



TABLE OF CONTENTS

Mission and Vision	1
Board of Directors.....	2
Chair’s Report	3
Board Office and Support Staff.....	5
General Manager’s Report	6
2015 Production Data.....	8

Reports

Canadian Hatching Egg Producers (CHEP)	11
Alberta Hatchery Association	12
ALMA.....	13
Alberta Farm Animal Care	14
Intensive Livestock Working Group.....	15
Poultry Health Centre of Excellence.....	16
Poultry Research Centre.....	18

Board Highlights

Chick ’N Chat Meetings.....	20
Alberta SM-5 Update	21
Canadian Hatching Egg Quality (CHEQ)	21
Low Atmospheric Pressure Stunning (LAPS).....	22
Salmonella Monitoring Program	23
Egg Washing Study	23
Priorities 2016	24
Financial Statements.....	25

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.

BOARD OF DIRECTORS



Ashley Rietveld

Chair

Saleable Chick Price Working Group, Vaccination and Catching Committee, Poultry Research Centre, ACP Advisory Committee



Vern Crawford

Vice-Chair

Saleable Chick Price Working Group, Balance of Supply Committee, Vaccination and Catching Committee, ILWG Taxation



Dennis Wickersham

Director

CHEP Director, Balance of Supply Committee, Emergency Management



Cora Scheele

Director

Alberta Farm Animal Care, Intensive Livestock Working Group, Chick Quality Committee



Gary Van Klei

Director

CHEP Alternate, Balance of Supply Committee

CHAIR'S REPORT

It is my pleasure to provide our producers and our industry partners with a report on the progress and accomplishments we have been able to achieve over this past year.

The Alberta Hatching Egg Producers board and staff have worked diligently to address priorities that were set forth at the beginning of the year. Maintaining a clear focus on our industry's needs while remaining consistent with our end goals and mission, I feel we have had a very successful year.

Over the past 12 months we have had some great opportunities to work side by side with our industry stakeholders, in particular Alberta Chicken Producers and Alberta Hatchery Association. This collaborative process has created a strong relationship and foundation that will help us move forward to build a strong and sustainable industry. The Alberta Hatching Egg Producer board truly values the understanding and knowledge we have gained throughout this collaboration and look forward to continuing these relationships into the future.

In regards to specific activities this year, I am pleased to highlight a few of many accomplishments:

The establishment of a Pricing MOU was a goal that AHEP moved forward through consultation with the Alberta Hatchery Association (AHA), and Alberta Chicken Producers (ACP). This process was launched with a cooperative agreement to retain Serecon Consulting to complete the COP portion of the Pricing Mechanism. With the completion of the COP this year, the Hatching Egg Industry has worked towards solidifying a pricing process that will incorporate all the guiding principles agreed upon by the AHEP, AHA Working Group and the Leadership Group. We look forward to closing out this process with a sustainable long term pricing agreement.



The development of a Chick Quality Manual has been launched and completed by the Alberta Chicken Industry. In the development of this manual, stakeholders from the broiler hatching egg sector, hatcheries and chicken growers were involved. The study looked at four pillars of chick health which included physical, serological, microbiological and nutritional influence on chick quality and hence performance.

Meeting market demand is a primary responsibility of all supply managed organizations. In this regard, AHEP has worked closely with Alberta Chicken Producers to address allocation increases afforded to Alberta through deferential growth. This resulted in hatching egg allocation increases in 2015, from 91% to 100%. These changes in allocation, have prompted the AHEP to begin addressing, with producers, the issue of how to deal with growth beyond 100%. Your board has reviewed producers' comments and are working towards launching a growth plan into 2016.



Animal Welfare is an important component in our management of the poultry sector. In 2015, the development of the National Animal Care Program neared completion. The program is expected to be approved during the 2016 CHEP summer meetings in Winnipeg, with training audits to begin on CHEP director's farms in September of 2016. It is anticipated that producers will have the opportunity to begin their farm program in September 2017.

Development of a Government and Industry Relations Strategy is a process the SM5 organizations have worked on over the past year, in order to communicate with our elected MLAs and MPs on matters affecting supply management. In 2015 the Strategy focused on establishing new relationships with both the newly elected Provincial New Democrats and Federal Liberals. This shift in political representation is necessitating new approaches to events and venues.

In closing, I would like to thank all of our producers for their continued support and encouragement over this past year. The cooperation we have had regarding the SE program and the success on every farm in Alberta has been

tremendous. With a change in broiler breeder bird strain effecting almost all producers, I am confident that we will be able to successfully overcome this challenge and move forward with great flock success.

I am very encouraged by the ability that producers continue to demonstrate in adapting to change through progressive on-farm innovation and being proactive agri-entrepreneurs. I believe this is why we have been able to maintain and will continue to have a healthy and sustainable broiler breeder industry.

I look forward to the upcoming year.

Best Regards,



Ashley Rietveld
Chair



BOARD OFFICE STAFF



Bob Smook
General Manager



Nancy Robinson
Assistant Manager



Chelsea Kamprath
Office Coordinator

SUPPORT STAFF



Wendy Telcs
Accountant



Lorrie Kadylo
OFFSAP Delivery Agent



Boyd Bresnahan
OFFSAP Auditor



Josh Perryman
Technician

GENERAL MANAGERS REPORT

Agriculture.

Everyone today has something to say about it, be it the consumer, food service industry, retailer, wholesaler, processor. These very sectors utilize and consume production generated by this great culture and in turn seek attributes and characteristics that make their influences unique.

So what does this influence mean to the producer; the person at the start of the value chain process? In earlier times it meant that a producer had to be productive and create food consumables for the Canadian consumer to be sustainable. The consumer would readily accept this product, as the availability and abundance of choices were limited, at a time when the urban population was represented by 75% (1970).

With globalization, modernization, transportation, social media, things have changed dramatically. Today, the producer is invited to demonstrate their Social Licence in terms of productivity, competitiveness, accountability, sustainability, transparency with respect to their production and financial practices. These prerequisites to farming are today's reality for the livestock and crops sectors.



Our broiler breeder industry can attest to these changes in production practices with the development of On Farm Food Safety Programs (OFFSAP), Biosecurity Programs, Disease Mitigation Programs (SE, AMU, and AMR), and Animal Care Programs. This all takes resources in the sense of increasing human capital. Hopefully these consumer demands result in the Canadian consumers' confidence and loyalty to our Canadian food system.

In terms of growth Statistics Canada estimate that livestock revenue in 2015 has remained relatively unchanged over 2014, which totalled \$25.70 billion in cash receipts. The supply managed sector, experienced a slight increase over 2014, as a result of increased allocations, accounting for \$11.57 billion of Canadian livestock receipts. The year 2014 (25.96 billion) over 2013 (21.89 billion) had set the bar higher for livestock receipts as a result of a rebound in cattle prices. Comparably, the crops sector reported no significant increase in gross receipts as a result of building stocks of corn and cereals worldwide. Western Canada's drought, is reported to have had little to no impact on grain stock reduction. The only bright spot in the Canadian grain industry is the low Canadian dollar and lowered shipping rates which support Canadian competitiveness in an export grain market. Prospects for 2016 look to the building of greater burdening stocks of wheat and feed grains; therefore prompting the shift toward more pulses and oilseeds.

On the trade front, outgoing Prime Minister Stephen Harper committed Canada to becoming a TPP member, in late 2015. The deal was touted to give member countries access to a world population market of 600 million enabling greater trade opportunities. For the broiler breeder supply management sector the proposed deal translates to allowing an additional 13 million broiler hatching eggs into Canada. The access is proposed to begin on January 1, 2017 and provide 20% (2.4 million broiler hatching eggs) access in year one and will increase by 20% each year over five years. This volume represents an increase of approximately 1.9% in access based on 2016 projections. Following the five years, an additional 1% per year will be granted on the 13 million broiler hatching eggs for 13 years.

