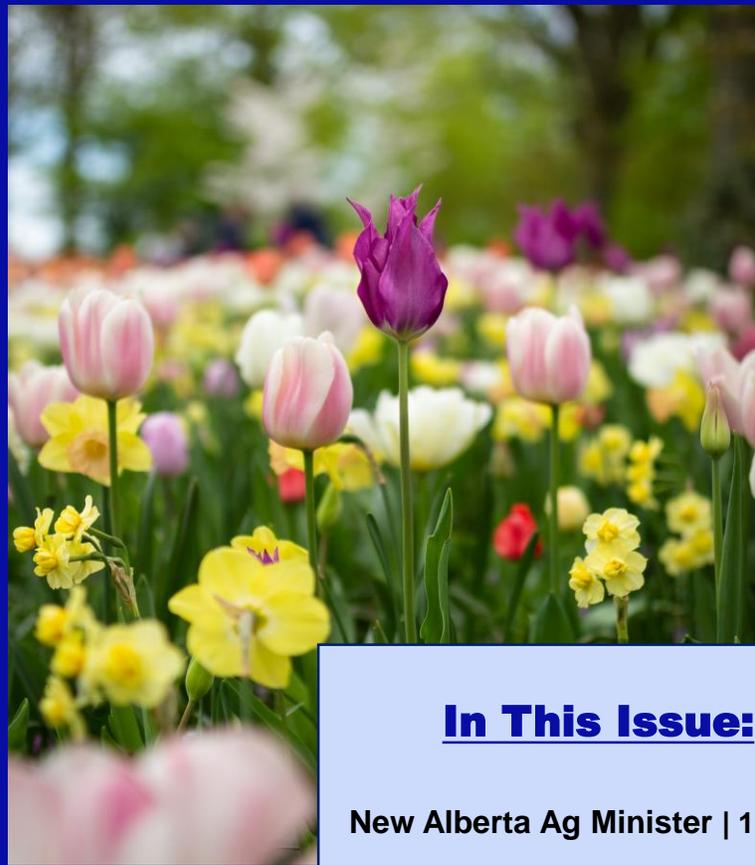


ALBERTA

Hatching Egg Newsletter



Spring | 2019



Alberta Agriculture Minister Announced

Premier Jason Kenney has appointed Devin Dreesen, United Conservative Party MLA for Innisfail-Sylvan Lake, to take on the agriculture ministry. Mr. Dreesen farms in the region and previously worked as a policy adviser to former federal Agriculture Minister Gerry Ritz from 2008-2015.

Producer Meeting – June 18, 2019

The Alberta Hatching Egg Producers will be holding a **Producer Meeting** on Tuesday June 18th at the Sheraton Hotel in Red Deer.

Directors are using a different approach for the June 2019 session by engaging a facilitator to navigate industry discussions, participation and encourage feedback from all producers. The facilitator engaged for the meeting is Donna Finley of Finley & Associates Ltd. Donna has extensive experience in facilitating agricultural-related matters. An agenda is being developed by Donna and AHEP. Further details, and an agenda, will be distributed to producers once finalized. Donna Finley has requested confirmation of attendance from all producers to assist with planning.

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Upcoming Events

JUNE 18th

Producer Meeting
Sheraton Hotel, Red Deer

APO Period 68

April 29 – June 23, 2019

Saleable Chick Price

APO 68 – \$0.5774 (100% pd)

Allocation Review (National)

A CHEP advisory meeting was held in Ottawa on March 20, 2019 and input from allied industries was provided. Allocation recommendations from the advisory meeting were to reduce 2019 allocation by 0.67% and establish 2020 initial allocation ranging from 2.0% to 3.0% above 2019. The CHEP Advisory group has recommended a 2.3% increase for 2020 over 2019.

Therefore, the final chicken kilogram recommendations from March 2019 were:

2019 - 1290 Kilo tonnes

2020 - 1320 Kilo tonnes

Given Chicken Farmers of Canada's differential growth formula, the Alberta Chicken Producers (ACP) are recommending an increase of 2.5 % for 2019 over 2018 and a further increase of 2.5% for 2020 over 2019 for Alberta. The overall reduction in growth volume is influenced by trade agreements.

