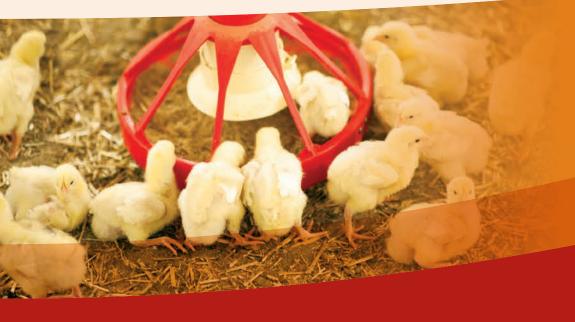
2015 Annual Report







49th Annual Report

Fiscal Year December 1, 2014 – November 30, 2015

Table of Contents

Vision, Mission, Standards of Leadership					
Board & Staff	3				
Board Structure	4				
Leadership Roles	4				
Roles & Responsibilities	4				
Chair & Executive Director Report	5				
Strategic Priorities	8				
Activities & Achievements	9				
Market Reports	12				
Food Safety and Animal Care Programs	17				
Broiler Chick Quality Committee	18				
Governance Committee					
Specialty Production Committee	20				
Public Relations	21				
Chicken Farmers of Canada	23				
Canadian Broiler Council	27				
Producer Representatives	28				
Industry Advisory Committee					
Alberta Poultry Industry Emergency					
Management Team	29				
Research Committee					
Poultry Research Centre					
Poultry Health Centre of Excellence	34				

Financial Statements (inside back cover)

VISION

By working together, Alberta's chicken industry is growing, creating shared value and satisfying consumers by providing safe, high-quality chicken products.

MISSION

Serve Alberta's chicken producers by:

- Creating a thriving environment for sustainable chicken production
- Collaboratively encouraging a competitive, consumer-focused chicken industry

STRATEGIC PRIORITIES

- 1. Driving sustainable production
- 2. Creating shared value
- 3. Preparing producers for evolving consumer demands

STANDARDS OF LEADERSHIP

- Value people
- Drive best practices
- Strive for continuous improvement
- Be a good corporate citizen; behave fairly and legally
- Be open and transparent
- Meaningfully engage producers, industry and consumers
- Be positive, proactive and future-focused
- Actively create opportunities to improve and innovate within the industry
- Be effective and efficient

Board



(Left to Right):

Martin van Diemen, Director; Erna Ference, Chair; Jason Born, Vice-Chair; Karen Kirkwood, Executive Director; David Hyink, Director; and Dennis Steinwand, Director

Staff



(Left to Right):

Vera Ward, Office Manager; Rita Cherniak, Project Assistant; Karen Miller, Business & Market Analyst; Laurie Power, Producer Services Coordinator; Twila Martin, Administrative Assistant; Robert Renema, Producer Programs Manager; Karen Kirkwood, Executive Director Missing: Wendy Jevne, Bookkeeper; Rita Cherniak, Project Assistant

Board Structure

Erna Ference. Chair

Completes her second 3-year term in 2018

lason Born, Vice Chair

Completes his first 3-year term in 2016

David Hvink. Director

Completes his third 3-year term in 2017

Dennis Steinwand, Director

Completes his first 3-year term in 2017

Martin van Diemen, Director

Completes his first 3-year term in 2018

Leadership Roles

Media Spokespeople

Erna Ference Jason Born

Public Relations

Erna Ference

Promotion

Dennis Steinwand

Disease

Erna Ference Jason Born

Roles & Responsibilities

Agri-Environmental Partnership of Alberta

Martin van Diemen (Poultry Industry Representative) David Hyink

Alberta Farm Animal Care (AFAC)

Martin van Diemen

Broiler Chick Quality Committee

Jason Born, Chair Martin van Diemen

Chicken Farmers of Canada (CFC)

David Hyink, Director Dennis Steinwand, Alternate

Canadian Broiler Council (CBC)

Dennis Steinwand

Finance

Jason Born, Chair Dennis Steinwand

Food Safety and Animal Care Committee

Dennis Steinwand, Chair Jason Born

Governance Committee

Jason Born, Chair Dennis Steinwand

Intensive Livestock Working Group (ILWG)

Erna Ference

Policy Advisory Group

Erna Ference Martin van Diemen

Research Committee

David Hvink, Chair Martin van Diemen

Specialty Production Committee

David Hyink, Chair Jason Born

Western Meetings

Erna Ference David Hvink Dennis Steinwand

Chair & Executive Director Report







Karen Kirkwood, Executive Director

In our reflections of this past year, 2015 has been a year of growth, continuous improvement, and change for Alberta's chicken industry on many levels.

Growth

Firstly, 2015 has been a strong year for growth in the Canadian chicken industry. The competitiveness of chicken relative to other proteins is translating into demand at retail and foodservice and supporting continued growth for our domestic market.

Alberta has gained over five million live kilograms in differential growth since the inception of the new allocation methodology in Period A-127. This differential growth is successfully closing the gap between Alberta's share of allocation versus population. Although the Operating Agreement has not been fully ratified at this time, the allocation formula continues to serve as the basis for setting allocation; and our Board continues to support Chicken Farmers of Canada (CFC) and the provinces in finalizing these amendments.

Producers and processors have worked diligently this year to improve our utilization performance; and, these efforts have translated into an improvement from 99.1% in 2014 to just over 100%. We are not only receiving higher allocations, we are maximizing our allocation and supporting our goal of 100% utilization as a province. The amendment to the Leasing of Quota, and Production Sleeve Policies have also helped the industry to optimize our production performance.

The Alberta Specialty Chicken Program was implemented in Period A-132, which is further contributing to the production growth in our province. In 2015, approximately 257,000 live kilograms of specialty chicken have been produced in Alberta in the three periods it has been in effect; to date, 750,000 live kilograms are forecast for 2016. Alberta Chicken Producers' Direct Market Lease Program, which comes out of the domestic allocation pool, is continuing to receive stable uptake among producers who directly market to consumers.

Under the new allocation formula, forecasted growth for Alberta is 5.5% in 2016.

Market indicators are favorable and indicative of continued growth in demand for Canadian chicken industry. Chicken storage stocks remain relatively low, chicken remains competitively priced vis-à-vis other proteins, and strong demand for fresh chicken at retail and foodservice is expected to continue into 2016-17.

Continuous Improvement

This year has also seen a significant improvement in broiler chick quality and livability; quarterly 7-day mortality has declined from 2.29% to 1.78%. While chick quality remains a concern, the Broiler Chick Quality Committee is an effective forum for addressing key issues.

Our Alberta chicken industry has been successful in eliminating the preventative use of Category I antimicrobials, and Alberta Chicken Producers will continue to support an effective reduction strategy that upholds bird welfare in the year ahead.

Starting in June 2015, the Board and Executive Director embarked on a new three-year strategic planning process. Our strategy is built from the framework of our Vision, Mission, Standards of Leadership, and Goals, which have been refreshed to reflect the direction of our organization; it is supported by our Key Success Factors and measured through our Key Performance Indicators. This new strategic framework and Alberta Chicken Producers' Three-Year Plan are detailed on page 2 and page 8 of this report.

Change

The continued ability to participate with the Alberta Hatching Egg Producers (AHEP), the Alberta Hatchery Association and a member of Marketing Council, in the development of a new Live Price MOU (Memorandum of Understanding) for Saleable Chicks during the past year and a half was appreciated by our Board. There was a considerable amount of work undertaken by all parties; beginning in January with the selection of Serecon to develop the MOU and seeing its conclusion in October with a temporary price agreement for two periods in place. We hope that the work the group conducted results in a longer term pricing agreement similar to what ACP has in place. This would provide stability and predictability through the pricing chain.

This year saw the Ontario Cost of Production Formula lead to a significant reduction in the Live Price paid to producers. While we were expecting a new price for some time, we did not expect the magnitude that we saw. There are some costs in Alberta's Live Price that are different than Ontario's and these have been recognized in part in the Live Price MOU that the Board negotiated for the six period pricing agreement beginning with Period A-130 and will continue to form the basis for future Live Price Negotiations. Alberta has priced off the Ontario live price for over eight years and continues to see the benefits of maintaining this process into the future.

Farm Worker Safety is an item we have worked on jointly with other commodities on the Intensive Livestock Working Group this year. The Board has had communication with the Government on the uniqueness of agriculture as an employment sector as well as the importance of using a staged approach when it comes to the development and implementation of the Occupational, Health and Safety Act. With the announcement of Bill 6 there will be a continued effort on our part to work with the Government to ensure that the approach to farm worker safety will be fair, responsible and practical for producers.

This year also saw change in both Provincial and Federal Governments. This change also comes with an opportunity to build effective relationships with our newly elected officials. In May of 2015, the province elected Rachel Notley and the NDP to a majority government. We have reached out and met with both the Minister of Agriculture and Forestry, Oniel Carlier and the Minister of Jobs, Skills, Training and Labour; Lori Sigurdson in the fall. There will be a continued effort to make our issues, concerns and opportunities known, particularly in the areas of the government's initiatives with Bill 6, the Local Food Bill, and our national status on a new CFC (Chicken Farmers of Canada) FPA (Federal Provincial Agreement) in the upcoming year.

With an ongoing number of complex and time sensitive issues coming to the farming industry, it was suggested that we, as a group, look into developing some areas where work can be done together using sustainability as the basis. With funding from the Alberta Livestock and Meat Agency (ALMA), and participation from all of the major farming organizations, we met in Red Deer at the end of November at a facilitated meeting to hear from many organizations that are supporting agriculture (their purpose, focus and future), and will meet again in the new year to continue on this path once a report from the facilitator has been received and digested.

