

Alberta Hatching Egg Producers



2011 Annual Report

Table of Contents

3	Introduction
4	Mission and Vision
5	Board of Directors and Committees
6	Chairs Message
8	Staff
9	General Manager's Report
10	Alberta Broiler Hatching Egg Stats
13	CHEP Report
15	Board Committees
18	Board Initiatives
25	Priorities 2012
26	Memoriam - Graham Marriott
27	Financial Statements

INTRODUCTION

The 2011 Annual Report is presented at the Annual General Meeting of the Alberta Hatching Egg Producers, held on Tuesday, February 28, 2012 at the Sheraton Hotel in Red Deer, Alberta.

The Alberta Hatching Egg Producers Team (as of December 31, 2011):

DIRECTORS

Tina Notenbomer	Chair CHEP Alternate, Emergency Mgmt Liaison
Kevin Tiemstra	Vice Chair COP Committee, CHEP Director
Dennis Wickersham	Director COP Committee, Emergency Mgmt Liaison, Promotions, Conferences, Fairs, CHEP Alternate
Ashley Rietveld	Director Alberta Farm Animal Care, Animal Health, Poultry Research Centre
Josh Lubach	Director Intensive Livestock Working Group

STAFF

Bob Smook	General Manager
Nancy Robinson	Assistant Manager
Gloria Prochinsky	Administrative Assistant
Wendy Telcs	Accountant

Mission

To ensure the availability of a high quality product by encouraging and promoting high standards and efficient practices.

To provide an economic environment for the profitable production of broiler hatching eggs.

To foster confidence in the hatching egg industry through effective communications and by building co-operative relationships with other stakeholders in the poultry industry value chain.

To provide input into the agricultural policy regulatory environment and general agricultural policies impacting broiler hatching eggs.

Vision

The Alberta hatching egg producers are committed to provide the industry with a superior quality product while fostering profitable growth.

Directors are elected at the Annual General Meeting by the Alberta hatching egg producers for a three year term, to a maximum of nine years.

Board of Directors



LEFT TO RIGHT: Kevin Tiemstra Vice Chair, Ashley Rietveld Director, Tina Notenbomer Chair, Dennis Wickersham Director, Josh Lubach Director

It is my pleasure to present this year's Annual Report and provide you with the highlights of our organization and our industry over the past year.



Sustainability in our industry comes predominantly from our supply managed system, but also comes from the ability to overcome the challenges we face. In order to meet these challenges, our industry sector relies upon its affiliations with industry stakeholders which are important in our ability to succeed in achieving our vision and priorities and establish a value chain success for the chicken industry in Alberta.

Throughout 2011, Alberta Hatching Egg Producers continued its efforts on a number of key issues that face our industry including our hatchery partners and the Alberta Chicken Producers while continuing to plan for the future. In 2011 our industry made an upward allocation adjustment to compensate for the decreased productivity experienced by our current breeds in the field. In terms of growth all increases were benefited to increased imports and increased broiler bird size thus giving our industry a zero sum gain. Going forward, we hope that we have satisfied our import obligations and can experience some positive gains.

Our priorities that were set out in 2011 have been engaged, and for the most part will continue to be guiding principles for our industry's 2012 direction. The Priorities that I refer to include: i) Productivity Improvements, ii) Alberta Health of Animals Act, iii) National Activities, iv) SM5, v) Intensive Livestock Working Group and vi) MOU (GAP).

The Best Management Practices Study has been ongoing over this past year and is targeted to address productivity of the broiler hatching egg sector. Our industry has fourteen flocks participating in the study from rearing to incubation. The rearing stage of the study has been concluded with management and incubation stage of the study to be concluded into early 2012. The study has already provided our industry some insight into the variations on flock performance and productivity.

With respect to the Alberta Health of Animals Act there has been progress on the ILT Policy Development and SE Policy discussions. An ILT policy has been developed and sets a framework on how the chicken industry approaches the management of the disease. For the broiler hatching industry through consultation with industry partners we are now vaccinating our long lived birds with a recombinant ILT vaccine and therefore have taken a proactive approach to the ILT challenge. Regarding the Salmonella Enteritidis Policy development this disease challenge affects both the meat and egg side of the poultry sector. This year good progress has been made on the egg sector as a result of 2011's SE scare; however the policy will not be concluded until work is completed on the poultry meat side.

The Canadian Hatching Egg Producers (CHEP), our national agency most important challenge is the conclusion of our National Federal Provincial Agreement. This past year the provincial membership has been working in the redrafting of an agreement that meets all member province needs. Farm Products Council of Canada (FPCC) has been meeting and consulting with CHEP and provincial government signatories to address the concerns that will satisfy and conclude a final text of the document. Alberta along with the National agency has been involved in trade issues, health and welfare livestock councils, research and national/provincial allocations.

With the recent federal government dismantling of the Canadian Wheat Board (CWB), some groups have attempted to put supply management into the same category as the CWB. SM5 nationally and provincially have met with these sectors and addressed their concerns with respect to supply management and its role in Canadian agriculture. Our Provincial and federal ministers have indicated their support of our supply management system in their discussion with us and through news releases and recognize that our system works to provide safe sustainable poultry products to our provincial and Canadian consumers. This priority was successful and I believe will be continuing into the future.

Broiler hatching egg production is considered to be an intensive livestock practice and therefore your elected representatives have participated in Intensive Livestock Working Group. The Alberta Operations Practices Act (AOPA) administered through the Natural Resources Conservation Board (NRCB) has a direct influence on how we operate in this province. This year issues impacting the Intensive Livestock sector included water rights/usage, phosphorous strategy, land use, odour assessments. It is important that we are part of the process representing out industry concerns and outcomes.

In order to achieve compliance on the NAFTA, Federal Provincial Import obligations over time, the AHEP have utilized a MOU GAP to achieve this compliance. In 2011 the program was to sunset in October; however was extended to the end of 2011. The AHEP is committed to achieving a 82.57% domestic, 17.43% import balance to allow both the Alberta producers and hatcheries to their entitlement of market shares. The need and continuance of this agreement has not been concluded and will warrant further discussions into 2012.