The AHA and AHEP met on April 10, 2019 to discuss the CHEP and ACP allocation recommendations. Egg flow projections were discussed and indicate that domestic egg flow is adequate, to long, for 2019 (+1.9 %) given a 58.3-week flock life. For 2020, projections suggest a domestic supply that will be 3.5% over the domestic allocated requirement. This potential over supply is influenced by the trade agreement mentioned as well as stronger breeder flock performance. These numbers may change; however initial reaction is that we may require a reduction in flock life for a period of time. For 2021 that there may be a shortfall of 1.2% domestic. These supply fluctuations reflect the placement schedule and size of Alberta's breeder flocks. Currently, the AHEP board does not see a need to adjust allocation or flock life in the short term and will further review requirements with the AHA following the July CHEP meeting. The Alberta hatching egg industry is accommodating most placement numbers with adequate space projected for 2020 flock allocations.

Animal Care Program Update

The National Animal Care Program has been in development for the past four years and was launched to producers in June of 2018. During the launch of the program, three matters have been identified as requiring more work. Some of these items are ammonia standards for broiler breeders and equipment specifications for certain types of feed and drinker systems. Audits for the Animal Care Program were scheduled to commence June 1, 2019. However, the schedule has been altered to gather more information to ensure the successful implementation of the program:

Actions:

- Delay animal care audits to August 2019
- Consult with other provinces with their approaches and successes (Ontario and BC)
- Review with Alberta Chicken as to their approaches to conformity to feeding and watering systems.

Staff have prepared a report on their findings for consideration and discussion by directors at the next scheduled board meeting of June 5th.

Emergency Management Update

AHEP continues to participate in on-going training activities and working groups with the other feather boards to ensure that all emergency situations can be dealt with in an efficient and a methodical manner. A training session for Incident Command System 200 was held in Calgary in April to train any staff who had not yet completed the training, or wanted to review the materials. Working groups continue to develop the Sharepoint website to be used in an emergency, as well as planning training events for the next two years to ensure regular review of the Alberta Poultry Industry's (API) Emergency Response Plan occurs. The working group for Be Seen Be Safe is focusing on increasing participation from service personnel through materials and presentations to industry. ERMC continues to be an important partner to help facilitate all these activities, and ensure API is prepared as possible for an emergency.

Data Collection

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

Pricing Appeal APO 58, 59, 60 and Beyond

The AHEP board updated producers with the following notice on the status of the Pricing Appeal in March 2019:

“The pricing Appeal Tribunal received an application for Adjournment from the Alberta Hatchery Association's (AHA) Legal Counsel. Legal Counsel for the AHA had unexpected surgery and is unable to work and requires a recovery time of four to six weeks.

The Appeal tribunal met and reviewed the Adjournment application and informed the AHEP that they have granted a postponement of hearing scheduled for April 1, 2 and 3, 2019. A new date for the Appeal hearing is being coordinated by the hearing administrator at Marketing Council.”

Given the panel's decision to grant an adjournment, the hearing administrator at Marketing Council has provided dates to reschedule the AHA/AHEP hearing. The panel that will be hearing the appeal has indicated the following availability:

May 21-24 (short week due to Victoria Day)

All of June, excepting the 19th/20th

In July the weeks of the 15, 22, and 29

In Aug. the weeks of the 6th (short week) and 19th

Both the AHEP and AHA along with their witnesses have received the tentative dates. However, the hearing administrator at Marketing Council has been unable to establish a firm date at this time due to some conflicts in the availability of expert witnesses.

New AHEP Board Member

Jeff Kamlah was elected to the Alberta Hatching Egg Producers at the Annual General Meeting in February. Jeff farms in the Three Hills area, and is involved in turkey and broiler production alongside his hatching egg farm.

Ag Safe Newsletter

Jody Wacowich, Executive Director of Ag Safe has provided a report outlining recent activities of the organization.

Producers will recall that Jody provided a presentation on the AgSafe initiatives at our recent AGM in Red Deer (Feb 2019). If producers would like more details on services and equipment grants available for farm safety, please check out their website at info@agsafeab.ca.