We value our strong relationships with industry partners and will continue to collaboratively discuss and address challenges and opportunities facing our industry. We also appreciate the ability to communicate on an open basis with the Alberta Agricultural Products Marketing Council and the Deputy and Assistant Deputy Ministers of Agriculture and Forestry and look forward to continued positive relationships.

We commend our producers for demonstrating leadership in animal care, food safety, environmental stewardship, and rural development. The involvement of our producers in their local communities initiatives and hosting farm tours, serves to build awareness and understanding of our industry. In the year ahead, staff will be focusing on new methods to deliver information, training and resources to producers to encourage best management practices and empower producers in the areas of innovation and communications.

The successes of 2015 are a testament to the strong teamwork and collaboration of our Board and Staff. It is rewarding to work with such dedicated and passionate individuals.

Strategic Priorities

Alberta Chicken Producers' Board and Executive Director held their annual Strategic Planning workshop on September 30 and October 1, 2015. This year, the process was facilitated by Donna Finley of Finley and Associates Ltd.

Processors and representatives from the Alberta Hatching Egg Producers Board attended the first day of the workshop, providing feedback on 2014/2015 achievements and input into the Board's three-year Strategic Plan.

As a part of this three year strategic discussion, Alberta Chicken Producers' the Vision and Mission statements were amended, as featured at the beginning of this Annual Report.

Priorities for the 2015/2016 fiscal year are:

- 1. Driving sustainable production
- 2. Creating shared value
- 3. Preparing producers for evolving consumer demands

Alberta Chicken Producers' detailed Priorities, Key Performance Indicators, and Key Success Factors are featured on our website: www.chicken.ab.ca

The Board greatly values the relationships built with industry partners and appreciates their willingness to participate and contribute to this important planning process for the chicken industry in Alberta.



Activities & Achievements

Board Meetings

- Nine Board meetings were held over this past year.
- Eight Conference Calls were held by the Board; discussions pertained to allocation, pricing, specialty production, and policy matters.
- It is important to note that fewer allocation calls were held as CFC has been piloting two-period allocation setting this past year. This process has saved the Board time and costs associated with allocation meetings.
- The Board developed and put into practice a Board Meeting Evaluation Form that is completed following each Board meeting to evaluate meeting effectiveness.
- The Board and Executive held their annual Strategic Planning Workshop in early fall, with representatives from the Alberta Hatching Egg Producers and the three major processors attending as guests.
- Presentations were made at the Ag Lenders Workshop at Olds College and to students from the University of Calgary's Faculty of Veterinary Medicine.
- The Board held three meetings with Processors in 2015 to review and discuss the Live Price MOU.
- The Board met with the Alberta Hatching Egg Producers Board to discuss matters of mutual interest.
- The Chair and Executive Director spearheaded and participated in a workshop for all Boards and Commissions in November 2015 that laid the foundation for collaboratively working together.

Board Training

- A Director Orientation Session was held at the Board office for the newly elected Director following the 2015 Annual General Meeting elections. The session was led by the Chair, Governance Committee Chair, and Executive Director, focusing on the board governance, policies, operations, and team vulture.
- Directors and the Executive Director participated in a Board Governance Workshop designed for ACP in June 2015 to refine the Board's governance skills.
- In February, the Board hosted a Leadership Development Workshop for producers facilitated by Karen Kirkwood and Maryann Urbanowski. The session focused on personal leadership development and board governance.
- The Chair attended the Advancing Women in Leadership Conference in April 2015.
- Directors assume positions on various committees of the Board and obtain experience in Chairing Committee Meetings.

Stakeholder Relations

- Two meetings of the Industry Advisory Committee were held in 2015.
- The Chair and Executive Director were heavily involved in the Saleable Chick Price Working Group meetings throughout the year, which concluded with the development of the Saleable Chick Price MOU in October 2015.
- The Board met with processor and catchers in august 2015 to review the revised Catching and Transportation Standards Manual. The Catching and Transportation Standards Manual was revised in collaboration with processors and presented to Producers at the Fall Regional Meetings.

Producer Relations

- The Specialty Chicken Program was approved by producers at the 2015 Annual General Meeting.
- Four Producers were given the opportunity to attend and provide input into the development of a Green Certificate Program for poultry.
- The Assurance of Supply Program Guidelines underwent amendments to ensure all producers were treated fairly and equitably.
- Amendments were made to the administration of the Market Development Policy.
- Regional Meetings were held in Edmonton, Red Deer and Lethbridge in early November.
- One producer participated in the University of Alberta's Rural Café, which was an excellent opportunity to connect with the public.

Industry Relations

- The Western Poultry Conference was held in Red Deer prior to the Annual General Meeting in February 2015 and ACP participated in the Social License in Agriculture Workshop in March 2015.
- The Alberta Poultry Emergency Management Team (APIEMT) held a simulation exercise in April 2015 to test its Emergency Response Plan.
- ACP participated as a trade show exhibitor at the University of Alberta's Centennial Anniversary celebrations.
- The Chair, CFC Director, CFC Alternate and Executive Director attended Western Meetings in Saskatchewan and Manitoba; and ACP hosted one Western Meeting in the fall of 2015. Each province takes a turn in hosting these meetings.
- Alberta Chicken Producers attended the Annual General Meetings of the Chicken Farmers of Canada, provincial chicken boards of Saskatchewan, Manitoba, British Columbia Ontario and Quebec), the Poultry Research Centre, and Alberta Milk. Representatives from the Board attended ALMA's FutureFare and the All Boards and Commissions Workshop.
- The Executive Director attended three CFC Provincial Board Managers Meetings in 2015.
- Alberta Chicken Producers continued to be involved as a member in the following organizations:
 - Alberta Farm Animal Care
 - Agri-Environmental Partnership of Alberta
 - Classroom Agriculture Program
 - **Intensive Livestock Working Group**
 - Policy Advisory Group
 - Taste Alberta

Government Relations

- Numerous meetings and conference calls were held throughout the year with government regarding Farm Safety legislation and Bill 6.
- The Chair and Executive Director met with Minister Carlier in September 2015.
- Meetings with Agricultural Products Marketing Council, the Deputy Minister and Assistant Deputy Minister were held periodically throughout the year.
- The National Poultry Agencies held their Joint Annual Reception for Members of Parliament in March 2015. ACP's Chair, CFC Director, CFC alternate and Executive Director were in attendance.
- The Chair, Vice-Chair, CFC Director, CFC Alternate and Executive Director participated in meetings with MP's in Ottawa in May 2015.
- Two Directors attended the Federation of Canadian Municipalities Conference & Trade Show held in Edmonton in 2015.

Other

- Regular staff cross-training is conducted to support the Board Office operations.
- Formal staff meetings are conducted monthly to discuss strategic actions, day-to-day operational activities and other topics pertinent to the team.
- The Executive Director facilitated a staff team building session in April 2015.
- An open-door culture is maintained in the office, action items meetings and informal meetings are conducted throughout the month to ensure all staff members are informed of important matters, to discuss and plan for upcoming meetings and vacations.

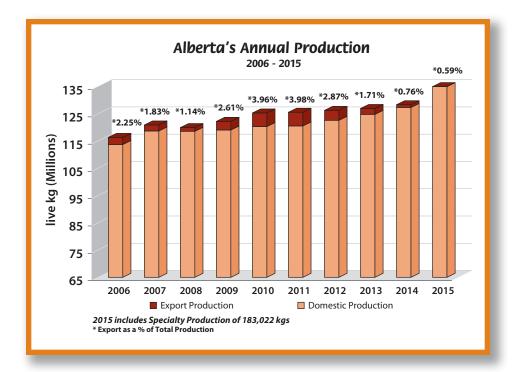
Development & Continuous Learning

Alberta Chicken Producers supports and encourages Directors and Staff to expand their professional and personal skills. The following courses, workshops and webinars were attended in 2015:

- Social Media Made Easy; Social Media Workshop
- Make Your Own YouTube Video
- Ag HR Matters
- Conflict Resolution Skills (NAIT)
- Mediation Skills, Ethics, and Values (NAIT)
- **CFC Government Relations Workshop**
- Dealing with Difficult People
- ICS Levels 100 & 200
- Webinars:
 - What are the Trends?
 - Centre for Food Integrity
 - Freedom of Information
 - Farm and Food Care, Speak Up

Leadership Development Courses are offered to producers to encourage their engagement in the industry and to build a strong foundation for industry leadership.

Market Reports



Alberta's Domestic Production in 2015 is estimated to be 136.78 million live kg, an increase of 9.43 million live kg or 7.4% over 2014. Canada's 2015 domestic production is estimated to be 1.43 billion live kg, an increase of 46.06 million live kg, or 3.33% over 2014.

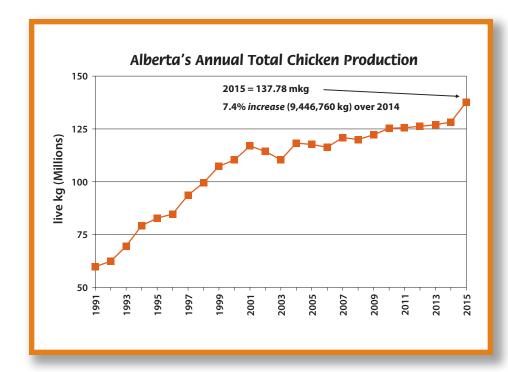
Alberta's Market Development in 2015 is 810,714 live kg; a decrease of 166,518 live kg or 17.04% below 2014.

Alberta's Market Development represents 0.59% of Alberta's total production in 2015 versus 0.76% in 2014.

Alberta's specialty chicken production in 2015 was 183,022 live kgs. This program was implemented in August, 2015

Comparatively, Canada's Market Development represents 3.34% of Canada's total production in 2015 versus 4.30% in 2014.

