

ALBERTA

Hatching Egg Newsletter



WINTER | 2018



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Merry Christmas!

The Alberta Hatching Egg Board and Staff would like to wish everyone a wonderful and safe holiday season.

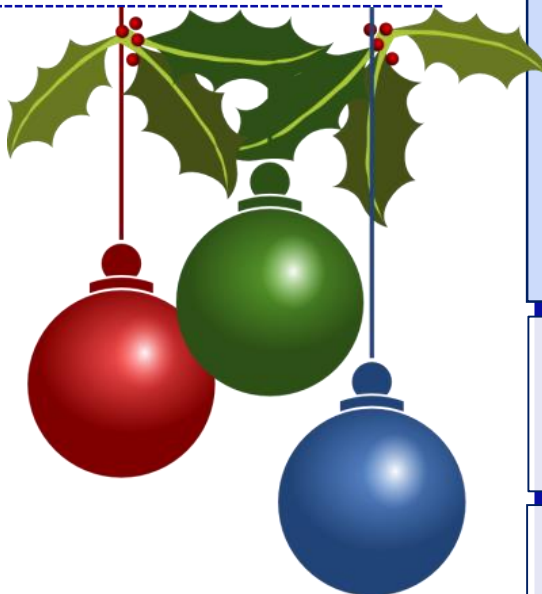
The Board Office will be operational throughout the holidays, during the business working days. Throughout this period, please don't hesitate to contact:

Bob at 780-632-8965

Nancy at 780-686-1023

Annual General Meeting

Mark your calendars! The Alberta Hatching Egg Producers Annual General Meeting will be held on **February 26, 2019** at the Sheraton Hotel in Red Deer, Alberta. Agenda details and information on Board positions will be circulated in the new year. See you there!



Upcoming Events

February 26, 2019
Annual General Meeting
Sheraton Hotel, Red Deer

APO Period 65

Nov 12, 2018 – Jan 6, 2019
Saleable Chick Price
APO 65 – \$0.5812 (100% pd)

WESTERN

FEBRUARY
—25—
2019

POULTRY

CONFERENCE

RED DEER, ALBERTA, CANADA

Mark your calendars! The Western Poultry Conference will be taking place on February 25, 2019 at the Sheraton Hotel in Red Deer.

Topics Include:

Whole Barn Gassing
Mental Health Awareness in the Farming Community
Becoming a Champion of Supply Management
Antibiotic Alternatives in a RWA world - Medium Chain Fatty Acids
Energy Efficiency

You can find more information about the conference by visiting <http://westernpoultryconference.ca/> or by clicking [here](#).

[Register Now](#)

Data Collection

Alex McCready is available to help with data management, and is currently helping producers already. All data is confidential and will not be shared with any third parties. You can contact Alex at alex@ahep.ca.

Upcoming Meetings

Pricing Appeal
January 9, 10, 11
CHEP Meeting
(strategic review)
January 15 - 16
CHEP General Managers Meeting
January 17
Board Teleconference Meeting
January 30th
Board Meeting
February 13th
Western Poultry Conference
February 25
AHEP AGM
February 26



From left to right: Dennis Stienwand, Stephen Mandel, Jeff Notenbomer

SM5 Activities

In December, the SM5 group attended an evening reception with Alberta Party Leader Stephen Mandel. It was a productive evening filled with positive conversations around rural stability and the SM contribution to that.

Allocation Review (National)

A CHEP advisory meeting was held in Ottawa on November 21, 2018 with the national industries listed below.

From the CHEP Ottawa advisory meetings there was a recommendation from the advisory to further adjust the 2019 allocations with the following recommendation from each group.

<u>Organization</u>	<u>2018</u>	<u>2019</u>
CHF	1265	1292 up 2.1 % over 2018
CPEPC	1265	1279 up 1.1% over 2018
CFC	1265	1296 up 2.45 % over 2018
Ag Canada	1265	1285 up 1.6% over 2018
Fppac	1265	1297 up 2.5% over 2018
CPHEPA	1265	1296 up 2.45% over

2018

The above summarizes the advisory members recommendations. The Advisory recommendation motions were to move the 2019 allocation down from 1303 KT to 1295 kilo tonnes , a 0.61 % reduction over the estimate in July (Halifax Meeting).