“AgSafe Alberta has been very busy with a number of projects over the last couple of months and we are excited to tell you more once we have them finished. Some highlights until then include: Revising the FarmSafe Plan to bring it up to date and make it a little more user-friendly

Moving forward with a database, and a new website with improved functionality that will allow producers to log-in and access some training tools to support the program and their employees. The plan is to launch all of these initiatives around October 1st. We will be watching to see if the government makes any changes in the next few months that may affect the materials. We will share more information as we get to the final stages.

With the new government, I know many of your groups will be meeting with the Ministers. I want to let you know how things are going with the legislation from our perspective. There are certainly challenges for farms and ranches to meet the legislation as it stands, and sometimes even Alberta Labour isn't sure how to answer our questions.

WCB vs. private insurance — I know some farms want private insurance and respect that decision. From our perspective, the WCB provides some insightful information about trends for injuries and using this information, we can build tools to help farms and ranches reduce those injuries. If a large number of farms switch to private insurance, this information will lose its validity for us.

While we do have farms and ranches working towards compliance with the legislation, they may encounter the following challenges in trying to do so.”

Jody Wacowich, Executive Director
Ag Safe Alberta



Trade Update

WTO:

Activities at the WTO began on a more positive note after a difficult year for the organization which saw trade tensions escalating between its members. Some positive activities included the first two rounds of US-China bilateral discussions, which were described as very encouraging in supporting the multilateral trading system. President Trump announced that the United States had made substantial progress in its negotiations with China. As a result, he decided to postpone the increase in tariffs that was scheduled for March 2 in anticipation of further progress and a summit meeting with Chinese President Xi Jinping.

Meanwhile, agriculture negotiating group chairman, ambassador Deep Ford (Guyana), circulated a working plan for the period January-April 2019. He plans to follow two parallel tracks consisting of monthly open-ended meetings and working groups gatherings focusing on seven specific topics including Domestic Support, Market Access and Export Competition. Canada has been selected to chair the working group on Export Competition and will also most likely be heavily involved in providing technical analysis and proposals in each of the agriculture pillars (domestic support, market access and export subsidies).

CUSMA:

On November 30, 2018, Canada, the United States and Mexico signed the new Canada-United States-Mexico Agreement (CUSMA), on the margins of the G20 Leaders' Summit in Buenos Aires. Parties are now undertaking their domestic process towards ratification and implementation of the CUSMA treaty.

In Canada, the government is expected to introduce a bill implementing the treaty in the coming weeks. The Bill will then follow the usual parliamentary process, be debated, and voted upon by both chambers of Parliament.

In Mexico, the ratification of the treaty falls within the authority of the Mexican Senate who can approve the agreement by majority vote before the president of Mexico decrees the agreement into force.

In the US, on January 29th, the government met the 60-day deadline for notifying Congress of the changes in law that are necessary to bring the US into compliance with the text of the agreement. However, the US International Trade Commission (USITC) has 105 days after signing to submit its report to the President and Congress on the economic impact of the trade agreement. The USITC has confirmed that their analysis has been delayed by 35 days due to the government shutdown in Dec 2018 – Jan 2019.

Given the delays and the legislated timelines in the United States, full implementation will likely take place at the end of 2019. Additionally, the US House of Representatives (now controlled by the Democrats) have expressed a desire to change some provisions and their enforcement mechanisms, while Mexico has indicated that they will not ratify the agreement until the tariffs on steel and aluminum imposed on Mexico are lifted. Canada also continues to exert similar pressure on the US to lift the steel and aluminum tariffs using CUSMA ratification as leverage.

Trade Update cont...

CPTPP:

The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) trade deal entered into force on December 30, 2018 after the six first countries' members, including Canada, formally ratified the agreement. The second year of commitment started on January 1, 2019 for all members that ratified the agreement except for Japan, whose second round of tariff cuts will come into force on April 1, 2019.

Chili and Peru are expected to ratify the agreement soon, while the new Malaysian government is currently reviewing the agreement. Thailand, South Korea and Taiwan have also expressed interest in joining CPTPP, but none have formally submitted accession requests so far.