To conclude, I would like to express a sincere thank you to our producers for their support and input this past year. To the Board members and Board staff a heartfelt thank you for your commitment to the vision of our industry, and to our industry colleagues, thank you for working with us to achieve this year's collaborative success.

Sincerely



Tina Notenbomer

Staff



Left to Right:

Gloria Prochinsky, Administrative Assistant
Nancy Robinson, Assistant Manager
Bob Smook, General Manager



Wendy Telcs, Accounting

General Manager's Report

Bob Smook

In 2011 the Agriculture sector in Canada portrayed a stabilizing image in terms of pricing, meeting costs as well as providing some residual for growth and sustainability. This optimism was pushed by the strong demand over the recent years from China, India, Brazil and the former Soviet Union. Today there appears to be some change in this opinion, with the crisis in Europe and the grid lock and positioning in US politics and its economy.



The crops side over the past two years have encountered positive market signals to push forward optimism and some aggressive competitive positioning. The aggressive positioning comes in the form of Corporate Structural Positioning (Volume) competing with the independently owned ventures (Sole Proprietorships/family partnerships/family companies (Culture).

On the unregulated livestock side a similar sense of strengthening in pricing has occurred, not to the extent as has been seen in the crops sector. Despite the positiveness in the unregulated livestock sector optimism for expansion is not nearly as evident as in crops. This may be due to factors such as the opportunity for players in these markets to get out while the prices are strong and/or the competing uses of less productive land pasture vs. field crops.

For the regulated livestock sector, optimism appears to be evident as well with many individuals looking to consider economies of scale complemented by individuals looking to exit the industry (Generational Transitioning). In the regulated livestock sector, returns continue to be based on the pillars of supply management, namely Cost of Production models. These models work well to provide predictability in a closed market and provide comfort regarding risk.

Given the foregoing observations, the reality or product of today's market behaviour is the aggressive competition for basic resources namely land and quota. Increases in these resource commodity sectors are fuelled based on the recent short/intermediate term performance of the agriculture areas.

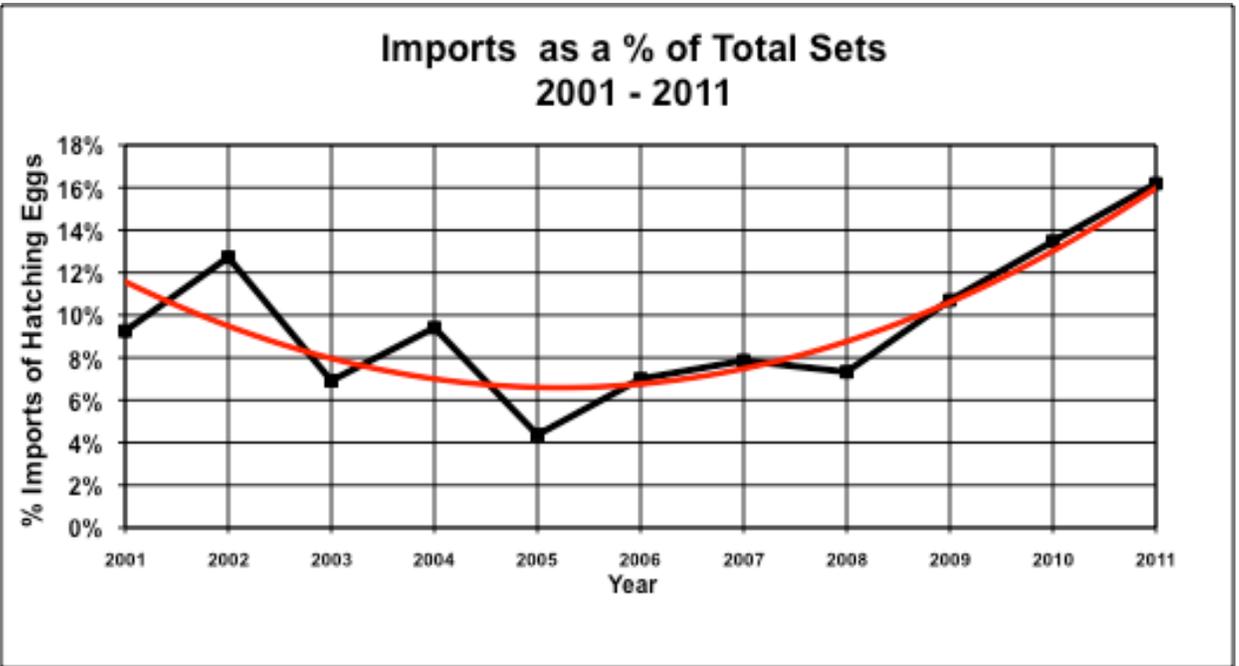
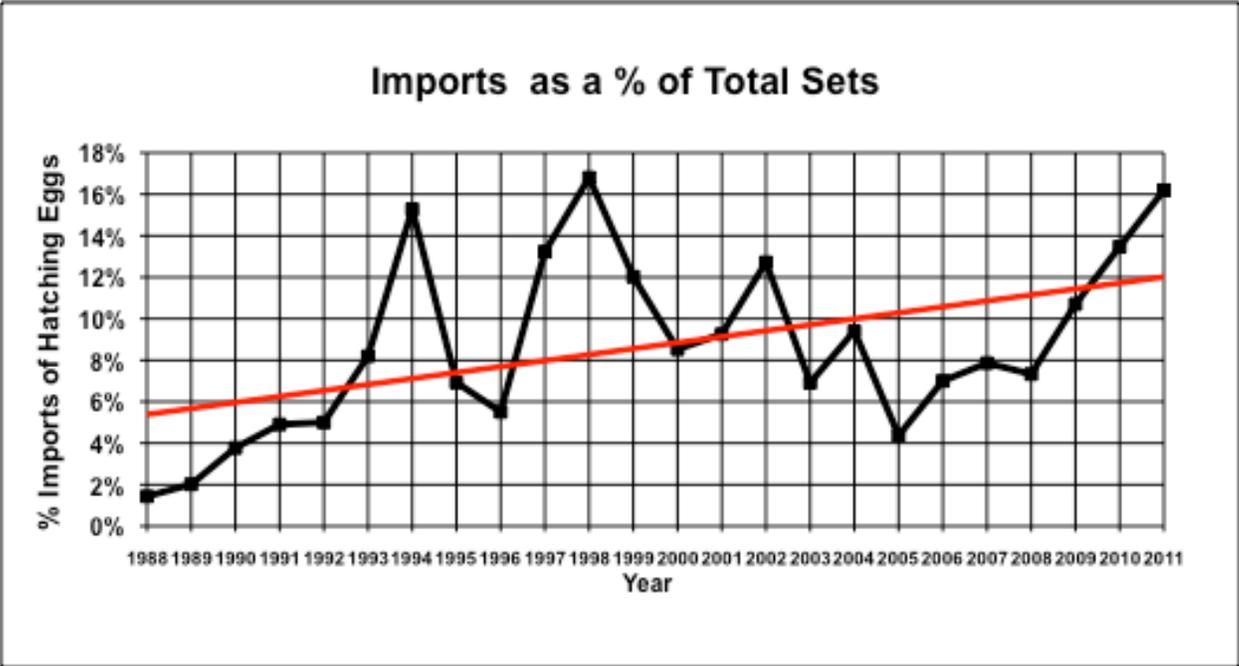
The stark reality and concern of this optimism is the unwillingness of many players to realize that in unregulated and regulated markets there are market corrections. Will this happen? It has in the mid eighties.

