



NEXT BOARD MEETING

February 8, 2011

ADDRESS:

301 8925 - 51 Avenue
Edmonton, AB
T6E 5J3

PHONE:
(780) 434-8414

FAX:
(780) 434-9552

Email
ahemb@telusplanet.net

BOARD OF DIRECTORS:

Chair:
Tina Notenbomer
(403) 320-1360

Vice Chair:
Dennis Wickersham
(403) 546-4306

Directors:
JoAnn Nanninga
(780) 674-4549

Ashley Rietveld
(780) 953-9160

Kevin Tiemstra
(780) 674-4229

STAFF:

General Manager
Bob Smook
ahemb@telusplanet.net

Assistant Manager
Nancy Robinson
ahepam@telus.net

OFFSAP
Dana.Penrice@ales.ualberta.
ca

Administrative Assistant
Gloria Prochinsky

WEBSITE:

albertahatchingeggs.ca

CHICK AND CHAT MEETINGS

The AHEP held producer Chick and Chat meetings on November 23 (Edmonton) and 25, 2010 (Strathmore). The following agenda items were discussed at the meetings:

Leasing Policy

The AHEP presented the existing Leasing Regulations that are set out in AR 280/97, Section 24. Producers expressed that it was never the intent in establishing the leasing provisions in regulations to allow a quota lease to go on indefinitely. Because the legal interpretation suggest otherwise, the Board will review this matter to establish a course of action that best serves the future needs of our industry.

The discussion and presentation reviewed:

- Reasons for not allowing indefinite Lease Periods
- Reasons why longer term leasing should be permitted

Following discussions, producers did not endorse the review of the Leasing Regulations. Several producers questioned why this issue is even being reviewed.

Breed Differences and Breed Indexing

Given the decreased productivity since the 2007/08 Hatching Egg COP survey, several producers inquired about breed indexing and its implementation with the decreased productivity, in particular the Ross 708. It was explained that the "Breed Factor" means the potential production of hatching eggs by a particular breed and the industry has to determine the "designated breed" which is the benchmark breed for broiler hatching eggs. Since the Cobb breed has been replaced by the Ross 708 the benchmark breed in Alberta would be either the 708 or the Limited Alberta data for the 708 means relying on other sources (Ontario or U.S.) to compare production potential of these two strains.

Producers in attendance indicated that the current challenges are related to chick quality, mortality and morbidity prior to 26 weeks as well as through the lay cycle. It was agreed the industry must acknowledge that the performance of the chosen breed in this province has benefits to the end user (Poultry Meat Sector). It was explained by the AHA that the Ross breed provides better conversions, better breast and shank muscle yield, lower condemnation rates and mortality rates.

Coincident with this improved broiler performance has been the decline in productivity of the broiler breeder. Provinces across Canada are experiencing a significant decline in eggs and chicks per hen. In Alberta, the provincial weighted average has dropped by over five chicks per hen to 59 weeks from the period of time of the COP survey to 2010. This productivity decline must be addressed in our pricing model.

COP Pricing Progress

It was explained to producers in attendance that throughout 2009 and 2010 the Alberta Hatching Egg Producers (AHEP) and the AHA (Alberta Hatchery Association) met on numerous occasions to move forward with the finalization of a pricing mechanism. The meetings were positive toward adopting a formula (COP based) with discussions and review regarding the elements that create the formula. The AHEP and AHA have reviewed and continue to review the COP elements on an ongoing basis, even after the change in authority to price. Negotiations and discussions on what works best for the industry are ongoing and provide for healthy dialogue between both

parties. Today we are nearing the conclusion of an Alberta built formula that has shared risks in the areas of capitalization, flock life, allocation, along with a spot feed pricing approach. Upon completion of productivity and bird size discussions, Alberta Hatching Egg Producers will no longer have to rely upon other jurisdictions to establish an Alberta price.

Allocation Review

The AHEP reported on the allocation with respect to the National and Provincial progress on domestic and import sets. On a national basis, domestic production to October 2010 was 97.8% with imports at 111.4%. This trend in increased imports was suggested to have occurred as a result of some domestic production facilities encountering damage (fire) as well as performance issues with the breeders across Canada. For Alberta, domestic production to October 2010 was 101.1% while imports were at 13.42% including off lines. As well under allocation there was some preliminary discussion of beginning to bring closure to the GAP program. The AHA indicated that for 2011 they will be targeting 14% imports.