Today we have a New Federal Liberal Government and new Trade Minister (Chrystia Freeland) who have agreed to sign the TPP agreement contingent upon Canadian Parliamentary Support. Again no clear commitment, as the TPP is contingent upon the US signing the deal. The US represents 67% of the GDP factor withing the TPP deal.

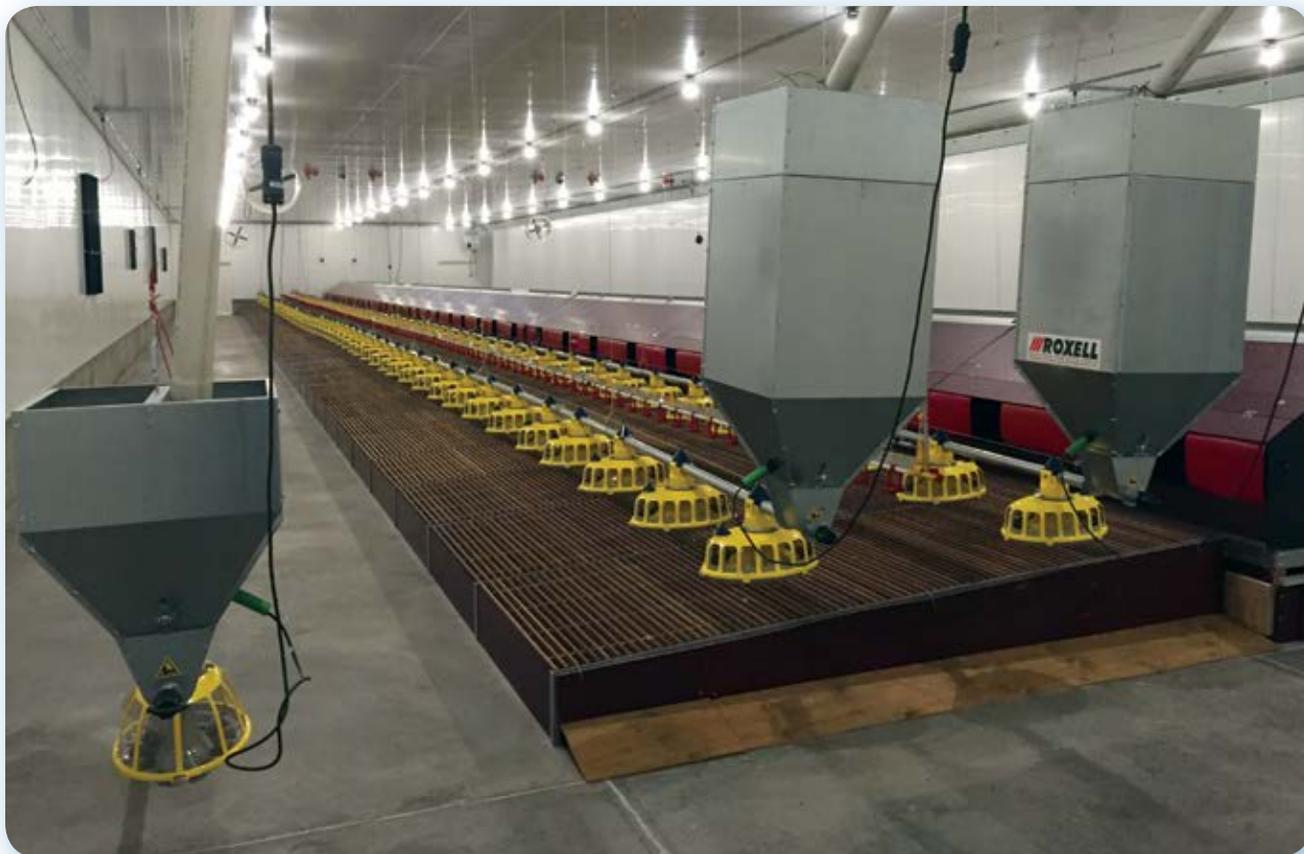
The goals for 2016 focus toward four key factors, addressing matters at the producer farm level, industry growth and development level, legislative level, impacting labour practices and the social licence level. Your directors, staff & industry affiliates are committed to achieve these goals which will further our broiler breeder industry.

Thank you to our producers, the AHEP directors, our industry partners and staff for their commitment to this industry.

Sincerely,

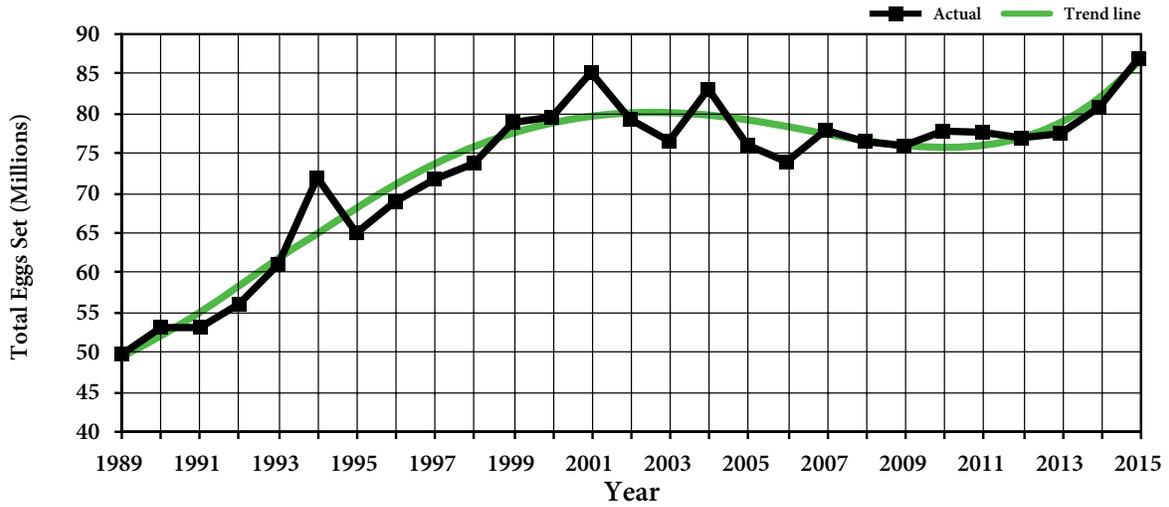


Bob Smook
General Manager

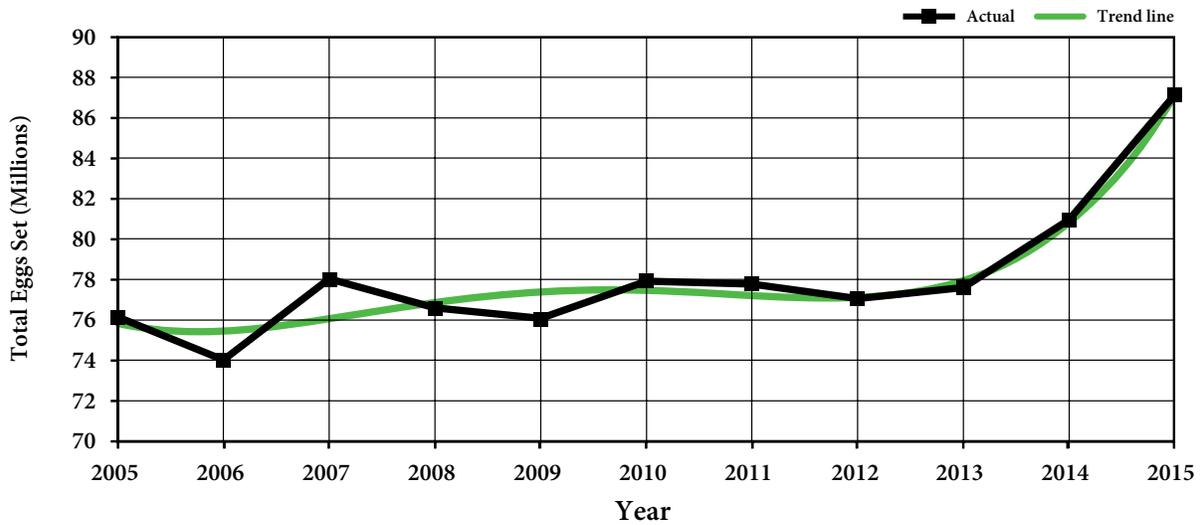


2015 PRODUCTION DATA

Total Sets (Egg & Chick Equivalent)