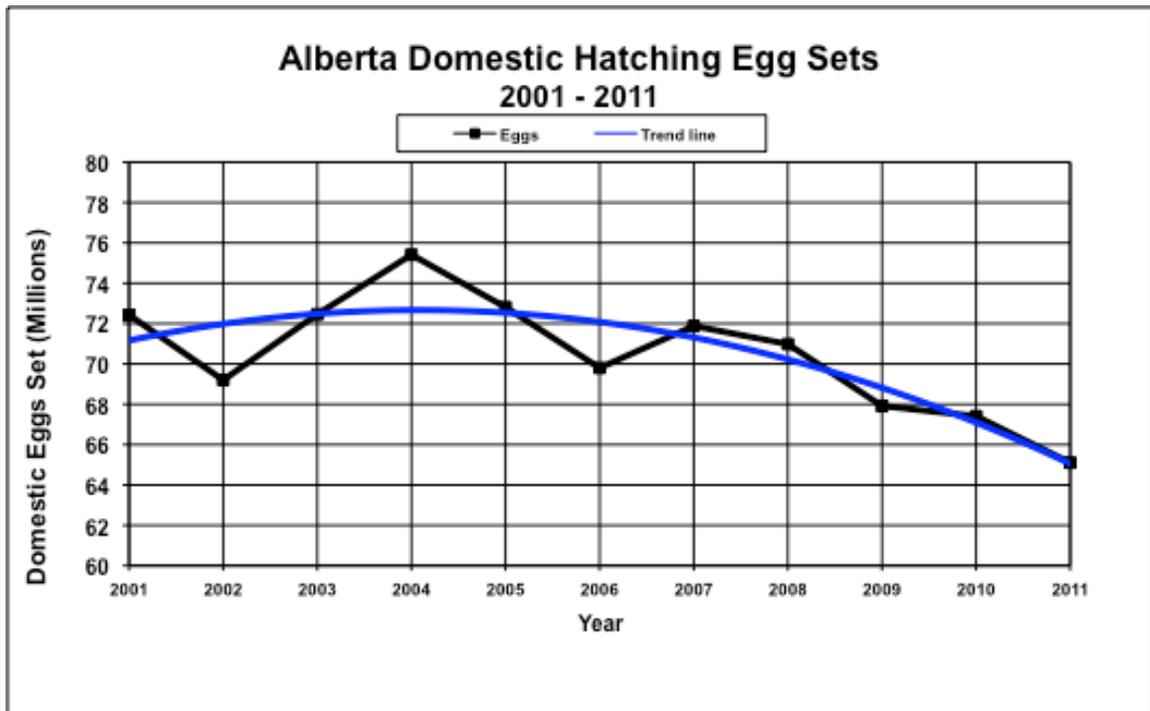
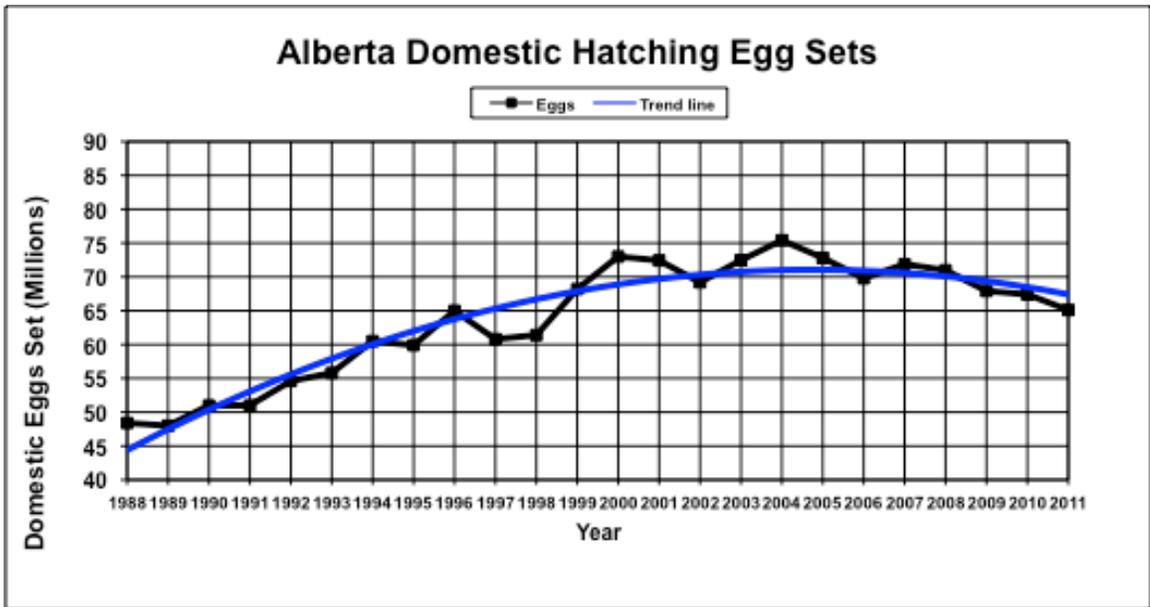
Regards,

