

WTO Outlook Could Be Bleak

On July 17th, Crawford Falconer, Chair of the Agriculture negotiations at the World Trade Organization (WTO), released his draft modalities paper on agriculture.

If accepted, the draft modalities paper will devastate Canada's dairy, poultry and egg industries. For example, if the paper is adopted, over-quota tariffs will have to be reduced to between 22% and 49%. This will result in significantly increased import levels and will destroy the import control pillar of supply management.

Further, if the paper is accepted, minimum access commitments will increase by an additional four to six percent of consumption. Within that setting, sectors now importing five percent of their domestic consumption at a zero percent tariff will have to import between nine and eleven percent of their domestic consumption at zero tariff.

Finally, the number of suggested tariff lines that could be included as "sensitive products" is even less than what was in Falconer's earlier "challenges" paper issued earlier this summer. The number of tariff lines that could be considered sensitive is less than half of what is needed for supply management products and to assure the future of Canada's dairy, poultry and egg industries.



Canadian dairy, poultry and egg farmers are calling upon the Government to clearly direct the government's negotiators to ensure that the outcome of WTO negotiations in agriculture brings about no economic losses to supply management industries.

The Canadian dairy, poultry and egg industries have issued a press release decrying the modalities paper.



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The following is an adaptation of the release:

Latest Farm Paper from World Trade Organization Threatens Dairy, Poultry and Egg Farmers

Canadian dairy, poultry and egg farm leaders rejected the first draft modalities paper on agriculture issued by Crawford Falconer, agriculture trade negotiations Chair for the World Trade Organization (WTO), as the text threatens the future of Canadian dairy, poultry and egg industries.

"This paper only confirms the serious concerns we shared with agriculture ministers in June," said Jacques Laforge, President of Dairy Farmers of Canada (DFC). "These modalities are detrimental to supply management: there are too few sensitive products allowed and they are treated very harshly. They show why Canada must work very hard if it is to achieve a WTO agriculture agreement that supports supply management: there are provisions that clearly offer flexibility for other countries and none for Canada's supply management sectors."

David Fuller, Chairman of Chicken Farmers of Canada, also reacted strongly to the news of the proposed draft modalities text. "The text would actually force Canadian farmers to cut back production in favour of products from other countries, at a time when consumers increasingly want locally-produced food," he explains. "It actually threatens the ability of a country to decide where they want their food to come from. The Canadian Government must stand firm next week in Geneva and clearly tell its trading partners that it cannot accept this text."

Dairy, poultry and egg farmers reiterated that the Government of Canada must urgently find ways to influence the direction of the negotiations and achieve a successful outcome at the WTO. The Government must preserve the pillars of supply management so that negotiations bring no negative economic impact on supply management farmers.

"This text actually shows Canada losing ground in the defence of supply management since the "challenge paper" issued by Falconer in June," said Gyslain Loyer,

Chairman of the Canadian Broiler Hatching Egg Marketing Agency. "The number of suggested tariff lines that could be included as sensitive products is even less than a month ago, and only half of what would be needed for dairy, egg and poultry products to even be considered in the sensitive product category."

As some plan to be in Geneva next week, leaders of Canada's dairy, poultry and egg farmers continue to offer their cooperation for discussion on the negotiating strategy and all the tools that would help obtain a positive final outcome in the negotiations.

"The Government must not waste any more time and must immediately find ways to negotiate flexible provisions for Canada's dairy, eggs and poultry," said Laurent Souigny, Chairman of the Canadian Egg Marketing Agency.