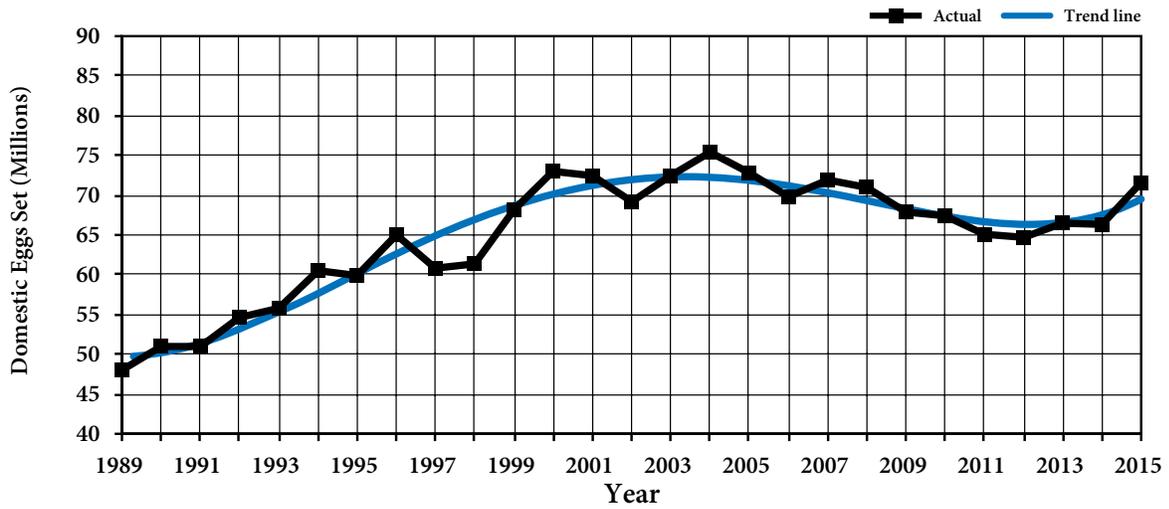


Total Sets (Egg & Chick Equivalent) 2005 - 2015

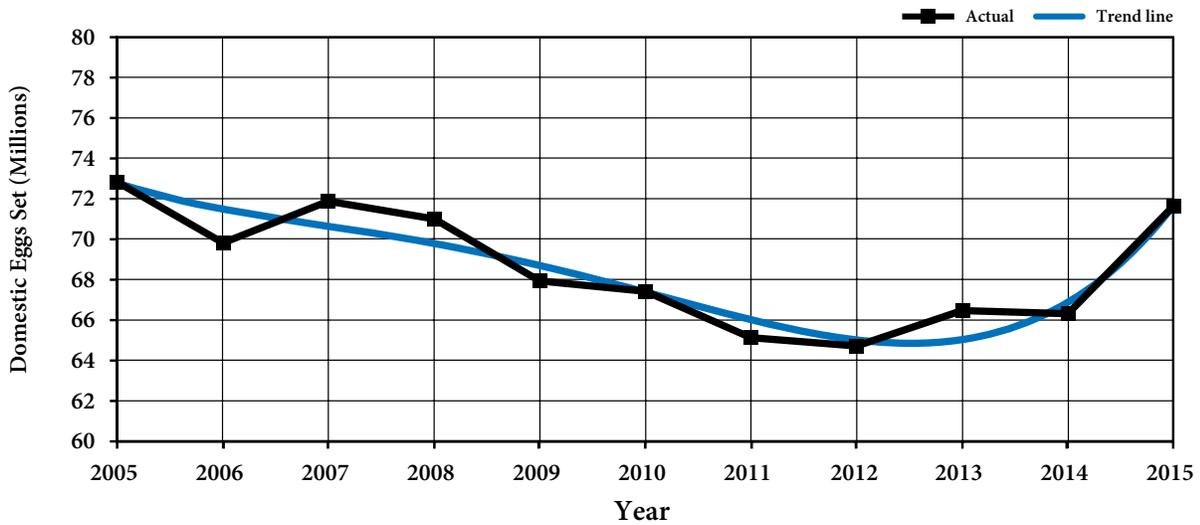


2015 PRODUCTION DATA

Alberta Domestic Hatching Egg Sets

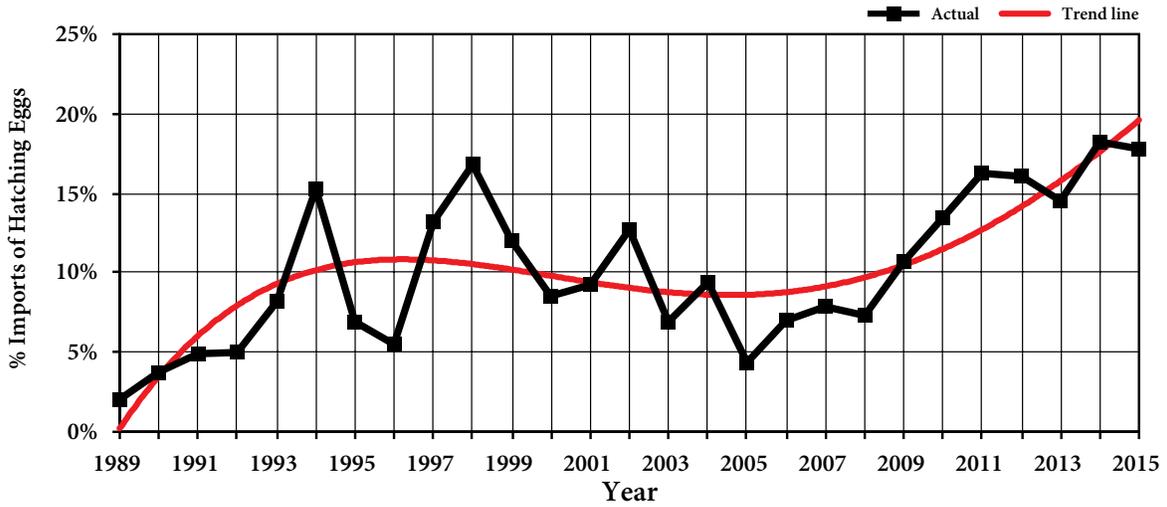


Alberta Domestic Hatching Egg Sets 2005 - 2015

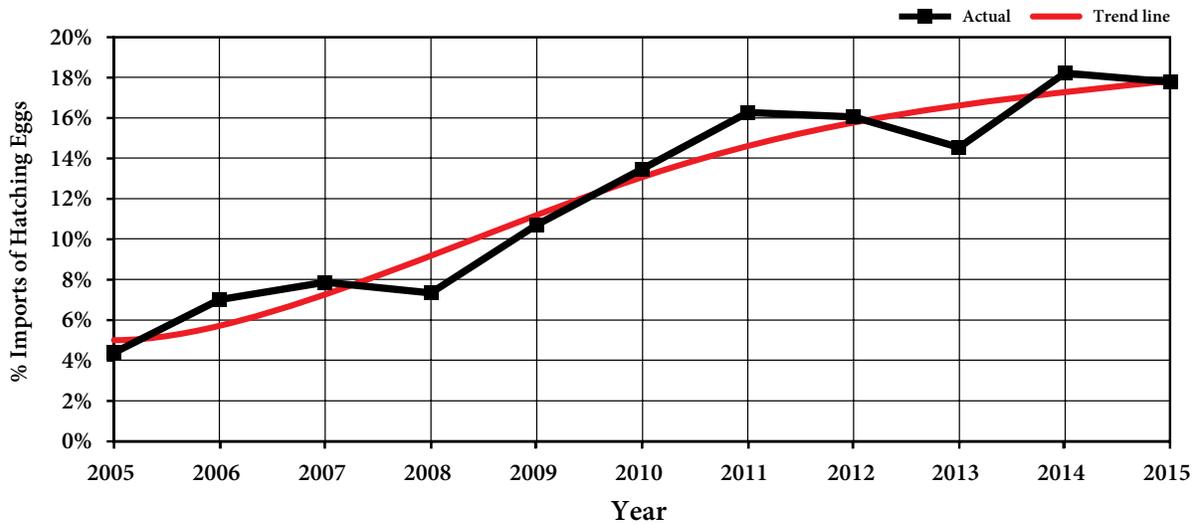


2015 PRODUCTION DATA

Imports as a % of Total Sets (Egg & Chick Equivalent)