Markets Development declines in both Alberta and Canada have been the result of increased domestic consumer demand for dark meat, and, a strong Canadian dollar impacting the competitiveness of our exports.



Alberta's Total Chicken Production in 2015 is estimated to be 137.8 million live kg, an increase of 9,446,760 live kg (7.36%) over 2014, and 6.82% over the 5 year average (2011-2015).

Allocation set under the new national allocation formula and chicken's competiveness to beef are the key drivers for such strong growth in domestic demand. Alberta has not seen this kind of single year growth since 1999 when year over year growth hit 7.79%. The inception of the specialty chicken program is still in its infancy. Market Development production has been in decline since it peaked in 2011.

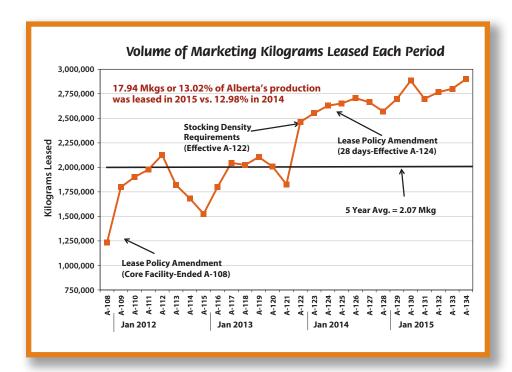
Canada's total chicken production in 2015 is estimated to be 1.49 billion live kg, an increase of 2.85% over 2014, and 1.3% over the 5 year average (2011-2015).

Alberta's Quota Utilization (2013/14-2015)									
			Utilization			Alberta	Alberta		
Period Dates		Alberta	Western Canada	Canada	Compared to Canada	Compared to Western Canada			
A120	10-06-13	11-30-13	101.0%	102.0%	101.4%	-0.4%	-1.0%		
A121	12-01-13	01-25-14	100.9%	101.4%	100.7%	0.2%	-0.5%		
A122	01-26-14	03-22-14	98.6%	100.8%	100.2%	-1.6%	-2.2%		
A123	03-23-14	05-17-14	98.3%	99.7%	100.3%	-2.0%	-1.4%		
A124	05-18-14	07-12-14	98.5%	99.5%	99.9%	-1.4%	-1.0%		
A125	07-13-14	09-06-14	96.0%	96.4%	98.3%	-2.3%	-0.4%		
A126	09-07-14	10-01-14	102.0%	100.2%	100.4%	1.6%	1.8%		
A127	10-02-14	12-27-14	100.9%	100.4%	100.5%	0.4%	0.5%		
A128	12-28-14	02-21-15	100.7%	100.3%	100.0%	0.7%	0.4%		
A129	02-22-15	04-18-15	101.3%	101.9%	101.3%	0.0%	-0.6%		
A130	04-19-15	06-13-15	99.8%	99.7%	100.1%	-0.3%	0.1%		
A131	06-14-15	08-08-15	98.9%	97.7%	99.2%	-0.3%	1.2%		
A132	08-09-15	10-03-15	102.0%	99.4%	99.2%	2.8%	2.6%		
2 YEAR AVERAGE		99.9%	99.9%	100.1%	-0.2%	0.0%			

The table above compares Alberta's Utilization Performance to Western Canada and Canada.

In 2015, Alberta's Utilization Performance increased by 1.3% in 2015 (100.6%) compared to 2014 (99.3%). In 2015, Alberta saw improved production performance throughout the year, even in the summer months when underproduction is common. Egg shortages and chick quality issues seen in 2014 were not as prevalent in 2015, helping Alberta improve its production performance in a year of strong production growth.

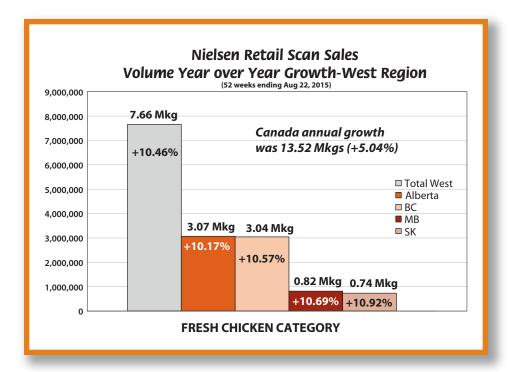
Over the past two years, Western Canada has performed slightly behind the National average, achieving 99.9% utilization vs. 100.1% respectively. Alberta's 2-year utilization average equaled the West's average of 99.9%.



A total of 17.94 million kg or 13.02% of Alberta's total production was leased in 2015. This represents an increase of 1.28 million kg or 7.67% over 2014. The main reason for the increases in periodic leases in 2015 has been the increased allocation to Alberta and the barn density requirements. Lease Policy amendment to 28 days post placement also continues to influence the increases in leasing.

A total of 1,390 period leases were approved by the Board of Directors in 2015, an increase of 177 period leases, or 14.63%, over 2014.

Market Reports (continued)

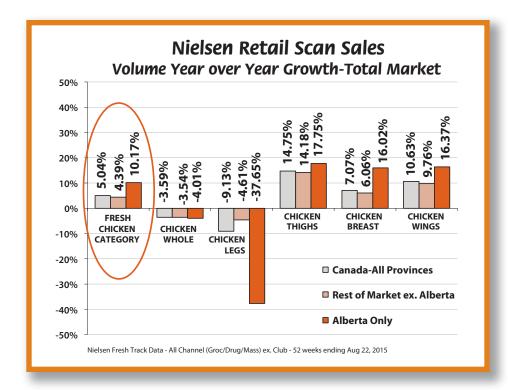


Nielsen data is used extensively in Canada by retailers, food manufactures and processors to measure consumer spending and demand for products in the Canadian grocery industry.

Nielsen data shows growth in the fresh chicken category of 5.04% in volume or by 13.52 million kilograms in Canada for 52 weeks ending August 22, 2015.

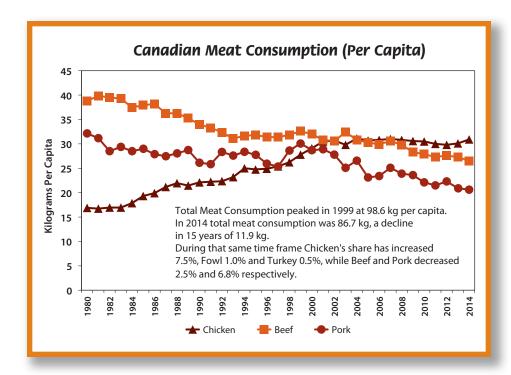
Western Canada is an important region represented almost 57% (7.66 Mkg) of the incremental volume growth in Canada.

The fresh chicken category in Alberta continues to have strong year-over-year volume growth in Canada's retail sector. Alberta's year-over-year volume growth is 10.17%, just over two times the National growth rate. In terms of kilograms, Alberta contributed close to forty percent (39.71%) of the gains in the West and a 22.5% share of the total incremental gains in Canada.



Retail scan data, as provided by Nielsen Fresh Track, shows Alberta's volume growth in sales of fresh chicken at 10.17%, while the rest of the market (ex. Alberta) in Canada grew 4.39%. Canada's total year-over-year volume growth is 5.04%.

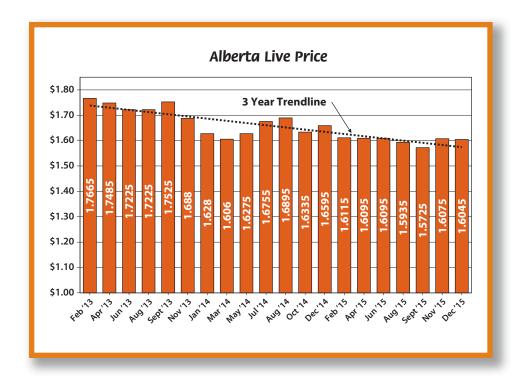
This chart illustrates the demand gains dark meat is having in Alberta, particularly thighs showing a year over year increase of 17.75% and the rest of the market growing at 14.18%. The demand for white meat is equally impressive in Alberta. Alberta's volume of breast meat growth is pacing at 16.02% while this cut in the rest of the market (ex. Alberta) grew by 6.06%.



As of 2014, per capita consumption of chicken in Canada was 30.9 kg. Chicken remains the number one consumed protein in Canada, followed by beef at 26.5 kg and pork at 20.6 kg in 2014.

While per capita chicken consumption has declined since its peak in 2007, this trend has been seen across other meat proteins since 1999. Total meat consumption in 2014, which excludes fish, was 86.7 kg. This is a drop of 11.9 kg from the peak of 98.6 kg in 1999.

Chicken continues to see the highest per capita consumption of all the meats since it surpassed beef in 2004. When looking at per capita consumption as a % share of total meats consumed, chicken has a 35.64% share, beef a 30.57% share, and pork a 23.76% share in 2014. Chicken's share of total meat has continued to increase, gaining 3.45% in 10 years, while beef's share declined 1.32% and pork declined 3.78% in that same time period.

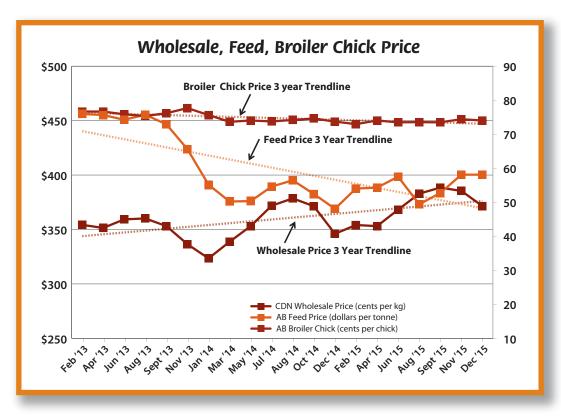


Alberta's average live price for 2015 was \$1.6012/kg, a decrease of \$0.0474/kg from the 2014 average. Alberta is on par with the Canadian average decreases in 2015. This year, lower chick costs had some impact, but the main driver for live price decrease across Canada was the changes in methodology and the addition of annual efficiency adjustments to the Ontario's cost of production formula (COPF).

