHIP PROGRAMME CHICKEN DAY

As a proud, longtime sponsor of the Parliamentary Internship Program (PIP), CFC hosted the 2023-2024 PIP interns in Ottawa in March for a virtual reality Chicken Day. Ontario chicken farmers Rick Kaptein, Scott Buchan and Andrea Veldhuizen joined the interns for a virtual reality tour through

a chicken barn and hosted an information session on supply management and the importance of the chicken sector to Canadian communities.

ANNUAL SPRING LOBBY DAY AND RECEPTION

Chicken Farmers of Canada's Annual Spring Lobby Day and Reception was held in Ottawa on May 28, 2024. Representatives from across the country engaged with nearly 60 Parliamentarians and their staff, speaking to a variety of topics like supply management, a Federal-Provincial-Territorial government recognition for the *Raised by a Canadian Farmer* Animal Care Program, spent fowl, avian influenza, antimicrobial use and resistance, as well as important legislation before Parliament, like Bill C-282. CFC also hosted a reception that evening for Parliamentarians, political staffers, and industry members. The evening allowed for continued conversations on the importance of the Canadian chicken sector.



Chicken Day: CFC Director Rick Kaptein, CFC Alternate Scott Buchan, Ontario chicken farmer Andrea Veldhuizen and CFC Staff with the Parliamentary Internship Program Interns.

FEDERATION OF CANADIAN MUNICIPALITIES ANNUAL CONFERENCE AND TRADE SHOW

In partnership with the SM5, Chicken Farmers of Canada sponsored the Federation of Canadian Municipalities Annual Conference and Trade Show this year, which took place in Calgary, Alberta in early June. The SM5 engaged in multiple activities and met with thousands of delegates, including senior municipal officials, Mayors, and Councilors. Activities included sponsoring the opening reception, hosting a trade show booth, organizing an interactive Plinko-style game, and participating in the Ask the Experts Panel, which featured CFC's Chicken Champ from Alberta, Tara DeVries.

DOWNTOWN DINER

The annual Downtown Diner was held on October 3, 2024 in collaboration with Egg Farmers of Canada, Turkey Farmers of Canada, the Canadian Hatching Egg Producers, and



CFC Annual Lobby Day Reception: Member of Parliament Alistair MacGregor, Senator Colin Deacon, Senator Kim Pate, Member of Parliament Scot Davidson, CFC Chair Tim Klomp-maker, Member of Parliament Dave Epp.

Dairy Farmers of Canada on Sparks Street in Ottawa. CFC's Rick Kaptein, along with other poultry, egg and dairy farmers, engaged with government officials and the public, highlighting the importance of supply management to communities across Canada. Farmers also took



The Ask the Expert Panel on the critical role municipalities and farmers play in sustaining Canada's food security: EFC's Christine Anawati, CHEP's Brian Bilkes, CFC Chicken Champ Tara DeVries, Saskatchewan Councillor Randy Goulden and Ontario Mayor Cam Guthrie.



Downtown Diner: Chicken Farmers of Canada Director Rick Kaptein showing Member of Parliament Rob Oliphant his chicken farm operation.

the occasion to discuss government policies and legislation that ensures a strong national food system, such as Bill C-282. The pop-up diner was a great success with 45 Parliamentarians dropping by to meet farmers and show their support for made-in-Canada food.

CFC FALL LOBBY DAY

Chicken Farmers of Canada hosted a Fall Lobby Day on November 5, 2024 in Ottawa. CFC representatives participated in meetings with Parliamentarians to discuss key priorities and issues impacting the chicken sector. Representatives also highlighted the day-to-day realities of operating a chicken farm and continued conversations on priority items like support for supply management, the Raised by a Canadian Farmer Animal Care Program, Bill C-282, spent fowl, avian influenza and antimicrobial use and resistance. We had a successful day on Parliament Hill and met with a total of 30 Parliamentarians from across the country.

BILL C-282 ADVOCACY

Chicken Farmers of Canada worked closely throughout the year with the SM5 on the advocacy efforts in supporting the passage of Bill C-282, *An Act to amend the Department of Foreign Affairs, Trade and Development Act* (supply management). Bill C-282 was a top priority for the sector in 2024 as it progressed in the Senate of Canada. Advocacy efforts included continued meetings and correspondence with Parliamentarians, committee appearances and engagements, opinion pieces in both national and local publications, farmer led letter-writing campaign, ad campaigns and an information webinar to Parliamentarians.

LEGISLATION MONITORING

List of key agriculture-focused legislation that CFC monitored and advocated for or against in both the House of Commons and Senate this year.

- » Bill C-282, *An Act to amend the Department of Foreign Affairs, Trade and Development Act* (supply management)
- » Bill C-293, *An Act respecting pandemic prevention and preparedness*
- » Bill C-275, *An Act to amend the Health of Animals Act* (biosecurity on farms)
- » Bill C-359, *An Act to amend the Feeds Act, the Seeds Act and the Pest Control Products Act* (provisional registration and approval)
- » Bill C-234, *An Act to amend the Greenhouse Gas Pollution Pricing*
- » CFC Chair Tim Klompmaker and CFC CEO Michael Laliberté appeared at the Senate Agriculture and Forestry Committee to speak in support of Bill C-275, *An Act to amend the Health of Animals Act* (biosecurity on farms) on September 19th.
- » CFC Chair Tim Klompmaker and CFC Associate Executive Director Yves Ruel appeared at the Senate Foreign Affairs and International Trade Committee to speak in support of Bill C-282, *An Act to amend the Department of Foreign Affairs, Trade and Development Act* (supply management) on September 26th.

COMMITTEE APPEARANCES

Chicken Farmers of Canada also appeared before Senate committees in the fall to speak to important legislation that could have an impact on the Canadian chicken sector:



Fall Lobby Day: Barry Uytterlinde, CFC Chair Tim Klompmaker, Minister Lawrence MacAulay, Dean Good, CFC CEO Michael Laliberté.



CANADIAN FEDERATION OF AGRICULTURE

THE CANADIAN FEDERATION OF AGRICULTURE (CFA) DEDICATED 2024 TO ADVANCING THE INTERESTS OF CANADIAN FARM FAMILIES BOTH IN CANADA AND ABROAD. CFC REMAINS A KEY MEMBER OF THE CFA, WITH SCOTT BUCHAN FROM ONTARIO ACTING AS THE BOARD REPRESENTATIVE.

The year commenced with the CFA Annual General Meeting (AGM) in Ottawa, where industry leaders, stakeholders, and government officials established key priorities for the agricultural sector. The theme, *Seizing Opportunities: Canada's Growing Role on the World Stage*, highlighted Canada's international positioning and the sector's ongoing challenges. The audience also heard from agriculture leaders from most political parties.

In the summer, CFA convened in Whitehorse alongside the Federal-Provincial-Territorial (FPT) Agriculture Ministers' meeting. A roundtable discussion between the CFA and Ministers addressed critical issues, with CFA presenting a

report on data-driven productivity growth. The Ministers' subsequent statement underscored the importance of collaboration with producers to strengthen the sector's sustainability and competitiveness.

Prior to the FPT meeting, CFC and its provincial counterparts advocated to federal and provincial governments to have a recognition protocol for our animal care program on the agenda at the FPT meeting. Unfortunately, Ministers did not address the recognition protocol in Whitehorse, but CFC is committed to pushing the topic going forward.

Later in the fall, CFA held a Hill Day where our Board of Directors and had over 30 meetings with MPs, Senators and political staff. It was great to see CFA members provide a unified message on their vision of the future of agriculture.

The CFC Board and CFC staff continue to work closely with the CFA to prioritize issues of importance to our sector and advance legislative priorities of common interest.



PUBLIC RELATIONS



YOUNG FARMERS PROGRAM

An integral component to the continued success of our organization, it's been a big year for the 2024-2025 cohort of the *Chicken Farmers of Canada's* Young Farmers Program.

Consisting of four young farmers – Caleb Westeringh from British Columbia, Callie Haverkamp and Jessica Szmiett from Ontario and Frédérick Cloutier from Quebec – the Young Farmers Program aids in succession for both provincial and national organizations and strengthens institutional governance.



Joint Annual Reception: Minister Lawrence MacAulay, CFC Chair Tim Klompmaker and CFC CEO Michael Laliberté with past and present Chicken Farmers of Canada's Young Farmers Program participants.

This year saw the young farmers attend a number of successful events, including: the Joint Annual Reception, Lobby Day, and orientation sessions on governance and succession. The group also travelled to Winnipeg, MB for the CFC Summer Meeting where they observed the Board meeting and participated in a farm tour with former Young Farmer, Taylen Van Den Driessche. It didn't stop there for the 2024-2025 cohort, however, as all participated in a number of volunteer events throughout the year: Caleb Westeringh met with his MP in his riding; Callie Haverkamp hosted her MP on her farm, and then attended the Swimming Canada Olympic/ Paralympic Trials in Markham, Ontario; Jessica Szmiett hosted Trennt Michaud, a competitive pairs skater, on her farm to promote our partnership with Skate Canada; and Frédérick Cloutier and his sister were the stars of the Day in the Life series.

CHICKEN CHAMPS PROGRAM

The Chicken Champs Program is made up of farmers from across the country who act as ambassadors for the chicken industry. Chicken Champs work with CFC throughout the year on different initiatives, helping tell their stories as farmers. In the inaugural year, we had 29 Chicken Champs who took part in over 15 activations. CFC always tries to match a Chicken Champ with the location of the event taking place, to ensure minimal disruption. In 2024, our Chicken Champs participated in magazine and podcast interviews, panel discussions, tradeshow, television and social media commercials, Skate Canada and Swimming Canada events, conferences and

government relations activities. 2025 will bring more opportunities and different events as we continue to showcase the hard work chicken farmers do from coast to coast.

