

An aerial photograph of St. John's, Newfoundland, showing a harbor filled with colorful residential buildings and a large white and yellow ship docked at a pier. The harbor is surrounded by rocky hills and a blue sky with scattered clouds.

# *Canadian Poultry and Egg Processors Council*

*61st Annual Convention  
June 12-14, 2011  
St. John's, NL*



**2011 ANNUAL GENERAL MEETING AND CONVENTION**  
**CANADIAN POULTRY AND EGG PROCESSORS COUNCIL**

Delta Hotel Newfoundland

Newfoundland, NL

June 12 - 14, 2011

Report from the Chair.....	2 - 3
Report from the President & CEO.....	4 - 5
Issues Reports .....	6 – 11
Board, Past Presidents, Awards .....	12
Associate Members.....	13
Processor Members .....	13 - 16
Registered Delegates.....	17 - 19
Annual General Meeting Agenda .....	20
Minutes of 2010 Annual General Meeting.....	21 - 23
Financials .....	24 – 28

**REPORT FROM REG CLICHE – CHAIR  
TO MEMBERS OF THE CANADIAN POULTRY AND EGG PROCESSORS COUNCIL  
AT THE ANNUAL GENERAL MEETING – MONDAY, JUNE 13, 2011  
ST. JOHN’S, NFLD.**

Good Afternoon Ladies and Gentlemen. I would like to welcome you to the 61<sup>st</sup> annual meeting of the Canadian Poultry and Egg Processors Council. I’m assuming that for many of you, this is your first trip to Newfoundland, but it’s not the first time that CPEPC has held its convention in St. John’s. Council used to hold its annual conference in the fall rather than in June, and our last fall convention was in October 1997 at the Hotel Newfoundland here in St. John’s. This is a beautiful province and an interesting city and I hope you find time to explore them as well.

This week marks the last few days of my two year term as Council Chair. Looking back I can honestly say it was a position I enjoyed and one I would recommend you take advantage of if given the opportunity. As usual, last year we dealt with a large number of issues. Staff has once again summarized the most important by sector in the “Issues Report” section of the convention book. I intend to touch on a few of them from a high level perspective.

For chicken processors it's déjà vu! The recent three year cycle of bad year, recovery year, and good year culminated again with 2010 being the “good” year in the most recent cycle. Stability in allocations, live prices, and wholesale prices generated very acceptable margins for processors while at the same time delivering adequate supplies and consistent pricing to the downstream sectors in 2010. But the bad news is that the cycle continues! Approaching the half way point in 2011 we are following the same trend and are into another very bad year for processor margins due to huge increases in live costs driven by feed, combined with allocations that have been set at too high a level to allow processors to pass these costs through the supply chain. Once again we have failed to come to agreement on using a complete, common set of market indicators with an identified healthy range for each during “peace time”, and find ourselves dealing with the same old issues in a very difficult operating environment. Even though per capita consumption has been flat for the past 7 years and despite agreement on a reasonable medium term growth rate, we continue to have significant allocation issues. Clearly the processing community still has work to do on our strategic goal of ensuring that CPEPC will have an equitable role to play with the producers in determining the allocation necessary to adequately supply the Canadian marketplace in the chicken sector.

The same macro factors apply to the turkey sector as to chicken...notably flat per capita domestic consumption and pressure on live prices from historic high feed costs. However the results for our turkey members do not exactly mirror those of our chicken members. The combination of lower turkey allocations and aggressive, loss leader, festive season featuring by retailers resulted in good inventory levels of whole birds by year end. The further processed market represents more than half of the market for turkey and is still not where it needs to be despite allocations having been reduced each year for the past few years. Both markets have improved over the course of last year, but the further processed market in particular is still suffering from: high cost vs. pork in particular; lagging demand due to the economic downturn of the past couple of years; listeria hangover; etc. The current allocation system continues to operate without the requisite underpinnings of regulations. TFC Directors are working hard to find agreement on a policy that can carry the industry forward. CPEPC has an internal policy committee working on it as well. We need to finalize this before the 2012/13 control period.

In 2009, when domestic consumption of other proteins was under pressure due to Canadian consumers feeling the effects of the economic downturn, consumption of eggs – a low cost, high value protein - increased. As Canada’s economy improved last year, egg consumption flattened out again. The outlook for 2011 continues to be fairly flat on a per capita basis but we are hopeful for some growth toward year end and into 2012. Our processing members and Egg Farmers of Canada (EFC) continue to negotiate the terms of a supply agreement to replace the contract that expired in October of 2007. Both sides acknowledge that an agreement is needed that will reduce the growing financial pressures on the pooled income fund and provide more certainty and stability for processors and EFC over a long period. Despite

another renewed effort recently to find agreement, it remains elusive as of the date of publishing this report.

Hatcheries have dealt with an increasing number of issues, many of them technical, over the last year. I urge you to read more about them in the issues report section of your convention book. A significant number of supplemental imports for broiler hatching eggs were issued last year. Despite the Directors at Canadian Hatching Egg Producers accurately estimating demand, production issues resulted in too few chicks being produced domestically. Part way into 2011 it appears that the same pattern will repeat itself. Our leghorn hatchery members were very pleased with an agreement in principle with Egg Farmers of Canada that will see them covered by a new salmonella enteritidis insurance program in return for their participation in some significant administrative duties. The Transition Team, including CPEPC, is working hard to get the program in place this summer.

I think you know that I feel strongly about one of CPEPC's strategic projects, the Association Synergy Project. Although the project has not moved as fast some of us would have preferred, I'm pleased to be able to report that progress has been made over the past year. Canadian Meat Council (CMC) has moved into the office next to ours in Ottawa and our staffs are working more closely together. We have agreed to hire a shared Director of Government and Media Relations and have an approved job description, financial agreement and governance agreement for that role. CPEPC has budgeted for our share of this commitment in 2011/12. I am looking forward to the additional profile that these changes will bring to our organizations and industry in our dealings with government.

