

2007

Canadian Hatching Egg Producers

Annual Report



Canadian
Hatching Egg
Producers



Les Producteurs
d'œufs d'incubation
du Canada

Canadian Hatching Egg Producers
1101-75 Albert Street
Ottawa, ON K1P 5E7
Tel: (613) 232-3023
Fax: (613) 232-5241
Email: info@cbhema.com
Web Site: <http://www.cbhema.com>



It is a pleasure to provide to you, as Chairman of your national organization, an overview of 2007 activities and also to give you my thoughts on my first year as chairman of CHEP.

Once again, 2007 was a very busy year. On the trade front, a lot of work was done, in cooperation with our partners and other supply-managed commodities to ensure a positive outcome at the WTO for the supply management system in Canada and our industries.

We have had ongoing discussions with the Canadian Food Inspection Agency (CFIA) regarding the question of compensation in the event of a reportable disease, especially Avian Influenza. The current compensation values calculated by CFIA fall considerably short of what the industry thinks is the fair market value of breeders and producers would face serious financial hardship should these values not be corrected.

Added to this are the costs producers face to clean and disinfect their premises after a disease outbreak. These costs can be prohibitive, yet the producer must pay for these costs himself.

Producers are being asked to implement an ever-increasing number of programs, be they bio-security or on farm food safety systems, just to mention a couple. All of these programs add to the producer's costs and are all, in my opinion, for the public good. The government must recognize that society as a whole benefits from these programs and that the costs should not be shouldered by producers alone.

On another front, 2007 was a year that saw supplementary imports resurface. For a long time now hatcheries have had recourse to supplementary imports in order to fill the Canadian demand when there has been a shortage of domestic eggs. Unquestionably, supplementary egg imports above 21% means lost growth opportunities and income for hatching egg producers. This situation must be rectified in the future.

I cannot let the discussion that we have had with Saskatchewan producers about their plans to join our national organisation go unmentioned. For both Saskatchewan and CHEP, this is exciting news. In the same vein, we have also had excellent discussions with representatives from Alberta, who have indicated that they also want to rejoin the Agency's ranks. So, the fact that these two provinces are looking to become a part of our Agency is a very positive development for us and allows CHEP to represent 95% of the hatching egg producers in Canada.

For my part, my first year as chair has allowed me to improve my knowledge, on a national scale, about the many issues that affect us. Working in concert with the provinces, industry partners and governments is a sure route to success and to ensure that our industry and the supply management system continue to thrive.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gyslain Loyer'.

Gyslain Loyer
Chair



It is a pleasure to provide you with a brief outline of the Agency's activities over the course of 2007.

Amended Proclamation

In regards to the Agency's activities, one of the more obvious changes that you will have noticed is our name change to Canadian Hatching Egg Producers. This name change was part of several amendments to our proclamation which were enacted back in the fall of this year. Another significant change to our proclamation is that we have replaced our governor in council appointees with industry appointments. Currently industry is allowed to name one representative onto our board. If and when there are five or more provinces in CHEP, the industry will be allowed to name two; one from the East and one from the West.

In fact, we are hopeful that there will be five or more provincial members in CHEP in the very near future. Over the past several years, we have had ongoing discussions with Saskatchewan regarding their entry into CHEP. At our November meeting, Saskatchewan representatives indicated that they have received all approval necessary to join CHEP. They also indicated that they would be prepared to join CHEP via a service contract by the start of the 2008 as an interim measure while our proclamation is amended to include Saskatchewan as a member. Saskatchewan is currently reviewing the draft service contract with their government.

We have also had encouraging news from Alberta. As you know, Alberta left the Agency in 2005 because of a dispute over our allocation methodology. CHEP reflected Alberta's concerns in its new allocation methodology. In essence the proposal allows Alberta to reenter CHEP at an import level of 10% and during the next 10 years, market growth in that province will be divided evenly between domestic production and imports to gradually bring Alberta's import level to 20%. Alberta indicated that its board and its producers were generally in favour of the proposed Schedule "C" and rejoining CHEP. Alberta will be meeting with their marketing council in December. From there, more discussion and decisions regarding Alberta's reentry could take place during the Alberta annual meeting at the end of February. Finally, government approval will need to be sought if Alberta rejoins the Agency but there may be a provincial election in the spring which could slow down the process of receiving governmental approval considerably.