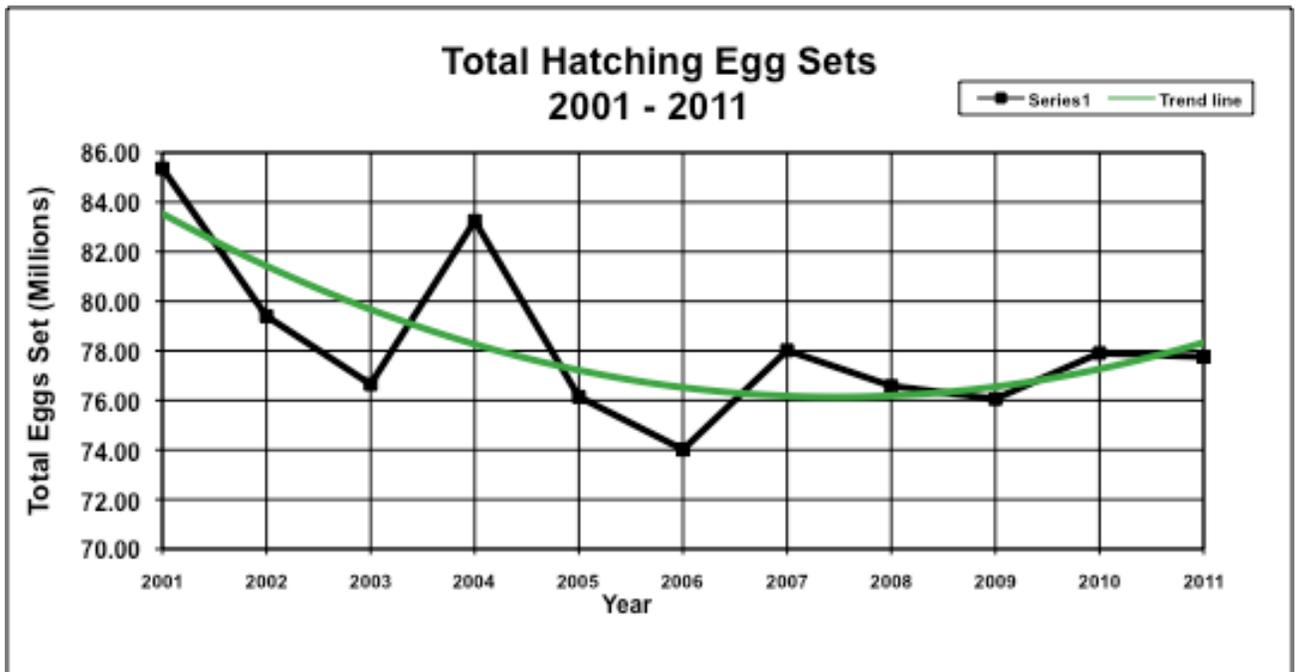
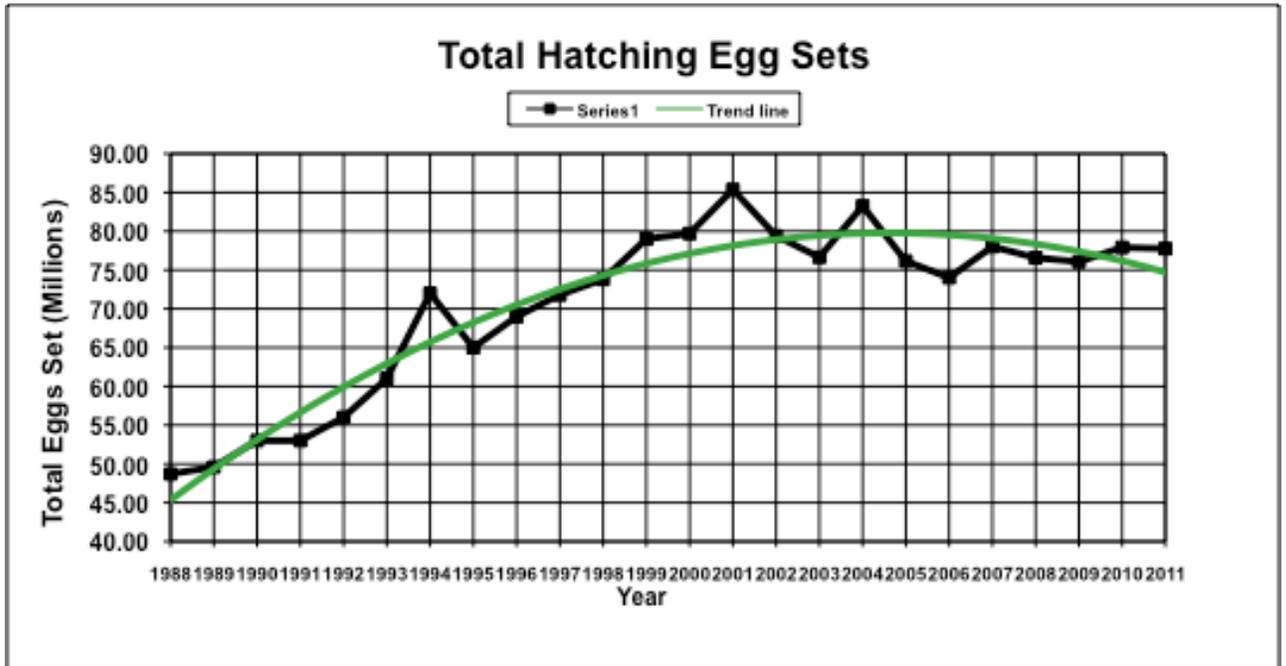
A handwritten signature in black ink, appearing to read 'Bob Smook'.