DAY IN THE LIFE

CFC staff travelled to Saint-Hyacinthe, Quebec to the farm of Frédéric and Virginie Cloutier. Frédéric is a past member of our Young Farmers Program, and he and his sister, Virginie, welcomed CFC for a behind the scenes look of life on their farm and to film our series “A Day in the Life”.

FOOD BANK FOOD DONATION PROGRAM

In 2024, Chicken Farmers of Canada and the Ottawa Food Bank continued the Chicken Challenge - a food donation program where CFC purchases chicken products to be donated to the Ottawa Food Bank. In 2024, Exceldor Cooperative was the chosen processor and CFC purchased \$50,000 worth of product from them that was sent to the Ottawa Food Bank, to help communities in need.

SWIMMING CANADA

The Olympic and Paralympic Games took place in Paris this past summer, making 2024 a big year for our partner Swimming Canada. Twenty-nine Canadian swimmers competed at the Olympics for Canada, and Canada took home eight medals.

The Paralympic games featured 20 Canadian swimmers who won 13 medals in total! CFC was incredibly proud of all the athletes who competed, as well as the coaching staff who put countless hours of work into preparing the team for success! During the Olympics and Paralympics, CFC highlighted our decade-long partnership with Swimming Canada by airing a commercial starring our very own Young Farmer alum, Rachel Sheffield, as well as Olympic swimmer, Sophie Angus, who competed in the 100m breaststroke and 4x100m medley in Paris.

In May, prior to the Olympics and Paralympics, CFC attended the Olympic and Paralympic trials in Markham, Ontario, where CFC staff and Callie Havercamp (a Young Farmer) were able to talk to many athletes, parents, and spectators about how chicken is raised and the importance of our partnership with Swimming Canada. We also released two new “SquishPeeps” at the trials. Each medal winner received a Squishsheep and we had a draw each day for audience members to win one. Finally, in November, CFC hosted a virtual Fireside Chat with Sophie Angus and moderated by Rachel Sheffield. The Board of Directors, Alternates, Chicken Champs, Young Farmers and CFC staff were all invited to participate and ask Sophie questions regarding her experiences at the Paris Olympics, how she trained and mentally prepared for it, and her future aspirations.

SKATE CANADA

Chicken Farmers of Canada kicked off our second year of partnership as the official meat protein of Skate Canada. This partnership continues to support both Skate Canada’s recreational and competitive programming through the CanSkate program and assistance for high performance athletes. Chicken Farmers of Canada visited Jessica Szmiett’s farm in Kerwood, Ontario along with Trennt Michaud, a pairs skater on the Canadian National Team, for a farm tour and to film social media content to promote our partnership. CFC also attended the Skate Canada International skate competition in Halifax, NS with Young Farmer alum Rachel Sheffield to talk to skate families and athletes about Chicken Farming and our partnership with Skate Canada.

VALÉRIE GRENIER – ALPINE CANADA

In 2024, CFC sponsored alpine ski racer Valérie Grenier. After a devastating fall in early 2024 resulted in a serious injury requiring multiple surgeries and months of rehab, Valérie finally

raced again in November, coming in ninth at the FIS Ski World Cup Women's Giant Slalom race in Killington, Vermont. CFC staff visited Valérie at her home in Lefaivre, Ontario to film social media content and promote our partnership. She also created her own social media videos on Instagram where she prepared chicken meals and spoke about the importance of chicken protein for athletes.

ADVANCING WOMEN IN AGRICULTURE

In November 2024, CFC once again sponsored the Advancing Women in Agriculture Conference in Niagara Falls, Ontario. CFC hosted

a roundtable discussion with Keisha Rose Topic, a sixth-generation potato farmer from PEI and the President of the PEI Federation of Agriculture. Keisha was part of the first cohort to participate in the Level the Field project, a framework initiated by the Canadian Federation of Agriculture, and sponsored in part by Chicken Farmers of Canada. Keisha spoke about her experience in the cohort and the importance of mentors to help encourage individuals out of their comfort zones. CFC also invited Amy VanderHeide, Chair of Chicken Farmers of Nova Scotia, to speak at a panel discussion with Keisha Rose Topic and two other primary producers. They spoke about being women and leaders in agriculture.



OPERATING AGREEMENT AND ALLOCATION



IN 2024, CFC SET SEVEN ALLOCATIONS FOR PERIODS A-189 TO A-195 AT IN-PERSON BOARD MEETINGS.

In early January, directors considered a request from several provinces regarding the frequency of setting allocation and decided to set the allocations for periods A-189 and A-190 one at a time in light of volatile market conditions. Directors also asked the Allocation Policies and Procedures Committee to review the allocation setting frequency and present their findings at the March meeting.

The allocation for period A-189 (May 5 – June 29, 2024) was set conservatively at 1.5% below base,

as storage stock levels were high, especially for further processed items, and TRQ utilization had started the year off slow. Additionally, the previous three periods were overproduced by a total of 8.4 Mkg.

At the meeting on March 20th, the board elected to change its existing practice of setting two allocations at a time and moved to setting one at a time indefinitely. This was done in order to respond to changing market conditions in a timelier manner. The allocation setting for period A-190 saw an engaging meeting with many industry participants in attendance, with extensive questions about market conditions put to board members. Directors set the



allocation for this period at 1% over the adjusted base, taking an approach that accounted for mixed market factors including significant drawdowns in storage stocks, increases in domestic disappearance and strong wholesale prices, but also economic challenges including rising housing costs.

The allocation for period A-191 (August 25 - October 19, 2024) was set in May. At this meeting, directors discussed the continued decline of stocks and disappearance, showing a positive trend. Feed prices were lower, but inflationary pressures persisted. Issues around prices, food insecurity and the impact of imports and CPTPP were also raised. After discussions, a motion for a 1% increase over base was passed, reflecting cautious optimism amid uncertain market conditions.

For period A-192 (October 20, 2024 - December 14, 2024), directors discussed positive factors such as declining beef supplies, strong domestic chicken disappearance, robust wholesale prices, population growth, low feed grain costs, and GDP growth. However, they also considered the negative impacts of food and housing inflation, consumer caution, and the expected strong TRQ volumes during this period. Taking into consideration these factors, directors approved an allocation at 1% above base.

The base allocations and the medium-term growth target for periods A-193 to A-198 were discussed and established in August. This block of six allocation periods covers the last two weeks of 2024 and most of 2025. The medium-term growth target was set at 3%, slightly higher than the target for the previous block of six periods.

In September, directors met to set the allocation for period A-193 (December 15 - February 8, 2024). The meeting focused on balancing chicken supply and demand amid economic challenges and varying regional conditions. Key concerns included market oversupply in the previous year, live prices, fluctuating wholesale prices, and the impact of imports, particularly TRQ

underutilization. After a detailed discussion, including considerations for TRQ and regional pricing issues, the final decision was to implement a 1% increase over base.

The allocation for period A-194 (February 9, 2025 - April 5, 2025) was set in November. Directors focused on projections for chicken supply and demand in 2025, with key discussions about population growth rates, imports, economic factors, and regional conditions. Directors discussed concerns over economic conditions, such as lower GDP growth and increased unemployment, which could impact per capita consumption. Ultimately, directors voted for a 1.5% increase over base.

The A-195 allocation (April 6, 2025 - May 31, 2025) was set in December. The meeting focused on discussions around chicken supply and demand, including population growth expectations, imports, and per capita consumption. The discussion included concerns about imports, wholesale prices and the impact of economic conditions on consumption. Directors voted for a 0.5% increase over base for A-195.

Combined allocations for periods A-189 to A-195 were 0.6% above total base for these periods.



Chicken production in 2024 was up slightly from the year before with lower production in the last half of the year coming close to offsetting the increase posted in the first six months. Wholesale prices were generally fairly stable throughout the year, with higher dark meat prices and weaker wing prices than in previous years. The record-high frozen chicken inventories at the beginning of the year decreased steadily until September and increased seasonally during the last few months of the year. TRQ imports, especially under CUSMA, were slow in the first part of 2024. TRQ utilization caught up in the latter part of the year, especially in the last quarter, but some TRQ was left unused at the end of the year.

Retail volume sales of fresh chicken showed positive numbers in 2024, despite higher prices. Total food service sales were flat in 2024 but sales in the limited service sector of the market that uses many chicken items outperformed the other food service sectors.

In 2024, the amounts of chicken produced was closer to what was allocated compared to previous years, with some underproduction in the middle of the year and some overproduction in the first and last part of 2024.

The temporary suspension of the quota utilization component in the allocation formula, initiated in A-176, continued throughout 2024, resuming once a new data set of six audit periods is available.

Both the Atlantic Canada Safeguard Agreement and the Ontario Discrete Supply components of the Operating Agreement Period ended in A-192. Small amounts of carry-over kilograms were included in the allocation for period A-193 to conclude both agreements.

MARKET DEVELOPMENT POLICY

Following a review by the Allocation Policies and Procedures Committee, the board decided to

add boneless breasts with drumettes attached as an eligible product under CFC's Market Development Policy.

MARKET INFORMATION WORKING GROUP

The Market information Working Group (MIWG) met seven times during the year to analyze and discuss market conditions and trends and issued seven reports prior to allocation setting.

COLLABORATION WITH CANADIAN HATCHING EGG PRODUCERS

In 2024, CFC participated in three CHEP advisory committee meetings. The mandate of this committee is to advise the CHEP board of directors on expected demand for chicken in the upcoming year(s) and the amount of production required to meet the demand, assisting CHEP in producing the appropriate number of hatching eggs for the Canadian market. The committee volume recommendations were reflective of the continued growth in the chicken industry.



TRADE AND IMPORT CONTROLS



WORLD TRADE ORGANIZATION (WTO)

In 2024, WTO members continued to build on the ongoing agricultural negotiations, with significant efforts focused on addressing food security, public stockholding (PSH), sustainability, and key trade negotiating pillars such as domestic support and market access.