With respect to our renewed FPA, everything is ready to be sent to signatories. However, given the interest shown by Saskatchewan and Alberta to join CHEP, it may be prudent to wait with our amended FPA until we get firm indications from these provinces as to their intentions.

Compensation

One issue that has not been positive is the issue of compensation paid under the *Health of Animals Act* and the "Phase 2" programs that were to cover the gaps in compensation.

Hatching egg producers do not receive sufficient compensation through the *Health of Animals Act* regulations in the event that their flocks are ordered destroyed due to animal disease. The new maximums are simply not sufficient. This fact was acknowledged by the federal government in the *Regulatory Impact Analysis Statement* that accompanied the amendments. In the past, the industry was told that a "Phase 2" compensation program was forthcoming, and that the gaps in coverage would be addressed. Phase 2 however, continues to elude us. We have recently been told that the only

compensation that will be available to farmers is that which currently exists through the Business Risk Management suite and the *Health of Animals Act*, despite the government's own acknowledgement of the current gap in coverage.

A recent example is the AI outbreak in Saskatchewan. We estimate that the producer will lose roughly \$400,000 in income because of the loss of his breeder flocks. The most current estimates from AAFC officials are that the producer would be eligible for a CAIS payment of \$90,000 next year. Clearly this does not cover the gaps in the *Health of Animals Act*.

The November 17th announcement of the suite of Business Risk Management programming doesn't address this shortfall either, as the disaster component (Agri-Recovery) will only offer compensation to a collective, and not to individual farmers. In many cases of animal disease, collective disasters are avoided through the prompt response of individual farmers. For this farmer, it is still a disaster.

In the new Business Risk Management Program, we are entirely excluded from Agri-Invest. Under CAIS, dairy, poultry and egg farmers were eligible for all three tiers of the program if they suffered a disaster that dropped their reference margin by more than 30%. Now, even if they suffer a disaster and have a drop in margin of more than 30% they are excluded from the top 15% (Agri-Invest) of coverage. This would mean that whereas our farmers had the ability to cover 100% of their net income, the best they can now hope for under the new programming is 85%. The Department must change its policy and allow supply management farmers to maintain 100% coverage in the case of a disastrous margin drop.

Cleaning and Disinfecting

In relation to disease outbreaks, cleaning and disinfecting a barn that has housed disease is critical in preventing further spread of the disease. It also is a prerequisite for renewing Canada's disease-free status for trade purposes. Both are for the public good and the industry's benefit. However, current regulations place the responsibility for cleaning and disinfection entirely on the affected farmer. Keep in mind, this is after the farmer has lost his livestock and any potential income from that livestock because of disease. This cannot be the basis of a strong disease-eradication policy.

It is urgent that the federal government address the shortcomings on matters such as cleaning and disinfecting. A matter as important as this to the Canadian public should not have to be shouldered by an individual farmer or farmers. This is only one example. Farmers are also being asked to fund other farm programs such as on-farm food safety, biosecurity and traceability, all of which provide public good and industry benefit.

WTO

The agriculture talks at the WTO remain the number one priority for CHEP as the results of these talks will directly affect our sector and the supply management system in Canada. CHEP along with the other national supply managed industries have been working relentlessly to ensure that the three pillars of supply management: import controls, producer pricing and production planning are effectively maintained.

We are encouraged by the strong backing of our government. However, as the talks progress, it seems that Canada's manoeuvring room on supply management becomes smaller and smaller. CHEP is very concerned with the prospects of the next modalities paper from the Chairman Falconer as we suspect the paper will not be positive for supply management. Time is now of the essence. The government must now follow-up their words of support with concrete actions at the WTO to ensure that supply management and our commodities continues to thrive in Canada.

Additional Staffing

Finally, I would like to welcome Kathleen Thompson as the Agency's Animal Health Officer. Kathleen was hired in December and her responsibilities will include updating and maintaining strategies for CHEP and Canadian hatching egg producers which relate to poultry health, emergency management and traceability.

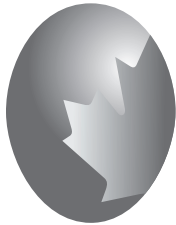
Sincerely,



Errol Halkai
General Manager, CHEP



From left to right: Bernie Friesen, Manitoba; Gyslain Loyer, Chair, Quebec; Jack Greydanus, Vice Chair, Ontario and Chris den Hertog, British Columbia.
Missing: Tom Fleming, Governor-In-Council



CHEP Mission Statement

“To provide the Canadian chicken industry with hatching eggs that meet or exceed expectations for safety, quality, animal husbandry and environmental stewardship. A commitment to provide hatching eggs that meet the need of the Canadian market place while ensuring fair returns to its members and support stable, consistent and profitable growth for all stakeholders.”