Imports as a % of Total Sets 2005 - 2015 (Egg & Chick Equivalent)



REPORTS

Canadian Hatching Egg Producers (CHEP)

The Canadian Hatching Egg Producers Board of Directors confronted issues in 2015 that will shape the broiler hatching egg industry in Canada for years to come.

After many years of meetings, discussions, analyses, proposals and reviews of the broiler hatching egg allocation system - including interprovincial movement, the Quota Lease Pool policy and the Liquidated Damages Agreement - without an agreed upon resolution, both the Ontario Broiler Hatching Egg & Chick Commission (in July) and the Syndicat des producteurs d'œufs d'incubation du Québec (in September) submitted complaints to the Farm Product Council of Canada (FPCC). Accepting that a solution must be settled among the CHEP members, producers and hatcheries from Ontario and Quebec, along with the CHEP Board of Directors met in October where an agreement in principle was agreed to among all parties.

The Alberta Hatching Egg Producers indicated that they require more broiler hatching eggs than what they are allocated in order to meet the additional chicken

production in their province caused by the differential growth agreement in the chicken sector (Ontario will also be impacted).

The twelve member countries of the Trans-Pacific Partnership (TPP) announced that a final agreement was reached in Atlanta on October 5, 2015. The TPP is the largest multilateral trade agreement in history, spanning a zone that counts more than half a billion people and an economy worth more than \$10 trillion. As part of the agreement, Canada will provide additional market access for 13.6 million broiler hatching egg equivalents per year after the 19-year period the deal is implemented, representing a 1.87% share of the current domestic market. Further impacts will result when accounting for the additional access granted to the domestic chicken market.

At the time of the agreement, the previous Conservative government announced a compensation package to help offset some of the negative impacts to supply managed



sectors caused by the additional market access. Canada's newly elected majority Liberal government is conducting a review and consultations prior to deciding on its support for both the TPP agreement and the compensation proposal.

The poultry industry in Canada continued its goal of eliminating the preventive use of Category I antibiotics on the farm and in the hatchery for commercial meat birds (chickens and turkeys), layers and breeders. Effective May 15, 2015, all parent breeder chicks and poults were also included as part of this initiative. Antibiotic use continues to be a priority topic in Canada and abroad, both in agriculture as well as in human medicine.

Throughout the year, the National Farm Animal Care Council proceeded with a review of the Code of Practice for the Care and Handling of Hatching Eggs, Breeders, Chickens, and Turkeys and completed a public comment period on the draft Code before the end of the year. The final Code is expected to be published in the spring of 2016. CHEP continued to work towards the goal of developing an Animal Care Program based on the final codes.

CHEP successfully completed the requirements related to the technical review Part 2 of the Canadian Food Inspection Agency Food Safety Recognition Program in July 2015. Changes to the CHEQ™ program were also reviewed and approved, and will be included in audits starting January 1, 2016.

The highly-pathogenic avian influenza (HPAI) H5N2 virus in British Columbia in December 2014 caused an approximate 10% reduction in the number of broiler hatching egg flocks in that province. In April, Ontario was also impacted by the H5N2 avian influenza virus which impacted one broiler breeder operation, along with two turkey operations. As of October 8, 2015, Canada is considered HPAI-free as per OIE guidelines. The key message to producers is to remain vigilant with on-farm biosecurity practices.

CHEP continues its interaction with producers in both Nova Scotia and New Brunswick with the goal of achieving a unified broiler hatching egg industry across Canada in the future.

Jack Greydanus
Chair
Canadian Hatching Egg Producers

Alberta Hatchery Association

The Alberta Hatchery Association is a non for 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, CPEPC, we work on AI protocols, salmonella reduction and control measures, and many other regulatory and supply concerns that affect poultry production and the marketing of poultry in Canada.

Profitability and competitiveness for our shippers can be continuously improved through efficiency gains and we help to 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 effective 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; the AGM and throughout the year.

Rick Weiss
Chair
Alberta Hatchery Association

ALMA

Alberta Livestock
and Meat Agency Ltd.

The Alberta Livestock and Meat Agency Ltd. (ALMA), a Government of Alberta agency, is nearing the end of its fourth year of operation as a catalyst in the Alberta livestock and meat industry.

Our meat and livestock industry is very dynamic, often unpredictable and always exciting. We've seen many industry changes over the last four years – both positive and negative – but one thing remains constant: the passion and commitment demonstrated throughout the value change towards building a stronger, more competitive and profitable Alberta meat and livestock industry. ALMA is proud to partner with industry offering ideas, information and investment while delivering on the priorities of the Alberta Livestock and Meat Strategy: increasing market

access, enhancing industry engagement, increasing demand for Alberta/Canada livestock and meat products, and enhancing competitiveness and profitability.

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 \$121 million for projects that enhance and support Alberta's livestock industry, with a total projected value of \$434 million. ALMA grants help improve efficiencies; reduce operational costs; expand production; increase food safety; improve animal welfare; and increase value-added processing.



AFAC

ALBERTA FARM ANIMAL CARE

It has been another busy year at Alberta Farm Animal Care! Here are some of the key activities we've been working on to serve the Alberta livestock and poultry industry in 2015:

- We have really focused on increasing and strengthening our communication efforts – to our members, producers, and consumers alike. We continue to work at maintaining social license by telling the good story of animal agriculture through video, infographics, and other media.
- The 2015 Livestock Care Conference was our greatest success to date with over 200 attendees! It was a great day filled with learning and networking opportunities. We hope that you will join us for the 2016 conference in March.
- It is a priority for us to engage with students and youth across the province. We are pleased to report that we were able to reach all post-secondary schools with an agricultural program as well as several 4-H clubs/ events and Ag Societies across Alberta. We take these opportunities to speak proactively on general animal care and welfare on behalf of the industry.
- Throughout 2015 we were able to facilitate and coordinate a variety of workshops and training opportunities including: low-stress cattle handling, cattle body condition scoring, Technical Large Animal Emergency Rescue workshops, Speakers Bureau producer ambassador training, and a crisis communications forum.
- We continue to support the industry with resources that help producers to discover and implement best practices on farm. Some of these resources include: Humane Handling Guidelines, our short audio NewsLine series, and “Considering the Code” factsheets that break down the national Codes of Practice into practical bite-sized pieces. We also continue to maintain our ALERT Line “producers helping producers” call line as well as the Emergency Livestock Handling Equipment Trailer program.



- Over the past year AFAC has explored and now started the transition to a new, more inclusive governance structure. This new structure will include an Advisory Council as well as a smaller Board. The Council is open to all members, including producers, commodity organizations, and industry associations and will provide a forum to learn about and discuss industry issues (i.e. handling, euthanasia, transportation, biosecurity).

Farmers, commodity organizations, agribusinesses, and other members of the agri-food value chain invest in AFAC each year. They do so because they believe in a community-based approach to building public trust in farming and continuous improvement in farm animal care. Working together, we can demonstrate strength in numbers and it's through the dedication and commitment of our members that we can accomplish our goal of advancing responsible, humane animal care.