As part of the Synergy Project, we will hold our first joint CPEPC – CMC Conference in 2013 at the Banff Springs Hotel. Our staffs have been working to take the best of each of our individual conferences and combine them to make one that is bigger and better while ensuring that each organization and sector retains the specific business meetings that they have come to depend on. Additional delegates, more speakers, a continuation of terrific social and business programs in an iconic Canadian setting....mark your calendars now for the first annual combined conference, June 16 – 19, 2013!

Council staff deserves special recognition for the quality and volume of work handled by a small dedicated team. Even with turnover and the move towards Synergy, staff has maintained their focus, supported our respective sectors and delivered solid results. As Chair I want to personally thank staff for their support with my role over the last 2 years.

I want to thank the CPEPC members...for supporting me in my role as Chair for the past two years, but more importantly for their support of Council. Without the additional commitment from members who contribute time and resources representing our interests at the National Feather Agency Boards, on committees, on conference calls and in meetings, we would not be effective. In particular I want to thank my fellow Board members for their additional effort and their ongoing support of our Council.

Looking ahead I see no shortage of challenges and opportunities for our industry. It has become easy to characterize feed costs as "the new normal", but I believe it to be true. There is growing pressure on our domestic focussed poultry & egg industries to be competitive. We need to be vigilant in the areas of food safety, animal health, animal welfare and environmental stewardship. If we do not properly manage these issues we will lose consumer confidence in our products. Supply management has had a 40 year run and it has been good for the participants....certainly for farmers, but also for hatcheries, graders and processors. It appears that pressure from WTO has waned temporarily, but pressure from within our system continues and in some cases is increasing. The systems have to evolve if we are going to be successful in the future.

In closing, I want to thank you for your attention this afternoon and urge you to please enjoy the rest of the Convention.

**REPORT FROM ROBIN HOREL – PRESIDENT & CEO  
TO MEMBERS OF THE CANADIAN POULTRY AND EGG PROCESSORS COUNCIL  
AT THE ANNUAL GENERAL MEETING – MONDAY, JUNE 13, 2011  
ST. JOHN'S, NFLD.**

I'd like to add my welcome to Convention to that of our Chairman, Reg Cliche. I attended the last CPEPC convention that Reg alluded to, held in St. John's in October of 1997...and my recollection is that the October weather that year was a contributing factor to changing our annual conference to June. Actually, I have no idea if that is true or not – I wasn't part of the planning process that helped to change the dates...but I do know that although Newfoundland may not be blessed with a long summer, it is truly blessed with natural beauty, amazing history and most importantly, Newfoundlanders. I was lucky enough to live and work in the Maritimes for 10 years and had the opportunity to visit many parts of Newfoundland over that period of time. It is impossible to meet a more hospitable group of people.

Reg commented earlier on some of the most important issues we have dealt with over the last year. For more information on those and others, please review the summary in the Issues Section of your convention books. That will allow me to spend a few minutes updating you on our strategic initiatives.

Two years ago, in Moncton, I outlined Council's Strategic Plan for 2009 – 2012. This fall the Board of Directors plans to review and refresh it for another three year period.

You may remember that Relationship with Producer Agencies was the first of three Key Results Areas (KRA's). The goal was ***“to manage and improve the ongoing relationship with the National Feather Agencies so that CPEPC and its members have an equitable role in the system along with producers which will ensure an operating environment that allows for a reasonable level of profitability to our respective sectors.”*** Two years later, results are mixed.

Our chicken sector members continue to be frustrated with allocation issues. As feed prices increase again to historic high levels, farmers are protected and Canadian processors pay very high prices for live birds. CPEPC has publicly supported supply management and processors do not quarrel with chicken farmers having the power to recoup bonafide input cost increases. However, in return, we need to ensure that supply is set at a level that will allow the marketplace to absorb these increases in cost. As Reg noted in his address earlier, we have once again failed to come to agreement on using a complete, common set of market indicators with an identified healthy range for each during “peace time”. If we cannot reach that agreement, we must renew our efforts to achieve an equitable role in the system. It should be noted, and I do so every time I get the opportunity, that on a myriad of other issues CPEPC and Chicken Farmers of Canada (CFC) work extremely well together...but failure to agree on an allocation system that works for processors as well as for producers, remains extremely divisive.

For the most part, our turkey and hatchery sector members feel they do have a meaningful role in the system. That is not because an equitable role for processors or hatcheries is imbedded in the operating agreements or regulations of Turkey Farmers of Canada (TFC) or Canadian Hatching Egg Producers (CHEP), but rather is a function of how our input, even on difficult issues like allocation, is sought, valued and heeded. As Reg noted earlier, we are hopeful that a final Allocation Policy at TFC, agreed to by all stakeholders, with the necessary regulations underpinning it, can be arrived at this year. We wish the members of CHEP success in their ongoing effort to add Alberta and Saskatchewan to the list of signatory provinces and are ready to add another Director from CHF to the Board when that happens.

Our relationship with Egg Farmers of Canada (EFC) has been strained. Certainly one of the biggest factors has been our inability to negotiate a new supply agreement between EFC and Processors. It has not been because of lack of effort on either side, but it remains elusive. But setting aside the unresolved Processor Contract, I have to admit that we have not done a good enough job of finding a collaborative framework to deal with other issues. Within the National Poultry Group, CPEPC and EFC are finding some areas of common understanding and cooperation. In order to improve our relationship, we need to find more.

Our second KRA is concerning CPEPC Resources and its objective is ***“to boost the role of the CPEPC as a source of expertise and influence through optimizing use of staff and building lobbying capacity”***. Over the past two years, you supported the plan to allow Brian Dahms to assume the part

time role of Meeting and Convention planner and to add a full time Manger of Egg Sectors to our team in Ottawa. Although that position is currently vacant, the hiring process is under way to replace André Patry. Adding Kevin Thompson, backed up by Susan Collier to our team as an additional resource for our chicken sector has bolstered our resources in that sector as well.