In 2015, Alberta's live price was at its lowest in Period A-132 (Aug/Sept 2015) at \$1.5725/ kg. The highest live price was during the winter in Period A-128 (Jan/Feb 2015) at \$1.6115/kg. The difference between the high and low in 2015 was \$0.039/kg.

Alberta maintained a 4.05 cent differential over the Ontario live price (effective A-130) to reflect partially the catching costs paid by Alberta producers. Ontario's new pricing formula (effective A-129) includes cost increases in chick and feed each period and operational costs and efficiency adjustments annually.

Market Reports (continued)



Canada's market composite wholesale price (simple average of five sub-composites that represent the various cuts of chicken) for 2015 was \$3.72/kg, an increase of \$0.12/kg from \$3.60/kg in 2014.

The strong demand and tight supplies for chicken in Canada was one factor contributing to year over year increases in the Canadian market composite wholesale price. Another factor that had significance influence was the North American chicken supply overall, which had increased to meet the robust demand. Fortunately the high US dollar insulated the Canadian wholesale price from any declines due to large US inventories. Chicken price competitiveness particularly to beef continues to increase demand and shift consumer purchases in favor of chicken.

Feed prices rose slightly in 2015 when compared to 2014. While feed prices remained fairly stable throughout 2015, the beginning of the year saw the lowest feed prices before rising in late summer peaking in the fall and now starting a slight decline to end the year.

Minimum live price is adjusted for changes in feed and chick every eight weeks.

Feed and chick represent just under 70% of the cost components in Live Price.

Food Safety and **Animal Care Programs**

Submitted by Dennis Steinwand, Committee Chair

Poultry Code Of Practice

This past year the Alberta Chicken Producers was actively involved in providing feedback to CFC on potential changes to the Code of Practice for Hatching Eggs, Breeders, Chickens, and Turkeys. This culminated in the evaluation of a draft version of the new Code in late 2015 and the submission of a detailed list of our concerns. Comments on the draft Code are now being reviewed and a final version of the Code is expected in the Spring of 2016.

The Food Safety and Animal Care Committee extends a huge thank-you to producers who provided insight, feedback, and farm data throughout this process. The committee was able to provide a solid rationale for comments that was based on the successful management methods of producers. Alberta broiler producers are committed to the health and welfare of their birds. While we welcome feedback on the methods we use, we need to ensure that any recommended changes are feasible, practical, and of proven benefit to the bird.

The new poultry Code of Practice will be used to update CFC's Animal Care Program later in 2016 (last updated in 2009). We will be reviewing these documents to identify areas where our producers may require training.

Antimicrobial Use Surveys

Concern over antimicrobial use (AMU) in the agriculture sector and the resulting potential effect of antimicrobial resistance in the human population has resulted in increased media attention and consumer concern. CFC has been pro-actively addressing this concern through the development of a sector-wide antimicrobial strategy. This strategy includes: (1) baseline use and resistance trends information, (2) best management practices, (3) ensuring effective controls of AMU in Canada, (4) educating stakeholders on AMU/AMR, and (5) research into alternative products.

2015 was the second year our program audit team performed the AMU survey with producers during their on-farm audits. The purpose of this survey has



Dennis Steinwand

been to characterize which antimicrobials are being used, how much are used, and why they are being used. Because the survey is taking place over a period of years, it can be used to characterize changes in AMU use due to specific bans or to shifts in industry practice.

Early results have shown regional effects in when antimicrobials are used, how long they present in the ration, and producers understanding as to who helped with the decision about which antimicrobial(s) to use.

Once CFC has acquired sufficient data, provincial and national aggregated data will help the provincial boards and CFC guide the direction of the AMU strategy. Any new AMU targets or limits will need to be scientificallybased decisions and rooted in what makes sense in comparison to what is being done on farms today. The increased number of barns using "raised without antibiotics" programs in Alberta demonstrates the immediate need for viable alternatives to antibiotic programs. Ultimately, changes in AMU will need to adequately consider the health and well-being of the birds and not be just a business decision.

Initiatives such as the Broiler Chick Quality Manual, the Western Poultry Conference, and proposed Quality Brooding and Euthanasia workshops, are actions the Board are taking to address chick quality and flock health and performance.

A special thank you is extended to our independent Audit Team, Alberta On-Farm Audits (Boyd Bresnahan and Rodney Swanek) for their diligence and commitment to Alberta Chicken Producers.

Broiler Chick Quality Committee

Submitted by Jason Born, Committee Chair

The Broiler Chick Quality Committee was formed in the spring of 2013 as part of our industry discussions around the quality of chicks in Alberta. The Committee's members include representatives from Alberta Hatching Egg Producers, Alberta's Hatcheries, and Alberta Chicken Producers.

The Committee has a shared Vision of, "Continuous improvement in broiler chick livability resulting in the lowest average seven (7) day mortality in Western Canada". Communication among all of the parties is a key component; and, to that end, the Committee has agreed to continue meeting on a quarterly basis to:

- Evaluate and monitor the progress of the industry in achieving its 7-day mortality target using aggregate data submitted by the hatcheries
- Discuss current challenges/ opportunities in an open
- Review and update the Broiler Chick Quality Manual as required

In 2015, 7-day mortality dropped steadily and came in below our 2% target threshold mid-year with a decline of more than half a percentage point over the preceding 15 months - this represents a 24% improvement in reported 7-day mortality. Our industry partners are to be commended for their efforts towards the common goal of reduced early mortality and a big thank you to producers for ensuring continued accurate and timely reporting of 7-day mortality to your processor/hatchery.

The Alberta Broiler Chick Ouality Manual was developed by this committee as part of its mandate. The manual defines expectations of each



Jason Born

stakeholder, from broiler breeder producer to transporter, hatchery, and broiler producer. It is a living document that is reviewed regularly by the Committee. It includes valuable detailed reference materials and visuals in the appendices. The most recent updates (October 2015) is available for download from the Alberta Chicken Producers Website.

The committee will continue to contribute to the production and brooding of high quality chicks by:

- Exploring new ways to interpret early mortality results to expand the impact of the 7-d mortality evaluations
- Continuing discussion of egg washing, handling, incubation and chick brooding issues
- Identifying producer education, technical transfer, and service delivery opportunities

We appreciate and look forward to the ongoing collaboration with our industry partner as we continue to strive for excellence in the Alberta broiler production value chain.



Governance Committee

Submitted by Jason Born

The Governance committee is comprised of two directors and the Executive Director. As one of its first activities this year, the Governance Committee reviewed and refined its mandate and work plan for the year and identified additional ways in which the Committee may add value to the functioning of both the Board and ACP.

During the course of the year, the committee:

- Completed a review of Director Per Diems and presented the results of that review to producers at the 2015 Regional Meetings.
- Participated in developing the Producer Leadership Development program conducted in February 2015.
- Based on feedback, worked on revisions to the Board and Peer Evaluation document for use in the 2016 evaluations.
- Reviewed Directors and Officers insurance policies to ensure they were current and adequate.
- Conducted an orientation session with new directors in March.

As a committee, we were excited to have six producers participate in the February Leadership Development workshop and look forward to a future workshop to take place in winter of 2017.

The Governance Committee also plans board development activities to build leadership and governance capacity amongst Board members. This year the Board held a board development workshop in June 2015 with a facilitator that stretched Board members thinking in the areas of governance and leadership at ACP and lead to further work with the same facilitator on our Strategic Plan.

I would like to thank the Committee members Dennis Steinwand and Karen Kirkwood for their diligent work on behalf of the committee this year.



Specialty Production Committee

Submitted by Karen Kirkwood and David Hyink

The Specialty Production Committee is comprised of two Directors and two staff members. The primary areas of focus for the Committee in 2015 were the implementation of the Specialty Production Program and the audit of the Direct Marketing Lease Program.

Specialty Chicken Program

In 2015, ACP implemented the Specialty Chicken Program, providing producers of approved breeds of Taiwanese Chicken and Silkies with access to national specialty chicken allocation. The purpose of the Alberta Specialty Chicken Program is to supply Alberta's fresh retail and foodservice specialty whole bird markets with Alberta grown chicken. As of 2015, Alberta, British Columbia, and Ontario were the only provinces to have established programs for specialty chicken production.

Specialty chicken production in Alberta commenced in August 2015, and is currently utilized by one producer. In the first five months of this program, Alberta produced over 250,000 live kg of specialty chicken and generated \$59,000 in lease and service charge income. Implementation of the Program incurred additional costs including: auditor training and audit expenses, enhancements to the Grower Program, and staff time. Alberta has also purchased the use of British Columbia's Specialty Live Price Cost of Production, which is used to establish the Alberta Specialty Chicken Live Price. Alberta's Specialty chicken Program is intended to serve the needs for fresh specialty product, and production is forecast to remain stable and strong in 2016.

Direct Marketing Lease

The Direct Marketing Lease Program is a program that assists direct marketers in developing a sustainable business through the provision of leased production quota for direct marketing purposes. The Specialty Production Committee conducted an audit of the Direct Marketing Lease Program in 2015, and the outcomes were reported to the Board in the fall. While producers accessing the Program have been deemed to be in compliance with the requirements, the Committee has identified several changes to the record keeping and audit process, which will be implemented in 2016 to strengthen the Program.