Canadian Hatching Egg Market

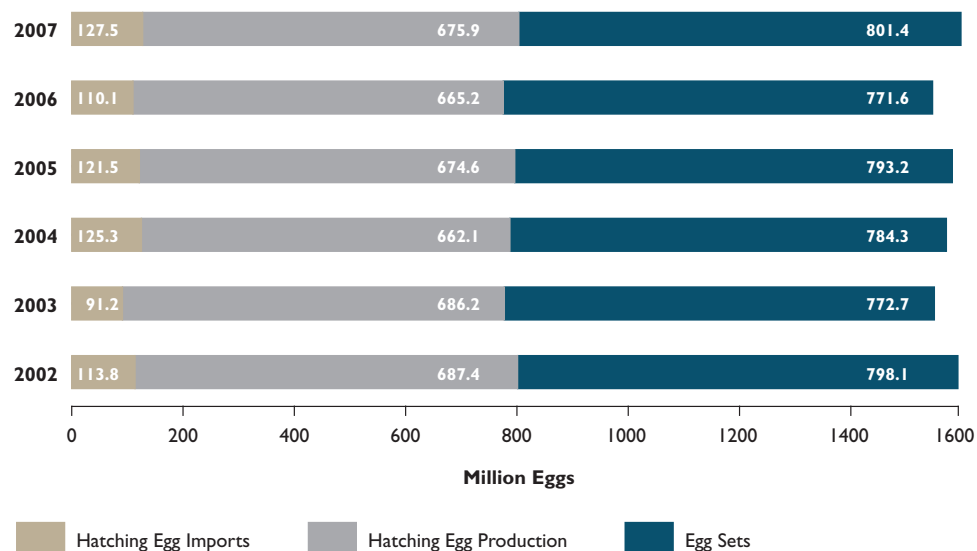
The hatching egg industry, faced with unexpectedly strong demand, saw its productive capacity stretched to the limit in 2007, with record imports being used to help maintain adequate supplies to chicken producers.

In 2007, chicken production reached 1,003.4 Mkg, an increase of 3.0% relative to the previous year, while the number of birds slaughtered increased by 2.8%. On the other hand, CHEP had initially estimated that chicken production would only increase by 1.5% in 2007. This resulted in an initial hatching egg allocation which was nearly 1.5 percentage points short of the mark.

In 2007, Canadian hatcheries set a total of 801.4 million eggs, an increase of 3.9% over 2006. Domestic hatching egg production reached 675.9 million eggs in 2007, an increase of 1.6% from 2006, while imports of hatching eggs grew by 15.8%, reaching 127.5 million eggs to fill the shortfall in domestic production. Furthermore, an additional 15.7 million chicks were imported in 2007, up 10.1% from 2006 levels.

Overall, Canadian hatching egg production reached 99.7% of CHEP's 2007 final allocation of 677.9 million eggs.

Canadian Broiler Hatching Egg Statistics (2002-2007)



Because of the shortfall in domestic production and an incidence of AI in a breeder operation in September, hatcheries across Canada needed supplementary imports to meet their requirements. This was the first time since 2001 that supplementary imports have been issued.

By the end of the year, hatcheries in BC, Ontario and Quebec had imported 11.3 million eggs through supplemental imports, while a Saskatchewan hatchery had imported an additional 1.1 million eggs to offset the loss of breeder flocks that were destroyed following the AI incidence in late September.

Table 1 2007 Supplemental Imports

| Province | Approved Supplemental Imports 000 eggs | Actual Supplemental Imports 000 eggs | Unused Supplemental Imports 000 eggs |
|---------------|---|---|---|
| B.C. | 5,553 | 4,408 | 1,145 |
| Saskatchewan* | 1,260 | 1,148 | 112 |
| Ontario | 849 | 849 | 0 |
| Quebec | 7,339 | 6,006 | 1,334 |
| Total | 15,000 | 12,410 | 2,590 |

Sources: CHEP/EICB

*Supplemental imports issued in the wake of the AI incidence in September 2007.