2018 – 1265 KT Final

2019 - 1295 KT (2.37% increase over 2018) revised.

Since the August review, the recommended decrease from the national advisory July 2018 to November 2018 is a reduction of 0.61 %; however noting an increase of 2.37 % vs. a 3% increase (July 2018).

The reasoning for the adjustments moving from July to November were as follows:

- Domestic broiler hatching egg supplies are adequate;
- The US supply of hatching eggs is adequate for Canadian hatcheries and production performance has improved in the last few months compared to the beginning of 2018;
- Chicken production up to November 3rd 2018 increased 4.8% (48.3 Mkg) over the same period last year;
- Domestic disappearance data for the timeframe ranging from January-October 2018 indicated that domestic disappearance increased by 6.3% over last year;
- Stock levels continue to set five-year highs in 2018, and finished October at 47.2 Mkg, 12.5% (+5.3Mkg) above last year, and 23.4% above November 1st five-year average.
- Wholesale prices for chicken for 2018 are lower than they were a year ago. For the week ending November 11, 2018, the market composite was priced at \$3.42—a decline of \$0.40 over last year
- The Bank of Canada outlook for the Canadian economy remains positive as the economic activity is operating close to capacity. The Bank of Canada is forecasting real GDP growth of 2.1% in both 2018 and 2019 and to ease to 1.9 per cent in 2020.
- For 2019, the entry into force of the CPTPP will have an impact on chicken imports. Starting January 1, 2019, a new TRQ of 7.8 Mkg will be available for CPTPP countries.
- Policies to prevent the Preventive Use of Categories 1 and 2 are also factors to consider when setting the 2019 CHEP allocation, because of their impact on bird mortality
- The recommendation for 2019 chicken production is 1,295 million kilograms, which represents a 2.4% increase above the 2018 final allocation (1,265 million kilograms).

Provincial Allocation Review

August 24th-25th, 2018

The Alberta Hatching Egg Producers board met with the Alberta Hatchery Association (AHA) on December 5, 2018, to review Alberta's broiler hatching egg needs for 2018 - 2020.

Effective January 7, 2019 the total provincial allocation of broiler breeder quota units will increase by 2%. Of this increase, 90% will be allocated pro-rata to all licensed quota holders and 10% will be held for a future new entrant. New quota certificates will be prepared and mailed in January 2019. Quota holders are reminded to review the Assurance of Production Policy presented at the October Chick 'n Chat and distributed to all prior to the meeting as well as with the meeting notes.

The committee will meet again in April, 2019 to review broiler hatching egg needs.

Trade Update

WTO:

Following several calls to reform the WTO, Canada has taken the lead in organizing the very first brainstorming session on the future of the WTO in Ottawa. On October 24-25, Trade Ministers from 13 WTO countries (Australia, Brazil, Canada, Chile, European Union, Japan, Kenya, Korea, Mexico, New Zealand, Norway, Singapore and Switzerland) met in Ottawa to explore ways to make the organization more effective and efficient.

Ministers' discussions revolved around three main themes which include immediate actions to improve the efficiency and effectiveness of the WTO, safeguarding and strengthening the dispute- settlement system and reinvigorating the WTO's negotiating function by creating 21st century trade rules. In their final statement, the group emphasized on the urgency to "unblock the appointment of Appellate Body Members". While acknowledging the concerns that have been raised about the functioning of the dispute settlement system, the group urges its officials to engage "in discussions to advance ideas to safeguard and strengthen the dispute settlement system" which in turn will help restore confidence among Members in the negotiating pillar. The so-called group of like-minded WTO countries also reiterated the necessity to improve the monitoring and transparency of Members' trade policy through updated notifications of their WTO commitments.

Although the US and China did not attend the meeting, both countries have been involved in similar talks, either bilaterally or with third parties. Minister Carr said that an update on the outcomes of the Ottawa talks will be provided to China and the US. The group plans to meet again in January 2019, on the sidelines of the World Economic Forum, in Davos

Meanwhile, recent discussions on agriculture at the World Trade Organization (WTO) covered market access and the special safeguard mechanism (SSM). The technical discussions revolved around issues such as tariff rate quotas (TRQs), the special agricultural safeguard (SSG), non-tariff measures, high tariffs (tariff peaks, tariff escalation) and complex tariff structures (non-ad valorem tariffs).