Farmers – Get Involved! Please see p. 3

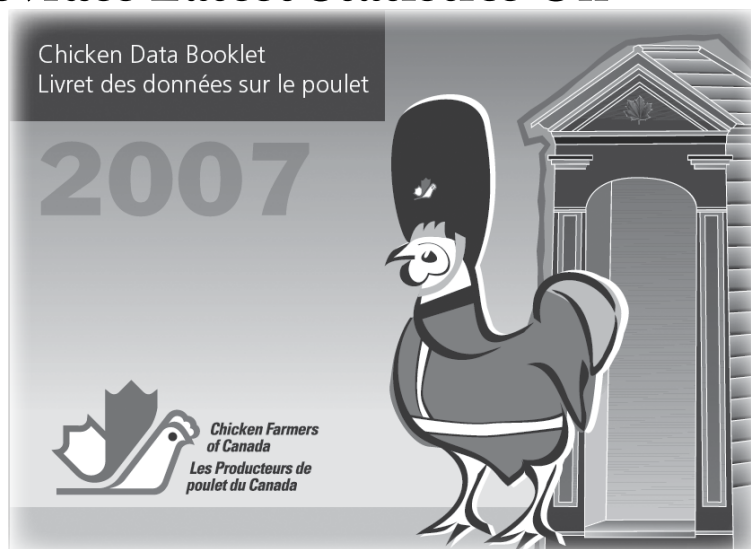
2007 Chicken Data Booklet Provides Latest Statistics On Chicken Industry


The 2007 Chicken Data Booklet, designed to provide easy-to-use statistical information on the chicken industry, was released at the Chicken Farmers of Canada Summer Meeting in Kelowna, British Columbia.

The handbook is distributed every year to over 3,500 people including chicken farmers, processors, further processors, retailers, restaurateurs, and other industry stakeholders. Copies are also available to government departments and universities.

Of note in this edition:

- Canadian chicken consumption was 31.8 kg per capita.
- Total production in 2006 was 973 million kg (Mkg).
- Canada's per capita chicken consumption places Canada 9th in the world and our production rank is 11th.
- Farm cash receipts for the chicken industry were \$1.5 billion.
- 60% of chicken consumed in Canada is sold in retail/grocery stores.
- Imports were 147 Mkg and exports were 104 Mkg* (Canada ranks 9th in imports and 6th in exports).



For more information or to request a copy of the 2007 Chicken Data Booklet, please email us at cfc@chicken.ca. The electronic version of the booklet is available on the CFC website. 

*Note: International Trade Canada reported imports as 132 Mkg and Statistics Canada reported exports as 110 Mkg. United States Department of Agriculture numbers are used for consistency with other nations in the top 10 tables.

Chicken is Canada's Number One Protein Choice – Survey

In early 2007, Chicken Farmers of Canada (CFC) commissioned Leger Marketing to conduct its 2007 Usage and Attitudes Survey which takes place every three years.

The survey, conducted between April and May, confirms that chicken is Canada's favourite protein and reveals that nearly a third of Canadians list chicken as their favourite.

Penetration of poultry in Canada is high with 97% of respondents buying it. Not only is chicken eaten most often, it is also on the menu more often than any other meat when respondents are eating out.

That being said, overall knowledge of the chicken industry could be improved, in terms of how chickens are raised, what they are fed or the nutritional content of the chicken consumers buy.

Other Key Findings of the 2007 Usage & Attitudes Survey

- 97% of the survey respondents say they buy poultry and eat chicken an average of 8.6 times per month.
- 82% of the survey respondents say they prepare or cook meals with chicken at home at least once per week, up from 75% in 2004.
- Boneless, skinless chicken breasts are the most popular type of chicken purchased with 78% of respondents saying they purchase them. Regular chicken breasts are the second most popular type of chicken purchased (71%), followed by whole chickens (64%), and chicken legs (53%).
- When compared to other meats, chicken received higher agreement for "it tastes good" (72%), "is a popular choice" (70%), "is good value for the money" (50%), and "is not expensive" (33%).


- Overall, respondents are very supportive of Canadian chicken farmers.
- Nearly all respondents (92%) agree that it is important that the Canadian Government actively defend the interests of the Canadian chicken farmers.

CFC is pleased with the key findings that stem from this latest survey, particularly the fact that chicken is the most popular menu inclusion and it is given top honours for its taste and popularity. Per capita consumption of chicken mirrors the results of the survey as consumers ate 31.8 kg per person in 2006.

Canada's chicken farmers, however, wish to dispel preconceived notions about our country's chicken industry by informing Canadians about the demanding guidelines farmers obey to ensure their product meets or exceeds industry standards.

Unfortunately, only 52% of Canadians feel that they know enough about how chickens are raised.