For more information on these and other initiatives at AFAC, please visit www.afac.ab.ca.

Angela Greter
Executive Director
Alberta Farm Animal Care
www.afac.ab.ca

Intensive Livestock Working Group Activity Report

Farm Safety

Agriculture's general exemption from both employment (minimum wage – hours of work – stat holidays – paid vacation – overtime – young workers) and labour standards will expire the spring 2016. Industry is currently working with government to develop “special provisions” for agriculture.

Agriculture's exemption from the OH&SA was removed January 1, 2016 and replaced with a temporary exemption from general technical rules until January 1, 2017. That gives industry six to eight months to collaborate with the government to develop technical rules specific to agriculture. Starting January 1, 2016 OH&S inspectors can go onto agricultural operations to investigate fatalities and serious incidents and impose orders where appropriate.

Phosphorus Pilot Project

This project is a long-term, research initiative between Agriculture & Forestry, the ILWG and co-founded by ALMA to develop and test an approach to mitigate phosphorus (P) loss from agricultural watersheds in Alberta.

The primary objective is the development of the risk assessment tool to assess a livestock operation's land base and management activities, identify high risk areas/practices and then recommend BMPs to improve environmental sustainability. The tool is in the demonstration stage has been upgraded from a paper version to an electronic version.

Bow River Phosphorus Management Plan

The goal of this initiative is to identify strategies and actions to improve water quality by reducing phosphorus loading into the Bow River.

The livestock/poultry industry has been assigned the task of identifying areas contributing the most runoff and phosphorus associated with manure production, and then implementing BMPs to mitigate those risks.

Assessment and Taxation of Farm Land and Farm Buildings

The review process of the Municipal Government Act (MGA), which involved 15 months of intensive policy discussions with municipal government and industry associations has now been concluded by the GOA. Through the MGA review process, there was consensus that:

- the assessment of farm land will continue to be assessed at its agricultural use value through regulated rates and processes; however, the regulated rates will be modernized,
- farm buildings, including those used as intensive operations, will remain exempt from assessment in rural areas with CFOs being assessed using agricultural land regulated rates on the operations foot-print.

Biodiversity Management Frameworks

Biodiversity management frameworks will included in the development of each of the seven regional plans in Alberta. The process identifies key indicators of biodiversity specific to each region, then sets triggers to identify negative trends and facilitates development of management actions, if required.

Climate Change

Initial documentation coming from government on their new climate change policy does not contain any direct references to agriculture, or any specific recommendations related to agriculture. However, there will be significant impacts, many of those shared by all industrial sectors related to what are predicted to be dramatic increased costs that will result from the province transitioning from coal fired generation to green sources of energy. The recommended increases to the carbon tax could make the current offset market much more attractive which could to the advantage of agriculture.

Agricultural Operation Practice Act (AOPA)

AOPA which regulates confined feeding operations is currently under review by the government with the process to determine whether current regulations require updating.

Poultry Health Centre of Excellence

2015 Diagnostic Update for the Alberta Hatching Egg Producers

In 2015, we saw variable production and health in breeders along with resolving and new diseases, as well as the implementation of a major change in antimicrobial use at the national level for all hatching egg and chicken producers.

Significant new and ongoing challenges for the industry and veterinary team at the Poultry Health Centre of Excellence (PHCE) for 2015 included: Staph. Pneumonia and REO virus infections (associated with leg problems secondary Staph. Arthritis cases). This last year also saw the implementation of the Salmonella insurance program and preparations for the upcoming voluntary industry-wide banning of Category 1 antimicrobial for preventative treatment (Excenel and Baytril). Salmonella infections and several more cases of White Chick Syndrome (Chicken Astrovirus) were also identified. It is important to start this update with a recognition of the collaborative and cooperative nature of the work at the PHCE as the product of four feather boards and industry working closely with Alberta Agriculture and Forestry. The PHCE is a unique model of collaboration across private, public and

shareholder groups which, at times, can be difficult to balance but also produces unique efficiencies and effectiveness. In times of a reportable disease outbreak and in the face of new and emerging challenges, this model of collaboration across private and public sectors as well as across human and animal health is essential to success and is in no doubt a model to be supported.



In 2015, we continued our efforts to build the team of the Institute for Applied Poultry Technologies, which is a not-for-profit incubator organization, funded by Western Economic Diversification Canada and The Alberta Livestock Meat Agency. The mandate of the IAPT is to advance bird health and welfare through the creation and application of new technology. This type of collaborative work is important to manage collective investment and challenges at the intersections of public good and private sector companies serving the industry. One example of this work being done at the IAPT is the successful completion of a joint project with Alberta Hatching Egg Producers and Egg Farmers of Alberta to test a new technology, Low Atmospheric Stunning, in routine and emergency barn depopulation. The IAPT will also work to create and register new vaccines and health management products

as preventative health management tools and alternatives to antibiotics.

As with any organization, funding and facilities don't matter without excellent people to move the projects forward and we are happy to announce that Dr. Noel Ritson Bennet has stepped in as General Manager for the IAPT as Nick Allan has moved out to B.C. to pursue opportunities in the human medical field. Drs. Xinming Song and Victor Palomino have joined the IAPT to round out our expertise on bacterial and viral testing and vaccine development.

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 Hatching Egg 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. REO virus infections in Broiler Breeders were presenting as late production lameness and culling. We could only isolate Staph. Aureus bacteria from affected birds but there was evidence of REO virus damage in some tendons and very high blood titres for REO virus. The strains of REO virus isolated from affected broiler flock clinical cases continue to be a variant strain like NC 171, which are less than 50% similar to the strains available in commercial vaccines. Programs implemented to include the strains identified in autogenous vaccines along with natural immunity likely explain some of the improvements. Challenges with Staph. arthritis and Staph. pneumonia continue to show up sporadically and in some cases result in significant losses. Early, accurate detection and treatment programs are important. We would like to understand what is changing in the birds or the bacteria to result in such significant disease challenges but can't emphasize enough how important it is to preserve the use of Penicillin as a treatment drug and also the importance of switching to amoxicillin when resistance is identified. Please work closely with your veterinarians to ensure that Staph. infections don't get ahead of you.

The CFC-led voluntary ban on the preventative use of Class 1 Antimicrobials (Baytril and Excenel) at the hatchery level has resulted in approximate doubling of first week mortality in many systems which has put close attention on hatching egg quality. With availability being affected by AI outbreaks in the US, quality of local supply has been critical and seemingly higher quality. One discussion that came to light in the implementation of the voluntary withdrawal of the preventative use of Class 1 antimicrobials in chicken was that at the time of depopulation breeders become heavy fowl and essentially a chicken product. 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. We have been working on comprehensive reporting of antimicrobial use and resistance patterns to help understand any interactions and to outline potential interventions. At the national level consultations and discussions are continuing to set a course of future strategies and programs for managing antimicrobial resistance seen in pathogens of importance to bird health and human health. Regardless



of the strategies implemented we can expect more careful control of and reduced access to certain types of antimicrobial treatments, particularly the preventative use of antimicrobials. 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.

At the end of 2014, we saw the first documented cases of White Chick Syndrome in Alberta, which is a prevalent but poorly understood syndrome affecting hatchability and chick quality. The chicken Astrovirus associated with this syndrome has been isolated and is being typed in coordination with the diagnostic group in Guelph and a research group in Ireland. In 2015 we have seen another outbreak of an Astrovirus-related drop of egg production in broiler breeders and consequently poor hatchability and high broiler chick mortality. The virus isolated is similar to the strain seen in outbreaks documented in Ontario.

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 Hatching Egg Producers and the Canadian Hatching Egg 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.