In addition, Reg mentioned progress within the Association Synergy Project. You will recall that the goal of this project was to, "build a stronger, less fragmented voice for our industry by creating more synergy & action on the big issues, without eroding management of commodity specific issues and respecting divergence of views on some key issues". Your support will not only allow us to hire a shared Director of Government and Media Relations in 2011 to increase our profile and advocacy ability, but working more closely with CMC and FPPAC will allow our small staffs to be more efficient. We are well on our way to successfully achieving our goals within the CPEPC Resources KRA.

Our final KRA deals with Food Safety, Animal Health & Animal Welfare. The goal here is ***"to ensure a high state of readiness and develop contingency responses for current and emerging food safety, animal health and animal welfare incidents by proactively working with regulators, producer agencies, customers and consumers"***. To date we are working very well with the National Agencies and with Canadian Meat Council on food safety initiatives. We are on record with CFIA that we want to cooperate and to assist government operationalize the initiatives from the Weatherill report and expect more traction on that in the near future.

Our work with Government and the Feather Agencies on AI preparedness, particularly setting up the National Poultry Group – which continues to deal with technical issues that affect the poultry supply chain, has been a model of what we should strive for on all issues. On animal welfare issues we are in the early stages - frankly, where we were a number of years ago on AI preparedness. We have taken a leadership role at National Farm Animal Care Council and as part of a proactive project to deal with animal rights organizations. We are currently working with CFIA on transportation issues and with the Agencies on specific issues like antimicrobial usage and resistance. Good progress, but lots left to do.

I believe we are on the right track to accomplish our goals in all three KRA's, with emphasis on better advocacy for our members. And speaking of our members, I want to thank you for your support. We depend on you for your time and expertise and also for all the work you do with staff to help us resolve issues and build consensus positions behind the scenes. It is our biggest asset. We especially appreciate the input and support of our Associate Members and I want to draw your attention to the list of our Associate Members in your large convention books. Please thank them for their support and turn to them as your first choice for products and services throughout the year. In particular I want to thank those members and associates who have helped sponsor our convention, through ads, golf and convention sponsorship.

I appreciate the opportunity to recognize and thank our staff for their dedication and effort on your behalf throughout the year. Erica Charlton who ends up taking the lead on many of the tasks associated with the third KRA from our strategic plan. Susan Mallet, who continues to add more bookkeeping, website, communications and member services tasks to her administrative ones. Nicolas Paillat who has bolstered our research and analytical capabilities in addition to managing the many issues in turkey and hatchery sectors. Kevin Thompson, who, backed up by Susan Collier, has taken a huge part of the workload in our biggest sector – chicken. And Brian Dahms who, in addition to leading the organization of this convention, has been a great help to me over the past month as I learn to take on the role of interim Manager for the Egg Sectors.

Reg Cliche has been a good friend and a good boss as well as being an exceptional Chairman of CPEPC. Thank you Reg and thanks to all the Directors for your additional work on behalf of CPEPC and for your support. I also look forward to recognizing one of CPEPC's past Chairs, and another friend, boss and supporter when we present the Outstanding Contribution Award to Tony Tavares at our closing banquet. Please enjoy your convention and, as always, please let us know what we can do differently or better for you.....our members.

## ISSUES REPORTS

### CROSS SECTORAL ISSUES

#### CanNAISS, CFIA's AI Surveillance Program

CanNAISS (Canadian Notifiable Avian Influenza Surveillance System) paused briefly in July 2010 while CFIA resolved some issues with funding, and then resumed after a few weeks hiatus. Some sampling time and quantity was lost. Industry stakeholders have stressed to CFIA the importance of CanNAISS and its vital link to poultry exports, yet moving forward, funding for CanNAISS will be approved quarterly. CPEPC processing establishments continue to report advanced slaughter schedules to CFIA so that CFIA can arrange for on-farm blood sampling and testing well in advance of slaughter dates. Canadian Hatchery Federation members also report information to CFIA about suppliers of hatching eggs, in order for CFIA to arrange blood sampling of breeders on the farm.

At this time, the waterfowl sector is yet to be incorporated into CFIA's sampling plan.

#### Association Synergy Project

During last year's Convention in Saskatoon, each sector approved the recommendation of CPEPC's Board of Directors to move forward with a plan that called for the hiring of specialized resource(s) to carry out media and government relations functions; instituting a collaborative approach to services (ie: finance, member relations, meeting and convention planning, technical education, training, communications and Technical Directors) where it makes sense; and co-location into a single office site. Since then the Executive Director Committee (CPEPC's President, CMC's Executive Director & FPPAC's General Manager) has met on 8 occasions to define the issues and opportunities and move the project forward. The organizations chose a 6 person Implementation Committee (made up from 2 members of each organization) that the ED Committee communicates with on a regular basis. In addition, CPEPC members receive regular updates at sector meetings, or through Highlighter, etc.

During the first of the Executive Director Committee meetings, it was decided that, if feasible, we would work toward co-location as early in the implementation phase as possible. This will assist in establishing the collaborative approach to services among our staffs and coordinating the Association's positions to government and industry as quickly as possible. It will also physically demonstrate to our members and to the stakeholders we deal with, that we are changing and strengthening the relationship between CMC, CPEPC & FPPAC. Canadian Meat Council has moved into an office adjacent to that of CPEPC. FPPAC is considering space in that office as well as in another office adjacent to the first two.

We have approved a position description, governance document and cost sharing agreement for a shared Director of Government and Media Relations. We expect to be advertizing for that position very soon. The three staffs are working more closely together; we are beginning to collaborate more on specific issues and we continue to look for ways to improve efficiencies. The chart below outlines the basic categories of the project and our expected completion for each.