R.M Smook

**Alberta Broiler Hatching
Egg Stats - Nancy Robinson**







CHEP REPORT

Jack Greydanus, Chair

The Canadian Hatching Egg Producers (CHEP) celebrated their 25th Anniversary in 2011. CHEP represents 252 broiler hatching egg producers spanning from British Columbia to Quebec that produce more than 90% of Canadian hatching egg production. In 2011, almost 657 million broiler hatching eggs were produced in Canada - that's an increase of almost 72% from when CHEP was created 25 years ago! CHEP's mission is to continue to grow a profitable broiler hatching egg industry in Canada in order to ensure a strong, efficient and competitive industry and a dependable supply of quality broiler hatching eggs to the Canadian chicken industry.



In developing a new Federal Provincial Agreement (FPA), CHEP's top priority is for Alberta and Saskatchewan to join CHEP as signatory members. With this in mind, following the CHEP meeting in November 2011, CHEP worked with the Farm Products Council of Canada to develop an alternate approach to bring these two provinces into the FPA, in its current form, on an expedited basis. We hope to be in a position of having Saskatchewan and Alberta sign the FPA and formally announce their admission as full members of CHEP in 2012.

The World Trade Organization (WTO) entered the tenth year of Doha Round negotiations this year - 2011 was their "window of opportunity" to see if a deal could be reached before the inevitable halt in talks as a result of several national elections scheduled to take place throughout the world in the next few years. The goal was to have revised texts by Easter, finalized modalities by July, and completed texts by the end of the year. The talks collapsed before Easter and the goal to re-engage the talks was never achieved.

In 2011, Canadian and European Union officials continued their work to achieve a Comprehensive Economic and Trade Agreement (CETA). The Canadian government's support for supply management remains unequivocal; however, supply management has yet to be officially removed from the negotiating table.

On November 13th, during the Asia-Pacific Economic Cooperation (APEC) Leaders' Summit, Canadian Prime Minister Stephen Harper officially announced Canada's interest in joining the TPP negotiations. Mexico and Japan also stated their interest in participating. The Canadian government continues to maintain its "no increases in market access and no cuts to over-quota tariffs (or 0-0)" position on supply management and has reiterated that it would not enter into any bilateral or multilateral trade talks without full protection for Canada's supply managed industries.

There has been mounting public criticism against supply management in Canada. Much of this criticism stems from a common misperception that the Canadian government's refusal to negotiate any concessions from Canada's dairy, poultry and egg sectors has prevented it from advancing in its multilateral trade talks. Once again, the federal government has

continuously maintained its strong and unwavering support for supply management in Canada. We will continue to ensure that the benefits of supply management are understood by all.

CHEP continues its work with CFIA to develop a broiler breeder compensation model that would be best suited for the broiler hatching egg producers when a flock is ordered depopulated by CFIA under the *Health of Animals Act*. The government's suite of Business Risk Management (BRM) programs offers inadequate coverage for broiler hatching egg producers.

With regards to animal testing, broiler hatching egg producers' breeder flocks are tested just prior to the end of lay under the Canadian Notifiable Avian Influenza Surveillance System (CanNAISS). This on-going program tested approximately 145 broiler breeder farms during the year - all results were negative for NAI. CanNAISS is a joint government, industry, and Canadian poultry farmers initiative to prevent, detect and eliminate the presence of H5 and H7 subtypes of NAI in Canada's domestic poultry flocks.

CHEP actively participated with the chicken supply chain on initiatives related to antimicrobial use (AMU). This will continue to be a significant topic for our sector as there is growing interest in the origins and mechanisms of antimicrobial resistance (AMR), particularly as it relates to human health.

There were a host of additional ongoing and new activities in 2011 including CHEP's research funding, CHEQ™ (on-farm food safety program) and progress on the broiler breeder welfare program. This year, there was 100% implementation of CHEQ™ in member provinces. These issues along with several others are highlighted throughout the annual report.

Alberta Farm Animal Care

The AFAC vision is that livestock in Alberta are respected and well cared for.

Alberta Hatching Egg Producers and the Alberta Farm Animal Care (AFAC) Association are committed to promoting responsible animal care. The current Alberta Hatching Egg director on the AFAC board is Ashley Rietveld. The year 2011 was a busy one at AFAC during which the organization implemented renewed governance procedures to great success. Here are a few 2011 program highlights:

AFAC's mission is:

- To provide a coordinated approach for the livestock industry to work together to advance and promote responsible animal care
- AFAC will be a collective voice for livestock welfare in Alberta

Guiding Principles:

1. The welfare of the animals in our care is a moral, social, ethical responsibility.
2. Sound animal welfare practices and healthy animals contribute to improved production and industry sustainability.
3. Strong, cooperative partnerships with industry in extension, research, legislative developments and enforcement are essential.
4. As a diverse livestock industry organization, AFAC provides a collective voice and member groups are responsible to deliver industry specific programs on their own behalf.

Livestock transport:

AFAC's Certified Livestock Transport (CLT) training program for livestock haulers, shippers and receivers was launched in 2007. In 2011, AFAC received a grant for \$320,000 through the Canadian Agricultural Adaptation Program to expand this Alberta-based initiative into a truly national program - the Canadian Livestock Transport (CLT) certification program. To date, over 1750 drivers and handlers have participated in CLT courses. CLT is an excellent example of how the livestock and poultry industry is being proactive to ensure that livestock are handled and transported humanely.

Ensuring Responsible Animal Care:

The vast majority of livestock producers practice and promote responsible animal care. The AFAC ALERT Line (1-800-506-2273) is a 24-hour resource that is available to assist producers who are experiencing problems in caring for their animals, or for anyone who is concerned about the level of care livestock might be receiving.

Alberta Poultry Industry Emergency Management

The Alberta Poultry Industry Emergency Management Team (APIEMT), includes representatives from four poultry groups - Alberta Hatching Egg Producers, Alberta Chicken Producers, Alberta Egg Producers and Alberta Turkey Producers and allied industries and agencies including the feed industry, processors and hatcheries Canadian Food Inspection Agency and the Office of the Chief Provincial Veterinarian. The APIEMT Committee met twice this year to discuss and further refine and develop a tracking system for types of poultry flocks following the breeder flocks from point of origin, hatchery, retailer, breeder produce and finally slaughter plant.

This year the Team worked extensively on the APIEMT manual which included many updates to the plan and streamline the response process.