As much as Canadians love chicken, 71% believe that hormone supplements are fed to chickens, an increase since 2004 when that number was 65%. But this assumption is false. In fact, the use of hormones in chicken feed has been banned since the 1960s.

A representative sample of 1,747 adult Canadians was obtained. With a sample of this size, the results are considered accurate to within +/- 2.3%. 

2007 Summer Meeting Report

Each year, Chicken Farmers of Canada holds its Summer Meeting in a different location across Canada. The Summer Meeting serves as CFC's greatest yearly opportunity to meet somewhere other than in Ottawa for meetings. By switching the scenery every year, CFC gets to enjoy some of the most beautiful surroundings in the country! This summer was no exception, with CFC's meeting being held in picturesque Kelowna, and hosted by the British Columbia Chicken Marketing Board.

Nestled in the Okanagan Valley, Kelowna has all the amenities of a major city, as well as featuring more rural aspects, like orchards and vineyards and spectacular views from every corner. With internationally-acclaimed wineries, several championship golf courses, great skiing, boating, hiking, swimming and fishing, it was difficult for Directors and staff to tear themselves away from their setting in order to get the necessary work done. They did manage to get in a little activity, such as golf, winery and boat tours, as well as a steam train dinner.

Despite the difficulty they must have had, Directors were extremely successful in maintaining their focus on their extremely charged meeting agenda. The meeting provided CFC Directors an opportunity to discuss important matters at length, especially at this mid-point in CFC's year, when it is important to review activities and determine if any strategic direction must be changed.

Directors heard an extensive update on the CFC Animal Disease Strategy, which includes biosecurity standards, avian influenza, medicated feed and other issues. They also spent some time discussing the ongoing WTO negotiations, as well as hearing the results of the CFC Usage and Attitude Study, which assesses trends and attitudes of consumers towards chicken. This study goes a long way to determining strategic direction for CFC, as it helps the Board understand the needs and expectations of Canadian consumers.

Chicken Farmers of Canada is very pleased with the results of this meeting, and has given its thanks to the British Columbia Chicken Marketing Board for organizing such an efficient and effective meeting. 🐔

Retiring Directors

Every year, CFC welcomes new partners to the CFC Board table. Unfortunately, this means that CFC must bid "adieu" to our other partners who have to retire from their positions on CFC's Board. Every one of CFC's Directors has made a valuable contribution to the agency's growth and development over the years and this contribution cannot be underestimated.

This year, CFC bade farewell to four directors and one tireless contributor, whose objective insights and hard work on various issues have assisted in strategic planning and in developing CFC policies. CFC Chairman David Fuller took the opportunity to recognize these five individuals and to thank them all for their work. This included a posthumous tribute to Eugene Zagrodny, a much-beloved member of the Board and Executive Committee, who passed away suddenly in early January.

IN BRIEF

New Staff Summary

Changes in the coop have led to a surge in new faces. Since the beginning of 2007, CFC has been joined by Matthew Rae as Junior Communications Officer, Lori Piché, as Market Information Officer, a new Translation Coordinator, Sanita Fejzic, Elyse Ferland as Meeting/Recording Coordinator and Jennifer Kaiman as the new Executive Assistant to the General Manager.



From (l to r): Elyse Ferland, Sanita Fejzic, Jennifer Kaiman, Matthew Rae and Lori Piché

Biosecurity funding

In mid-June, the Minister of Agriculture and Agri-Food announced \$3 million to develop or advance on-farm biosecurity technologies of interest to the Canadian poultry sector.

Seven projects were selected for funding for the 2006/2007 fiscal year, with a total investment of \$500,000.

The program was designed to limit opportunities for the introduction and spread of avian influenza and other infectious diseases in poultry flocks.



Farmers – Get Involved! Here's What You Can Do Continued from p.1

Calling Members of Parliament, even during the summer, can have an impact. Tell your Member of Parliament that you are a chicken farmer in the constituency. Explain that you have serious concerns about the draft modalities paper that was proposed at the WTO and that it will hurt your farm and your family. Strongly state to the Member that you would like Canada to be actively involved in the negotiations and send a strong message to the WTO that the paper is unacceptable.