In the second year of this Program, approximately 211,500 of direct marketing lease kilograms were leased to six producers. Since the program's inception in 2014, the volume has increased by approximately 84,000 kilograms and the number of producers accessing the program has doubled from three to six. The Program was implemented in 2014 to provide a pool of up to 300,000 kilograms annually, drawn from Alberta's domestic allocation, to lease to producers who directly market their products to end-users.

We would like to thank fellow Committee members Jason Born and Karen Miller for their diligence and valued contributions this past year and all staff for their contributions to successfully implementing the Specialty Chicken Program in 2015.

Public Relations

Promotion

Alberta Chicken Producers is an active participant in Lethbridge Aggie Days, Calgary Aggie Days, Calgary Stampede, and Stony Plain City Slickers, which are supported by our producer volunteers. Alberta Chicken Producers would like to extend their appreciation to those who take the time to participate and share their farming knowledge and experience at these events.

Website

- A Virtual Farm Tour was developed and featured on ACP's website in summer 2015.
- Changes and updates were made regularly to ensure information is current.

Social Media

- ACP managed increased followers on its Facebook page and Twitter, focusing on news stories, farmer profiles, recipes/cooking tips and key messages relevant to topical matters.
- Producer App: An app was developed for producers, providing quick access to key messages on their tablets and smart phones.



Baby Chicks at City Slickers

Taste Alberta

Alberta Chicken Producers continued its involvement in Taste Alberta, which included several high-profile events: Sip N Savour at the Taste of Edmonton, Farm to Fork Tour, Cook Nights with local celebrity Chefs, Christmas in November, Porkapalooza, and six Chef Table events in local restaurants.



2015 Taste of Edmonton

These events are opportunities to connect urban consumers to farming and to demonstrate the high quality of local foods.

Gastropost Missions in the Edmonton Journal and Calgary Herald continued throughout the year with consumers eagerly sharing their chicken recipes and cooking tips for preparing local foods.



Karen Kirkwood, Executive Director; Dennis Steinwand, Director; and David Shepherd, MLA for Edmonton-Centre



University of Alberta's Centennial



Premier's Calgary Breakfast

Sponsorship/Donations

- ACP supports the development of student leadership and education in poultry; and this year ACP offered three scholarships to students in the Faculty of Agriculture, Life and Environmental Sciences at the University of Alberta who are pursuing post-secondary education in poultry science.
- ACP provided financial and in-kind support to sponsor the attendance of a university student at the 2015 AFAC Livestock Care Conference.
- Staff donated food and clothing to B's Diner in efforts to help those less fortunate.

SM₅

- The Alberta SM5 developed and launched its Quarterly SM5 Newsletter in spring 2015. The publication is circulated to MLAs and MPs, and has been very well received.
- Alberta SM5 representatives attended the Prime Minister's Stampede BBQ in Calgary.
- The Alberta SM5 hosted the Premier's Stampede Breakfast in Calgary and K-Days Breakfast in Edmonton.
- The Alberta SM5 hosted a farm tour for nine MLAs at Morinville Colony in November 2015.

Chicken Farmers of Canada Report

Submitted by David Hyink, CFC Director

Chicken Allocation Agreement

The completion of the long term allocation agreement and ratification of the Operating Agreement amendments remained a critical priority for the CFC board in 2015. A permanent distribution factor for the further processing component in the allocation formula was agreed to by a special vote; and, CFC directors, through a unanimous vote, gave direction to the CFC Chair to sign the Operating Agreement amendments. CFC has and continues to work with all affected parties to gain the support of all signatories for the Operating Agreement amendments.

Allocations have continued to be set under the new allocation formula that was signed in 2014, which provides meaningful differential growth to Alberta.

In an attempt to improve the allocation setting process, CFC has been setting the allocations two periods at a time throughout 2015. This process will be reviewed in 2016.

Food Safety & Animal Care

Animal Care Program

The Chicken Farmers of Canada's Animal Care Program (ACP) offers a national set of standards for consistency from coast to coast. Launched in 2009, the program continues to be a strong demonstration of our farmers' commitment to high animal care standards. In 2015, the percentage of farmers certified on the program reached 97%. All provinces have made the decision to make it mandatory, with mandatory regulations already implemented in nine provinces. Alberta was one of the first provinces to implement mandatory certification for 100% of its producers.

National Farm Animal Care Council

The National Farm Animal Care Council (NFACC) is internationally unique, as it is the only organization



David Hyink,

that brings together animal welfare groups, enforcement, government, and farmers under a collective decisionmaking model for advancing farm animal welfare.

Code of Practice review

While NFACC deals with a variety of animal care issues, the revision of the Code of Practice is by far the most important initiative. The Codes themselves are voluntary, but CFC has been able to enforce the Code requirements through the ACP thanks to the system of supply management. The Code for the chicken industry was last revised in 2003 and CFC has been actively participating on the Code Development Committee.

AMU

In 2015 the Canadian government released their Federal Action Plan on Antimicrobial Resistance and Use in Canada: Building on the Federal Framework for Action. This underscores the importance of this issue both in Canada and internationally. The

> chicken industry has been proud to work with government on this and related initiatives throughout 2015. The Federal Action Plan outlines a number of goals for Canada in terms of antimicrobial use and resistance (AMU and AMR), and these dovetail with the many activities at CFC on this file. AMU has been identified as a critical priority for 2016.

Chicken Farmers of Canada, in collaboration with the entire poultry industry, have updated the industry AMU communication tool used to outline the sector-wide strategy on AMU and AMR. The Strategy focuses on the following five elements, reflecting the Federal Action Plan and providing continued confidence to consumers and government about responsible antimicrobial use in the poultry industry.

1. Defining antimicrobial use and analyzing antimicrobial resistance trends

Throughout 2015 CFC continued to partner with the Canadian Integrated Program for Antimicrobial Resistance Surveillance (CIPARS), a federal program that monitors trends in AMU and AMR. Regular surveillance, like CIPARS conducts, is a critical step in better understanding the many factors involved in antibiotic resistance and chicken farmers opened their doors to actively participate.

This credible third party on-farm surveillance, which is an extension of AMR surveillance at retail and processing, will help to develop antimicrobial use baseline levels and to determine future antibiotic use and resistance policies for the chicken industry.

2. Reviewing best management practices

Following the voluntary elimination of the preventive use of Category I antibiotics, in 2015 Chicken Farmers of Canada initiated an expert working group to develop recommendations for the next phase of reduction of AMU in Canadian chicken production. This working group brings together stakeholders from various sectors of the industry to ensure all variables are considered in developing a responsible AMU policy. Furthermore, having buy-in and cooperation from across the value chain is essential for an AMU policy to be successful.

It is expected that a report from the working group will be presented to CFC Directors in early 2016. The group is considering not only the next steps for AMU reduction, but also the action items that need to be completed for implementation to be effective, including increased access to antibiotic alternatives and education and extension for farmers.

3. Ensuring effective controls of antimicrobial use in Canada

As indicated in the Federal Action Plan on Antimicrobial Use and Resistance in Canada, the Canadian government is working on a number of initiatives to modify the regulations governing antimicrobial use. The Canadian poultry industry supports the efforts of Health Canada, through the Veterinary Drugs Directorate (VDD), to stop the "own-use" importation of medically important antibiotics and active pharmaceuticals. These options have not been permitted for Canadian chicken farmers since 2009 and are a requirement in the mandatory On-Farm Food Safety Assurance Program.

In addition, CFC is working with the VDD on their initiative to increase the veterinary oversight of antibiotics delivered via feed and water and to remove all growth promotion claims from medically important antibiotics.

Outside the regulatory framework, the chicken industry continues to monitor the voluntary ban on the preventive use of Category I antibiotics. This is done through the Flock Sheets and the On-Farm Food Safety Assurance Program. This monitoring system has demonstrated the success of this initiative, with no Category I antibiotics being used preventatively since the implementation date of May 2014.



4. Researching and determining the availability of alternative products

Through the Canadian Poultry Research Council, CFC has been investing in research projects which aim to improve bird health and reduce the need for antimicrobials. Nearly half of all the funds invested have been directed at projects on gut health, vaccine development, understanding the impact of pathogens, and antibiotic alternatives. CFC also continues to work with government on harmonizing the availability of vaccines and feed additives that are available internationally. It is important to ensure that Canadian farmers have access to similar products registered in other jurisdictions.

5. Educating consumers and stakeholders on the issues of antimicrobial use and resistance

Education to both consumers and industry stakeholders continues to be a key component for increasing awareness and knowledge of this complex issue. To this end, CFC has been modifying and improving our websites to ensure the latest information is readily available. This includes a number of fact sheets, questions and answers, as well as a series of short videos to raise awareness and educate about AMU and AMR.

On-Farm Food Safety Assurance Program

Chicken Farmers of Canada continues to implement the On-Farm Food Safety Assurance Program (OFFSAP) from coast to coast, and the percentage of certified producers remained at 100% for 2015. CFC is proud to maintain recognition for the program from the Canadian Food Inspection Agency (CFIA), and successfully completed the 20-month review audit in 2015. This provided confirmation from CFIA that the program remains current, technically sound, and consistently implemented. The OFFSAP program currently being implemented on-farms was updated in 2014 to reflect, among other things, the industry ban on the preventive use of Category I antibiotics. This is a mandatory requirement in the program and compliance is verified through the Flock Sheets which get submitted to CFIA with every shipment of birds. This initiative has been successful, as monitoring has demonstrated that no Category I antibiotics have been used preventatively since the implementation date of May 2014.