Implementation Categories	3 <sup>rd</sup> Q 2010	4 <sup>th</sup> Q 2010	1 <sup>st</sup> Q 2011	2 <sup>nd</sup> Q 2011	3 <sup>rd</sup> Q 2011	4 <sup>th</sup> Q 2011
A. Defining Issues & Opp's						
B. Co-location						
C. Finance & Admin.						
D. Human Resources						

### EGG GRADING AND FURTHER PROCESSING ISSUES

#### Processor Contract Negotiations

A significant amount of time and energy has been invested in negotiations by both EFC and their Executive Committee and CPEPC and the Processor Advisory Committee (PAC) over the past year, but an agreement remains elusive. In the meantime, all stakeholders continue to respect the terms of the

agreement that expired three and a half years ago. The financial pressure on the Pooled Income Fund increases and both groups acknowledge that an agreement which provides stability and security over a longer period of time is needed. Although many of the more technical issues have been agreed between the parties, the unresolved issues deal primarily with the EFC position regarding increasing revenues to offset pressures on the pooled income fund and the consumer levy. Processors' overriding concerns are the impact of pricing adjustments on markets, confidentiality and the security of their significant investments in markets and processing plants.

Recently the PAC made a new proposal to EFC which includes a dramatic increase in cost for Egg Processors to be phased in over time to allow markets to adjust and would result in a significant increase to EFC revenues and reduced pressure on the PIF. EFC Executive is meeting to review this proposal at the time of writing this update. Both sides share the goal of a new agreement in 2011.

### **Supply**

In 2009, EFC approved a production quota increase of 583,000 layers and with the drop in demand of shell eggs in 2010, there was a substantial decrease in supplementary import permits from both processing and grading sectors this past year. Looking forward, demand is expected to remain stable on a per capita basis for the current year. There is some optimism that demand may increase going into 2012.

### **Table Egg - Cracks**

In some provinces, provincial regulation allows the sale of cracked eggs onto the table market. The Canadian Food Inspection Agency (CFIA) announced that cracked eggs graded in Federally Registered grading stations will be required to be diverted to processing plants and no longer be permitted to be sold to the table market. It is expected that CFIA will be enforcing this new measure sometime in 2011.

### **Canadian Egg Industry Traceability System**

The Canadian Egg Industry Traceability System project was launched in 2010 in response to the Agriculture and Agri-Food Canada Minister's 2008 announcement stating traceability for the Canadian Poultry industry will eventually become mandatory. CPEPC members have worked with EFC and draft standards have recently been circulated. The aim is to have an industry adopted national standard for egg traceability this year. Once the standards have been agreed to by different stakeholders, the next stage of the project will focus on implementation.

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## **TECHNICAL ISSUES**

### **Animal Welfare**

Animal welfare has been, and will continue to be, a hot agenda item in CPEPC sector meetings. Increasing consumer awareness through animal rights campaigns continues to draw attention to livestock welfare issues and one way CFIA has responded is with increased enforcement action on poultry DOAs.

In an effort to get the entire poultry supply chain into the common goal of poultry welfare a committee (representing CPEPC, producer boards, catchers, transporters and academia) has worked the last year to draft a best practice guidance document for poultry welfare throughout the supply chain, based largely on what already exists in industry and what CFIA will eventually mandate as part of the Meat Hygiene Manual of Procedures, Chapter 12, Food Animal Transportation and Slaughter, Animal Welfare Requirements. The committee is near the end of their internal drafting process and is preparing to release the final draft document for broader review by a wider industry audience in the coming months.

CFIA's Manual of Procedures Chapter 12 has piloted in red meat slaughter establishments and will reportedly be piloted in other species at a later date to be announced. CPEPC is on record with CFIA requesting a pilot in poultry establishments.

### **FSEP/CVS Industry Workshops**

Over the fall of 2010, CFIA, the Canadian Meat Council, CPEPC and FPPAC hosted a series of ten cross country industry workshops to both introduce the revised FSEP manual and promote some of the recent CFIA revisions to CVS. The workshops were well attended by nearly a thousand industry representatives from all food sectors and the revised FSEP manual was well received. The workshops continue to be popular and so there are plans underway to launch another series this coming fall.

### **Poultry Rejection Process**

The long awaited Poultry Rejection Process has begun implementation in Quebec MPIP establishments in the first quarter of 2011. Eligible plants in Ontario will be next following CFIA internal training in May. As well, some turkey slaughter establishments have volunteered to pilot PRP and that is underway.

The primary incentive to industry for embarking on the PRP with CFIA was the notion of potentially removing cavity defect detectors from processing lines, and the initial baseline data collection is in progress at thirteen volunteer establishments. Data collection is complete and CFIA is analysing the results. The baseline will provide a clear picture of the current situation – carcass cavity defects that are missed with cavity defect detectors on the line. The data will then be used to build a validation tool to test the process when cavity defect detectors are removed from the line. Industry will need to prove there are no significant differences and no increased food safety risk without these personnel. The implementation of outcome based cavity defect detection will eventually be the big advantage for PRP establishments.

### **US and Canadian Microbiology Standards**

Another file receiving a lot of POTC's attention is the new, stricter Salmonella and Campylobacter standards proposed by the United States for domestic and imported raw poultry, to be implemented in July 2011. Preliminary analysis of Canadian Salmonella test results suggests that meeting the proposed new criteria will be a challenge for some Canadian establishments. When US criteria are implemented, CFIA will amend the Canadian export requirements to parallel that of the USA.

Domestically, the federal, provincial/ territorial governments are embarking on a joint initiative with the primary goal of decreasing the incidence and economic impact of foodborne illness by reducing pathogen contamination of meat and poultry. The concept was introduced to industry stakeholders during a meeting in late February. Part of this initiative will include pathogen baseline surveys in ground beef and poultry. Learn more about this during the afternoon plenary session at convention, June 13.

### **June Technical Symposium**

As has been the tradition, CPEPC hosted another technical symposium on June 10th. Agenda items, built by membership suggestions included presentations from processing equipment and software providers, the ins and outs of Campylobacter and a valuable understanding of the US perspective on the (soon to be implemented) performance criteria for Salmonella and Campylobacter in raw chicken and turkey carcasses.