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

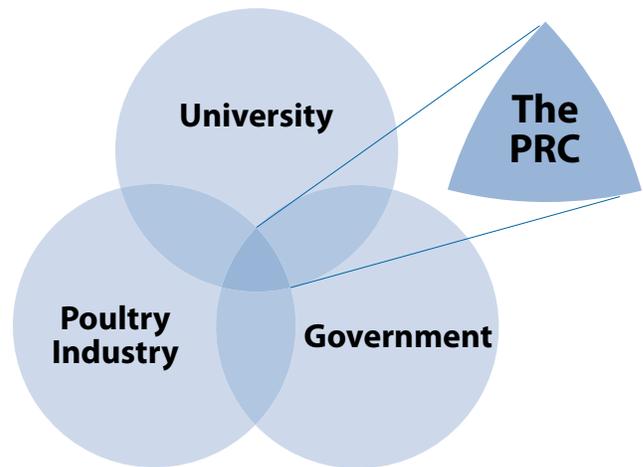
The Poultry Research Centre

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 Hatching Egg Producers (AHEP) is an important partner in this mission.



Strategic Planning

The year 2015 was a transitional year for the PRC. 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 AHEP for your time and commitment to making this a success.



Training Highly Qualified Personnel

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. This year the PRC was home for over 40 graduate students and 20 technicians, post docs, research associates and visiting scholars.



Research Program at Glance

Eduardo Beltranena	Research Scientist, AF	Monogastric feeds
Clover Bench	Assistant Professor, UA	Behaviour & welfare
Mirko Betti	Associate Professor, UA	Biochemistry of muscle foods
Valerie Carney	Research & Extension Specialist, AF	Applied poultry research
Ellen Goddard	Professor, UA	Agricultural marketing & business
Douglas Korver	Professor, UA	Poultry nutrition
Lynn McMullen	Professor (10%), UA	Food microbiology
Aman Ullah	Assistant Professor, UA	Poultry byproducts
Wendy Wismer	Associate Professor (10%), UA	Sensory & consumer science
Jianping Wu	Associate Professor, UA	High value egg utilization
Martin Zuidhof	Associate Professor, UA	Precision feeding & management
Tom Inglis	Veterinarian, PHS	Health & management

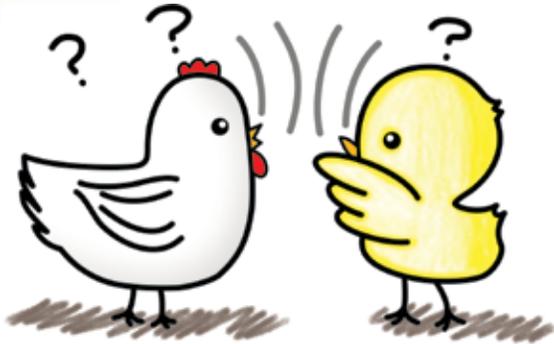
*AF: Alberta Agriculture and Forestry; PHS: Poultry Health Services; UA: University of Alberta

Awards and Notable Achievements

- Four PRC professors (Drs. Bench, McMullen, Robinson, and Zuidhof) were honoured with the faculty of ALES Teaching Wall of Fame recognition.
- Dr. Zuidhof received two international teaching awards from NACTA (North American Colleges and Teachers of Agriculture).
- PRC Graduate Students won 18 awards for excellence in research and teaching. Award winners included Nandika Bandara, Abiodun Bello, Teryn Gilmet, Jesse Hunter, Chamila Nimalaratne, Koonpohl Pongmanee, and Felipe Silva.
- Giles Hinse was recognized for 25 years of excellent service as an animal technician at the PRC.
- Nigel Davidson retired from a career of extraordinary service as an animal technician at the PRC. His big shoes will be filled by Rachele Davidson (no relation!).

2015 BOARD HIGHLIGHTS

Chick 'N Chat Meetings



Chick 'N Chat meetings began in 2008 as a replacement to traditional Regional Meetings. This meetings style was initiated to provide an opportunity for the AHEP board of directors to get together with producers in a less formal setting. The goal of the meetings is to provide an over view of current activities that the board is engaged in. Discussion and conversation is encouraged so that producers can provide their input and ideas to the board on current initiatives that affect their industry. These

casual meetings also offer an opportunity for producers to visit and share current successes and challenges faced on their farms.

In 2015, Chick 'N Chat Meetings were held in both Edmonton and Strathmore in spring and fall. Topics discussed included the SE Insurance Program, trade updates, farm safety, production and allocation updates, political landscape updates, the new Flock Care Program, CHEP, and pricing updates.

There was great attendance at the meetings with a high percentage of producers participating in all of the meetings.

Producer feedback regarding Chick 'N Chat meetings has been very positive and this format will likely continue into the future. All producers are encouraged to attend and have their voice heard.



Alberta SM-5 Update

Alberta SM-5 is comprised of Alberta's supply managed commodities including: dairy, table egg, hatching egg, turkey and chicken producers. As a collective, our industries are known as SM-5. SM-5 works together on joint initiatives to ensure that our industries as a collective are consulted and asked to provide input into any decisions or discussions occurring that could potentially impact supply management. By working together, we are better able to leverage resources to advocate on behalf of the supply management system.

2015 presented a changing political landscape for the SM-5 group. The change in the provincial and federal governing parties altered the Government Relations strategy for 2015; and the SM-5 is encouraged by the developing positive relationships with the Alberta NDP and look forward to working with the federal Liberal Party.

Throughout 2015 Alberta SM-5 achieved the following activities:

- Retained the services of a Government Relations expert
- Identified a Government Relations strategy for 2015

- Revised a Government Relations strategy for 2015
- Developed a SM-5 newsletter for MLAs and MPs.
- Provided sponsorship for the Calgary and Edmonton's Premier's Breakfast (providing eggs, sausages, and milk products for the event)
- Meetings with the Minister of Agriculture, Honourable Oneil Carlier
- Attended political events including:
 - Meeting with the Official Opposition, the Wildrose Party, to present information on SM-5 and discuss current relevant topics
 - Prime Ministers BBQ
 - Premier's dinners (Edmonton and Calgary)
 - SM-5 Farm Tour

On Monday November 23, 2015 the SM-5 group hosted 11 MLAs and staff on an early morning farm tour. The tour was held at Morinville Colony where the MLAs visited the dairy and broiler facilities. The MLAs had many questions and learned a lot about agriculture and supply management. The producers at Morinville Colony were tremendous hosts and the tour was deemed a great success.

Canadian Hatching Egg Quality (CHEQ)



We are very pleased to report that all producers are certified under the CHEQ™ program. Just a reminder that audits occur annually and a full audit is required every five years. Partial audits or record reviews occur in the subsequent years. It is up to the auditor whether the audit is a

partial “on farm” audit; or if records can be sent in for a records review. The auditor bases his decision on the corrective actions that were incurred the previous year.

*Lorrie Kadylo
Poultry Health Services
Airdrie, Alberta*



Low Atmospheric Pressure Stunning (LAPS)

The Low Atmospheric Pressure Stunning (LAPS) chamber has now been in Alberta for over a year. In 2015, the chamber was tested at several table egg farms and twice at a broiler breeder farm. The unit was utilized to remove approximately 1500 breeder hens at the end of their production cycle, in June 2015. Those present, including the farm owner/operator, determined the system worked efficiently and humanely. The second evaluation, in November 2015, presented a few challenges at start up due to fairly cold temperatures. The committee was pleased to have experienced these difficulties in a test situation and have discussed several modifications with Techno Catch that will ensure the system is operational in all weather conditions. This second test required the humane euthanasia of a flock of 5000 birds. The farm owner was satisfied that the LAPS system did not add additional time to flock ship out. The modules of drawers loaded smoothly

and the birds appeared comfortable. Following euthanasia, the modules were automatically emptied into a dumpster and removed by a nearby rendering company.

The Egg Farmers of Alberta are interested in pursuing the steps necessary to enable the use of LAPS for regular flock depopulations in their industry. The AHEP will participate in this development and will continue to consider LAPS as an option for humane euthanasia when producers encounter a challenge in removing end of lay flocks.