Avian Influenza

In April this past year, the Canadian poultry and egg industries were faced with an avian influenza outbreak in southwestern Ontario. A total of three farms were infected (two turkey farms and one broiler breeder farm), all located in Oxford County.

Industry and government partners worked together both locally and nationally to manage the situation. Quarantine zones were established, all three premises were depopulated to control the spread of disease, and cleaning and disinfecting (C&D) took place.

The virus detected on these farms was highly pathogenic H5N2 and closely matches the strains identified in B.C. late in 2014 and in Washington State, USA. This suggests that migratory wild birds were a likely source. Canada was able to notify the OIE that B.C. and Ontario are considered to be free of notifiable avian influenza on June 3, 2015 and October 8, 2015, respectively.

Poultry Research

The Canadian Poultry Research Council (CPRC) continues to foster innovation, science and education within poultry research. Research will allow our sector to grow, domestically and internationally, as we aim to optimize on-farm management for improved bird health and welfare, look for ways to make our quality product even better, and respond to evolving consumer preferences. Since its inception, CPRC has allocated over 3.5 million to foster poultry research, and these funds have been leveraged to over 18 million.

Branding -Raised by a Canadian Farmer

Chicken Farmers of Canada has launched a national program to promote Canadian chicken, following years of conducting proprietary market research among consumers, as well as participating in research conducted by other organizations.

The research consistently showed that consumers are interested in a Canadian label; interest in buying chicken with a label indicating whether it's Canadian or imported has increased significantly – 88% say it's important that the chicken they eat is Canadian and 80% would eat more chicken if it was clearly identified as Canadian.

The program is free of charge for participants. It is backed by a large marketing program in print, television, and digital media.

The new "Raised by a Canadian Farmer" brand is a mark that shows Canadians where their chicken comes from and speaks to how it's raised and who raises it. It also represents the high standards which farmers must follow as part of our mandatory on-farm programs for food safety and animal care.

TPP Agreement

The Trans-Pacific Partnership (TPP) trade agreement was finalized on October 5, 2015. CFC was very active in representing supply management and Canadian farmers. While disappointed with having market access granted, CFC was pleased with the commitments to fix import control mechanisms. In addressing the border control issues and fraudulent practices, which include the ability to import unlimited quantities of chicken by simply adding sauce or other ingredients, the importation of spent fowl falsely declared as chicken, and the ability of companies to substitute high-value imported cuts with low-value domestic cuts for re-export, the foundation and pillars of supply management were strengthened and upheld through this agreement. The new Trudeau government is currently consulting Canadians on this agreement. If signed and implemented with all of the provisions for supply management intact, this agreement offers stability and certainty to our industry to continue to invest in and plan for continued growth for years to come.



Canadian Broiler Council

The Canadian Broiler Council (CBC) is comprised of representatives from each of the ten provincial chicken marketing boards. The structure of the CBC ensures that meetings are held from time to time in conjunction with the Chicken Farmers of Canada allocation setting meetings. This year, Alberta Chicken Producers assumed the role of Chairing and coordinating the meetings. Dennis Steinwand, Alberta's CFC Alternate Director is currently serving as CBC Chair.

CBC meetings provide an opportunity for farm representatives to share provincial updates and discuss national issues. Topics discussed this year include the Specialty Chicken Program, Market Development Program, chick quality, imports, CFC's Strategic Plan, promotion, and the role of the CBC.



Producer Representatives





Wes Nanninga **Leduc North**



Arjan Spelt Lacombe to Leduc



Theo Bruning Calgary to Lacombe



Scott Van't Land **Calgary South**

Industry Advisory Council

The Industry Advisory Committee (IAC) meets twice a year to collaborate and discuss issues that impact the chicken industry.

The committee is made up of members from the University of Alberta, Poultry Health Services, Agriculture and Forestry, **Agricultural Products Marketing** Council, Animal Nutrition Association of Canada (the Feed Mills), Hatcheries, Processors, Alberta Hatching Egg Producers, Alberta Chicken Producers' Producer Representatives, Board of Directors and Executive Director.

Prior to Alberta Chicken Producers' Producer Representatives attending the IAC Meetings, they consult with producers in their respective Region to discuss areas of concern or issues that may have surfaced which requires discussion by the IAC.



(Back row to front row, Left to Right):

Martin Zuidhof, Ashley Reitveld, Arjan Spelt, David Zimmel, Jason Born

Martin van Diemen, Scott Van't Land, Rachid ElHafid, Karen Kirkwood, Sunny Mak, Darko Mitevski, Eduard Fetting

Frank Maenhout, David Hyink, Shannon Park, Erna Ference, Dennis Steinwand, Wes Nanninga

Missing: Theo Bruning, Bob Smook, Rick Weiss

Alberta Poultry Industry **Emergency Management Team**

The Alberta Poultry Emergency Management Team (APIEMT) actively communicated with producers during the Avian Influenza outbreaks in British Columbia and Ontario in the first half of 2015. The team coordinated messaging and provided regular updates regarding the outbreak to producers and the poultry industry; and producers ensured they maintained preventative measures and good biosecurity on their farms to protect Alberta's flocks from avian influenza.

The APIEMT held a simulation exercise in the spring, involving all partners in the poultry industry, to test the current Emergency Response Plan. This facilitated simulation resulted in the identification of improvements for the APIEMT in terms of how it is structured. The outcomes of the simulation were assessed by the APIEMT and work has been undertaken by the four poultry boards to restructure and ultimately improve the effectiveness of the response plan. The

The team has begun to align the Emergency Response Plan along the Incident Command Structure (ICS) used by Alberta Agriculture and the CFIA. As a first step, team members completed ICS Levels 100 and 200 training in late 2015.



Research Committee

Submitted by Rob Renema and David Hyink

Research Priorities

Research and development of innovative technologies and techniques are essential to the competitiveness and sustainability of our industry. The money we invest in research and development benefits all stakeholders and moves our industry forward. However, we want to spend our research dollars wisely by investing in projects we believe will have the greatest impact on Alberta broiler production. To do this, proposals are judged in-part for how well they fit with ACP's research priorities.

This year, the research committee invited a cross-section of research and industry to a workshop to evaluate our research priorities. Our goal was to realign our priorities with current and emerging challenges and opportunities. Based on the wide ranging discussion, the committee was able to consolidate some priorities, and revise or remove others, and develop a new priority. A full version of the revised research priorities is available on the ACP website. The main themes are:

- i. Animal Health and Welfare
- ii. Food Safety
- iii. Uniformity and quality of live birds and product
- iv. Industry sustainability and social commitment

Chick quality was recognized as being a central component of many of these priorities. Pathogen control, antibiotic-free production, cellulitis control, and many other aspects of broiler production can be affected by chick quality. Under the Animal Health and Welfare priority, it is included as:

- Chick Quality (from egg handling and incubation, to farm management)
 - Understanding links between chick quality, health, and welfare
 - Methods to increase % of high quality chicks
 - Methods to increase % of high quality chicks and maximize livability

Agriculture Funding Consortium

Alberta Chicken Producers is one of twelve associate members of the Agriculture Funding Consortium, which also includes three major funding consortium members: Alberta Innovates – Bio Solutions (AI-Bio), Alberta Crop Industry Development Fund (ACIDF), and the Alberta Livestock and Meat Agency (ALMA). As an associate member, Alberta Chicken Producers' provides a voice for the broiler industry's Research Priorities and helps guide the focus for future research and development in Alberta.

The research committee strategically allocates research dollars to projects with the greatest potential to positively impact the Alberta broiler industry. Because our research dollars can be leveraged against the contributions of our funding partners, we are able to make more research possible than if funded work independently.

The Agriculture Funding Consortium received letters of intent (LOI) requesting funding for the 2015/2016 call for proposals. A total of 12 LOI's were identified as having the potential to impact the Alberta broiler industry. Of these, the seven most relevant LOI's were selected for review by the ACP research committee.

The two LOI's ranked the highest by the ACP Research Committee will be further reviewed at the full proposal stage:

- Status of commercially important viral and bacterial infections at hatch; measuring the impact on chick quality and broiler performance
- 2. Effect of barn sanitation on innate immunity, performance, microbiological and processing traits of commercial broilers.

In addition, the committee recognized the relevance of a poultry genomic proposal (genetic predisposition to footpad lesions) for the industry and would like to see this work further developed. A food safety proposal (managing listeria), while important for the poultry industry, was considered of less immediate importance at the farm level.

Full proposals must meet technical standards and guidelines to be awarded funding; and, this review process takes place from January through March 2016. The Agriculture Funding Consortium will meet to announce the supported projects to the successful applicants in the first quarter of 2016.

Funded Projects Carried Forward from Previous years:

- 1. Improving foot pad quality in commercial broilers: Benchmarking and practical strategies (Year 2)
- 2. Mitigation of Campylobacter Jejuni in chickens (*Year* 1)

Projects ACP has Committed Funding to (Waiting on funding approval from partners)

1. Effect of hatching egg shell quality on hatchability and chick quality

In closing, we would like to acknowledge the valuable contribution that Martin Van Diemen, Sunny Mak, Darko Mitevski, Valerie Carney, and Sean Fairbairn have made this year through their time and participation on this committee. In addition, the committee is grateful for the industry partners and researchers that provide their on-going support and commitment to research and development.



Poultry Research Centre

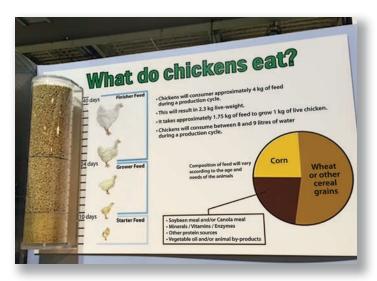
Submitted by David Hyink, Chair and Dr. Martin Zuidhof



The Poultry Research Centre (PRC) is a partnership of the poultry industry, Government of Alberta and University of Alberta to foster a healthy Canadian poultry enterprise. Excellence in research and innovation, knowledge management, technology transfer and mentoring tomorrow's poultry professionals are the Centre's hallmark. The Alberta Chicken Producers (ACP) is an important partner in this mission.