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## **TURKEY SECTOR**

### **Markets**

In early 2010, market conditions were difficult as was the case in 2009. The whole bird allocation for 2010/11 (May-April) was set at 5 million kg under base, an additional reduction of 0.5 million kg compared to the previous year. For Thanksgiving and Christmas periods, retailers advertised turkey at low prices; as low as 77 cents/lb. These promotional activities were the main factor leading to an increase in sales of frozen turkeys for Thanksgiving and Christmas. Storage stocks of light birds (under 9 kg) were low on January 1, 2011. However, the wholesale market continued to remain surprisingly low into early 2011, even with reduced storage stock volumes at the beginning of the year.

The Further Processed market remains weak and breast meat prices low. Toms and turkey products storage stocks were high in the early part of last year. Throughout 2010, breast meat and tom storage

stocks decreased but wholesale prices did not increase significantly. High meat prices have increased significantly as the result of the demand for lower value parts.

At the beginning of the new control period (May 2011 to April 2012), market conditions for both sectors, whole birds and FP, are better than they were a year ago. The main concern for processors now is live prices increasing because of feed costs.

### **Allocation**

For 2011/12, the whole bird allocation was set 2 million kg under base, a 3 million increase compared to previous year, which reflects better conditions seen at the end of 2010. Given higher costs and correspondingly higher wholesale prices that will need to occur in 2011, there is potential for less aggressive featuring by retailers. This may necessitate review of the whole bird allocation. For FP, the allocation was set just over base, which is a 1.3 million decrease compared to last year. The bottom-up process is working well but CPEPC staff is working on additional tools to make the vetting process more efficient and more robust.

### **Allocation Policy**

During the summer of 2010, Turkey Farmers of Canada (TFC) proposed new regulations based on the allocation policy implemented in December 2006. There were concerns raised by a number of stakeholders. Processors expressed some concerns with one being the lack of flexibility in the whole bird allocation system. At the time, several provinces also registered concerns with the current allocation system and it was clear at the September, 2010 meeting that the new regulations would not be approved by the TFC board of directors. Therefore, discussions regarding a new allocation policy supported by provinces and processors have commenced. At the December TFC board meeting, Ontario farmers and processors proposed to move away from end-use categories (whole birds and further processed) to weight categories. They noted that weight categories would be a good proxy for end-use markets and have the advantage of linkage to farm-level. Provinces and downstream stakeholders, including CPEPC's internal Policy committee are evaluating the benefits of this option.

Based on the most recent discussions at the TFC table, it is not clear what the next steps will be. Some provinces seem to prefer the current system but regulations are needed to underpin it and the stakeholders were not able to agree on these last year.

The CPEPC Turkey policy committee has also met on a number of occasions to discuss an allocation policy based on weight categories and how it can work for processors with different business models in different regions of the country, but this work is on hold awaiting a clearer direction for the allocation system coming out of the TFC process.

### **Market Information**

CPEPC strengthened market information services provided for members. Members complete monthly surveys which provide key performance indicators in whole bird and FP markets. Reports regarding the US market and Canadian storage stocks are also prepared on a monthly basis.

Members have agreed to share additional information from the CPEPC Key Market Indicators analysis with TFC's Turkey Market Advisory Committee (TMAC). Nicolas Paillat will join TMAC in an ex officio role to provide this additional information and analysis to committee members.

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## **CANADIAN HATCHERY FEDERATION (CHF)**

### **Broiler Hatching Egg Production**

For hatcheries, supplementary imports left a mark on 2010. By year end, approximately 15 million hatching eggs had been imported through supplementary permits. This situation arose due to unforeseen issues (lower production, summer heat losses, lower than normal hatchability) despite Canadian Hatching Egg Producers (CHEP) having slightly over estimated the chicken market in 2010. It was the first time

since 2007 (12.4 million hatching eggs were imported as supplementary imports) that so many supplementary imports were approved.

In the first months of 2011, production levels remain low and imports have been greater than during the same period of 2010. In some provinces, there are expectations that production will increase in the second half of the year but it certainly appears that significant supplemental imports will be required again in 2011.

### **CFIA Issues**

The Canadian Hatchery Federation worked with the CFIA to review hatchery prerequisite programs. This document has been revised with CHF/CPEPC member input and will provide adequate information for hatcheries desiring HACCP recognition. In 2011, the generic HACCP model for hatcheries will be reviewed by the same committee comprised of CFIA and industry representatives.

The revision of CFIA's Manual of Procedures (MOP) for hatcheries was initiated in 2010. A meeting between CFIA and industry representatives reviewed the first draft of the proposed manual. The revision process is important as the current manual has not been revised for approximately 20 years. The manual is expected to be available in the summer of 2011.

A Hatchery Supply Flock policy is currently being developed by CFIA with an industry committee. This policy will include some provisions regarding AI surveillance. Because of that, the CFIA epidemiological department is reviewing the policy and some delays are expected.

### **Antibiotic Usage**

In the last 12 months, CHF members have done significant work on the antimicrobial use and resistance (AMU / AMR) issue. CHF supports the stated goals from the September 2010 workshop of an industry-led approach to address the complex and increasingly high profile issues surrounding AMU/AMR along with reduced usage. Until suitable alternatives are developed, the judicious use of antimicrobials remains a necessary part of the chicken industry's responsible and credible food safety and animal welfare management strategy. A survey was conducted among hatcheries to understand better the use of antimicrobials at the hatchery level. CHF members are currently working on guidelines to use antimicrobials in a judicious manner.

### **Formaldehyde**

In the fall, CHF was advised that Health Canada had conducted a consultation regarding the use of formaldehyde and paraformaldehyde. Formaldehyde is an important disinfectant used to sanitize hatchers. CHF members completed a survey to qualify and quantify the use of formaldehyde. Different options are being considered including the registration of formaldehyde for use in hatcheries or the use of alternative products (industry needs more information on the efficacy of these alternative products).