2007 Provincial Production

Overall, the production of hatching eggs in Canada expanded by 1.6% from 2006. All provinces registered increases in production, led mainly by Alberta and the Maritimes, whose growth rates over 2006 reached 4.7% and 3.1%, respectively. In contrast, Manitoba and Saskatchewan were the only provinces to register decreases in production, at (-0.9%) and (-0.5%), respectively. In the case of Saskatchewan, the reduction in overall production is not surprising given the AI outbreak from late September.

At the same time, Manitoba observed the largest year-over-year increase in the average weight of marketed broilers (0.8%) in Canada which, along with a significant increase in hatchability (1.4%), required a slightly lower (-0.9%) hatching egg production level in 2007.

Table 2 Provincial Production* from 2004 to 2007**(million eggs)**

| Year | B.C. | Alta. | Sask. | Man. | Ont. | Que. | Maritimes | Canada |
|-----------------|-------|-------|-------|-------|-------|-------|-----------|--------|
| 2007 | 105.1 | 74.1 | 24.3 | 32.2 | 199.1 | 180.7 | 60.2 | 675.8 |
| 2006 | 103.6 | 70.8 | 24.4 | 32.5 | 196.2 | 179.3 | 58.4 | 665.2 |
| 2005 | 89.3 | 75.3 | 25.4 | 31.8 | 207.5 | 187.5 | 57.8 | 674.6 |
| 2004 | 65.9 | 76.3 | 22.5 | 31.2 | 221.2 | 185.8 | 59.1 | 662.1 |
| % Change | | | | | | | | |
| 07/06 | 1.5 | 4.7 | (0.5) | (0.9) | 1.5 | 0.8 | 3.1 | 1.6 |
| 06/05 | 16.1 | (6.0) | (3.9) | 2.3 | (5.4) | (4.4) | 0.9 | (1.4) |
| 05/04 | 35.5 | (1.3) | 12.8 | 2.0 | (6.2) | 0.9 | (2.2) | 1.9 |

Source: CHEP and AAFC for Saskatchewan and the Maritimes

* Includes hatching egg exports

Hatching egg production increases in BC, Alberta, Ontario and Quebec, while attributable to lower levels of hatchability in each province relative to 2006, were kept in check by modest increases in their average broiler weights. Overall, the strength of Canada's expansion of hatching egg production in 2007 in response to rapid growth in chicken production (3.0%) was tempered somewhat by a negligible change in the hatchability rate (-0.1%) as well as a small increase in the average weight of broilers (0.2%) relative to 2006.

Table 3 Selected Factors Impacting Hatching Egg Production

| | B.C. | Alta. | Sask. | Man. | Ont. | Que. | Maritimes | Canada |
|--------------------------------|-------|-------|-------|------|-------|-------|-----------|---------|
| Hatchability | | | | | | | | |
| (%) | 80.6 | 79.0 | 84.3 | 80.9 | 83.7 | 82.1 | 81.1 | 82.0 |
| % change 07/06 | (0.8) | (1.6) | 7.1 | 1.4 | (0.5) | (0.1) | 0.0 | (0.1) |
| Total Imports | | | | | | | | |
| (million eggs) | 25.4 | 6.3 | 8.6 | 6.9 | 43.9 | 51.8 | 4.7 | 147.4 |
| % change 07/06 | 17.4 | 26.6 | 19.3 | 20.1 | 13.1 | 7.5 | 176.0 | 15.0 |
| Chicken Production | | | | | | | | |
| (Mkg) | 154.4 | 88.2 | 38.5 | 41.8 | 328.6 | 273.2 | 78.7 | 1,003.4 |
| % change 07/06 | 5.3 | 2.8 | 1.5 | 3.4 | 2.3 | 2.8 | 3.9 | 3.0 |
| Avg. weight of Broilers | | | | | | | | |
| (kg eviscerated) | 1.56 | 1.62 | 1.56 | 1.44 | 1.65 | 1.64 | 1.51 | 1.61 |
| % change 07/06 | 0.7 | (0.2) | (1.8) | 0.8 | 0.2 | 0.3 | 0.7 | 0.2 |
| Chicken Production | | | | | | | | |
| Market Share % | 15.4 | 8.8 | 3.8 | 4.2 | 32.8 | 27.2 | 7.8 | 100.0 |
| % change 07/06 | 2.2 | (0.3) | (1.5) | 0.3 | (0.8) | (0.3) | 0.9 | – |

Sources: Hatchability – CHEP; Imports – AAFC; Chicken Production – CFC

2007 Farm Cash Receipts and Prices Paid to Producers per Province

In 2007, the total farm cash receipts earned by hatching egg producers rose by 11.7% to a total of \$211.1 million, up significantly from \$189.0 million in 2006. BC, with the largest year-over-year increase in its average annual price paid to hatching egg producers, which increased from 36.88 ¢ to 43.83 ¢ per saleable chick, saw the largest increase in its farm cash receipts, up 19.8% over 2006. Again, this increase is a result of BC finally reaching 100% production capacity in 2007 after the AI outbreak in 2004.