A huge thank you is extended to both participating hatching egg farms for welcoming the opportunity to evaluate the LAPS system at their farms.



Salmonella Monitoring Program

In 2014, AHEP reported their decision to mandate that all hatching egg producers in Alberta qualify as members of the Poultry Insurance Exchange (PIE). PIE, as a producer co-operative, insures producers against financial loss should the presence of *Salmonella Enteritidis* or *Typhimurium* be traced back to their farm as the point of origin. All registered producers have complied with the requirements to become members and now must ensure they maintain their eligibility. This involves the testing of day old breeder chicks upon arrival on farm, environmental testing in the pullet barn as well testing throughout the lay period via hatchery sample submissions.

Throughout 2015, there were 85 day-old breeder flock chick placements and 80 flocks were scheduled for 16 week environmental testing. One chick pad submission tested positive for SE in 2015, however no SE was recovered from any further environment samples and all samples during the lay period have been negative as well. All tests of 16-weeks environment samples tested negative for SE! Barns sampled included both pullets and males, if housed separately.

During the lay period, hatcheries submit fluff samples on a regular basis to monitor the salmonella status of flocks throughout production. If an SE positive result is received, a barn environmental test is conducted on the flocks



contributing to the fluff samples. In 2015, twenty such tests resulted in one positive SE result on one farm. The flock involved was at the end of its production cycle. Following cleaning and disinfection after flock depopulation, the barn tested negative prior to the next flock being moved to the barn.

In summary, the hatching egg producers in Alberta are to be congratulated for their proactive approach to monitoring and reducing any incidence of SE in the Alberta broiler hatching eggs delivered to Alberta hatcheries. Moving through 2016, AHEP staff will continue oversee the SE monitoring program developed for the Alberta hatching egg industry to ensure all producers are in compliance with the requirements for maintaining PIE insurance coverage.

Egg Washing Study

Washing hatching eggs can be a contentious issue within the hatching egg industry. During the summer of 2014 Alberta Agriculture and Forestry (AF) investigated which washing methods most effectively reduce microbial loads on hatching eggs and presented the results at the fall 2014 Chick N Chat meetings. Commercial egg washers, aerated agitation with egg wash and Clorox wipes (5 eggs per wipe) were the three most effective methods; soaking eggs in plain water, rough sponge, and sandpaper were the least effective methods of reducing microbial load. At the 2015 AGM AF distributed posters that summarized the best washing practices identified in the study. AF will be releasing YouTube videos on washing hatching eggs in spring 2016.

The Chick Quality Committee, led by the Alberta Chicken Producers, questioned if washing and/or improper washing may be contributing to poor chick quality on broiler farms. AF purchased small-scale incubation equipment to investigate if there are differences in day-old chick quality between washed dirty, washed floor and settable eggs. The experiments will be completed in mid-March and AF anticipates presenting the results to the hatching egg industry in spring 2016.

Brenda Schneider
Alberta Agriculture and Forestry

AHEP PRIORITIES
2016



Enhanced Producer Services



Manage Growth



Cultivate Government Relations



**Increase Social License
and Consumer Confidence**

FINANCIAL STATEMENTS

ALBERTA HATCHING EGG PRODUCERS

Financial Statements

Year Ended November 30, 2015



ALBERTA HATCHING EGG PRODUCERS
Index to Financial Statements
Year Ended November 30, 2015

	Page
INDEPENDENT AUDITOR'S REPORT	27
FINANCIAL STATEMENTS	
Statement of Financial Position	28
Statement of Operations	29
Statement of Changes in Net Assets	30
Statement of Cash Flows	31
Notes to Financial Statements	32 - 35
Special Project Expenses (<i>Schedule 1</i>)	36
Office (<i>Schedule 2</i>)	36



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INDEPENDENT AUDITOR'S REPORT

To the Directors of Alberta Hatching Egg Producers

We have audited the accompanying financial statements of Alberta Hatching Egg Producers, which comprise the statement of financial position as at November 30, 2015 and the statements of operations, 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 Hatching Egg 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.

A handwritten signature in black ink that reads "King + Company".

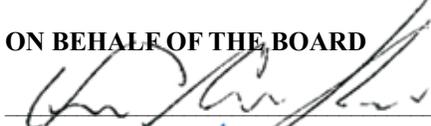
Edmonton, AB
February 17, 2016

CHARTERED ACCOUNTANTS

ALBERTA HATCHING EGG PRODUCERS
Statement of Financial Position
As at November 30, 2015

	2015	2014
ASSETS		
CURRENT		
Cash	\$ 720,519	\$ 595,483
Term deposits (Note 2)	615,043	729,935
Accounts receivable (Note 3)	272,086	180,982
Prepaid expenses	25,776	246,478
	<u>1,633,424</u>	<u>1,752,878</u>
EQUIPMENT AND LEASEHOLD IMPROVEMENTS (Note 4)	<u>18,282</u>	<u>20,855</u>
	<u>\$ 1,651,706</u>	<u>\$ 1,773,733</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 5)	\$ 136,508	\$ 164,990
DEFERRED CONTRIBUTIONS RELATED TO EQUIPMENT AND LEASEHOLD IMPROVEMENTS (Note 6)	<u>1,996</u>	<u>4,684</u>
	<u>138,504</u>	<u>169,674</u>
NET ASSETS		
Invested in equipment and leasehold improvements	16,286	16,172
Unrestricted	1,496,916	1,587,888
	<u>1,513,202</u>	<u>1,604,059</u>
	<u>\$ 1,651,706</u>	<u>\$ 1,773,733</u>

ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

ALBERTA HATCHING EGG PRODUCERS
Statement of Operations
Year Ended November 30, 2015

	Budget 2015	2015	2014
REVENUE			
Provincial levy <i>(Note 8)</i>	\$ 917,294	\$ 904,262	\$ 798,983
Grants	-	96,582	371,198
Diagnostic and other	1,000	11,644	10,994
Interest	11,000	10,014	11,177
Amortization of deferred contributions related to equipment and leasehold improvements	-	2,688	2,753
Quota transfer	200	100	-
	929,494	1,025,290	1,195,105
EXPENSES			
Salaries and benefits	255,000	266,390	257,221
Poultry risk management	230,443	243,211	319,815
Members' allowance	82,000	96,842	74,555
Members' expenses	55,000	51,676	44,986
Rent	46,000	45,794	45,842
Office <i>(Schedule 2)</i>	17,200	30,667	14,860
Professional fees	30,000	24,830	25,335
Employee operational expenses	16,500	14,961	19,443
Telephone and fax	12,555	11,428	13,172
Meeting expenses	11,000	10,817	11,624
Amortization of equipment and leasehold improvements	-	8,372	7,308
Insurance and bonding	4,000	2,755	2,695
Repairs and maintenance	6,000	1,977	1,616
Advertising and promotion	6,800	1,959	400
Interest and bank charges	400	1,468	2,326
	772,898	813,147	841,198
EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS	156,596	212,143	353,907
SPECIAL PROJECT EXPENSES <i>(Schedule 1)</i>	248,159	303,000	557,280
DEFICIENCY OF REVENUE OVER EXPENSES	\$ (91,563)	\$ (90,857)	\$ (203,373)

ALBERTA HATCHING EGG PRODUCERS
Statement of Changes in Net Assets
Year Ended November 30, 2015

		Invested in Equipment and Leasehold Improvements	Unrestricted	2015	2014
NET ASSETS - BEGINNING OF YEAR	\$	16,171	\$ 1,587,888	\$ 1,604,059	\$ 1,807,432
Excess (deficiency) of revenue over expenses		(5,684)	(85,173)	(90,857)	(203,373)
Purchase of equipment		5,799	(5,799)	-	-
NET ASSETS - END OF YEAR	\$	16,286	\$ 1,496,916	\$ 1,513,202	\$ 1,604,059