Throughout the year, SM5 representatives were actively engaged in monitoring WTO negotiations, participating in technical missions and attending major events including the WTO

Ministerial Conference in February and the WTO Public Forum in September. During these events, SM5 representatives held side meetings with key WTO members, including representatives from the European Union, the United States, Brazil, and the African Group, Canadian Government representatives including International Trade Minister Mary Ng and Chief Agriculture Negotiator Matthew Smith, as well as the WTO Chair of the Agriculture Negotiations, Ambassador Alparslan Acarsoy (Turkey).

The 13th Ministerial Conference of the WTO (MC13), held in Abu Dhabi in February 2024, ended without any agreement on agriculture, an ongoing, contentious issue. India sought to establish permanent rules for developing countries to build public food stocks to ensure food security, but this was met with resistance from other members who favored addressing agricultural issues in a broader negotiation round. Despite efforts, no progress was made on resolving the longstanding tensions over Public Stockholding (PSH), reflecting the ongoing challenges within the WTO to reconcile the diverse interests of its members, especially in the context of global economic uncertainties and geopolitical tensions. This impasse highlights the difficulty the WTO faces in advancing multilateral agreements on agricultural trade.

The central issue discussed the WTO Public Forum was the aftermath of the failed Brazilian text proposal, which aimed to shape the agricultural negotiations ahead of MC14. Despite strong support from major players such as the United States, European Union and China, the paper faced opposition, particularly from India and the African Group. The opposition



to the Brazilian proposal, particularly from India and the African Group, resulted from the insistence on addressing Public Stockholding (PSH) before tackling other issues like market access and domestic support. For those countries, PSH is crucial for food security, as it allows them to maintain food reserves for public distribution. Consequently, India and the African Group advocated for prioritizing PSH in the negotiations. As a result, the Chair pivoted to exploring alternative strategies, including the formation of working groups within the Committee on Agriculture in Special Session (COASS). These groups were set up to tackle the key negotiation topics—market access, domestic support, and PSH—with a proposal in the works for the broader membership. While the Brazilian paper has been deemed “expired,” the Cairns Group, along with the African Group, have expressed their interest to present a new proposal on the modalities of these issues.

Additionally, sustainability and climate change became important topics in agricultural discussions. Although members have yet to define the scope of sustainability in agricultural negotiations, there is growing recognition that these issues, including environmental concerns, food security, and inclusivity, will soon play a larger role in future negotiations. This aligns with the broader theme of maintaining engagement among WTO members while simultaneously addressing core trade issues. The discussions around sustainability highlight the shifting focus toward incorporating long-term environmental and social considerations into agricultural trade discussions. As MC14 approaches in March 2026, these ongoing deliberations will likely shape the direction of future trade talks.

BILATERAL AND REGIONAL TRADE

In 2024, Canada saw new developments in bilateral and regional trade, which CFC monitored very closely by attending meetings hosted by AAFC. The United Kingdom’s official accession to

the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) on December 15, 2024, marked a notable milestone. The impact on the Canadian chicken sector is expected to be limited, as the UK primarily exports chicken to the European market, and the two countries will not access each other’s markets under the CPTPP terms until Canada ratifies the agreement. Discussions on Costa Rica’s accession to the CPTPP, officially started in late 2024. As a potential future member (eventually the thirteenth), Costa Rica’s adherence to CPTPP is unlikely to have a major impact on Canadian poultry due to its smaller scale.

Canada is also prioritizing the advancement of its trade relations with ASEAN countries (Indonesia, Malaysia, Philippines, Singapore, Thailand, Brunei, Vietnam, Laos, Cambodia and Myanmar). Efforts center around addressing market access, sanitary measures and other trade facilitation issues. CFC is monitoring this trade initiative more closely, as the participation of Thailand—a major chicken exporter—might lead to more pressure for Canadian access. However, the negotiations are not progressing quickly, as it remains challenging to reach consensus within ASEAN countries due to the divergences between its members on key issues, notably sanitary and phytosanitary issues (SPS).

On a bilateral basis, Canada officially launched free trade agreement negotiations with Ecuador in April 2024. Positive progress was made throughout the year, with a few chapters successfully closed. Ongoing negotiations are now focusing on tariff elimination, agricultural trade, services, and investment. The fifth round that took place in December 2024, aimed to close remaining provisions before Ecuador’s presidential elections in early 2025.

On December 2, 2024, Canada announced the conclusion of negotiations for a Canada-Indonesia Comprehensive Economic Partnership Agreement (CEPA) and committed to sign the CEPA in 2025. This is the conclusion of an important agreement for Canada’s trade,

with Indonesia being Southeast Asia's largest economy with a population of 279 million. It also demonstrates that Canada can reach trade agreements while not making any concessions for chicken products or any products from dairy poultry and eggs.

At the same time, Canada is continuing to engage in bilateral discussions with the United States, particularly regarding a review to the Canada-United States-Mexico Agreement (CUSMA), with a focus on ensuring fair trade conditions.

INTERNATIONAL COLLABORATION

CFC continued its engagement with international organizations, including the World Farmers' Organization (WFO) and the International Poultry Council (IPC). CFC Chair Tim Klompmaker is a member of the IPC Executive Committee, while CFC staff member Yves Ruel serves on the trade committees of both the IPC and WFO. At the 2024 WFO's Annual Meeting in Rome in June, the focus was on transforming global agrifood systems to address hunger and environmental challenges. The meeting highlighted the vital role of family farmers in these efforts.

IMPORT CONTROLS

CFC is focused on ensuring that the TRQ (Tariff Rate Quota) allocation process supports the long-term stability of Canada's supply management system. The proposed changes to the chicken TRQ discussed at the February 2024 Chicken Tariff Quota Advisory Committee (TQAC) meeting, like increasing the WTO non-ICL (Non-Import Control List) cap to 18 million kgs and reducing the CUSMA cap to 9 million kgs, are concerning to CFC. The non-ICL allocation is meant for Canadian manufacturers who use chicken as an ingredient in products that aren't subject to import controls. While these changes might temporarily reduce the need for extra imports, they don't guarantee that non-ICL requests won't increase in the future, as they have in previous years.

CFC believes that to avoid supplementary imports and ensure fair competition, a permanent allocation method should be established within the original TRQ limits. CFC also suggests a system where non-ICL applicants can prioritize their TRQ preferences to lower the chances of needing supplementary imports. Additionally, CFC proposes a transfer policy to prevent TRQ holders from trading more than they were originally allocated, and recommends using returned TRQ volumes to offset imports. These changes aim to protect Canada's trade commitments while supporting the economic health of the chicken sector. However, discussions on implementing a long-term allocation methodology are ongoing and will continue into 2025.

During 2024, 39.1 Mkg were imported under the 39.8 Mkg WTO TRQ. For the CUSMA TRQ, 54.2 Mkg were imported under a 55 Mkg TRQ and 19.4 Mkg were imported under the CPTPP from a 23.7 Mkg TRQ. Due to the limitations for non-ICL requests under the annual allocation, applicants who were not fully supplied by the TRQ allocation received supplementary imports to compete for 1.6 Mkg, resulting in WTO TRQ imports exceeding Canada's commitments by 0.8 Mkg. Government programs allowing chicken importation for further processing and re-export continued to gain popularity in 2024. Global Affairs Canada's Import to Re-export program (IREP) reached 16.1 Mkg, and 52.9 Mkg were imported under the Canada Border Services Agency's Duties Relief Program (DRP), totaling 69 Mkg compared to 62.7 Mkg in 2023.

The Canada Border Services Agency's (CBSA) Duties Relief Program (DRP) remains a key tool for chicken imports in 2024, much like in 2023. The program allows importers to bring in chicken for further processing and re-export without paying duties. However, as noted in previous years, the widespread use of DRP raises concerns about potential market distortions, particularly with the allowance for products like marinated chicken, which are very difficult to verify if the proper amount of chicken is re-exported,



therefore, creating risks for distortions on the domestic market. The DRP has accounted for 52.9 Mkg of chicken imports, a 10% increase over 2023, continuing to reflect its popularity among processors. CFC will continue to monitor its impact and advocate for adjustments where necessary to mitigate any distortions to the domestic market. CBSA is continuing to focus its attention on verifications of dairy, poultry and egg DRP users with concerning results of 34 out of 41 verified importers being non-compliant, including 20 suspended and \$581 million in fines assessed against these non-compliant importers. This is a systemic issue that needs to be addressed by CBSA.

The issue of spent fowl remains a significant concern for the Canadian chicken sector. Total imports of spent fowl reached 84.7 Mkg in 2024, a 3.6% decline over the last year but nonetheless a very important volume. The third round of CBSA's spent fowl verifications, which began in September 2023, targeted 34 companies. CBSA verifications since 2017 have identified 122 non-compliant cases and importers were assessed \$250 million in duties for

improperly classifying the imported products. This highlights the importance of addressing this tariff evasion breach, as the government is losing significant revenue due to these violations and these misreported imports are damaging to the Canadian chicken sector. CFC continues to strongly advocate for the adoption of DNA testing to ensure more accurate tracking and compliance in the future. Meanwhile, the diversification of spent fowl sources continues, with new imports from countries such as Thailand, Argentina, and Brazil, further emphasizing the need for measures to combat tariff circumvention and ensure the health and safety of Canadians. This ongoing issue remains a high priority for CFC, and we continue to closely monitor the situation with AAFC, CBSA and Government Officials.



FOOD SAFETY & ANIMAL HEALTH



AVIAN INFLUENZA

The Canadian poultry sector enjoyed a reprieve from cases of avian influenza in the spring and summer of 2024 but, unfortunately, the fall brought a resurgence in detections both in wild birds and domestic flocks. The relationships developed between industry and government over the last two years of outbreaks, and the refining of response protocols through joint working groups, have resulted in a more effective, flexible, and timely response.