### **Leghorn Hatchery Issues**

There are two ongoing leghorn specific files, the Salmonella enteritidis (S.e.) insurance program and the Canadian Egg Industry Traceability System project. In the recent months, Egg Farmers of Canada (EFC) decided to work actively on the design of an S.e. insurance program to be launched in the next few months. CHF is now involved in the project and has representatives on EFC's S.e. Transition Team and on the board of the Canadian Egg Industry Reciprocal Alliance (CEIRA) board of directors. Breeder flocks and hatcheries will be covered by this program. Regarding the Traceability project, the working groups completed their report on standards that could be used to implement a complete traceability program for the egg industry.

### **Avian Influenza**

The low path H5N2 Avian Influenza outbreak in Manitoba (MB) in November (breeder turkey operation) also affected a CHF turkey hatchery member in MB. After a few weeks of sampling and testing, the outbreak was under control and remained relatively limited. There were no positive results from the hatchery samples, but the hatchery was depopulated in order to regain quicker access to the US market.

This issue affected the entire poultry industry as some countries closed their borders to all poultry products from MB. In early May 2011, Canada was again able to claim AI free status.

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## **CHICKEN**

### **Markets**

The year 2010 was one of remarkable stability in the chicken industry. Stable allocations, stable live prices, and stable wholesale prices combined to generate very acceptable margins for processors in 2010 while at the same time delivering adequate supplies and consistent pricing to the downstream sectors. Wholesale prices averaged \$3.30 in 2010, an increase of just less than 5 cents from the 2009 average. Meanwhile live prices averaged just over \$1.39 in 2010, which was a decline of almost 6 cents from 2009. The considerably lower live costs aided by the slightly higher wholesale prices resulted in an average processor margin of \$1.40 in 2010, an increase of 12 cents from the 2009 average. The 2010 processor margin was the third highest on record, exceeded only by 2004's average of \$1.48 and 2007's average of \$1.44.

### **Allocation**

The allocations established by CFC in 2010 were a major contributor to the stability of the market. Each of the 6 periods which fell entirely in 2010 were set at growth rates of either 2 percent or 1.5 percent. Lower imports in 2010, also played a substantial role in the strength and stability of wholesale prices in 2010, but certainly the main driver was the consistent and responsible growth rate that was determined through the national allocation setting process. While CPEPC recognizes the good outcome of CFC allocations set in 2010, processors remain very concerned that improvement in the CFC allocation process continues to be slow and painful. Much work remains to be done in order to have all stakeholders measuring the same market indicators in the same way and in implementing standardized methodologies for measuring market growth. The CFC achieved good allocation outcomes in 2010, but in the opinion of CPEPC it was not the result of good process. The continued shortcomings of the CFC allocation process manifested itself in the allocations set for the first two periods of 2011 where allocations were set at increases of 4.2 and 3.0 percent respectively, far greater than levels which might be sustainable. On the other hand, a very good step forward by CFC in 2010 was the implementation of a "mid-term" growth target which was intended to apply to the periods of A-103 to A-108 (covering most of 2011). The introduction of an industry growth target has been something CPEPC has been advocating for some time. The A-103 to A-108 target was set at 1.5 percent. This figure was set in the fall of 2010 and before the dramatic run up in live costs began to materialize. Ordinarily 1.5 percent would be a reasonable target for sustainable growth; however much higher live costs in 2011 and the allocations set for the first part of 2011 which greatly exceed the target, will result in the requirement for below Base allocations during the second half of 2011.

### **2011 Outlook**

Unfortunately the Canadian chicken industry has a very established three year cycle of bad year, recovery year, and good year, with 2010 being the "good" year in the most recent three period cycle, just as 2007 and 2004 were in the preceding 3 year cycles. It is therefore not surprising that 2011 is shaping up to be a very poor year for processors. Live costs have increased dramatically from 2010 levels with the summer 2011 Ontario live price up by well over 20 cents per kilogram from the 2010 average. Wholesale prices on the other hand have softened in 2011 by about 10 cents since the beginning of the year. Between higher live costs and lower wholesale prices, processor margins have experienced a swing of about 40 cents as we move into the summer of 2011 relative to 2010.

## 2010/2011 BOARD OF DIRECTORS and EXECUTIVE

<b>Chairman</b>	Reg Cliche
<b>Vice-Chairman</b>	Mike Vanderpol
<b>Past Chairman</b>	Paul Borg
<b>Treasurer</b>	Craig Evans
<b>Secretary</b>	René Proulx

Sector	Directors	Alternates
<b>Canadian Hatchery Federation</b>	Rick Weiss Gerry Kennie	N/A
<b>Egg Grading</b>	Hank Lammers Bert Harman	N/A
<b>Egg Further Processing</b>	Mike Vanderpol Aaron Kwinter	Ian McFall
<b>Primary Chicken Processing</b>	Reg Cliche René Proulx	Lucy McKee
<b>Primary Turkey Processing</b>	Craig Evans Jeff McDowell	Wayne Urbonas
<b>Poultry Further Processing</b>	Craig Richardson Ed Rodenburg	

### PAST CHAIRMEN

Claude Holman	1950 - 1951
Bill Murchie	1952
Bill Landreth	1953
D.C. Pennington	1954
Walter Brown	1955
Oliver Grignon	1956
Jim Wright	1957
Bill Miller	1958
Bill Sharpe	1959
Harry Chisholm	1960
Wally Landreth	1961 - 1962
Ed Brady	1963 - 1964
Wally Berry	1965 - 1966
Gérard Goyer	1967 - 1968
Doug Brownlow	1969 - 1970
Max Rubenstein	1971 - 1972
Don Lynch	1973
René Jean	1974 - 1975
Jock Appleton	1976 - 1977
Ted Wiens	1977 - 1978
Roy Miske	1979 - 1980
Wally Berry	1981 - 1982
Bob Feldman	1983 - 1984
Roger Mainville	1985 - 1986
Ralph Effler	1987 - 1988
Ken Funk	1989 - 1990
Bob Anderson	1991 - 1992
Henry Van Zeggelaar	1993 - 1994
Pieter Vanderpol	1995 - 1996
Paul Ouellette	1997 - 1998
Brian Cram	1999 - 2001
Wayne Morrison	2001 - 2003
Tony Tavares	2003 - 2005
Shelly Mandell	2005 - 2007
Paul Borg	2007 - 2009
Reg Cliche	2009 - 2011