The increase in farm cash receipts in all other provinces was due primarily to an increase in the average prices paid to producers which were driven by higher feed and energy costs across the country.

Table 4 Farm Cash Receipts and Producer Prices in Member Provinces 2007

| | Farm Cash Receipts (2007) | | Hatching Egg Producer Prices | |
|---------------|---------------------------|----------------|-------------------------------------|----------------|
| | \$000 | % change 07/06 | ¢ per saleable chick (2007 average) | % change 07/06 |
| B.C. | 36,423 | 19.8 | 43.83 | 18.9 |
| Man. | 10,234 | 3.4 | 40.17 | 4.3 |
| Ont. | 59,024 | 9.4 | 37.49 | 7.8 |
| Que. | 54,430 | 9.5 | 38.09 | 8.9 |
| Canada | 211,138 | 11.7 | 40.29 | 12.2 |

Source: CHEP

The final assessment for over and under production for 2006 was presented by CHEP staff during the summer meeting held in Quebec City. Based on the data outlined in Table I (below), British Columbia and Ontario were the only CHEP member provinces that encountered production levels in 2006 that resulted in under-marketings for that year. In B.C., final utilization of its 2006 allocation for hatching eggs was 95.0%. This marks the third consecutive year in which B.C. has under produced, which is a result of the AI outbreak of 2004 which led to the destruction of half the breeder flock in that province. It was not until early in 2007 that BC was able to ramp up to full production capacity.

In Ontario, final utilization was 94.2%, a noticeable decline from the 99.6% utilization of its 2005 quota. Factors which led to Ontario's underproduction in 2006 included lower than anticipated chicken production (-1.3%), an increase in the average weight of marketed broilers (+0.7%), and an increase in hatchability (+1.9%).

As CHEP directors had previously made the decision to eliminate its underproduction penalty given that this could cause unnecessary shifts in provincial hatching egg production, there were no penalties assessed against either B.C. or Ontario for the 2006 production year.

In 2006, there was no overproduction recorded, therefore no penalties were assessed.

Table I 2006 LDA Production and Allocations by Provinces

| Province | Production* (000 eggs) | Allocation (000 eggs) | Utilization % | Quota Leased (eggs) | Final % Utilization |
|----------|---------------------------|--------------------------|------------------|------------------------|------------------------|
| B.C. | 102,724 | 108,156 | 94.98 | 0 | 94.98 |
| Man. | 32,522 | 32,751 | 99.30 | 0 | 99.30 |
| Ont. | 196,221 | 208,373 | 94.17 | 0 | 94.17 |
| Que. | 173,451 | 176,366 | 98.35 | 0 | 98.35 |

*LDA Production excludes chick exports and hatching egg imports

Source: CHEP



The CBHEPA Students program saw some old favourites come back to life with the return of the exchange program and the drawing contest for its second year. Much to the disappointment of the Board we did not receive any applications for the Broiler Breeder Scholarship and Young Farmers programs.

The participants of 2007 Exchange Student program were Nicole Penner of Manitoba and Sandra Phaneuf of Quebec. The exchange took place during the month of July during their summer vacation. Both appreciated the experience and the value of the exchange. Both reported their excitement of being able to travel to another part of the country for the first time in their lives and, despite being in other locations of the country, the similarity of both farms. Besides participating in daily chores on the farm they enjoyed touring each others' province and a real friendship was made.

The Producer of the Year was awarded at CHEP's summer meeting in Quebec City. This year's winner was "La Ferme aux Quatre Vents" of Ste-Béatrix, Quebec. Martine Laporte and Mario Arbour accepted the award.

In its second year, the drawing contest was once again well received with children in all our member provinces submitting Christmas-themed drawings. Nine drawings were selected during the CHEP summer meeting and these drawings were made into Christmas cards the Agency used during the holiday season.