USMCA:

On September 30, 2018, the Canadian government reached an Agreement in Principle for the United States-Mexico-Canada Agreement (USMCA), to replace the North American Free Trade Agreement (NAFTA).

After undergoing a legal scrub by legal counsel from the three countries, the full text of the agreement will be signed by the leaders of Canada, U.S. and Mexico before it gets ratified by all parties. It was reported that the U.S. Administration would like this to take place on November 30, 2018 at the G-20 summit in Buenos Aires, Argentina. However, Juan Carlos Baker, Mexico's deputy commerce minister, said that the US steel and aluminum tariff issues must be resolved before the signing takes place.

Trade Update...continued

As previously reported, the agreement has maintained the same level for broiler hatching egg and chick tariff rate quotas (TRQs) as under NAFTA. However, access was still given away in the other supply management sectors and the market access granted on chicken TRQs will also negatively impact hatching egg producers.

Following the announcement of the agreement, CHEP had an opportunity to meet with Minister MacAulay and Frédéric Sepey to discuss the USMCA and on October 29, 2018, the Government of Canada announced a new working group to “develop strategies to fully and fairly support farmers and processors to help them adjust to the USMCA” as well as “discuss support to reflect the impact of the CPTPP”. The working group aims to recommend mitigation strategies to address the impact of the concessions granted and to make recommendations for a sustainable and innovative poultry and egg sector that provides jobs and economic growth for the future.

CPTPP:

The CPTPP trade deal is now set to come into force after that Australia becomes the sixth country to formally ratify the agreement on October 30, 2018, triggering the 60-day countdown to the implementation of the 11 country agreement, expected to occur on December 30, 2018. Australia’s ratification follows that of Canada, which received Royal Assent on October 25, 2018. New Zealand, Japan, Singapore and Mexico previously ratified the agreement and the other signatories (Brunei, Chile, Malaysia, Peru and Vietnam) have yet to complete their ratification procedures. If they do not do so before December 30, the CPTPP will come into force only in the countries that have ratified.

As previously reported, no CPTPP country has regulatory approval to export hatching eggs to Canada. However, the access that was granted on chicken TRQs is expected to be filled and therefore impacting the broiler hatching egg industry.

As the agreement comes into force on December 30, the market access commitments in dairy, poultry and eggs for the first year will only last 2 days and will be prorated on a monthly basis.

Starting January 1, 2019, Canada will be forced to provide access for the second year, a larger increase in access than had been expected. The chicken market access will be 7.9 MKG for 2019 which translates to 5.9 M BHE lost in production (based on the meat-to-egg ratio calculated in July).

Canada – Pacific Alliance:

The seventh round of the ongoing free trade agreement negotiations between Canada and Pacific Alliance took place the week of October 22, 2018 in Mexico City. Discussions revolved around national treatment of market access, rule of origin, Sanitary and phytosanitary measure (SPS), environment, intellectual properties and dispute settlement.

In regard to market access, Canada has been looking at new incremental market access over and above current agreement, including TRQ administration and TRQ volume. Market access discussion also revolved around areas like services, investment, government procurement, temporary entry. At this point, no market access request in dairy, poultry and egg was received from any of the Pacific Alliance countries.

Canada - Mercosur:

Negotiators continue their discussion around broader issue, including investment chapter and progressive trade agenda labour, environment, gender, SMEs. First market exchange offers are scheduled to take place early December. Negotiators’ ambition is to reach agreement within two years.

Marketplace

Quota for Sale – 1000 annualized units of Broiler Breeder Quota
Please call Ray Penner at (403) 740-9432

Anyone looking to lease birds in for 2019 placements please contact:
Mike Klassen at
mikepklassen@gmail.com or
(403) 546-4496 or (403) 861-4917

2000 Broiler Breeder Quota units available. Prefer trade for Broiler quota or for sale.
Please call Jeff Kamlah at (403) 505-0289

Savage Chickens

by Doug Savage



www.savagechickens.com

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