Canadian chicken farmers continued collaboration with the National Poultry Group

- comprised of the Supply Management Four (SM-4) Canadian Poultry and Egg Processors, and the Animal Nutrition Association of Canada
- to support provincial boards in preparedness and response work. Regular updates and communications were shared with provinces and farmers regarding the outbreak and to share learnings about biosecurity best practices.

With the emergence of avian influenza in dairy cattle in the US in 2024, CFC has been monitoring the situation closely. CFC is grateful for the role that the Canadian Animal Health Surveillance System (CAHSS) has





played in information gathering, facilitating consultations, and developing a surveillance system for avian influenza in Canadian dairy cattle. CFC participated in consultations on the development of a bovine event response plan, and communicated with farmers and provincial boards .

CFC continues to express its gratitude to the Canadian Food Inspection Agency (CFIA) and other government partners for their work in avian influenza response.

FOOD SAFETY

Chicken Farmers of Canada's *Raised by a Canadian Farmer* On-Farm Food Safety Program (OFFSP) continues to represent the hard work that farmers perform each day from coast to coast to produce safe food for Canadians. The program is a critical part of providing consumer confidence in the food production process, thus enhancing the *Raised by a Canadian Farmer* brand's success.

Despite the continued challenges posed by avian influenza, farm audits and oversight of OFFSP implementation continued throughout 2024 and included internal audits and management reviews with provincial boards.

The OFFSP program undergoes regular review by the CFIA to maintain full recognition from federal, provincial and territorial governments; the 100-month review was successfully completed in 2024.

In-barn hatching is an emerging practice in Canada and no longer a licensable activity by the CFIA since the publication of the new Hatchery Regulations. Throughout 2024, CFC consulted with provinces and stakeholders to develop food safety requirements to cover in-barn hatching.

PATHOGEN REDUCTION

The OFFSP remains the cornerstone of Canadian chicken farmers' strategy for pathogen reduction, with strict biosecurity measures

to limit pathogen spread and protect animal health. Throughout 2024, CFC continued active participation on the Joint Government-Industry Working Group on the Control of *Salmonella* and *Campylobacter* in Poultry, working with CFIA on developing *Salmonella* performance standards.

The Farmer Resource Portal on chickenfarmers.ca continues to be a useful way to share resources with farmers about best production practices, applicable to both pathogen reduction and prudent antimicrobial use. CFC adds to this library of content regularly, including new material developed this year to promote improved barn entry designs. Because consumers also have a critical role in food safety, CFC shares food safety messaging through social media, our consumer newsletter, and within every recipe on the chicken.ca website.

RESPONSIBLE AMU STRATEGY

Throughout 2024, CFC has continued to work with federal and provincial governments on implementing actions included in the

Pan-Canadian Action Plan on Antimicrobial Resistance. Building on the elimination of the preventive use of Category I and II, CFC is now focused on a non-regulatory approach to further reducing antimicrobial use, with specific attention on reducing the preventive use of Category III antimicrobials.

To this end, CFC convened a focus group that met throughout 2024, with experts from across the supply chain exchanging information and experiences and developing recommendations on opportunities for Category III reduction. Those recommendations are being considered by the CFC Production Committee.

CFC continues to work with government and key supply chain stakeholders to promote reduction strategies, increase access to animal health products and share lessons-learned on reduction experiences. In preparation for the United Nations General Assembly high-level meeting on antimicrobial resistance, CFC leveraged our *Responsible Antimicrobial Use Strategy* to demonstrate ways that Canadian chicken is tackling this important issue.



ANIMAL CARE, SUSTAINABILITY AND POULTRY RESEARCH



ENVIRONMENT

CFC continues to advance its sustainability strategy with a key focus on the completion of the Life Cycle Assessment (LCA), in collaboration with AGECO Group. The updated LCA, which incorporates a greenhouse gas (GHG) inventory, aims to measure and assess the environmental performance of Canada's chicken sector, providing an understanding of its carbon footprint. This update covers the period from 2016 to 2023 and will serve as a critical tool in identifying areas for improvement and informing future sustainability efforts.

Data collection for the project has been completed, with input from a wide range of stakeholders including producers, processors, and industry experts. The finalized LCA report, expected in 2025, will be peer-reviewed by a group of academic experts before being shared with industry stakeholders. This comprehensive review will help CFC determine reasonable strategies for continued sustainability improvements across the sector.

RAISED BY A CANADIAN FARMER ANIMAL CARE PROGRAM

The *Raised by a Canadian Farmer* Animal Care Program has now been implemented for 15 years on our 2,800+ chicken farms. Oversight of the program continued in 2024 with all farms receiving their annual audit to demonstrate implementation of each of the program

requirements. We're proud to report that certification remains at 100%.

In conjunction with the *Raised by a Canadian Farmer* On-Farm Food Safety Program, an addendum to cover the animal care elements of in-barn hatching was developed and finalized this year, following consultation with provincial boards and industry stakeholders.

The *Raised by a Canadian Farmer* Animal Care Program has a credible, science-based foundation as it mirrors the requirements in the Code of Practice for the Care and Handling of Hatching Eggs, Breeders, Chickens and Turkeys developed by the National Farm Animal Care Council (NFACC) in 2016. NFACC is a world leader in bringing together stakeholders with different perspectives to develop robust and sound Codes of Practice.

In 2024, CFC, along with other national poultry groups, initiated an update to our current Code of Practice for poultry. This update will follow NFACC's Code development process, starting with a scientific review of priority welfare issues to guide the Code Development Committee in setting requirements and recommendations. Both the Code Development Committee and the Scientific Committee were formed in 2024 and began their work.

The Code is expected to be finalized in 2027; once this is done, CFC will work to incorporate any new requirements into the *Raised by a Canadian Farmer* Animal Care Program to ensure the program continues to reflect the Code. As a result, the Code is mandatory for all 2,800+ chicken farms in Canada.



THIRD-PARTY AUDITS

The eighth year of third-party audits was completed this year, and the results demonstrate how CFC continues to effectively and consistently implement the *Raised by a Canadian Farmer* Animal Care and On-Farm Food Safety Programs.

The third-party audit results were shared with stakeholders as an important part of providing transparency, confidence and assurance about the integrity of the animal care and food safety programs.

In the spirit of continuous improvement, CFC completed a review procedure along with a request for proposals for its third-party audits service provider. Following this process, a new provider, MSVS Inc, was contracted to provide third-party audits for CFC, starting in August 2024. CFC is excited to work with this

provider and looks forward to continuing to demonstrate the credibility and excellence of our on-farm programs.

HIGHLY QUALIFIED AUDITORS

Auditors are a crucial component of the *Raised by a Canadian Farmer* Animal Care and On-Farm Food Safety programs, comprised of qualified individuals who perform annual audits by evaluating producers' implementation of the requirements. All auditors meet stringent criteria and successfully complete both classroom and on-farm audit training before beginning to audit farms. CFC continued to host annual auditor training in 2024, to promote consistency across the country and as an opportunity to share information and strategies for continuous improvement.



JOINT ANIMAL WELFARE WORKING GROUP

The Joint Animal Welfare Working Group is a collaboration between CFC and the Canadian Poultry and Egg Processors (CPEP) to support continuous improvement in animal welfare. The working group continued to meet in 2024 to study literature reviews of the latest science on key welfare topics and had the opportunity to visit the Tyson Foods Broiler Welfare Research Farm in Fayetteville, Arkansas.

A specific research project has been commissioned by CFC, with in-kind support from CPEP, to address a gap initially identified in the 2016 Poultry Code update and further recognized as a continued priority by the JAWWG – the effects of lighting programs on broilers with a mash feed diet. The results of this study will be pertinent to inform the Code development process. Also related to lighting, additional communication was developed in 2024 to share the learnings from the lighting literature review with all farmers.

POULTRY RESEARCH

CFC is committed to promoting chicken health and welfare and recognizes that scientific research plays a crucial role in advancing the health, safety, and overall well-being of chicken. By supporting and funding scientific studies, CFC aims to foster innovations that improve animal care practices, enhance farming sustainability, and ensure Canadian farmers are producing safe and healthy chicken. CFC advocates for research that bridges the gap between ethical responsibility and scientific progress, ultimately leading to better outcomes for animals, farmers, and society as a whole.

As a founding member of the Canadian Poultry Research Council (CPRC), Chicken Farmers of Canada supports poultry research in Canada and the training of highly qualified people for

Canada's poultry sector. CFC is represented on the CPRC Board by Ray Nickel from British Columbia, who also sits as Chair of CPRC. Through collaboration with researchers, veterinarians, and industry professionals, CFC seeks to drive positive change in the agricultural sector.

CPRC was successful this year in obtaining funding for the fourth Poultry Science Cluster. This Cluster includes projects under three main research priorities: environment and climate change, economic growth and sector resilience. The \$10.2 million investment in Canadian poultry research consists of up to \$5.1 million from Agriculture and Agri-Food Canada, \$2.82 million from CPRC, \$1.85 million from industry, and \$405,000 from other levels of government. For its part of the CPRC contribution, CFC has invested \$1 million over five years towards the research projects under this Cluster.

To the end of 2024, CPRC members committed over \$6 million to 129 research projects across universities and labs, and a total of \$34.8 million was raised from various sources for the research program.

In addition to administering the Cluster, CPRC issued their annual call for research proposals this year with a focus on food safety, poultry health and welfare, and productivity and sustainability; seven projects were approved for funding totaling \$320,000. CFC's contribution (\$78,000) represents approximately 25% of funding for these projects.

In addition to the regular CPRC call for proposals, each year CFC allocates funding for research specific to the sector's needs. In 2024, CFC approved \$60,000 for each of two projects – one focused on the control of cellulitis in chickens and the other focused on the control of darkling beetle populations in farms.