### OUTSTANDING CONTRIBUTION AWARD RECIPIENTS

Jules Van de Vyvere	1984
Donald Field	1985
Gérard Goyer	1987
Gordon Meyers *	1988
René Jean *	1989
Wally Berry	1990
Roger Mainville	1992
Max Rubenstein	1993
Roy McDannold	1994
Ted Wiens *	1994
Roy Miske	1996
Bob Feldman	1997
Ralph Effler	1998
Walter Metzger	1999
Art Vanderlaan	2000
Henry Van Zeggelaar	2001
Pearl Cooper	2003
Jacques Cordeau	2003
Pieter Vanderpol	2004
Phil Kudelka *	2005
Brian Cram	2008
Paul Ouellette	2008
Shelly Mandell	2010

### MAX WIENER AWARD RECIPIENTS

Fred & Page Beeson	1982
Audrey & Dave Mitchell	1983
Eugene Whelan	1984
Max Roytenberg	1985
Mac Cuddy	1986
Max Wiener	1987
Willie Zaritsky	1988
Lloyd Crawford	1989
Harvey Beaty	1990
Wally Berry	1991
Dufour Family	1992
Dan Alary	1993
Ted Hoover	1994
Walter Reimer	1995
Tony Greaves	1996
Berne McKinley	1997
Claude Leroux Sr.	1999
Art Fleming	2000
Gib Shouldice	2001
Dick Sendall	2002
Stuart Allaby	2003
Rock Laroche	2004
Henry Van Zeggelaar *	2005
Wally DeWitt	2006
Henry Lansink	2007
Al Fauchon *	2008
Merlyn Scott	2009
Jerry Novak	2010

\* Awarded Posthumously

## ASSOCIATE MEMBERS

<p>Agri Stats, Inc.          Aviagen Turkeys, Inc.          Aviagen, Inc.          B.W. Cooney &amp; Associates Inc.          Baader-Johnson Food Processing Equipment          BioMérieux Canada, Inc.          Brian's Poultry Services Ltd.          Canadian Hatching Egg Producers          Canadian Restaurant and Foodservice Association          Cara Operations Limited          Chick Master Incubator Co.          Chicken Farmers of Canada          Chicken Farmers of Ontario          Cobb-Vantress Inc.          Cryovac Food Packaging Canada          Curwood Packaging Inc.          CWT Farms International, Inc.          Diamond Moba Americas Inc.          DM Shvix, Inc.          Egg Farmers of Canada          England Farms          Espera / Cooper (Canada) N.A. Inc.          Farm Credit Canada Corporation          Gridpath Solutions Inc.          Guelph Food Technology Centre          Hartmann North America          Hubbard LLC          Hy-Line North America LLC          Interplast Packaging Inc.          Intervet Canada Corp.</p>	<p>J.D. Sweid Ltd.          Jamesway Incubator Company Inc.          Janes Family Foods          Jardine Lloyd Thompson Canada Inc.          Keith Smith Company, Inc.          KL Products Inc.          Kristom Canada Inc.          Little Rock Farm Trucking          Marel Stork Poultry Processing Inc.          McDonald's Restaurants of Canada Limited          Merial Canada Inc.          Meyn Canada Inc.          Morris Hatchery Incorporated / Northstar Hatchery          O &amp; T Farms Ltd.          Pas Reform Technologies          Pfizer Animal Health          Prime Equipment Group          Primus International Inc.          Reuven International Ltd.          Riverdale Poultry Express          Rothsay          Sanimax San          Sanovo Technology USA          SYSCO Corporation          Szewchuk &amp; Associates Inc.          TNT Foods International Inc.          Turkey Farmers of Canada          Unified Purchasing Group of Canada          West Coast Reduction Ltd.</p>
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## PROCESSOR MEMBERS

### Chicken Processor Members

<p>ACA Cooperative Limited - Federally Registered Establishment Number 139, N-02          New Minas, NS</p>	<p>Farm Fresh Poultry Co-op Inc. - Federally Registered Establishment Number 434          Harriston, ON</p>	<p>Lilydale Inc. - Federally Registered Establishment Number 237          Edmonton, AB</p>
<p>Cargill Meats Canada - Federally Registered Establishment Number 470          London, ON</p>	<p>Grand River Foods - Federally Registered Establishment Number 612          Cambridge, ON</p>	<p>Lilydale Inc. - Federally Registered Establishment Number 060          Wynyard, SK</p>
<p>Colonial Poultry Ltd. - Federally Registered Establishment Number 437          Armstrong, BC</p>	<p>Granny's Poultry Co-operative Ltd. - Federally Registered Establishment Number 137          Blumenort, MB</p>	<p>Maple Leaf Foods Inc. - Federally Registered Establishment Number 196          Brampton, ON</p>
<p>Country Ribbon Inc. - Federally Registered Establishment Number 291          St. John's, NL</p>	<p>Hallmark Poultry Processors Ltd. - Federally Registered Establishment Number 217          Vancouver, BC</p>	<p>Maple Leaf Foods Inc. - Federally Registered Establishment Number 047          Toronto, ON</p>
<p>Dunn-Rite Food Products Ltd. - Federally Registered Establishment Number 281, M-78, M-69          Winnipeg, MB</p>	<p>Lilydale Inc. - Federally Registered Establishment Number 092D          Port Coquitlam, BC</p>	<p>Maple Leaf Foods Inc. - Federally Registered Establishment Number 007F          Edmonton, AB</p>
<p>Exceldor coopérative - Federally Registered Establishment Number 088          St-Damase, QC</p>	<p>Lilydale Inc. - Federally Registered Establishment Number 092C          Abbotsford, BC</p>	<p>Maple Leaf Foods Inc. - Federally Registered Establishment Number 007M          Brantford, ON</p>
<p>Exceldor coopérative - Federally Registered Establishment Number 311          St-Anselme, QC</p>	<p>Lilydale Inc. - Federally Registered Establishment Number 132          Calgary, AB</p>	<p>Maple Lodge Farms Ltd. - Federally Registered Establishment Number 285          Brampton, ON</p>
	<p>Lilydale Inc. - Federally Registered Establishment Number 092          Edmonton, AB</p>	<p>Nadeau Poultry Farm Ltd. - Federally Registered Establishment Number 248          St. Francois, NB</p>

