

Alberta Hatching Egg Producers



March 2015

Circular

Board News

- **APO Period 37: July 28 – Sept 22 , 2014**

The current saleable chick price for APO 37 is \$0.5444

Contact Information

#301, 8925-51 Avenue
Edmonton, AB T6E 5J3
Phone: (780) 434-8414
Fax: (780) 434-9552

www.albertahatchingeggs.ca

- **Upcoming APO 38 and Flock Life**

The Price for APO 38 will be released the week of Sept 15-19 2014 and be effective commencing chicks hatching Sept 22, 2014.



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Chick n Chat Meetings

The Fall Chick n Chat Meetings have been set for the following dates:

October 21, 2014 – Strathmore, AB

October 23, 2014 – Edmonton, AB

An agenda with topics, locations and times will be circulated closer to the meetings.

Please let Chelsea at the Board office know if you plan to attend at 780-434-8414.

Thank you!

Allocation

Effective September 22, 2014 allocation will increase from 88% TO 91%. Producers should have received notice on their respective changes in placements for this year and into 2015 from the board office.

As the Canadian chicken industry continues to move forward, in terms of growth, the broiler hatching egg industry will meet again in November to discuss and review allocations for 2015 & 2016.

CHEP Allocations

2013

63,514,049 Domestic (Alberta Final)

2014

65,159,970 Domestic (Revised March 21, 2014)

Up 2.6 % 2014 over 2013

65,556,317 Domestic (Final July 17, 2014)

Up 3.2 % 2014 over 2013

2015

67,218,308 Domestic (Revised July 17, 2014)

Up 2.5% 2015 over 2014

Therefore the increase that the National agency is predicting is 5.8 % 2015 over, 2013. The AHEP have moved from 85% allocation to 91 % allocation = 6.0% 2015 over 2013
Allocation Adjustment Upward from 85% to 88% Effective Sept, 2013
Allocation Adjustment Upward from 88% to 91% Effective Sept 22, 2014

Poultry Insurance Exchange

The July Circular explained the PIE Insurance requirements. Below is the progress experienced in the program effective September:

- i) Biosecurity Audits – Completed
- ii) SE Testing – Completed with 4 Retests to be conducted
- iii) Subscribers Agreement – Completed

With the completion of the foregoing, the AHEP, Alberta Hatchery Association and Alberta Agriculture will work toward finalizing the "Alberta Broiler Industry Salmonella Enteritidis (SE) Control Plan. As finalization of the Plan moves forward we emphasize that the Plan is a SE reduction plan and not a SE eradication plan.

Your industry has worked hard to manage this provincially reportable disease (SE) through producers vaccinating their flocks and diligently working to minimizing/reducing environmental positives.

Once Alberta is accepted for insurance, the testing that will be required will include:

- Day old chick pads
- 16 week environmental tests on boot socks, walls, fans and egg belts (in laying facilities)

The 24 week environmental samples will most likely be discontinued; however fluff and first hatch culls testing will continue at the hatchery level.

Thank you to all of the producers for working with AHEP staff and auditors to complete the three essential components to qualify for insurance.

Targeted date to complete the requirements is now set for October 2014.

Pricing Change APO 38 (Sept 22 to Nov 16, 2014)

There will be an upcoming pricing change and review on September 22. Changes to the price will be sent to producers via e-mail.

Pricing continues to be based on the AHEP's COP model and pricing MOU with a 6 cent cap and 4 cent floor relative to Ontario's hatching egg price. For the past four periods the AHEP model has fallen between these targets demonstrating its relevance and reliability.

Saleable Chick Pricing Working Group

The Saleable Chick Pricing MOU Working Group met on September 4th. The working group consists of:

- AHEP
 - Vern Crawford
 - Ashley Rietveld

- AHA
 - Sunny Mak
 - Bill Roberts
 - Frank Maenhout
 - Kevin Fitzhenry

- ACP
 - Karen Kirkwood
 - Erna Ference

- Marketing Council (Observer)
 - Freda Molenkamp-Oudman

The group is investigating pricing mechanisms.

Chick Quality Meetings

A chick quality meeting was held at the AHEP office September 4, 2014. The committee is reviewing the role and influence that each sector have on the quality of chick from hatching egg production through to grow out. The Proposed Chick Quality manual is being developed and will be brief containing:

- Table of contents
- Executive summary
- Body
- Conclusion

The document when concluded will be a fluid document being reviewed four times per year. The document itself will address:

1. Laying & Handling of Eggs
2. Incubation & Hatching of Eggs
3. Handling & Transportation of Chicks
4. Handling of Chicks at Grower Farm
5. Communications

Members of the committee include the hatching egg producers, hatcheries and chicken growers.