BRAND & MARKETING



IN 2024, CHICKEN FARMERS OF CANADA (CFC) CONTINUED TO BUILD ON PROMOTING THE *RAISED BY A CANADIAN FARMER* (RBCF) BRAND WHILE FOSTERING PUBLIC TRUST IN CANADIAN CHICKEN. THIS YEAR, OUR MARKETING AND BRANDING EFFORTS FOCUSED ON INNOVATIVE MEDIA STRATEGIES, PRECISE AUDIENCE SEGMENTATION, AND DYNAMIC CAMPAIGNS WITH THE GOALS OF CAPTIVATING DIVERSE DEMOGRAPHICS, DISPELLING MISINFORMATION, AND SOLIDIFYING OUR POSITION AS THE DEFINITIVE LEADER IN CHICKEN CONSUMPTION.

STRATEGIC HIGHLIGHTS MEDIA AND CAMPAIGN INNOVATIONS

NEW MEDIA STRATEGIES:

- » Shifted budget allocations to 40% digital and 60% linear TV in 2024.
- » A focus on Connected TV (CTV) platforms like Roku, Samsung, and LG, reaching younger audiences aged 18-34.
- » Partnered with top Smart TV services, integrating CFC campaigns directly into home screens and content guides.

CREATIVE CAMPAIGNS:

- » Developed the “Chicken Worth Celebrating” initiative, emphasizing chicken’s versatile, ethical and sustainable Canadian farming practices.
- » Launched high-impact initiatives, including:
 - Chicken Month Campaign: Engaged fitness enthusiasts through gym-focused digital-out-of-home ads, achieving 4.2 million impressions.
 - Swimming Canada Partnership: Leveraged Olympics-related advertising on CBC/SRC and social media, ultimately reaching 4.1 million viewers.
 - Raised Right Campaign: We created a campaign to connect with Gen Z and Millennials while increasing awareness of the brand. Using a mix of video, social media, digital ads, and in-person events, the ‘Raised Right’ campaign reassured consumers about the ethical and sustainable practices of Canadian chicken farming.
- » **Results:** generated more than 87 million impressions and 82.6k clicks across platforms like smart TVs, online video ads, YouTube, and social media. On Facebook and Instagram alone, our ads reached nearly 20 million views and got over 89,000 clicks across the country in just under 30 weeks.



**RAISED BY A
CANADIAN
FARMER**



PERFORMANCE METRICS

MEDIA CAMPAIGN SUCCESS:

- » Increased brand awareness to **55%**, up 3% from 2023.
- » Achieved **48% marketing recall** in 2024, a 17% year-over-year increase.

CONSUMER ENGAGEMENT:

- » Social Media Growth:
 - More than **6 million impressions** across platforms, including Instagram, TikTok, and Reddit.
 - New TikTok campaigns targeted Gen Z with a **55% engagement rate**.
- » Culinary Campaigns:
 - Celebrated National Chicken Month with recipes inspired by diverse cultures, increasing chicken.ca website visits by **15% during the campaign**.
 - Partnered with influencers and chefs, resulting in **1.6 million impressions** from influencer posts.

EVENTS AND OUTREACH:

- » Took center stage at the Restaurants Canada Show as sponsor of the Chicken Sandwich Contest.
- » Collaborated with QuellNow to honor chicken at the heart of family stories and legacies by showcasing diverse chefs and cherished family recipes.
- » Deployed a coop of do-good chickens across Toronto to perform kind gestures as part of the Raised Right Campaign, reminding Canadians of the value of responsibly raised chicken.
- » Engaged 500+ attendees at the Culinary Federation National Conference in Edmonton to promote sustainable chicken farming practices.
- » Partnered with the Culinary Federation to run “The Great Canadian Coop Star Contest,” appointing a young chef as the official Chicken Farmers of Canada ambassador for the CF25 National Conference in Moncton.
- » Launched a bold public awareness campaign in September for Chicken Month, featuring a custom-made ‘builtboard’ carried around Toronto to highlight how Canada’s number one meat protein supports fitness goals.
- » Engaged with 300,000+ attendees, showcasing sustainable chicken farming practices at The Royal Agricultural Winter Fair. We also sponsored three cooking sessions and a delicious three course meal led by Chef Albert Ponzo highlighting Canadian-raised chicken.

MARKET WATCH



CHICKEN PRODUCTION IN 2024 WAS 1,402 MKG, 0.1% (16 MKG) ABOVE LAST YEAR, AND 3.6% HIGHER THAN IN 2022.

Preliminary data from Chicken Farmers of Canada and Agriculture and Agri-Food Canada indicate that per capita availability of chicken in 2024 was 34.8 kg, down slightly from the year before (35.1 kg) As in previous years, chicken was the most popular meat protein choice for Canadians.

Projected per capita availability of beef decreased slightly by 0.1kg to 23.0 kg and per capita availability of pork decreased 2.3 kg to 20.6 kg.

The average live price paid to Canadian chicken farmers in 2024 was \$2.077 per kg live weight, \$0.049 lower than last year and \$0.034 higher than in 2022.

Frozen chicken inventories declined significantly in 2024, beginning the year at 71.8 Mkg and ending at 58.4 Mkg, a decline of 18.2% or 13.4 Mkg. This decline was broad-based, with further processed chicken products, wings, legs, and breasts all seeing considerable reductions.

PRODUCTION

2024 covered six allocation periods, from A-187 (January 14 to March 9, 2024) to A-192 (October 20 to December 14, 2024). Allocations were set cautiously during 2024 as economic uncertainty related to high interest rates, unemployment, and food inflation put pressure on Canadian consumers and the Canadian economy. The CFC Board of Directors set domestic allocations for

2024 with a range from 1.5% above the adjusted base allocation for A-187, to 1.5% below base for period A-189. Combined domestic allocations for the six periods was 1,265 Mkg, a 0.6% increase over base.

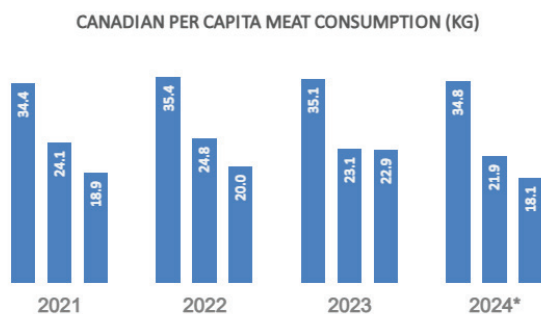
Total chicken production was above 1,400 Mkg for the second year in a row, rising to 1,402 Mkg, an increase of 0.1% from last year and 3.6% higher than two years ago. Unlike 2023 when there was significant underproduction due to chick shortages in the U.S. and avian influenza outbreaks that impacted Canadian broiler and breeder operations, 2024 saw significantly less underproduction and improved chick availability. The final two full periods of the year, A-191 and A-192, saw combined overproduction of 4.1 Mkg.

Production under CFC's Market Development Program amounted to an estimated 28.4 Mkg, 0.2 Mkg (0.9%) less than in 2023 and the lowest amount in the last two decades. The decline can be attributed to less demand for the program overall by provincial boards and increased domestic demand for leg quarters.

Production under the Specialty Production Program was an estimated 8.8 Mkg in 2024, a decrease of 0.7 Mkg (7.6%). Production in this program has been accounting for between 0.6% and 0.7% of total production since its first full year of implementation (2015). This year's total was the lowest since 2018.

PRODUCER PRICES

In 2024, the production-weighted average producer live price across Canada was \$2.077



per live kilogram, a 4.9 cent (2.3%) decline compared to the year before and 3.4 cents higher than in 2022. This decline was mostly due to reduced feed input costs. Corn and soybeans, the main feed components in Central Canada, saw their annual averages fall by 24% and 22%, respectively. The price of wheat, the main component of feed in Western Canada, fell by 18% compared to 2023.

In general, feed grain prices rose sharply during 2021 and 2022, but moderated significantly during 2023 and 2024. They remained stable and at or below their pre-pandemic levels this year, especially in the case of corn and soybeans. Wheat has fallen from its peak in 2022 but remains well above pre-pandemic levels. Price reductions came thanks to moderated global demand and two good crop years in a row in North and South America. Towards the end of 2024, feed prices began to trend a little higher as global demand started to increase.

WHOLESALE PRICES

Express Markets Inc. (EMI), a U.S.-based market research company, provides wholesale complex pricing for four main categories of chicken cuts: breasts, wings, legs, whole birds, along with a market composite.

2024 saw the wholesale price trends of 2023 continue with strength in the leg and whole bird complexes but declines in the breast and wing complexes. The market composite averaged \$4.33 in 2024, a decline of 0.5% from 2023. However, it ended the year on a much stronger

note than last year when it fell significantly during the final quarter. The leg complex averaged \$3.44 in 2024, an increase of 3.6% that builds on 2023's 8.7% increase. The whole bird complex's annual average also rose slightly compared to 2023, by 0.6% to \$4.74. The breast complex averaged \$5.80 in 2024, down 2.5% from last year's average. This builds upon a 9.9% decline in the breast complex seen in 2023. The wing complex also fell for the second year in a row, dropping 7.9% from 2023's average to \$5.28. Taken together, we can see increased interest in dark meat and whole chickens compared to previous years, likely signaling that consumers are favouring lower-cost chicken items.

RETAIL PRICES

Inflation eased somewhat in 2024 compared to the previous three years, with the annual average Consumer Price Index (CPI) for all items rising 3.7 points or 2.4% to 160.9 from 157.1 in 2023. This compares to an increase of 5.9 percentage points or 3.9% in 2023. The CPI for food grew at a slightly faster rate than did the All-Items CPI this year, with the annual average in 2024 rising 5.0 points or 2.7% compared to last year. The CPI for meat was 3.0% higher than the year before, with beef rising 8.0% (18.9 percentage points), pork rising 3.4% (5.5 percentage points) and chicken rising the least of the three main animal proteins at 2.6% (5.5 percentage points), remaining below the overall food price inflation rate.