Martine Laporte and Mario Arbour, *La Ferme aux Quatre Vents*, accepted the award presented by Chris den Hertog, Past Chairman of CBHEPA



Student Exchange Students Sandra Phaneuf of Quebec and Nicole Penner of Manitoba

The winners of the CBHEPA Drawing Contest for 2007:



Daphné Iza-Trottier, 9 yrs – Quebec



Renata Janzen, 11 yrs – Manitoba



Taylor Friesen, 11 yrs – Manitoba



Jada Wiebe, 7 yrs – British Columbia



Sara Veenhof, 10 yrs – Ontario



Antonin Iza-Trottier, 2 yrs – Quebec



Eddie Veenhof, 6 yrs – Ontario



Philippe Bélanger, 8 yrs – Quebec



Paige Veenhof, 8 yrs – Ontario

Sincerely,

Leonard Klassen
Chair, CBHEPA



The Advisory Committee met three times in 2007 to discuss factors shaping market conditions and to review the 2007 and 2008 chicken demands.

The chicken industry entered 2007 facing new challenges, most notably an appreciating Canadian dollar, rising feed and energy prices, and a widening price gap of chicken meat over other meats such as pork and beef.

At its March meeting, the Advisory Committee noted that early market conditions were favourable – wholesale chicken prices were up nearly 30% over the same time in 2006, while storage stocks were down 26% and chicken production was more than two per cent lower than in early 2006. The Committee members agreed that demand for chicken would be strong in 2007, and projected that chicken production would grow by 1.7% in 2007, reaching 991 Mkg.

By the summer meeting, the Canadian chicken market had softened somewhat as chicken production levels surged during the spring so that by June, year-to-date chicken production levels were 0.5% ahead of last year's pace. Also, wholesale prices fell 5-6% from levels seen earlier in the year and levels of frozen inventories climbed 4 Mkg. Hatching eggs in the U.S. were more readily available, enabling hatching egg supplies to keep up with chicken demand. The Committee, however, remained cautious that future increases in domestic chicken production would be dampened by rising retail chicken prices as well as the impact of higher grain costs. In response, the Committee lowered its growth estimate of chicken production for 2007 to 1.5%.

By its November meeting, the Committee recognized that chicken demand was not slowing despite the ongoing pressures of rising retail and feed prices. With final chicken production for 2007 expected to reach 1,000 Mkg, it was expected that final production in 2007 could exceed the final projected chicken demand of 996 Mkg.

The initial hatching egg allocation for 2008, set during the March meeting, was based on a projected chicken production level of 1,002 Mkg. During subsequent meetings in July and November, the Advisory Committee revised its chicken production forecast up slightly to 1,006 Mkg, and then up to 1,019 Mkg, respectively. In setting its revised chicken production forecast of 1,019 Mkg in November, the Committee recognized that chicken demand would likely continue to grow by roughly two percent in 2008.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Jack Greydanus', written in a cursive style.

Jack Greydanus
Chair, Advisory Committee



The Finance Committee met on three occasions throughout 2007 to review CHEP's financial situation and budgets as well as update the Agency's financial policies as required.

The Finance Committee presented a balanced budget for 2007 which required no increases in the national levy. The Committee projected revenues and expenditures to both equal \$1.3M. Revenues were expected to decrease by a net \$9,000 from 2006 due to decreased hatching egg production while expenses were estimated to be lower by \$6,000 from 2006 due to cost cutting measures in administrative expenses.

I am pleased to report that actual expenditures in 2007 were lower than budget due in large part to the CHEP directors' continued efforts in reducing meeting and travel costs during the year as well as CHEP's efforts in obtaining significant funding from the federal government for its food safety program. As a result, CHEP ended the year with a surplus of \$109,000.

In November, the Finance Committee presented a budget for 2008 with a projected deficit of \$129,000. This budget estimates that revenues would increase by \$95,000 due to an increase in hatching egg production which includes the addition of hatching egg production revenues from Saskatchewan, and expenditures would increase by \$224,000 largely due to the creation of the Animal Health position and expenditure and capital outlays with respect to the purchase of new office space.

Given that CHEP's current lease expired at the end of 2007 and the Agency was facing significant increases in lease rates, it, along with Canadian Egg Marketing Agency, Dairy Farmers of Canada and Canadian Federation of Agriculture, entered into an agreement to purchase an office building. An analysis showed that not only is the difference between the costs of owning and the cost of a renewed lease over a 10 year period marginal but CHEP would also own an appreciating asset.