Alberta Chicken Producers Advisory

The Industry Advisory Committee meets twice per year to collectively report and discuss issues affecting the Alberta chicken industry. When Producer Representatives meet with their fellow producers, action items are brought to the Board's attention for discussion and follow up.

Committee members are: Animal Nutrition Association of Canada: Don Buhay; Alberta Poultry and Processors' Association: Eduard Fetting; Alberta Hatchery Association: Frank Maenhout; Government (Animal Industry Division): Dr. Iwona Paulina; Alberta Hatching Egg Producers: Tina Notenbomer / Bob Smook; ACP Producer Representatives: Ryan Isaac, Kelly Froese, Scott Van't Land, & Arian Spelt; ACP Directors / Executive Director: Scott Wiens, David Hyink, Martin Van Diemen, Erna Ference, Jacob Middelkamp, Ite Veurink, Karen Kirkwood.

Intensive Livestock Working Group

Land Use Planning

It is becoming apparent that the evolution of government policy on water, air and land issues will be delivered through the development and implementation of regional plans as directed by the Land Use Framework.

The ILWG has and will continue to put a major emphasis on influencing the development of regional plans that protect livestock/poultry producer interests. The South Saskatchewan Regional Plan will set the template by which many of the other regional plans will be developed over the next 3 to 5 years.

Water Policy

It is expected the Government will review the Water Act after the 2012 provincial election. The most critical issue for livestock producers is that the government's

water policy review may include consideration of new forms of water allocation. It is an ILWG priority that livestock/poultry producer's water rights are protected through the retention of the Government's "first-in-time, first-in-right" water allocation policy.

Phosphorous Strategy

The ILWG is making good progress in the development of a pilot project that will help guide nutrient management planning of the livestock/poultry industry, plus the development of government policy in addressing the impacts of phosphorus on water quality. The prime objective is to develop a 'tool' that helps CFO's identify risks and opportunities associated with their existing nutrient management system. The tool will also present mitigation options that can reduce "P" loss through runoff.

Managing Odor in Problem Areas

This project was part of an industry commitment to the Clean Air Strategic Alliance (CASA) to conduct a thorough analysis of NRCB's odor complaint data from the past 9 years to identify areas where odor from CFO's could be considered a significant problem. Significant contributions were made by ARD and the NRCB to complete the project.

The analysis identified "problem areas" are limited to a few operations receiving greater than 10 complaints (over the 9 year assessment period) and these operations are randomly spread throughout the province. Further analysis indicates significant improvements have been made by these operations over the past three years. It is concluded there are no "problem areas" and that odor may be a large problem for some people living near a relatively small number of operations. Odor does not seem to be a major industry issue affecting a large number of operations.

Odor Assessment Tool

This was another industry commitment made to the Clean Air Strategic Alliance (CASA) The ILWG and Alberta Agriculture (ARD) have jointly developed an odor management plan assessment tool with a format somewhat similar to that used by the Environment Farm Plan. The tool has been reviewed by a number of ILWG member organizations and in the field with producers (beef, dairy, pork, poultry). It is now in for final formatting and available to producers in 2012.

Board Initiatives

❖ **Chick 'N Chat Meetings**

Alberta Hatching Egg Producers hosted two sets of regional meetings in June and November. At the June meeting, AHEP updated producers on current marketing initiatives, ROP stats, research priorities and pricing.

The November meetings provided a forum for producer input as AHEP facilitated discussions on the foreign worker recruitment, balance of supply, and market analysis.

Proceedings of the meeting events and actions were provided to producers through the AHEP circulars sent throughout 2011.

❖ **Farm Employee Recruitment Project**

In recent years Alberta farms have become larger and the management of broiler breeder stock has become more challenging. As a result, several of our producers have found it challenging to recruit and retain suitable employees. Alberta hatching egg farms like farms in many other primary sectors are finding it more difficult to recruit skilled labour from within Canada. Non-skilled workers are sporadically available but highly dependent on the economic situation in other Alberta sectors, such as the oil industry. Local skilled workers continue to be difficult to find, attract and keep. Most unemployed people have little desire to work on local farming operations and working in a farm business has become a low-choice career path. Recruitment of temporary foreign workers is an option producers are exploring as a means of filling jobs on farms.

Alberta pork, dairy and cattle-feeder producers have made significant efforts over the past couple of years to alleviate farm labour shortages by developing and participating in industry-led recruitment drives. These projects bring pre-qualified candidates to their members for final selection. Several sources of foreign labour have been assessed but the Philippines continue to be a country of choice for many producers. Led by these successes, AHEP saw an opportunity to assess this process as a means of delivering a service to its producers and assisting them in addressing current labour shortages on farms.

A generous grant from Alberta Agriculture & Rural Development's Workforce Development Program enabled AHEP to secure the services of Marvin Salomons, Salomons Group Solutions to assist in developing the recruitment project. The producer experience of Vern Crawford of Three Hills in hiring workers from the Philippines made him an excellent choice in assisting with the interview process. A known and recommended recruitment agency in the Philippines was contracted to deliver the venue in early December 2011. The agency advertised the job position in the Philippines, pre-screened the candidates and arranged interview dates for potential candidates. Vern Crawford and Marvin Salomons interviewed 44 potential candidates. Twenty-five of the candidates were considered eligible for a position on an Alberta hatching egg farm. All met the qualifications for a skilled

livestock worker (NOC 8253). The pre-qualified resumes along with interview comments on each candidate were returned to the AHEP office. Producers interested in hiring a temporary foreign worker from this project are encouraged to contact the AHEP office for assistance.

❖ CHEP Summer Meeting



This year the AHEP hosted the Canadian Hatching Egg Producers summer meeting. The meetings provided a forum to which several committee reports were presented and reviewed.

Topics covered at the various meetings were production management, trade, Farm Products Marketing Council, national health and animal welfare, poultry industry council and national allocation.

In recognition of CHEP's 25th anniversary, a reception was held where all the former CBHEMA/CHEP Chairs were invited to join this occasion.

Thank you to CHEP and everyone who helped organize and participate in this event.