Intensive Livestock Working Group

Update

FARM SAFETY

Coordinating Body

In the week of August 11th Page Stuart had a conversation with DM Jason Krips and relayed to him the expressed concern of the ILWG that the striking of the Coordinating Body may not come to fruition because it was concluded by some within ARD there was a lack of consensus for same from the focus group sessions held Jan/Feb. She emphasized the ILWG fully supported the striking of the Coordinating Body and the recommendations of the Advisory Committee, all contained in a letter of support submitted to the Minister in April. Those who articulated concern at the focus group meeting were not representing mainstream interests. His response was there was no intent to set aside the concept of the Coordinating Body and that the letter from the ILWG was appreciated. It is therefore assumed the process was moving ahead, albeit slower than some expectations. DM Jason Krips will be attending the September 23rd ILWG meeting to address ARD's strategy around "Social License" of which farm safety is an important component.

"Insurance" Subcommittee

This subcommittee (members are Jenna Griffin – Darcy Fitzgerald – Ron Axelson) was charged with "Investigating the feasibility of establishing/ researching baseline employee injury insurance coverage." We were advised that ARD could make a grant available of up to \$30,000 to facilitate research.

Out of early discussions an objective was then established to develop and implement surveys of appropriate constituencies (such as insurers, government, other stakeholders and jurisdictions) to establish an understanding of the current level of farm worker insurance coverage and expectations in Alberta. The subcommittee drafted an RFP which was forwarded onto ARD in June for their consideration.

ARD then decided to conduct (in-house) an initial data scan for information available on farm insurance and the size of the Alberta market. Unfortunately stats are not readily available to determine the extent of coverage that farms have for their employees.

ARD has just informed us they will be conducting a cost benefit analysis on private insurance vs WCB and confirmed that Bruce Viney from the Olds office will be the project leader in their shop. I will be meeting with Bruce September 2nd to give him industry context for developing a farm safety strategy. The resulting cost/benefit analysis will then be reviewed by both the subcommittee and ARD. If required, the RFP will then be redrafted and circulated to prospective consultants.

The project management of this initiative has more or less been taken over by ARD and original timelines to finish the research by September are no longer realistic.

Farm-Fatality Investigation and Reporting

While there was consensus amongst the ILWG that farm fatality accidents needed to be thoroughly investigated and resulting reports used to improve education and outreach initiatives, this process must be de-coupled from the OH&S regulatory regime. A

subcommittee was struck to work with ARD to develop a farm-fatality investigation and reporting process.

The subcommittee (members are Rich Smith – Mike Slomp – Ron Axelson {Darcy Fitzgerald alternate}) organized a joint meeting August 22nd with Brent McEwan who is ADM at Jobs, Skills, Training and Labour, responsible for Safe, Fair & Healthy Work Places (includes OH&S), Ross Nairne, Executive Director OH&S Policy & Program Development and John Brown, acting ADM at ARD (Jo-Ann Hall is on medical leave). Purpose of the meeting was to provide an industry update on progress being made in the development of a farm safety strategy and have exploratory discussions on what role if any, Safe, Fair & Healthy Work Places could play in that strategy, with emphasis on potential options of developing a farm fatality/accident investigation and reporting process.

Discussion began with a related story on the death of a construction worker who fell from height while working on the expansion of a dairy barn. The contractor did not provide safety training, nor supply safety equipment. While OH&S conducted an initial investigation and was instituting a stop work order (and other citation) until mitigation measures had been implemented, these had to be rescinded because the incident took place on a farm and OH&S regulations therefor did not apply. Had the contractor been working anywhere else but a farm, there would have been a full fatality investigation and subsequent report. This incident is the unintended consequence of the current version of the regulation which excludes operations on a farm, even though the contractor was not a farming operation, nor conducting farm related activities. This situation could have turned into a public relations nightmare.