ALBERTA HATCHING EGG PRODUCERS
Statement of Cash Flows
Year Ended November 30, 2015

	2015	2014
OPERATING ACTIVITIES		
Receipt of provincial levy and quota transfer	\$ 845,862	\$ 754,373
Receipt of grants	47,332	612,452
Receipt of interest	11,028	12,325
Receipt of diagnostic and other	8,700	3,724
Cash paid to suppliers and employees	(896,979)	(1,894,948)
Cash flow from (used by) operating activities	<u>15,943</u>	<u>(512,074)</u>
FINANCING AND INVESTING ACTIVITIES		
Proceeds on redemption of term deposits	847,395	725,804
Purchase of equipment	(5,799)	(1,299)
Purchase of term deposits	(732,503)	(730,339)
Cash flow from (used by) financing and investing activities	<u>109,093</u>	<u>(5,834)</u>
INCREASE (DECREASE) IN CASH	125,036	(517,908)
CASH - BEGINNING OF YEAR	595,483	1,113,391
CASH - END OF YEAR	\$ 720,519	\$ 595,483

ALBERTA HATCHING EGG PRODUCERS

Notes to Financial Statements

Year Ended November 30, 2015

NATURE OF OPERATIONS

The Alberta Hatching Egg Producers (the “Board”) was incorporated under the Marketing of Agricultural Products Act to allot production and marketing quotas and to negotiate prices paid to producers by hatcheries for broiler hatching eggs in the Province of Alberta. It is exempt from income taxes under the Income Tax Act.

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

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 contributions and other revenue are recognized in revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions for the acquisition of property and equipment are deferred and recognized as revenue in the periods in which the related amortization expense of the funded assets is recorded.

Levies and other revenue are recognized as revenue when received or receivable.

Financial Instruments Policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets 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.

Equipment and Leasehold Improvements

Equipment and leasehold improvements are stated at cost or deemed cost less accumulated amortization. Equipment and leasehold improvements are amortized over their estimated useful lives at the following rates and methods:

Furniture and equipment	20%	declining balance method
Computer	30%	declining balance method
Website	10%	straight-line method
Leasehold improvements	20%	straight-line method

Equipment and leasehold improvements acquired during the period but not placed into use are not amortized until they are placed into use.

(continues)

ALBERTA HATCHING EGG PRODUCERS
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. TERM DEPOSITS

	2015	2014
Unrestricted	\$ 504,643	\$ 619,535
Restricted	110,400	110,400
	\$ 615,043	\$ 729,935

Unrestricted term deposits bear interest averaging 1.36% (2014 - 1.58%), maturing from June 10, 2016 to October 8, 2016.

Restricted term deposit bears interest at 0.90% (2014 - 1.25%), maturing on October 6, 2016 and is held as security for the Canadian Hatching Egg Producers contract as described in Note 7.

3. ACCOUNTS RECEIVABLE

	2015	2014
Levies and other	\$ 219,012	\$ 172,555
Grants	49,250	-
Interest	3,824	4,838
Goods and services tax	-	3,589
	\$ 272,086	\$ 180,982

4. EQUIPMENT AND LEASEHOLD IMPROVEMENTS

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Furniture and equipment	\$ 20,243	\$ 13,690	\$ 6,553	\$ 8,737
Website	21,775	18,096	3,679	5,856
Computer	24,194	17,125	7,069	3,599
Leasehold improvements	16,560	15,579	981	2,663
	\$ 82,772	\$ 64,490	\$ 18,282	\$ 20,855

ALBERTA HATCHING EGG PRODUCERS
Notes to Financial Statements
Year Ended November 30, 2015

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2015</u>	<u>2014</u>
Wages	\$ 55,293	\$ 52,957
Trade and other	43,750	78,934
Goods and services tax	19,355	-
Canadian Hatching Egg Producers	<u>18,110</u>	<u>33,099</u>
	<u>\$ 136,508</u>	<u>\$ 164,990</u>

6. DEFERRED CONTRIBUTIONS RELATED TO EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Deferred contributions related to equipment and leasehold improvements represent restricted contributions for equipment and leasehold improvement acquisitions. The changes in deferred contributions balance for the period is as follows:

	<u>2015</u>	<u>2014</u>
Balance - beginning of year	\$ 4,684	\$ 7,437
Recognized as revenue	<u>(2,688)</u>	<u>(2,753)</u>
Balance - end of year	<u>\$ 1,996</u>	<u>\$ 4,684</u>

7. CONTINGENT LIABILITY

The Board is contingently liable to the Canadian Hatching Egg Producers under an over-marketing agreement and has assigned a guaranteed investment certificate for \$110,400 as security in the event that its provincial quota allocation is exceeded.

8. PROVINCIAL LEVY

	<u>2015</u>	<u>2014</u>
Gross levies collected	\$ 1,125,380	\$ 1,003,866
Canadian Hatching Egg Producers over production lease	-	(12,000)
Canadian Hatching Egg Producers levies paid	<u>(221,118)</u>	<u>(192,883)</u>
Net levies collected	<u>\$ 904,262</u>	<u>\$ 798,983</u>

ALBERTA HATCHING EGG PRODUCERS

Notes to Financial Statements

Year Ended November 30, 2015

9. COMMITMENTS

Lease

The Board is committed until August 31, 2016 under an operating lease for premises for future annual rental payments of \$20,056 plus operating expenses as defined in the lease.

Grant to University of Alberta

The Board is one of six representatives of the Alberta Poultry Industry. The Alberta Poultry Industry has entered into an agreement with the University of Alberta to provide an annual grant of no less than \$346,100, of which the Board is responsible for no more than \$35,817 to support the costs of the University of Alberta Poultry Research Centre. The agreement covers the period of April 1, 2012 to March 31, 2017.

Poultry Health Services

The Board is a member of the Poultry Industry Organizations, which has committed a total of \$26,100 for 2015 to be paid to Poultry Health Services Ltd. for the provision of veterinarian services. The Board's portion of this commitment is \$2,088.

10. 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, accounts receivable and term deposits. 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 accounts receivable 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 term deposits.

ALBERTA HATCHING EGG PRODUCERS

Special Project Expenses

(Schedule 1)

Year Ended November 30, 2015

	Budget 2015 (Unaudited)	2015	2014
SPECIAL PROJECT EXPENSES			
COP study	\$ 91,000	\$ 93,665	\$ 19,600
Growing forward livestock welfare	18,500	59,847	319,429
Diagnostic and veterinary	37,000	48,239	45,460
Grants	32,859	34,345	101,007
Balance of supply	5,300	16,320	-
Offsap	16,000	14,770	16,615
PIE audit and testing	20,000	13,031	-
COP update fee	14,000	10,000	-
SM5 cost share	7,500	6,632	7,558
Chick n Chat	4,000	4,728	2,825
ILWG-MOU	2,000	1,423	1,774
Growing forward biosecurity	-	-	33,644
Inspections	-	-	9,368
	\$ 248,159	\$ 303,000	\$ 557,280

ALBERTA HATCHING EGG PRODUCERS

Office

(Schedule 2)

Year Ended November 30, 2015

	Budget 2015 (Unaudited)	2015	2014
OFFICE EXPENSES			
Dues, registrations and subscriptions	\$	\$ 6,867	\$ 4,491
Website	5,000	6,234	480
Office supplies	7,000	5,589	2,826
Computer expenses	-	5,581	534
Photocopier	-	3,853	4,663
Printing and brochures	-	2,421	805
Contract labour	3,200	1,138	-
Courier and postage	2,000	901	1,061
Expense recoveries	-	(1,917)	-
	\$ 17,200	\$ 30,667	\$ 14,860

ACKNOWLEDGEMENT



**The AHEP Board and Office Staff
would like to acknowledge and thank
all producers and industry partners
for their support this past year.**





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Producers

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