Strategic Planning

This year the stakeholders in the PRC invested considerable thought about the future of the PRC, which included the participation of staff and directors from ACP. Together, stakeholders developed a Strategic Framework that will guide the PRC's activities from 2016 to 2021. The vision is to build a consortium of Western Canadian government, poultry industry and university stakeholders that is recognized globally as a leader and innovator in supporting ethical and sustainable poultry production. The PRC Advisory Board has reviewed and approved the Strategic Framework and it has been distributed to all PRC partners. We would like to extend our appreciation to ACP for your time and commitment to making this a success.



Research Highlights

Foot Pad Dermatitis Project:

Dr. Clover Bench's Applied Ethology Research group, in collaboration with Dr. Doug Korver (University of Alberta) and Dr. Trever Crowe (University of Saskatchewan) studied broiler foot pad quality on commercial farms throughout Alberta to benchmark foot pad dermatitis, evaluate foot pad assessment methods, and develop practical strategies for mitigating or preventing foot pad dermatitis in commercial broilers. In 2015, thirty-two farm and processor visits were conducted, lead by Jesse Hunter (MSc. Student) and Emmanuel Yeboah (Research Technician), which gathered management and flock factors related to foot pad dermatitis. This research compliments a subsequent trial at the Poultry Research Centre looking into bedding materials and the use of slatted platforms as a means of reducing litter moisture and its impact on broiler foot pads.

Poultry Nutrition Projects:

The poultry nutrition research program led by Doug Korver continues to address practical problems affecting the broiler industry. Current work includes the effects of maternal nutrition on broiler chick quality (Misaki Cho, Ph. D. Candidate), effects of inflammation on broiler growth performance and breast meat yield (Saman Fatemi, M. Sc. Student), increasing phosphorus utilization on broilers with phytase (Abiodun Bello, Ph. D. Student). Planned projects included a broiler coldweather transportation study, investigating the impact of breeder shell quality on broiler chick quality, and effects of barn sanitation method on performance and microbiological characteristics of broiler carcasses. As well, Doug's program will continue to investigate feeds and feed ingredients to optimize broiler productivity and health, particularly in the face of changing antibiotic use in the industry.

Precision Feeding Projects:

Dr. Martin Zuidhof is revolutionizing the amount and type of data that can be collected from free-run chickens. By feeding broiler parents what they need when they need it, his research team has consistently achieved 100% flock uniformity. For broilers, a precision feeding project is in the works to improve our understanding of how broilers use energy differently, depending on what they are fed. On the breeder side, work continues to make steps toward getting this technology commercially ready.

Training Highly Qualified Personnel

Teaching:

The University of Alberta offers two courses with 100% poultry content, reaching around 29 undergraduate and six graduate students last year. There are 10 additional courses with 5 to 50% poultry content that reached almost 450 students last year. The PRC also reaches the Western College of Veterinary Medicine directly, with Dr. Korver's instruction in nutrition, and through our partners Drs. Inglis and Mitevski, at Poultry Health Services in Airdrie.

Awards:

- Four poultry professors (Drs. Bench, McMullen, Robinson, and Zuidhof) were honored with ALES Teaching Wall of Fame recognition.
- Dr. Zuidhof received two teaching awards from NACTA (international).
- Giles Hinse was recognized for 25 years of excellent service as an animal technician at the PRC.
- PRC Graduate Students won 18 awards. Award winners included Nandika Bandara, Abiodun Bello, Teryn Gilmet, Jesse Hunter, Chamila Nimalaratne, Koonpohl Pongmanee, and Felipe Silva.
- The University of Alberta Community Leader Award was granted to the Adopt a Heritage Chicken **Program**



Poultry Health Centre of Excellence

Submitted by Dr. Tom Inglis, DVM, BSc. Ag. Diplomate ACPV Services Coordinator, Poultry Health Centre of Excellence

It is important to start this update with recognition of the collaborative and cooperative nature of the work at the Poultry Health Centre of Excellence (PHCE) as the product of four feather boards and industry working closely with Alberta Agriculture. This model of collaboration across private and public sectors as well as across human and animal health is essential to success and is no doubt a model to be supported.

In 2015 we continued our efforts to build the team of the Institute for Applied Poultry Technologies (IAPT). The mandate of the IAPT is to advance bird health and welfare through the creation and application of new technology. The IAPT will also work to create and register new vaccines and health management products as preventative health management tools and alternatives to antibiotics.

Significant new and ongoing challenges for the industry and veterinary team at the PHCE for 2015 included: REO virus infections, voluntary industry-wide banning of Category 1 antimicrobials for preventative treatment, Salmonella infections, and several more cases of White Chick Syndrome (Chicken Astrovirus).

On the disease front, the diagnostic service provided by The Poultry Health Centre of Excellence saw a continued trend of increase in the number of cases submitted from Alberta Chicken Producers relative to the previous years. In general, health was improving and the REO challenges seen in the previous two years have decreased in number and severity. Programs implemented to include the strains identified in autogenous vaccines along with natural immunity likely explain some of the improvements.

The industry's voluntary ban on the preventative use of Class 1 antimicrobials has resulted in approximate doubling of first week mortality. In some cases therapeutic treatments administered at the farm are being required to help control early and lingering mortality, and in general the industry is adjusting to this new normal level of mortality. Research is needed to evaluate the safe and effective use of lower category products in early phases to prevent early infections when risk factors are known to exist. The ability for us to capture and report both antimicrobial resistance patterns in poultry isolates and the recommended antimicrobial use is unique to the Alberta Poultry Health Centre of Excellence and puts us in a good position to lead by example and use science to guide good policy for our Provincial and National industries.

From the farm level to Ottawa we are working hard to understand and address the needs of Alberta poultry producers. As we look back at 2015 and forward to 2016 we are proud to work solving problems with the Alberta Chicken Producers and the Canadian chicken industry. We look forward to a productive, profitable and healthy year in 2016 for the birds and people served by our industry. On behalf of our team I would like to thank you for these opportunities to contribute and your ongoing support of the Poultry Health Centre of Excellence.



Financial Statements



Index to Financial Statements

	Page
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Revenues and Expenditures	3
Statement of Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 10





1201 Energy Square 10109 - 106 Street, NW Edmonton, AB T5J 3L7 Tel: (780) 423-2437 Fax: (780) 426-5861 www.kingco.ca

INDEPENDENT AUDITOR'S REPORT

To the Directors of Alberta Chicken Producers

We have audited the accompanying financial statements of Alberta Chicken Producers, which comprise the statement of financial position as at November 30, 2015 and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Alberta Chicken Producers as at November 30, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Edmonton, AB January 29, 2016

CHARTERED ACCOUNTANTS

King + Company

Statement of Financial Position

As at November 30, 2015

	,	2015	2014
ASSETS			
CURRENT			. 11. 722
Cash	\$	322,805	\$ 314,152
Accounts receivable (Note 2)		169,982 9,532	115,826 7,956
Prepaid expenses		7,193	6,914
Current portion of mortgage receivable (Note 3)			
		509,512	444,848
MORTGAGE RECEIVABLE (Note 3)		70,230	77,423
PORTFOLIO INVESTMENTS (Note 4)		1,755,136	1,724,220
PROPERTY AND EQUIPMENT (Note 5)	2	1,389,407	1,465,870
	\$	3,724,285	\$ 3,712,361
CURRENT Accounts payable and accrued liabilities (Note 6) Current portion of obligations under capital lease	\$	164,713	\$ 139,190 1,263
		164,713	140,453
DEFERRED CONTRIBUTIONS RELATED TO OPERATIONS (Note			150,000
7)	-	•	150,000
	-	164,713	 290,453
LIQUIDATED DAMAGES RESOLUTION (Note 8)			
NET ASSETS		1 200 405	1,464,607
Invested in property and equipment		1,389,407 2,170,165	1,957,301
Unrestricted			
		3,559,572	3,421,908
	\$	3,724,285	\$ 3,712,361

ON BEHALF OF THE BOARD	
	Director
	Director



Statement of Revenues and Expenditures

		Budget		
		2015	 2015	 2014
REVENUE				
Levies (Note 9)	\$	1,532,300	\$ 1,656,153	\$ 1,423,982
Administrative fees and other		129,800	136,051	98,590
Producer grower program		119,000	121,029	119,165
Monetary penalties		100,000	70,380	76,136
Investment income		45,000	61,590	52,348
On-Farm Food Safety charges		76,500	58,686	69,88
Diagnostic services		93,500	52,227	84,052
Project grants (Note 10)		1 - 0	42,814	51,604
Specialty Production		190	36,621	***
6000 Exemption		10,000	16,750	16,25
Rental		29,600	9,828	39,23
Increase in fair value of portfolio investments		*	3,=3	20,09
Bad debt recoveries			2 .4 2	32,20
Summer meeting	N ₂	-	(2.)	 31,87
	-	2,135,700	 2,262,129	 2,115,42
XPENSES		440 100	(24.525	596.00
Salaries and benefits (Note 11)		662,100	624,527	586,92 253,96
Diagnostic services		264,600	225,302	189,64
Producer grower program		188,900	193,207	180,04
Travel		213,800	164,219 141,834	84,44
Advertising and promotion		105,000	141,119	161,94
Director fees (Note 11)		149,700	106,137	124,70
Office		137,600 130,000	97,730	115,25
Grants		99,000	93,029	95,40
Amortization of property and equipment Professional fees		60,000	80,536	61,31
On-Farm Food Safety charges		85,500	69,648	79,29
Taxes and fees		48,300	55,372	44,29
Telephone and utilities		40,000	36,545	36,52
Repairs and maintenance		15,000	29,891	33,81
Decrease in fair value of portfolio investments		-	28,791	*
Equipment rentals		12,000	13,951	12,35
Insurance		11,000	10,702	7,10
Loss on disposal of equipment		20	7,182	
Interest and bank charges		2,000	3,770	2,03
Interest on obligations under capital lease		223	973	15
Summer meeting		<u> </u>	* 2	64,41
	-	2,224,500	 2,124,465	2,133,63
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$	(88,800)	\$ 137,664	\$ (18,2)