How to move forward? It was agreed the knowledge and awareness levels around farm safety, its strengths, weaknesses and gaps need serious improvement (in the agriculture community) before policy or regulatory reform discussions can be considered. It was proposed to use "Marketing Council" to help engage its 21 Boards and Commissions on the issue of farm safety, facilitated perhaps through workshops/forums developed collaboratively by ILWG/CSWG, ARD and Safe, Fair & Healthy Work Places. John Brown agreed to make first contact with Marketing Council and organize an "opportunity assessment" meeting. Proposed facilitation timeline would be immediately following harvest. The first meeting date of this process has been confirmed and will take place September 5th.

MUNICIPAL GOVERNMENT ACT (MGA) REVIEW

The GOA is comprehensively reviewing the Municipal Government Act. As suggested in earlier reports, CFO's have been identified for review in the assessment taxation section of the workbook that has been developed to help in the public engagement process. The workbook stated that *"these high density agricultural enterprises typically operated on small areas of farm land that are building intensive in nature. However, farm buildings are fully exempt from assessment in rural areas, thereby receiving an automatic tax benefit. Because of the current focus on land and not buildings, under current farm property assessment regime, there are wide variations in the levels of property tax being paid by agricultural operations with similar profits but different types of farm enterprises."*

As part of the MGA Review, regional engagement sessions were held in eleven locations around the province in March 2014. I attended the session in Red Deer where the CFO taxation issue never made it into discussions, however, a report has just been released of what was heard and I've summarized below those areas of concern to the ILWG:

Assessment of Farm Residences: Should owners of farm land continue to receive an exemption on their residence?

Owners of farm land receive an assessment exemption to their residences based on the amount of farm land they own. The purpose and amount of this exemption has not been updated since the 1980s. No other acreage owners receive this exemption.

- Option: Remove the assessment exemption on farm residences.
- Option: Update the amount of the assessment exemption on farm residences.

Assessment of Farm Land: Should farm land continue to be assessed at agriculture use value?

Farm land is assessed at its agricultural use value through regulated rates and processes. These rates have not been updated since the 1980s.

- Option: Assess farm land at its agricultural use values through annually updated regulated rates and procedures.
- Option: Assess farm land at market value.

Assessment of Farm Land Intended for Development: Should farm land soon to be developed be assessed and taxed at its agricultural use value?

- Option: Farm land is assessed and taxed annually at its agricultural use value until the year in which it converted to a non-farm use. When farm land held for speculative purposes is converted to a non-farm use, apply a retroactive market-value-based levy to the property owner.
- Option: Assess and tax farm land held for speculative purposes annually at its market value.

Assessment of Farm Buildings and Intensive Livestock Operations (ILO's): Should farm buildings, including those in urban areas, and those that are used for intensive livestock operations, continue to receive significant reductions in assessment?

Farm buildings are exempt from assessment in rural areas, and are only assessable to a 50% level in urban areas. As such rural municipalities containing intensive livestock operations receive little property tax revenue from this sector.

- Option: Assess farm buildings used for intensive livestock operations at their agricultural use value in rural and urban areas.
- Option: Assess all farm buildings at their agricultural use value in rural and urban areas

Depending on the interpretation of “agricultural use value” these options have the potential to exponentially increase the taxation levels of ILO's. The report does not weight the issues ... it does not explain whether an issue was brought up once, or was a common theme through all the regional engagement sessions. This issue requires intense scrutiny and should be brought up with the Deputy when he attends the September 23rd meeting.

Farwell!

As of the AGM on February 24, 2015 Board member; Kevin Tiemstra ended his tenure as an AHEP Board member. While Kevin will continue on in the industry as a producer, he wishes to express sincere gratitude and thanks for the producer support these past years.

The AHEP staff would like to extend yet more thanks to Kevin for his dedication to the industry. Your positive attitude and incredible work ethic never goes unnoticed. Good luck with everything!

THANK
You!

Staff

Bob Smook, General Manager
ahemb@telusplanet.net

Nancy Robinson, Assistant Manager
ahepam@telus.net

Chelsea Kamprath, Office Coordinator
ahep@telus.net

Lorrie Kadylo, OFFS Delivery Agent
kadylo@poultryhealth.ca

Board of Directors

Chair: Ashley Rietveld
Tofield, AB
ashley.rietveld@gmail.com

Vice-Chair: Vern Crawford
Three Hills, AB
crawford.v@gmail.com

Directors

Dennis Wickersham
Linden, AB
denwick@gmail.com

Cora Scheele
Linden, AB
corasch64@gmail.com

Gary van Klei
Coaldale, AB