Finally, ask your Member of Parliament to contact Minister Strahl and tell him that he must intervene directly. The federal government must fight to ensure that Canadian interests are defended and that any deal at the WTO does not negatively impact Canadian farmers.

Call your provincial board office for more information. Also, check out www.farmsandfood.ca for more information and other key messages you can use.

2007 Farmer Survey Results

Chicken Farmers of Canada has completed its 2007 Farmer Survey. Over a period of nearly two months, calls were placed to all farmers in order to obtain this important information.

Ranging from questions about international trade, food safety, services and communications, the Farmer survey is an opportunity for CFC to better understand its farmers, so that strategic considerations can be made for the agency's growth and development, as well as its public and government relations, which are very important – especially in light of the ongoing WTO negotiations. CFC also uses this information to review its current level of service and to establish benchmarks for quality and quantity of information.

This year, 55% of farmers contacted completed the survey, making the survey results accurate to within 1.9%.

Key Findings

- The majority of chicken farmers are “established and planning to maintain current operations”. Having said that, chicken is not the only source of income for the majority of farmers.
- On average the production cycle is 8 weeks, yielding 65,000 kg of chicken.
- The World Trade Organization (WTO) negotiations are expected to impact the industry; however, slightly less than half the farmers say they are optimistic about the upcoming negotiations.
- Slightly less than half believe that the Canadian government is fairly representing their interests in these negotiations.
- Domestic support is the most important issue for more than half of the farmers.
- Farmers generally feel empowered with four-fifths saying that they can help prevent avian influenza. Biosecurity is the number one way to prevent avian influenza, and to this end, the majority of farmers have made biosecurity improvements.
- Chicken Farmers of Canada receives high praise from the farmers, particularly regarding this newsletter, the food safety program *Safe, Safer, Safest*, information about the industry and products and the promotion of chicken.

Some Other Statistics

- On average, chicken farmers have been working as chicken farmers for 15 years.
- Chicken farming represents an average of 77% of farm business (farm cash receipts).
- 2% of farmers raise organic chicken while 3% raise free range birds.
- 68% of flocks raised in the last three periods were stocked at 31 kilograms per square meter or less and a further 8% were between 32-38 kilograms.
- 51% of farmers responded that their flocks have not received antibiotics in over 6 periods.
- 96% of farmers follow the requirements of *Safe, Safer, Safest* on a day-to-day basis.

- 34% of farmers feel they have an excellent or good understanding of the current WTO agriculture negotiations (but 86% believe there will be an impact on the industry); 70% of farmers say they are interested in learning more about the negotiations. 🌱



Canada's Government Invests \$2.1 Million To Combat Global Animal Health Threats

On July 20th, Chuck Strahl, Minister of Agriculture and Agri-Food, announced \$2.1 million in funding to Veterinarians Without Borders to help limit the spread of avian influenza and other contagious animal diseases world-wide.

“Fighting contagious animal diseases around the world is just another example of the commitment by Canada's New Government to protecting the security, health and prosperity of Canadians,” said Minister Strahl. “The work done by these veterinarians helps protect Canada, because diseases don't respect borders, and one that affects a foreign country today may be a Canadian problem tomorrow.”

Veterinarians Without Borders will receive \$2.1 million in funding over the next five years through the Canadian Food Inspection Agency. This investment will enable Veterinarians Without Borders to deploy animal health experts from Canada to undertake projects in animal health, veterinary public health and eco-system health in developing and transitioning countries.

“By addressing the potential development of diseases at their source, these projects are providing important social, health and economic benefits at the local level and contributing to global security,” said David Waltner-Toews, the president of Veterinarians Without Borders. “An additional benefit is that the Canadian veterinarians involved in the work will develop better understandings of these diseases. This will help them respond should they happen in Canada.”

Veterinarians Without Borders originated within Canada's veterinary colleges. It is a charitable, humanitarian organization whose mandate is to foster the health of animals, people and the environment. The group engages in activities around the world to build capacity- and community-based programs related to the health of farm animals (aquaculture and land-based), urban domestic animals and wildlife, as well as public and ecosystem health. Projects are underway in Madagascar, Mongolia, Sri Lanka, East Africa and Southeast Asia. 🌱

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