SM4 Mitigation Working Group:

On December 19, 2018, the poultry working group began work to address the impact of the market concessions that were granted to supply-managed poultry and egg products in both CPTPP and CUSMA. To recall, the Government of Canada announced on October 29, 2018 a new working group to 'develop strategies to fully and fairly support farmers and processors to help them adjust to the CUSMA' as well as 'discuss support to reflect the impact of the CPTPP'.

To date, discussions have revolved around technical analysis of the impact of CPTPP and CUSMA. CHEP staff has been working with the AAFC analysis team to ensure that all relevant assumptions and key data are taken into account in the analysis. The results of these analysis will serve as a basis for discussions on policies that address the impact of the two agreements.

The next step will be to provide recommendation to the Minister of Agriculture and Agri-Food on the mitigation strategies that address the impact of the concessions and provide the support for a sustainable and innovative poultry and egg sector. CHEP has been working closely with its colleagues from the poultry sectors to develop a proposed comprehensive strategy to mitigate the impacts of the two agreements. This includes an investment tax credit, a domestic market development fund, enforcement of Canadian standards and requirements at the border and an effective TRQ allocation system.

Canada - Mercosur:

The fourth round of Canada's FTA negotiations with Mercosur took place in Brasilia, Brazil December 3-12, 2018.

Following this round of negotiations, market access interests were exchange between parties. Canada is seeking full tariff elimination except in sensitive agriculture sectors and has expressed export interest in commodities such as grains, pork, oilseeds, processed foods and beverages. Mercosur countries members expressed interest in the dairy, poultry and egg sectors plus beef and a number of others.

In February, SM5 staff met with Bruce Christie, Canadian Chief Negotiator, to find out how Canada will position itself in response to Mercosur market access demands in supply management sectors. The SM5 staff took the opportunity to express their concerns and sought assurance that the Canadian negotiators will inform the Mercosur members that supply management is off the table of negotiations.

The fifth round is scheduled for March 26-29 in Ottawa. CHEP along with its SM5 counterparts plan to be present.

Intensive Livestock Working Group

Then next ILWG meeting will be held in Calgary on May 22nd. A representative will be attending the meeting on behalf of the AHEP.

Ron Axelson, Executive Director provided the following update since the last meeting. If you wish for further details on any of the topics, please contact Brian Wassink.

PUBLIC TRUST

The purpose of this initiative is to identify those critical issues that negatively impact industry/neighbor/municipal relationships and to then develop a strategic template that builds public trust in how the CFO industry functions, including the regulatory process under which it is governed and, how it responds to criticism. Project success has been defined as industry facilitating respectful stakeholder relationships and operating with the concurrence of the community in which it is located.

Because the ILWG is not a legal entity one of the member organizations must make the formal application and Alberta Chicken volunteered (a huge thank you) and will be the funding agreement administrator, if the application is approved.

Over the past month a draft application was developed by the sub working group and feedback from those with expertise in this area suggests we have under estimated project costs. Taking this advice we are reworking the budget before a revised application is submitted to the funder. It should be noted that substantial progress on the project has been impeded by the "Care Taker Act" which precludes, in our case, direct communication with the funder during the election process; in fact these provisions have not as yet been lifted by the new government.

As development of the project and its funding application moves forward it has become quite apparent this is a complex initiative/issue that will require the involvement of experts in stakeholder engagement/communication and data assessment. It is our goal to petition the consulting sector for quotes in the next couple of weeks and submit a revised funding application late May.

CLIMATE CHANGE

Climate change was one of the higher priorities identified in the ILWG issues management review conducted in 2018. Our goal is to establish collaborative relationships with those new organizations created under the government's climate change mandate.

The feedback being received since the election suggests agencies such as Energy Efficiency Alberta, Emissions Reduction Alberta and the Alberta Climate Change Office (ACCO) are in jeopardy of having their mandates significantly modified, or being dismantled by the new government. Our participation in the ACCO's program to "Build Regional Adaptation Capacity and Expertise" (BRACE) to improve recognition of and then adapt to climate change in agriculture, is now being held in abeyance even though it had previously received funding approval.

Ron Axelson, Executive Director
Intensive Livestock Working Group

Producer Marketplace

Broiler Breeder Quota for Sale – up to 2700 units
Please contact Ray Penner at (403) 740-9432



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