The building is presently being renovated and the date of occupancy is scheduled for August 2008.

In addition to overseeing the Agency's finances, the Finance Committee also recommended two changes to CHEP's financial policies in 2007 to be in effect for 2008. Given that rates haven't changed over the last 10 years, the Finance Committee recommended that the director's fee be increased by \$30 per day and that meal and incidental allowance rates also increase. Both these recommendations were accepted by CHEP's board of directors.

Sincerely,

A handwritten signature in black ink that reads "Tom Fleming". The signature is written in a cursive, slightly slanted style.

Tom Fleming
Chair, Finance Committee



I am pleased as your new Research Committee chair to report on our 2007 activities.

Our Research Priorities

Research can advance current practices, or result in innovative ways to produce safe, high quality hatching eggs. Broiler breeder producers are interested in improving cost-effective production, the environment, dark-meat utilization, food safety, and the control of Salmonella in broiler breeders through vaccination. This is not surprising considering the labour involved in broiler breeder production, and the importance of ensuring consumer confidence through food safety and environmental controls. Part of the mandate of the Research Committee is to make sure we are asking the right questions, and also to facilitate the search for answers through research to ultimately benefit all producers.

The Canadian Poultry Research Council (CPRC)

The CPRC undertook a strategic planning process with its members early in 2007, looking ahead ten years to 2017. This was under the chairmanship of our own national CHEP director and former Research Committee chair, Chris den Hertog.

The CPRC vision is as follows:

1. A stable, quality organization focused on results.
2. Leveraging/optimizing poultry research investment in Canada.
3. Helping to address the real poultry issues of the day.
4. Recognized nationally and internationally as the focal point for poultry research in Canada.
5. Transferring knowledge to the users of poultry research.

The CPRC has an increasingly important role in leveraging industry funds as some federal support programs have decreased from past levels. This includes forming partnerships with government to support new and existing programs, research coordination and positions as well as research programs. One step the CPRC has taken in this direction is to facilitate the formation of a cluster for poultry welfare research at the University of Guelph. Its purpose will be to promote and coordinate poultry welfare research and education through a national virtual centre. It has been proposed that a poultry scientist, jointly funded by Agriculture and Agri-Food Canada (AAFC) and industry, be instituted to oversee this work.

The CPRC through its members continues to support poultry research programs in the areas of food safety and poultry health, welfare, avian gut microbiology and the environment, as well as genetic preservation and commodity-specific projects. Updates on the work being done in these areas will be posted on the CPRC's website.

Production Research

CHEP also funds research directly. Dr. Gaylene Fasenko from the University of Alberta is working on a project entitled, “An examination of the effects of genetic strain, flock age, and egg size on embryo nutrient utilization, saleable chick production, and broiler growth”. This research looks at ways we can improve production efficiency in our industry, measuring results right through to the broiler chicken. Look for updates on CHEP’s website.

On-Farm Food Safety and CHEQ™

The Research Committee continued its second year working on issues related to the CHEQ™ program. Training and auditing continues at different stages across the country. The program management system, which is the final step to getting CHEQ™ officially recognized by the CFIA, is being developed and refined according to the requirements set out for national producer organizations. The first step will be to complete an analysis with the CFIA of the system. Then it will be up to CHEP and the provincial boards and commissions to make sure the system we have on paper works in the real world. A third-party audit will be required to make sure we are “saying what we do, doing what we say, and proving it” at the farm, the provincial level, and the national level. We continue to work in partnership with Agriculture and Agri-Food Canada’s Canadian Food Safety and Quality Program (CFSQP), which will be known as Growing Forward in the future. I look forward to the continued evolution of the program as it gets out to all Canadian broiler hatching egg farms.

Sincerely,



Cheryl Firby
Chair, Research Committee



CHEP Alternates

Clockwise from top to bottom: Jeff Regier, British Columbia, Robert Massé, Quebec; Cheryl Firby, Ontario; Leonard Klassen, Manitoba



Provincial Managers

Clockwise from top to bottom: Wayne Hiltz, Manitoba; Bob Guy, Ontario; Pierre Belleau, Quebec; Dave Cherniwchan, British Columbia



CHEP Staff

From left to right: Errol Halkai, General Manager; Tim Nikita, Economist; Victoria Sikur, Food Safety Officer; Nicole Duval, Executive Assistant; Joy Edstron, Bookkeeper; Kathleen Thompson, Animal Health Officer