Given the foregoing scenario's, until imports reach an agreed upon level, the allocation will not go up; however reprieve on the GAP levy will improve producer returns.

Strategic Planning Role out discussions

As part of 2010 strategic directions, the AHEP held a "Board Leadership Development Strategy Session" with 14 producers under the age of 40. The

discussions were lead by Marketing Council giving the producers a background on Board Governance. As well the producers were Given three group scenarios dealing with the COP/Pricing, GAP and the egg based system.

Terms of Office

Several of the 21 boards and commissions in Alberta raised concern on their inability to fill director positions on their respective organizations. Given the situation, Marketing Council under MAP amended the abilities of producer organizations to extend the maximum term from 2 x 3 year to 3 x 3 year term. Directors spoke with producers on the matter held a vote at the Chick and Chat meetings. The votes at both meetings supported the change. Therefore, as a result of producer vote, the AHEP will seek this amendment within the AHEP's regulations.

Precision Feeding

Dr. Martin Zuidhof, *Alberta Agriculture Food and Nutritional Science, University of Alberta*, presented to the producers a proposal that considers the advancement of "Precision Broiler Breeder Feeding Systems". The idea of the system is to feed birds according to production, similar to how the dairy industry has focused their TMR feeding for each cow.

The total project cost is estimated at \$350,000 and requires industry support of 5% total cash amounting to \$17,500 over 2 years or \$8750.00 per year from the AHEP.

ILT Policy

Producers were briefed on the provincial ILT approach to disease management for the poultry sector. The approach and framework being developed is not specific

to ILT; however it is hoped to be a basis for dealing with all reportable diseases with respect to compensation.

CHEP MEETINGS – OTTAWA

Highlights:

National Allocation Review

- ▶ Initial allocations 2011 vs 2010 increased 1.26% (Summer 2010)
- ▶ Revised Allocations 2011 vs 2010 increased 3.12% increase (Fall 2010)

This increase in Alberta will most likely be consumed by increased imports and decreasing GAP.

Trade Update

- ▶ WTO is at a virtual standstill
 - ▶ A lot of protectionism world wide
- If something is not done on the Doha round by 2011 then things will be stalled to 2014.

Bilateral Trade

- ▶ EU and Canada – discussions ongoing, more so on the manufacturing side; however on the SM5 front, most interest is in the dairy sector, little by way of chicken.

Reviewed CHEP Strategic Plan reviewing

- a. System support
- b. Government support
- c. Framework relationships
- d. Product safety and quality
- e. Public communications
- f. Animal Care

ILT Policy Development *(acknowledgement of ACP newsletter)*

The development of a comprehensive ILT Policy for Alberta's poultry industry continues to play a prominent role among the four poultry boards, the Alberta Department of Agriculture, hatcheries, and representatives of the industry's unregulated sector.

A working group has explored options for Compensation and/ or Insurance and the use of vaccination, which were discussed at the last ILT Policy meeting held on December 8 & 9th. The goal is to develop a policy document that all stakeholders can support and endorse. The main decisions going forward remain: whether or not to maintain ILT on the Reportable Diseases list, vaccination (usage and form), and compensation / insurance. Also of concern is how to address the unregulated sector of our industry. Regardless of where these decisions rest, the Policy will serve as a framework for other provincially reportable diseases.

APIEMT Table Top Exercise *(acknowledgement of ACP Newsletter)*

The Alberta Poultry Industry Emergency Management Team held a table Top Exercise on Nov 17-18 in Red Deer. As our Plan is continuously evolving, it is important to bring industry stakeholders together on a regular basis to ensure all members are familiar with the Emergency Response Plan, to test the plan and identify gaps and areas for improvement, and to develop a sense of teamwork and trust among stakeholders, a critical component of any response plan.

The first half-day involved a review of the emergency response plan manual, an introduction to Sharepoint, an intranet site used for our Emergency Operations Centre, a review of Incident Command Structures, and a demonstration of the mapping technology available to us through the Premise ID System.

The second day was devoted to testing the Emergency Response Plan against several scenarios. In de-briefing on these exercises, participants identified what works well and identified areas to improve the Plan, including a more user-friendly Producer version of the manual and the need to have all commercial producers registered under the Premise-ID System.

It is critical that all producers register for a Premise-ID number in order for our industries to use the mapping solution available through the Premise-ID System. Registering your Premise will ensure your Board Office can notify and work with you in the event of an emergency.