Statistics Canada also publishes monthly retail prices for cuts of the main meat proteins. Despite

increases in the CPI for chicken, retail prices as tracked by Statistics Canada were, on average, lower than last year except for drumsticks which saw a small 0.2% increase in its annual average compared to 2023, rising two cents to \$6.54/kg. Thighs had the strongest decline, averaging \$11.34/kg, \$0.97 less expensive than during 2023. Breast prices also declined, by 7.2% to \$13.25/kg, \$1.03 less expensive than last year. Whole chickens saw a decline of 3.8% compared to 2023, dropping \$0.24 to \$6.08/kg.

Beef retail prices rose across the board this year, building on increases seen last year. The average price for ground beef rose 11.7% compared to 2023 to \$12.59/kg, an increase of \$1.32. Beef rib cuts rose 8.1% to \$30.17/kg, an increase of \$2.26 over last year and the first time an annual average for any meat item tracked by Statistics Canada has been above \$30. Stewing cuts rose 4.5% this year, and striploin and top sirloin cuts rose 4.1% and 2.0%, respectively.

Prices for pork were much more mixed, with shoulder cuts seeing an increase of 10.2% to a record high of \$7.79 in 2024, but bacon falling 4.4% from last year to \$6.46, the lowest level

since 2021. Pork rib cuts fell 2.6% compared to 2023, while wieners rose 1.1%.

IMPORTS

The Tariff Rate Quota (TRQ), which is administered by Global Affairs Canada (GAC), totalled 118.6 Mkg in 2024, including 39.8 Mkg from WTO, 55 Mkg under CUSMA, and 23.7 Mkg under CPTPP. Under these three TRQs, import volumes totalled 112.7 Mkg, an increase of 11.4 Mkg or 11.2% over 2023. The import categories were mainly bone-in, boneless, and processed products. Most of this year's increase over 2023 was due to higher utilization of the CPTPP TRQ which totalled 19.4 Mkg or 17.2% of the total. Available CPTPP TRQ increased by 235,000 kg from 2023, but utilization increased by 9.8 Mkg or 103.5%. Most of this (16.0 Mkg) was from Chile, with a smaller share from Mexico (2.5 Mkg).

The split between bone-in, boneless, and processed imports was similar to 2023 and historical averages, at 40%, 34%, and 25%, respectively. 2024's product mix shifted towards dark meat, a shift from historical norms.





Although they represent a small share of total TRQ utilization, imports of eviscerated whole birds increased significantly from 142,604 kg in 2023 to 638,659 kg in 2024.

Canada also imported 1.6 Mkg of supplementary imports-to-compete, and 20,808 kg of supplementary permits issued for extraordinary circumstances.

The U.S. remained the largest supplier of chicken imported under the TRQ. In 2024, 57.9 Mkg of U.S. chicken products were imported, 51.4% of total imports under the TRQ. Of this, 54.2 Mkg entered under the CUSMA TRQ and 3.7 Mkg under the WTO TRQ. Chile eclipsed Brazil and Thailand to become the second largest supplier of chicken imported under the TRQ in 2024, with a total of 17.0 Mkg reported by GAC, 15.1% of total TRQ imports. The majority of Chilean imports were under the CPTPP TRQ, with a small amount reported under the WTO TRQ. Brazil was in third place with 15.5 Mkg or 13.8% of the total, and Thailand was the fourth largest supplier with 15.2 Mkg or 13.5% of the total. Together, the four largest suppliers of chicken under the TRQ accounted for 93.7% of the total. Imports from Europe (Hungary, Germany) totalled 3.7 Mkg or 3.3% of the total, while CPTPP TRQ imports from Mexico totalled 2.5 Mkg or 2.2% of the total. Small amounts were also sourced from

Israel, and Ukraine, which this year saw imports under the WTO TRQ after seeing some tariff-free imports in 2022 and 2023.

GAC also manages the Import to Re-Export Program (IREP) which allows the further processing sector to import chicken duty-free on the condition that participating companies further process and re-export the product. A total of 16.1 Mkg of chicken was imported under the IREP program in 2024, up 1.3 Mkg from 2023.

The Duties Relief Program (DRP), monitored by the Canadian Border Services Agency (CBSA), is similar in nature to the IREP program and allows participants to import chicken and re-export it as a further processed product within a four-year timeframe. Volumes imported under the DRP increased from 47.9 Mkg in 2023 to 52.9 Mkg (eviscerated equivalent) in 2024, the fifth consecutive annual increase from the 2019 low of 25.2 Mkg.

Import data as compiled and reported by Agriculture and Agri-Food Canada (AAFC) indicate that 184.0 Mkg (bone-in equivalent evis weight) of chicken products were imported into Canada in 2024, 15.4 Mkg (9.1%) more than in 2023, and the highest amount on record since 2016. Significantly higher volumes of bone-in legs and whole birds were imported in 2024

than in previous years, as demand for these products in Canada has surged. Bone-in leg imports increased by 11.1 Mkg (101.4%) from last year, while wing imports saw a 6.6 Mkg (29.5%) decline from 2023.

Spent fowl imports (AAFC data) were 84.7 Mkg eviscerated in 2024, 3.1 Mkg (3.5%) less than in 2023. The declines came in the bone-in parts and boneless breast categories, as well as boneless further processed products. These declines were partly offset by an increase in imports of live fowl.

EXPORTS

AAFC data show that 148.6 Mkg of chicken was exported in 2024, an increase of 10.9 Mkg (7.9%) compared to 2023. Most of this increase was due to 3.9 Mkg (4.6%) increase in exports of Chapter 16 further processed boneless breasts, as well as a 2.5 Mkg (15.7%) increase in exports of bone-in legs. As has been the case in previous years, Chapter 16 products, mechanically separated meat, and bone-in legs were the top three Canadian chicken items destined for the international market.

As in previous years, the U.S. and the Philippines were the largest importers of Canadian chicken products. Trinidad and Tobago was ranked third in 2023, but Guinea took this position in 2024. Other countries that imported Canadian chicken products this year included Ghana, Uzbekistan, Armenia, Jamaica, Mexico, Benin, and several others.

STORAGE STOCKS

Frozen inventories began 2024 at a record high level of 71.8 Mkg, the result of significant build-ups of further processed products and wings during 2023. Products such as fillets, tenders, strips, nuggets, etc., are reported in a single category by Agriculture and Agri-Food Canada – further processed other – and together account for more than half of total frozen chicken inventories. It was this category that was most

responsible for 2023's build-up, along with wings. Both these categories saw record highs at the end of 2023.

During 2024, stocks were consistently drawn down, reaching a low point of 57.0 Mkg in September, and then again building seasonally to end the year at 58.5 Mkg as of January 1st. Wings and further processed items were the primary contributors to the decline, but legs were also drawn down significantly during 2024 as the market saw an increased interest in dark meat from consumers (wholesale prices and import volumes for legs were also very strong in 2024). Variations in stocks of cut-up breast meat were much smaller; this was also the case for the miscellaneous category, which includes hearts, livers, gizzards, feet, etc. For the first time since 2017, stocks of whole chickens did not see a single month with inventories above 1.0 Mkg.

Cut-up and further processed chicken accounted for 93.9% of total inventories in 2024, just one tenth of a percent higher than in 2023. Again as in 2023, further processed chicken items' share of the total was larger than cut-up chicken. As of January 1st, 2025, miscellaneous chicken's share of the total rose slightly to 4.9% from 4.6% at the beginning of 2024.

INTERPROVINCIAL MOVEMENT

Along with the provincial chicken marketing boards, CFC monitors the interprovincial movement (IPM) of live chicken. IPM totaled 78.5 Mkg in 2024, 16.3% lower than last year. The largest share of this movement was between Quebec (seller) and New Brunswick (buyer), accounting for 40.2% of the total, followed by live chicken shipments from Nova Scotia to New Brunswick (22.6 Mkg) and from Ontario to Quebec (20.1 Mkg). Prince Edward Island also shipped 3.4 Mkg to Nova Scotia, and 0.8 Mkg to New Brunswick.



MONITORING AND ENFORCEMENT



CHICKEN FARMERS OF CANADA’S RESPONSIBILITY IS TO PROVIDE AN EFFECTIVE NATIONAL MONITORING AND ENFORCEMENT POLICY FOR THE ORDERLY MARKETING OF CHICKEN. THIS IS TO PROVIDE CONSISTENCY, PREDICTABILITY, AND STABILITY FOR THE CHICKEN INDUSTRY.

AUDITING THE SYSTEM

Audits of provincial chicken boards, market development licensees, specialty production licensees and interprovincial licensees are carried out every four allocation periods. CFC also conducts special audits as needed.

In 2024, CFC staff and external auditors completed the audits of provincial chicken boards for compliance with the policies and regulations for periods:

- » A-182 to A-185 (April 9, 2023, to November 18, 2023)

Live marketing reporting audits including the interprovincial movement of live chicken and market development and specialty production licensees’ compliance with policies and regulations, were conducted by the external auditors for periods A-182 to A-185.

The audit reports for periods A-178 to A-181 and A-182 to A-185 were presented and approved by the Board of Directors in January 2024 and July 2024, respectively.