*Vern Crawford receives recognition
Former Chair of CHEP*

❖ Alberta Hatchery Association

Rick Weiss

The Alberta Hatchery Association is a non profit organization which represents the interests of all active hatchery operators in the Province of Alberta. The Association is an active member in the national body, “The Canadian Egg and Poultry Processors Council”. Through this umbrella group, CEPC, we work on AI protocols, salmonella reduction and control measures, and many other regulatory and supply concerns that affect poultry production and marketing of poultry in Canada.

Profitability and competitiveness for our shippers can be continuously improved through efficiency gains and we help support those production efficiencies to help keep fertile egg costs competitive with other provinces. In this way, Alberta can strive to become one of the most cost efficient provinces in Canada to produce hatching eggs.

The Alberta Hatchery Associations’ members contribute significantly to the success of the Alberta Poultry Industry. Our members attempt to work closely with hatching egg suppliers, chicken, egg and turkey producers of Alberta, toward balancing the supply and demand cycles in an effort to maximize the benefits to all concerns and produce top quality food products for the consumers of Alberta and other marketing areas.

We thank the Alberta Hatching Egg Producers for the opportunity to contribute to your annual report and wish the Board and producers well in your meetings today and throughout the year.



The Alberta Livestock and Meat Agency Ltd. (ALMA), a Government of Alberta agency, is an important component of the Alberta Livestock and Meat Strategy (ALMS). ALMA provides ideas, information and investment while delivering on the priorities of the ALMS: increasing market access, increasing demand, enhancing competitiveness and advancing information flow.

ALMA delivers three grant programs focused on research and development, industry and market development, and Growing Forward. Growing Forward is a federal-provincial-territorial initiative. In partnership with Growing Forward, ALMA administers the Agri-Business Automation and Lean Manufacturing, and Agri-Business and Product Development programs.

Since January 2009, ALMA has approved more than \$80 million for projects that enhance and support Alberta’s livestock industry, with a total projected value of \$313 million. ALMA grants help improve efficiencies; reduce operational costs; expand production; increase food safety; improve animal welfare; and increase value-added processing.

ALMA looks forward to future partnerships with Alberta’s hatching egg industry.

❖ Alberta Supply Management



Alberta supply management commodities continued to work with a government relations on the development and implementation of a cohesive SM5 strategy with

which to lobby government officials. Highlights of 2011 included: Premier Stelmach's Breakfast in Edmonton and Calgary, the Prime Minister Harper's Stampede BBQ, Calgary. All the events had SM signage and communicated with MLA's regarding the importance of supply management in Alberta. On May 27, 2011 Premier Ed Stelmach announced his resignation. The SM5 commodity groups met with candidates Doug Griffiths, Doug Horner, Gary Mar, Ted Norton, Rick Orman, and Allison Redford.

AHEP continues to be involved in events such as the Aggie Days and Calgary Stampede in Calgary and AMAZE-ING Agriculture in Edmonton.



Premier Stelmach with the Sponsors of the Premiers Breakfast

❖ Poultry Health Services

Dr. Tom Inglis



In review of the previous year there have been a number emerging health, welfare and regulatory issues as well as some ongoing challenges faced by the Alberta Hatching Egg industry. Through our support of the Alberta Hatching Egg Producers we have had the opportunity to work with individual growers as well as on Provincial and National initiatives with a focus on farm this year. At the farm level we have seen some changing patterns related to breeder health problems with the emergence of a new disease conditions and overall challenges in bird health and performance. The exact etiology of *Staphylococcus aureus* related problems has not been determined but we have made strides with several farms on gut health management. Dr. Jenny Fricke presented her field research and work with Alberta producers on the use of coccidiosis vaccines in broiler breeder flocks at the meeting of the American Association of Avian Pathologists this summer. This work has helped the vaccine suppliers and our producers understand how to better manage coccidiosis vaccination in our dry climate. Production is obviously influenced by health but the overall balance of health, genetics, nutrition and management is required to result in success. To contribute to supporting improved bird health, welfare and productivity we have joined forces with Val Carney and Nancy Robinson to support the Best Management Practices Study in the final phase. To that end and with the support of the project and the AHEP we have hired a new employee to focus on the hatching egg industry. We were pleased to introduce Nick Wolanski to our team at PHS in 2011 as Research and Field Services. Nick graduated from the U of A where he completed his Master of Science degree with Dr. Frank Robinson studying the causes of male mortality on AHEP farms. Nick has worked with two primary breeder companies and brings valuable experience as well as a great attitude, work ethic and dedication to our industry. Nick will be based out of Edmonton and help our company to support producers in the north as well as collaborating on research with the industry and the U of A.

At the National level I have had the opportunity to continue to work with and provide technical support for the industry on the topics of the use of antimicrobials, *Salmonella enteritidis* and ILT control. I was invited back to Ottawa by the Chicken Farmer's of Canada to contribute to the follow up discussions about Antimicrobial Resistance. The working group has initiated a number of surveys and continues to work on how best to preserve the effectiveness of antimicrobials for humans and birds. The interconnection between breeders and broilers dictates that we work on this topic together and the concept of judicious use of medications was the focus of our message. As a member of the veterinary community I have been contributing to working groups and the National and Provincial levels to advise on how best to use, control and monitor the use of antimicrobials. Regardless of the committee or organization, the message is consistently that we need to work together closely to preserve our access to medications and use them in a wise, responsible and well advised manner. To ensure that medications are being used at the right time in the right way it is important to consult with your veterinarian. From the farm level to Ottawa the team at PHS has been working hard to understand and address the needs of poultry producers in Alberta.

In 2011 our company has had the opportunity to work with the Alberta Hatching Egg Producers and the Canadian industry in a number of capacities and we are glad to have these opportunities to contribute the health and success of the industry.

We look forward to a productive, profitable and healthy year in 2011 for the industry, farms and producers while continuing to work with the AHEP. On behalf of our team I would like to thank you for your ongoing support.