Help Us Help You...Register Your Premise Today

APO 13 – Nov. 22, 2010 to Jan. 16, 2011

APO pricing change for APO 13 increased from \$0.4650 to \$0.4759 (no 2% exemption). The price per saleable chick was determined using the Serecon model as revised and agreed upon by both AHEP and AHA to date. The model used, reflects:

- Feed price index based on spot market prices as per the method employed in Ontario
 - 50% of the capital costs have been fixed
 - 50:50 sharing of the price adjustment for:
 - o Flock life adjustments (60 weeks for this APO period)
 - o Allocation adjustments (82% for this APO period)
-

Producer Only Breakfast Meeting Survey Results

After surveying producers, 95% were not interested in a breakfast meeting but preferred a producer only meeting format. Given the response the AHEP will have fewer speakers at the AGM to allow for more producer dialogue.

Aviagen Hosts Canadian Young Farmers Recipient In Huntsville

Aviagen recently hosted Laurens Van Der Rijt of Lilydale to the company's facilities in Alabama. Laurens is a hatching egg producer from Bowden, Alberta. He is the recipient of the Canadian Broiler Hatching Egg Producers Association's (CBHEPA) young farmer's programme.

The visit to Aviagen was an opportunity for Mr. Van Der Rijt to learn more about the US poultry industry and receive information about the latest management techniques

and practices including information about Ross product performance, nutritional advice, veterinary issues, biosecurity objectives, production planning, and shipping/export processes.

To get a firsthand look at best practices in poultry breeding and production, Aviagen representatives accompanied Laurens on visits to a company hatchery, Egg Depot, pullet and breeder farms, and a commercial customer facility.

"We congratulate Laurens on applying and being selected as the recipient of the CBHEPA young farmers programme for 2010," said Scott Gillingham, regional business manager for Canada at Aviagen. "Building strong customer relations and supporting our young farmers is a main focus for Aviagen. By sharing knowledge and ideas with our customers we help them grow their success with our products. We were very pleased to welcome Laurens to Aviagen."

About CBHEPA young farmer's programme:

Through the young farmers program, the CBHEPA provides financial assistance to one

young producer looking to acquire or broaden his/her knowledge of the hatching egg industry in other countries. The applicant for this programme should have less than 15 years experience in the hatching egg industry, or a young person who is working on the farm of a parent in the industry. The programme is designed around the young farmer's experience. Selected applicants are asked to prepare a short written submission outlining their

working experience and the reasons they are seeking assistance from CBHEPA. Participants are also asked to share their knowledge and accomplishments of the program with CBHEPA members by preparing a written report and eventually presenting it to the CHEP Board of Directors.

Canadian Salmonella Enteritidis Control Symposium

A Salmonella Enteritidis meeting was held in Vancouver December 1 and 2, 2010. Several representatives from the Public Health and Animal Health sectors presented the following:

- Public Health Perspective
- Animal Health and Food Perspective
- International Lessons Learned (Danish Experience)
- Canadian Initiatives

The meeting was driven by the BC Control Disease Center and Health Canada in an attempt to address the increasing prevalence of SE since 2005. The message sent to all in attendance was that Canada has to control Salmonella Enteritidis. The message sent to the Broiler Hatching Egg Industry was that we must follow egg handling protocol and regulations to ensure that we are doing our part in being responsible. BC Hatching Eggs has gone as far as removing producer's rights to have farm gate sales through regulator amendment. All BC Hatching Eggs not destined to the hatchery are sent to the breakers. (Attached is a copy of the "Purchase and Sale of Eggs and Processed Egg Regulation" AR 23/2004). Please review the regulation and ensure that procedures are followed. Any questions please call the AHEP office at (780) 434-8414.

Upcoming Meetings

Wild Rose Agricultural Producers Annual Meeting – January 12 & 13, 2011

AFAC Meeting – January 17, 2011

ILWG – January 19, 2011

All Boards and Commissions meet with Marketing Council – January 31, 2011

Board Meeting- February 8, 2011

Male Management Workshop (Dr. Jeanna Wilson) Week of February 21, 2011

AHEP Annual Meeting – March 1, 2011 – Red Deer

Christmas Schedule
Between Dec. 24 and Jan. 3, the AHEP Board office will review voice mail messages frequently and respond to in a timely manner.



CLASSIFIED

Ryan Rietveld is looking to purchase quota.
If anyone has quota for sale please call
Ryan at 780-966-9160 (cell) or 780-363-2363.



The AHEP Board of Directors and Staff wish you and your family a happy Christmas and a peaceful and prosperous New Year.