OVERMARKETING ASSESSMENT

The following assessments were presented and approved by the Board of Directors in 2024:

AUDIT PERIOD	PROVINCIAL BOARD	LEVY ASSESSED
A-178/A-179	CHICKEN FARMERS OF NOVA SCOTIA	\$5,963
A-184/A-185	BRITISH COLUMBIA CHICKEN MARKETING BOARD	\$511,516
A-184/A-185	MANITOBA CHICKEN PRODUCERS	\$116,224
A-184/A-185	ÉLEVEURS DE VOLAILLES DU QUÉBEC	\$385,108
A-184/A-185	CHICKEN FARMERS OF PRINCE EDWARD ISLAND	\$2,814
A-184/A-185	CHICKEN FARMERS OF NEWFOUNDLAND AND LABRADOR	\$8,206

The above levies have been paid in full.



MARKET DEVELOPMENT

The following Market Development assessments were issued to two primary processors for marketing production received other than in accordance with the Market Development Policy and the licence they hold:

QUOTA PERIOD	LEVY ASSESSED	KG LIVE WEIGHT EQUIVALENT	ASSESSMENT
A-181 AND A-182	\$22,437	25,011	JUNE, 2024
A-183	\$5,151	5,151	JUNE, 2024

The above levies have been paid in full.

In December 2023, Simple Path Farms Poultry Ltd. (SPF) submitted a complaint to the Farm Products Council of Canada (FPCC) concerning the assessed levies of \$241,485 and CFC Directors agreed to hold the requirement for SPF to make payment of the levy in abeyance pending the outcome of SPF’s complaint to FPCC. Although, FPCC rejected SPF’s Complaint in June 2024, SPF filed an application for judicial review that is currently being held in abeyance pending the court’s decision.

SPECIALTY PRODUCTION

There were no levies assessed in 2024.

INTER-PERIOD QUOTA TRANSFERS

The inter-period quota transfer policy gives flexibility to meet market needs. Requests are in response to short-term, market-driven requirements between two specific quota periods. Inter-period quota transfers cannot be used to adjust slaughter schedules or affect quota utilization in a given period.

There were no inter-period quota transfers in 2024.

STAFF CHANGES & UPDATES



STAFF CHANGES & UPDATES

CFC

NEW TO THE COOP

Chris Prudhomme - Food Safety Officer & Internal Auditor (maternity leave)

Brianne Moore - Content Marketing Officer

Titilayo Onayemi - Administrative Communications and Human Resources Officer

Jeff deValk - Market Analyst

Daniel Daenam Kim - Financial Officer (maternity leave)

Chris Hofley - Communications Officer

Alexane Mera - Director, Brand Marketing

LEFT THE COOP

Mengrou Wang - Market Analyst

Jean-François Bérubé - Senior Communications Officer

JJ Hochrein - Director, Brand Marketing

KEY MILESTONES

10 YEARS

Jessica Heyerhoff - Communications and Policy Officer





FROM LEFT TO RIGHT

Ayodeji Oni
Berivan Abuzeyit
Brahim Zahri
Brianne Moore
Daniel Daenam Kim
Jae Yung Chung
Jan Rus
Michael Laliberté





FROM LEFT TO RIGHT

Jean Lavallée
Jennifer Gardner
Jessica Heyerhoff
Kavita Walia
Lauren Kennedy
Lisa Riopelle
Lori Piche
Jeff deValk



FROM LEFT TO RIGHT

Maria Elena Baisas
Shane Azriel Alday
Steve Leech
Titilayo Onayemi
Yves Ruel
Nicole Faubert
Alexane Mera

NOT PICTURED

Karen Ronayne
Erin Callary
Chris Hofley
Denis Nadeau

CFC STAFF

EXECUTIVE

Michael Laliberté

Chief Executive Officer

Nicole Faubert

Executive Assistant

TRADE AND POLICY

Yves Ruel

Associate Executive Director

Brahim Zahri

Trade and Policy Analyst

MARKET INFORMATION AND SYSTEMS

Jan Rus

Director of Market Information and Systems

Denis Nadeau

Business Systems Analyst

Jeff deValk

Market Analyst

PUBLIC AFFAIRS AND COMMUNICATIONS

Lauren Kennedy

Director of Public Affairs and Communications

Berivan Abuzeyit

Public Affairs Officer

Erin Callary

Strategic Programs and Partnerships Officer

Chris Hofley

Communications Officer

BRAND MARKETING

Alexane Mera

Director of Brand Marketing

Karen Ronayne

Brand Creative Officer

Brianne Moore

Content Marketing Officer

HUMAN RESOURCES AND ADMINISTRATION

Lisa Riopelle

Director of Human Resources
and Administration

Ayodeji Oni

Corporate Services Officer

Titilayo Onayemi

Administrative Communications and HR Officer

FINANCE

Lori Piche

Director of Finance

Jae Yung Chung

Senior Financial Analyst

Maria Elena Baisas

Financial Compliance Analyst

Hicran Karakus

Financial Officer

Daniel Daenam Kim (maternity leave)

Financial Officer

Shane Azriel Alday

Bookkeeper

ANIMAL CARE AND SUSTAINABILITY

Jean Lavallée

Director of Animal Care and Research

Jennifer Gardner

Animal Care and Research Officer

FOOD SAFETY AND ANIMAL HEALTH

Steve Leech

Director of Food Safety and Animal Health

Jessica Heyerhoff

Communication and Policy Officer

Kavita Walia

Food Safety Officer & Internal Auditor

Chris Prudhomme (maternity leave)

Food Safety Officer & Internal Auditor

AUDITOR'S REPORT AND FINANCIAL STATEMENTS



KPMG LLP
150 ELGIN STREET, SUITE 1800
OTTAWA ON K2P 2P8
CANADA

TEL 613-212-5764
FAX 613-212-2896

INDEPENDENT AUDITOR'S REPORT

To the members of Chicken Farmers of Canada

OPINION

We have audited the financial statements of the Chicken Farmers of Canada (the Entity), which comprise:

- » the statement of financial position as at December 31, 2024
- » the statement of operations for the year then ended
- » the statement of changes in fund balances for the year then ended
- » the statement of cash flows for the year then ended
- » and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

BASIS FOR OPINION

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER INFORMATION

Management is responsible for the other information. Other information comprises:

- » the information, other than the financial statements and the auditor's report thereon, included in the annual report document.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in annual report document as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- » Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- » Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- » Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- » Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- » Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- » Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants, Licensed Public Accountants
Ottawa, Canada
February 28, 2025.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2024, WITH COMPARATIVE INFORMATION FOR 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash	\$ 5,350,274	\$ 3,385,491
Short-term investments (note 2)	800,000	2,908,905
Accounts receivable	2,749,171	3,419,763
Prepaid expenses	280,387	359,023
Other receivable	-	15,772
	9,179,832	10,088,954
Long-term investments (note 2)	10,215,718	8,023,079
Long-term receivable (note 3)	111,111	444,444
Tangible capital assets (note 4)	715,352	793,896
	\$ 20,222,013	\$ 19,350,373
LIABILITIES AND FUND BALANCES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 711,673	\$ 986,916
Other Payable	2,455	-
Current portion of deferred lease inducement (note 5)	7,636	7,636
	721,764	994,552
Long-term portion of deferred lease inducement (note 5)	213,414	221,050
	935,178	1,215,602
FUND BALANCES		
Internally restricted - Promotion Fund	5,793,036	3,830,008
Internally restricted - Research Fund	-	3,291,186
Unrestricted - General Fund	13,493,799	11,013,577
	19,286,835	18,134,771
CONTRACTUAL OBLIGATIONS (NOTE 6)		
	\$ 20,222,013	\$ 19,350,373

See accompanying notes to financial statements.

On behalf of the Board:



Tim Klompaker
Chair of the Board of Directors



Michael Laliberté
Chief Executive Officer

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2024, WITH COMPARATIVE INFORMATION FOR 2023

	Promotion Fund	Research Fund	General Fund	2024 Total	2023 Total
REVENUES					
Levy and fee revenue	\$ -	\$ -	\$ 11,496,692	\$ 11,496,692	\$ 11,020,945
Grant revenue	3,573,292	-	139,847	3,713,139	3,426,707
Overmarketing and market development levies	1,057,420	-	-	1,057,420	1,164,726
Interest	102,659	117,854	372,764	593,277	492,469
Other revenue	-	-	5,860	5,860	6,100
	<u>4,733,371</u>	<u>117,854</u>	<u>12,015,163</u>	<u>16,866,388</u>	<u>16,110,947</u>
EXPENSES					
Promotional activities	5,270,032	-	-	5,270,032	5,427,050
Salaries, benefits and travel	-	-	4,432,841	4,432,841	4,131,698
Directors and alternates	-	-	1,703,570	1,703,570	1,676,965
Special studies	123,305	-	691,154	814,459	685,274
Professional fees	-	-	887,854	887,854	643,979
Committees	-	-	530,245	530,245	418,577
Communication	-	-	502,001	502,001	584,165
Office	-	-	474,253	474,253	474,044
Canadian Poultry Research Council	-	372,000	-	372,000	112,000
Membership fees	-	-	292,269	292,269	383,948
Information technology	-	-	208,163	208,163	158,874
Amortization of tangible capital assets	-	-	112,310	112,310	129,234
Translation	-	-	98,314	98,314	110,276
Trade	-	-	91,059	91,059	68,559
Corporate social responsibilities	-	-	63,969	63,969	99,340
	<u>5,393,337</u>	<u>372,000</u>	<u>10,088,002</u>	<u>15,853,339</u>	<u>15,103,983</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS	(659,966)	(254,146)	1,927,161	1,013,049	1,006,964
INVESTMENT GAIN	<u>22,994</u>	<u>22,030</u>	<u>93,991</u>	<u>139,015</u>	<u>241,428</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (636,972)	\$ (232,116)	\$ 2,021,152	\$ 1,152,064	\$ 1,248,392

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN FUND BALANCES

YEAR ENDED DECEMBER 31, 2024, WITH COMPARATIVE INFORMATION FOR 2023

	Promotion Fund	Research Fund	General Fund	2024 Total	2023 Total
BALANCE, BEGINNING OF THE YEAR	\$ 3,830,008	\$ 3,291,186	\$ 11,013,577	\$ 18,134,771	\$ 16,886,379
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(636,972)	(232,116)	2,021,152	1,152,064	1,248,392
INTERFUND TRANSFER (NOTE 7)	-	(3,059,070)	3,059,070	-	-
INTERFUND TRANSFER (NOTE 7)	2,600,000	-	(2,600,000)	-	-
BALANCE, END OF THE YEAR	\$ 5,793,036	\$ -	\$ 13,493,799	\$ 19,286,835	\$ 18,134,771

See accompanying notes to financial statements.



STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2024, WITH COMPARATIVE INFORMATION FOR 2023

	2024	2023
CASH PROVIDED BY (USED IN):		
Operating activities:		
Excess of revenue over expenses	\$ 1,152,064	\$ 1,248,392
Items not affecting cash:		
Amortization of tangible capital assets	112,310	129,234
Amortization of lease inducement	(11,453)	(11,453)
Unrealized gains on investments	(266,205)	(300,705)
	<u>986,716</u>	<u>1,065,468</u>
Changes in non-cash operating working capital:		
Accounts receivable	670,592	(513,701)
Prepaid expenses	78,636	(92,194)
Other receivable	15,772	(15,772)
Long-term receivable	333,333	(444,444)
Accounts payable and accrued liabilities	(275,243)	438,962
Other payable	2,455	(7,345)
	<u>1,812,261</u>	<u>430,974</u>
Financing activities:		
Additions to lease inducements	3,817	25,580
Investing activities:		
Purchase of investments	(2,825,152)	(4,192,895)
Disposal of investments	3,007,623	4,064,249
Acquisition of tangible capital assets	(33,766)	(16,411)
	<u>148,705</u>	<u>(145,057)</u>
Net increase in cash	1,964,783	311,497
Cash, beginning of the year	3,385,491	3,073,994
Cash, end of the year	\$ 5,350,274	\$ 3,385,491

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

CHICKEN FARMERS OF CANADA (CFC) IS A NOT-FOR-PROFIT ORGANIZATION INCORPORATED PURSUANT TO THE FARM PRODUCTS AGENCIES ACT OF CANADA AND WAS ESTABLISHED TO ENSURE THE ORDERLY MARKETING OF CHICKEN IN CANADA. CFC IS EXEMPT FROM INCOME TAXES UNDER SECTION 149(1)(E) OF THE INCOME TAX ACT OF CANADA.

CFC CHARGES LEVIES TO FARMERS BASED ON CHICKEN MARKETINGS IN INTER-PROVINCIAL AND EXPORT TRADE AND RECEIVES FEES IN RELATION TO INTRA-PROVINCIAL TRADE.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. CFC's significant accounting policies are as follows:

(A) FUND ACCOUNTING:

Resources are classified for accounting and reporting purposes into funds that are in accordance with specific activities, or objectives. Accordingly, separate accounts are maintained for the General Fund as well as for the Promotion and Research Funds, which are internally restricted.

The General Fund accounts for operating and administrative activities as well as all transactions related to tangible capital assets and other interest revenue not allocated to the other funds.

The Promotion Fund reports the overmarketing and market development levies collected and also reports expenses that relate to the promotional activities of chicken, as indicated in the Market Development Policy and the Monitoring and Enforcement Policy, and expenses incurred in collecting overmarketing and market development levies. It also reports interest earned on resources held for the purposes of the Promotion Fund.

The Research Fund reports interest earned on resources held for research purposes and expenses for research projects related to the poultry industry in Canada.

(B) REVENUE RECOGNITION FOR NON-FOR-PROFIT ORGANIZATIONS:

CFC follows the deferral method of accounting for contributions.

Levies and fees are recognized as revenue during the year when received or receivable if amounts can be reasonably estimated and collection is reasonably assured.

Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized as revenue when earned.

(C) TANGIBLE CAPITAL ASSETS:

Tangible capital assets are accounted for at cost and amortized on the basis of their useful life using the straight-line method and following durations:

SOFTWARE	1 YEAR
OFFICE EQUIPMENT	10 YEARS
COMPUTER EQUIPMENT	3 YEARS
LEASEHOLD IMPROVEMENTS	TERMS OF LEASE

NOTES TO FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2024

(D) FINANCIAL INSTRUMENTS:

(I) INITIAL AND SUBSEQUENT MEASUREMENT:

CFC initially measures its financial assets and liabilities at fair value. CFC subsequently measures all its financial assets and financial liabilities at amortized cost, except for cash and short-term and long-term investments which are measured at fair value. Changes in fair value of these financial instruments are recorded in the statement of operations.

(II) IMPAIRMENT:

Financial assets measured at amortized cost are tested for impairment when there are indications of possible impairment.

(III) TRANSACTION COSTS:

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in the statement of operations in the year incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in the statement of operations over the life of the instrument using the straight-line method.

(E) USE OF ESTIMATES:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenditures and disclosure of contingent assets and liabilities. Actual results could differ from those estimates. These estimates are reviewed annually and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

NOTES TO FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2024

2. INVESTMENTS

(A) SHORT-TERM INVESTMENTS:

	2024 Cost	2024 Fair Value	2023 Cost	2023 Fair Value
GIC	\$ 800,000	\$ 800,000	\$ 1,100,000	\$ 1,100,000
Canada Housing Trust Bonds	-	-	1,907,623	1,808,905
	<u>\$ 800,000</u>	<u>\$ 800,000</u>	<u>\$ 3,007,623</u>	<u>\$ 2,908,905</u>

(B) LONG-TERM INVESTMENTS

GIC	\$ 3,000,000	\$ 3,000,000	\$ 2,800,000	\$ 2,800,000
Canada Housing Trust Bonds	<u>7,041,262</u>	<u>7,215,718</u>	<u>5,216,110</u>	<u>5,223,079</u>
	<u>\$ 10,041,262</u>	<u>\$ 10,215,718</u>	<u>\$ 8,016,110</u>	<u>\$ 8,023,079</u>

CFC limits its investments to those authorized investments under the Farm Products Agencies Act.

Bonds are debt obligations paying interest rates appropriate to market at their date of purchase. The bonds and GICs mature at face value on a staggered basis over the next five years (2023 - five years). Interest rates for these securities range from 0.95% to 5.00% (2023 - 0.95% to 5.00%).

3. LONG-TERM RECEIVABLE

In 2023, CFC entered into a long term arrangement to collect installments of market development levies. Monthly principal payments are \$28,000 plus interest at a rate of bank prime +1% and will be collected in full in 2026.

4. TANGIBLE CAPITAL ASSETS

	2024			2023
	Cost	Accumulated Amortization	Net book value	Net book value
Office equipment	\$ 387,242	\$ 214,717	\$ 172,525	\$ 201,749
Computer equipment	347,018	308,595	38,423	39,705
Leasehold improvements	720,610	216,206	504,404	552,442
Software	<u>24,773</u>	<u>24,773</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,479,643</u>	<u>\$ 764,291</u>	<u>\$ 715,291</u>	<u>\$ 793,896</u>

At December 31, 2023, cost and accumulated amortization amounted to \$1,445,877 and \$651,981 respectively.

NOTES TO FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2024

5. DEFERRED LEASE INDUCEMENT

In 2020, CFC entered into a lease agreement expiring in 2035, which included an inducement for leasehold improvements of \$171,800 as well as granting CFC three months free rent over the term of the lease as outlined in the lease agreement.

	2024	2023
Balance, beginning of the year	\$ 228,686	\$ 214,559
Increase in lease inducement during the year	3,817	25,580
Amortized to expenses during the year	(11,453)	(11,453)
Balance, end of the year	221,050	228,686
Current portion	7,636	7,636
Long-term portion	\$ 213,414	\$ 221,050

6. CONTRACTUAL OBLIGATIONS

CFC entered into lease agreements for its premises expiring in June 2035. Future minimum payments total \$2,016,932 and include the following payments over the next five years:

2025	\$ 178,672
2026	184,685
2027	190,698
2028	190,698
2029	190,698
2030 and thereafter	1,081,481

7. INTERFUND TRANSFER

The Board of Directors of CFC has approved a transfer of \$2,600,000 (2023 - \$1,000,000) from the General Fund to the Promotion Fund to cover promotional activities and a transfer of \$3,059,070 from the research Fund to the General Fund to close out the Research Fund.

8. FINANCIAL INSTRUMENTS

CFC is subject to the following risks arising from its financial instruments.

(A) LIQUIDITY RISK

Liquidity risk is the risk that CFC will be unable to fulfill its obligations on a timely basis or at a reasonable cost. CFC manages its liquidity risk by monitoring its operating requirements. CFC prepares a budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

NOTES TO FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2024

(B) CREDIT RISK

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. CFC is exposed to credit risk on its accounts receivable. CFC monitors its accounts receivable regularly and do not expect to have any uncollectible amounts.

(C) MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

(I) CURRENCY RISK:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. CFC is not exposed to significant foreign currency risk.

(II) INTEREST RATE:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The CFC is exposed to interest rate risk on its fixed interest rate financial instruments. Further details about the fixed rate investments are included in note 2 CFC's interest rate risk related to the fair value of its CHT Bonds has increased due to fluctuations in interest rates during the year.

(III) OTHER PRICE RISKS:

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. CFC is not exposed to significant other price risks.

9. EMPLOYEE FUTURE BENEFITS

Defined contribution plan:

The Pension Plan for the Chicken Farmers of Canada is a funded defined contribution plan providing pension benefits to employees. The contribution is a net percentage of the employees' annual income. The total contributions made by CFC under this plan in 2024 was \$200,374 (2023 - \$177,245).

10. COMPARATIVE INFORMATION

Certain 2023 comparative information has been reclassified to conform to the financial statement presentation adopted for the current year.