❖ Alberta Poultry Research Update

Dr. Val Carney



With the support of AHEP and other industry members, the Poultry Research Centre continues to fulfill our joint vision of advancing the development of value-added poultry products and production practices. As the Poultry Research Centre's 25th year comes to a close, we would like to thank AHEP for its partnership over the years. In 2011, the PRC team headed many research projects which promise for the hatching egg industry, among them:

- 1) Adhesive production from wastes and by-products. A study done on spent laying hens, suggests the viability of using waste animal proteins in a way which reduces nutrient and biohazard emissions while yielding residual value to the industry. These new adhesives have great potential as they have demonstrated comparable or better performance relative to industrial adhesives.
- 2) Studying bone growth and development thorough the use of embryonic and post hatch bone staining. It was found that hen age plays a large role in the calcification of the long bones of her chicks, and that further; the bone thickness may be increased by the supplementation of more bioavailable minerals.
- 3) Ongoing research regarding the effects of feeding formulations with different ratios of protein and energy during the rearing and lay periods. The study is focused on the response in egg and chick quality resulting from feeding diets with varying amounts of these key nutrients.
- 4) The Precision Broiler Breeder Feeding System. Though the project is still in its infancy, the preliminary work is well underway. When finished the system is expected to greatly increase flock uniformity by feeding each bird as an individual, and increasing or decreasing feed according to body weight.
- 5) Working together with hatching egg producers and hatcheries to identify best management practices that support high rates of hatchability. Thank you very much to the 13 participating farms for your dedicated attention to recording your flock data. We are just about finished entering and analyzing this data and are looking forward to visiting with you regarding your farm. To achieve our objectives in working with the Alberta hatcheries we have partnered with Nick Wolanski of Poultry Health Services.

This is the final year of our project and we look forward to bringing you the results through individual visits, workshops and a manual.

❖ Precision Broiler Breeding System Project

With the support of the Alberta Hatching Egg Producers, we have to-date successfully secured 96.95% of the total \$844,642 cash budget for our Precision Broiler Breeder Feeding System (PBBFS) project. Partnering organizations include: Alberta Livestock and Meat Agency, Agriculture & Food Council, Danicso, Alberta Innovates - Bio Solutions, Poultry Industry Council, Alberta Hatching Egg Producers, Canadian Hatching Egg Producers, and Alberta Chicken Producers. The project team presently consists of 8 members, representing academia, engineering, and poultry production.



Irene Wenger, Martin Zuidhof, Airell DesLaurier

Development work has now begun! We made slow progress on the development of the prototype PBBFS in the first year due to delays in preparing a Collaborating Institutions Agreement with Xanantec Technologies Inc., the engineering firm that is working with us on the development of the PBBFS. This agreement was signed in November, 2011. Throughout the past year, we held six project team meetings to discuss various aspects of the project and to develop the Functional Design Specifications (FDS) for the PBBFS. FDS are a listing of the key features that the PBBFS needs to have. Our most recent meeting was held in December, 2011. We expect to finalize the FDS in February, 2012.

One MSc student worked on the project in the first year. Because of the delay in the development of the prototype, this graduate student moved onto another project. However, during his time on the project, he spent time developing a comprehensive component testing protocol and he conducted preliminary behavioural observations. During the summer, he also weighed pullets from two flocks on a weekly basis. Data were collected on individual body weights, average daily gain, and average daily feed intake. Feed allocation decisions were made on a weekly basis for each flock, and bird growth and efficiency were evaluated for different skip-a-day feeding regimens. Data on bird frame size (height, width, depth) were also collected weekly throughout the summer to support feeding station dimension decisions. In the fall of 2011, a new MSc student, Airell DesLauriers, joined the project. He is currently using the data collected over the summer of 2011 to estimate energy partitioning for growth and maintenance (metabolic rate), which will be a major focus for him with the data collected from the feeding system. Over the next year, he will be involved in a series of studies to test and finalize the prototype design (completed prototype is expected by July, 2012) and attempt to use the same feeding station to feed birds on multiple growth curves. Once the full number of PBBFS units are delivered (expected in January 2013), he will conduct a full 60-wk broiler breeder study to evaluate the efficiency and metabolic rate of broiler breeder hens and roosters fed from the PBBFS compared to conventional skip-a-day feeding regimens. Individual feed intake patterns will be related to individual efficiency and body conformation. He will evaluate flock uniformity and productivity in both systems.

AHEP PRIORITIES 2012

- **Productivity Improvements**
- **Health of Animals Act**
- **SM5**
- **National (FPA)**
- **Regulatory Update**

In Memoriam

Graham Miles Marriott, 1963 – 2011



The Board of Directors and Staff of the Alberta Hatching Egg Producers are deeply saddened by the December 18, 2011 passing of Graham Marriott. Graham's career in the hatching egg industry was marked particularly with his broad expertise in auditing. Graham began his work life by becoming a meat inspector. From this position he graduated to food safety becoming an auditor with international status. Graham worked all over the globe - from the Bering Sea to Vietnam. His incisive judgment, generous spirit and deep commitment to the poultry industry will be remembered by all who knew him.



ALBERTA HATCHING EGG PRODUCERS

Index to Financial Statements

Year Ended December 31, 2011

ALBERTA HATCHING EGG PRODUCERS

Statement of Financial Position

As at December 31, 2011

ON BEHALF OF THE BOARD



Director



Director

2011

2010

ALBERTA HATCHING EGG PRODUCERS

Statement of Operations

Year Ended December 31, 2011

ALBERTA HATCHING EGG PRODUCERS

Statement of Changes in Net Assets

Year Ended December 31, 2011

ALBERTA HATCHING EGG PRODUCERS

Statement of Cash Flows

Year Ended December 31, 2011

2011

2010

ALBERTA HATCHING EGG PRODUCERS

Notes to Financial Statements

Year Ended December 31, 2011

ALBERTA HATCHING EGG PRODUCERS

Notes to Financial Statements

Year Ended December 31, 2011

ALBERTA HATCHING EGG PRODUCERS

Notes to Financial Statements

Year Ended December 31, 2011

ALBERTA HATCHING EGG PRODUCERS

Notes to Financial Statements

Year Ended December 31, 2011

ALBERTA HATCHING EGG PRODUCERS

Notes to Financial Statements

Year Ended December 31, 2011



Alberta Hatching Egg Producers
#301, 8925 - 51 Ave. Edmonton, AB T6E 5J3
Tel: (780) 434 - 8414
Fax: (780) 434 - 9552
Email: ahemb@telusplanet.net
Website: www.albertahatchingeggs.ca