Statement of Changes in Net Assets

	Invested in Property and Equipment	Unrestricted	2015	2014
NET ASSETS - BEGINNING OF YEAR	\$ 1,464,607 \$	1,957,301	\$ 3,421,908	\$ 3,440,120
Excess (deficiency) of revenue over expenses	(93,030)	230,694	137,664	(18,212)
Purchase of property and equipment, net	16,567	(16,567)	_	-
Repayment of capital lease obligation	1,263	(1,263)		*
NET ASSETS - END OF YEAR	\$ 1,389,407 \$	2,170,165	\$ 3,559,572	\$ 3,421,908



Statement of Cash Flows

		2015	2014
OPERATING ACTIVITIES			
Excess (deficiency) of revenue over expenses	\$	137,664	\$ (18,212)
Items not affecting cash:		02.020	95,407
Amortization of property and equipment		93,029 7,182	95,407
Loss on disposal of property and equipment		7,102	3,190
Realized loss on sale of investments		28,791	(20,098)
Unrealized change in fair value of portfolio investments		973	157
Interest on capital lease obligation	82	913	137
	9 	267,639	 60,444
Changes in non-cash working capital:			
Accounts receivable		(54,156)	11,846
Prepaid expenses		(1,576)	6,039
Accounts payable and accrued liabilities		25,525	35,415
Deferred contributions related to operations		(150,000)	119,283
		(180,207)	172,583
Cash flow from operating activities		87,432	 233,027
FINANCING ACTIVITY			(1.100)
Repayment of capital lease obligation	=	(2,236)	 (4,498)
INVESTING ACTIVITIES			
Proceeds from mortgage receivable		6,914	6,614
Purchase of property and equipment		(23,949)	(12,394)
Purchase of portfolio investments, net		(59,508)	(153,360)
Cash flow used by investing activities	¥	(76,543)	(159,140)
INCREASE IN CASH		8,653	69,389
CASH - BEGINNING OF YEAR	e 	314,152	244,763
CASH - END OF YEAR	\$	322,805	\$ 314,152



Notes to Financial Statements

Year Ended November 30, 2015

NATURE OF OPERATIONS

Alberta Chicken Producers (the "Board") was incorporated under the Marketing of Agricultural Products Act to control the production and marketing of chickens in the Province of Alberta. The Board is a not-for-profit organization and is exempt from income taxes. The Board charges levies, quota allocation fees and monetary penalties, as authorized under regulation, to fund its activities and to assist in enforcing regulations.

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Revenue Recognition

The Board follows the deferral method of accounting for contributions. Restricted contributions are recognized in revenue in the year in which the related expenses are incurred. Unrestricted revenue and contributions are recognized in revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Financial Instruments Policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, portfolio investments are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Cash

Cash is comprised of cash held with financial institutions.

Property and Equipment

Property and equipment are stated at cost less accumulated amortization. Property and equipment are amortized over their estimated useful lives at the following rates and methods:

Condominium units	5%	declining balance method
Furniture and fixtures	20%	declining balance method
Computer equipment	30%	declining balance method
Computer software	30%	declining balance method
Equipment under capital lease	20%	declining balance method

Management regularly reviews its property and equipment to eliminate obsolete items.

Pension Plan

The Board maintains a defined contribution pension plan under which amounts are contributed to employee's RRSP accounts. Expense for this plan is equal to the organization's required contribution for the year.

(continues)



Notes to Financial Statements

Year Ended November 30, 2015

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

2. ACCOUNTS RECEIVABLE

	2015	2014
Levies	\$ 98,216	\$ 84,938
Grants	51,213	-
Гrade	20,553	30,888
	\$ 169,982	\$ 115,826

3. MORTGAGE RECEIVABLE

	2015	 2014
4%, monthly repayments of \$845, including interest, due November 1, 2019, secured by an office condominium Current portion	\$ 77,423 (7,193)	\$ 84,337 (6,914)
	\$ 70,230	\$ 77,423

2015

2015

2014

2014

4. PORTFOLIO INVESTMENTS

		2015	 2014
Guaranteed investment certificates Mutual funds Cash	\$	1,414,093 338,503 2,540	\$ 1,463,425 251,639 9,156
	<u>\$</u>	1,755,136	\$ 1,724,220

The Board's guaranteed investment certificates earn interest at rates ranging from 2.00% to 3.40% and have maturity dates ranging from January 26, 2016 to October 21, 2020.



Notes to Financial Statements

Year Ended November 30, 2015

5.	PROPERTY AND EQUIPMENT	-	Cost	ccumulated mortization	2015 Net book value	2014 Net book value
	Condominium units	\$	1,768,921	\$ 459,426	\$ 1,309,495	\$ 1,378,416
	Furniture and fixtures		371,985	309,765	62,220	62,470
	Computer equipment		164,195	147,225	16,970	17,905
	Computer software		106,918	106,196	722	1,032
	Equipment under capital lease		125 254			6,047
		\$	2.412.019	\$ 1.022.612	\$ 1,389,407	\$ 1,465,870

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	_	2015	2014
Trade	\$	151,693	\$ 124,165
Vacation accrual		7,865	5,231
Government remittances		5,155	9,794
	\$	164,713	\$ 139,190

7. DEFERRED CONTRIBUTIONS RELATED TO OPERATIONS

Deferred contributions represents restricted operating funding received that is related to subsequent periods. The following is a summary of the changes for the period ending November 30:

		2015	2014
Balance - beginning of year	\$	150,000	\$ 30,717
Contributions received or receivable		92,814	482,353
Repaid		3#0	(11,466)
Recognized as project grant	-	(242,814)	(351,604)
Balance - end of year	<u>\$</u>	-	\$ 150,000

8. LIQUIDATED DAMAGES RESOLUTION

Chicken Farmers of Canada ("CFC") and the Board have established levy and service fee arrangements to defray the administrative and marketing costs of the orderly marketing system for chicken in the Province of Alberta.

As a member of CFC, pursuant to the Liquidated Damages Resolution, the Board is required to post security in the amount of \$165,068 to secure the CFC's position should the marketing in Alberta exceed the allocation. At November 30, 2015, certain investments of the Board have been pledged as security.



Notes to Financial Statements

Year Ended November 30, 2015

9.	LEVIES		
		2015	 2014
	Levies charged CFC portion	\$ 2,381,893 (725,740)	\$ 2,050,457 (626,475)
	Net levies collected	\$ 1,656,153	\$ 1,423,982

10. PROJECT GRANTS

Project grants include contributions received and receivable of \$200,000 and expenses incurred of \$200,000 for the "Taste Alberta - Gastropost Pilot" project.

11. SALARIES, CONTRACT, BENEFITS AND PER DIEMS

		Salaries and Contract		Benefits	Per Diems		2015		2014	
Salaries, contracts										
and benefits										
Office staff	\$	543,666	\$	80,861	\$		\$	624,527	\$	586,923
Director fees										
Erna Ference		27.0		1,938		40,320		42,258		44,231
David Hyink		-		1,189		24,480		25,669		35,162
Jason Born		8 .		1,183		25,230		26,413		27,074
Ite Verink		(*)		5		8,925		8,930		23,860
Dennis Steinwand		-		1,227		25,815		27,042		21,678
Martin Van Diemen		9 5);		462		10,045		10,507		5,455
Rudy Froese		11 11 2		¥		-		2		2,985
Producer										
representatives	8	(7)		-		300		300		1,500
	s	(B)		6,004		135,115		141,119		161,945
	\$	543,666	\$	86,865	\$	135,115	\$	765,646	\$	748,868

12. PENSION EXPENSE

Pension expense included in salaries and benefits is \$16,959 (2014 - \$17,747).



Notes to Financial Statements

Year Ended November 30, 2015

13. COMMITMENTS

Poultry Health Services Ltd.

The Board is a member of the Poultry Industry Organizations, which has committed a total of \$26,100 for 2016 to be paid to Poultry Health Services Ltd. for the provision of veterinarian services. The Board's portion of this commitment is \$16,443.

Grants to University of Alberta

The Board has committed funding to the Poultry Research Centre as follows:

2016 \$ 97,650

14. FINANCIAL INSTRUMENTS

The Board is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Board's risk exposure and concentration as of November 30, 2015.

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Board's financial instruments that are exposed to credit risk are primarily cash and accounts receivable. The Board maintains its cash in a major financial institution. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information.

The Board's accounts receivable are exposed to credit risk as the majority of receivables are from entities that conduct their business within the same industry.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Board manages exposure through its normal operating and financing activities. The Board is exposed to interest rate risk primarily through its portfolio investments.

15. BUDGET

The budget is unaudited and was approved by the Board on October 30, 2014.

16. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.



Alberta Chicken Industry's Shared Industry Vision:
By working together, Alberta's chicken industry will continue to grow, be profitable, and satisfy consumers by providing safe, high quality chicken products.