Olymel L.P. - Federally Registered Establishment Number 039G  
St-Damase, QC

Olymel L.P. - Federally Registered Establishment Number 039H  
St-Jean-sur-Richelieu,

Olymel L.P. - Federally Registered Establishment Number 141  
Montréal, QC

Olymel L.P. - Federally Registered Establishment Number 039A  
St-Jean-sur-Richelieu,

Olymel L.P. - Federally Registered Establishment Number 039B  
St-Hyacinthe, QC

Olymel L.P. - Federally Registered Establishment Number 039D  
Berthierville, QC

Olymel L.P. - Federally Registered Establishment Number 039J  
Brampton, ON

Pinty's Delicious Foods Inc. - Federally Registered Establishment Number 632  
Paris, ON

Pinty's Delicious Foods Inc. - Federally Registered Establishment Number 416  
Port Colborne, ON

Pinty's Delicious Foods Inc. - Federally Registered Establishment Number 232  
Oakville, ON

Pinty's Delicious Foods Inc. - Federally Registered Establishment Number 530  
St. Catharines, ON

Prairie Pride Natural Foods Ltd. - Federally Registered Establishment Number 629  
Saskatoon, SK

Sun West Food Processors Ltd. - Federally Registered Establishment Number 351  
Abbotsford, BC

Sunrise Poultry Processors Ltd. - Federally Registered Establishment Number 314  
Surrey, BC

Sunrise Poultry Processors Ltd. - Federally Registered Establishment Number 591  
Lethbridge, AB

Sure Fresh Foods Inc. / Cericola Farms - Federally Registered Establishment Number 071  
Bradford, ON

T & R Sargent Farms Limited – Ontario Provincially Registered Establishment  
Milton, ON

United Poultry Company Ltd. - Federally Registered Establishment Number 341  
Vancouver, BC

Volaille Giannone Inc. - Federally Registered Establishment Number 089  
St-Cuthbert, QC

#### **Turkey Processing Members**

ACA Cooperative Limited - Federally Registered Establishment Number 139, N-02  
New Minas, NS

Golden Valley Farms Inc. - Federally Registered Establishment Number 550  
Arthur, ON

Granny's Poultry Co-operative Ltd. - Federally Registered Establishment Number 137  
Blumenort, MB

Lilydale Inc. - Federally Registered Establishment Number 060  
Wynyard, SK

Lilydale Inc. - Federally Registered Establishment Number 092C  
Abbotsford, BC

Lilydale Inc. - Federally Registered Establishment Number 092  
Edmonton, AB

Maple Leaf Foods Inc. - Federally Registered Establishment Number 007F  
Edmonton, AB

Maple Leaf Foods Inc. - Federally Registered Establishment Number 007M  
Brantford, ON

Olymel L.P. - Federally Registered Establishment Number 039J  
Brampton, ON

Olymel L.P. - Federally Registered Establishment Number 039H  
St-Jean-sur-Richelieu, QC

Olymel L.P. - Federally Registered Establishment Number 039B  
St-Hyacinthe, QC

Olymel L.P. - Federally Registered Establishment Number 039A  
St-Jean-sur-Richelieu, QC

Olymel L.P. - Federally Registered Establishment Number 141  
Montréal, QC

P & H Foods - Federally Registered Establishment Number 025  
Hanover, ON

Prairie Pride Natural Foods Ltd. - Federally Registered Establishment Number 629  
Saskatoon, SK

Sofina Foods Inc. - Federally Registered Establishment Number 101  
Dublin, ON

Sunrise Poultry Processors Ltd. - Federally Registered Establishment Number 314  
Surrey, BC

Thames Valley Processors - Federally Registered Establishment Number 214  
Thamesford, ON

Unidondon Inc. - Federally Registered Establishment Number 039  
St-Jean-Baptiste de Rouville, QC

#### **Egg Grading Members**

ACA Cooperative Limited - Federally Registered Establishment Number N-001  
Port Williams, NS

Ackron Egg Farm Ltd. - Federally Registered Establishment Number M-1  
Steinbach, MB

Burnbrae Farms - Federally Registered Establishment Number O-23, O-26  
Lyn, ON

Burnbrae Farms Calgary - Federally Registered Establishment Number A-3  
Calgary, AB

Burnbrae Farms Island Eggs Ltd. - Federally Registered Establishment Number C-20  
Westholme, BC

Burnbrae Farms Mississauga - Federally Registered Establishment Number O-373  
Mississauga, ON

Burnbrae Farms Strathroy - Federally Registered Establishment Number O-036  
Strathroy, ON

Burnbrae Farms St-Zotique - Federally Registered Establishment Number Q-025  
St-Zotique, QC

Burnbrae Farms Winnipeg - Federally Registered Establishment Number M-3  
Winnipeg, MB

Burns Poultry Farm - Federally Registered Establishment Number P-002  
Freetown, PE

Casa Barra Farm - Federally Registered Establishment Number P-076  
O'Leary, PE

Casa Barra Farm - Federally Registered Establishment Number P-76  
O'Leary, PE

Clovis Gauthier et Fils Inc. - Federally Registered Establishment Number Q-1  
St-Theodore d' Action, QC

Countryside Farms Ltd. - Federally Registered Establishment Number M-4  
Steinbach, MB

Cox Brothers Poultry - Federally Registered Establishment Number N-75, N-008  
Maitland, NS

Daybreak Farms Terrace Ltd. - Federally Registered Establishment Number C-54  
Terrace, BC

Golden Valley Foods Ltd. - Federally Registered Establishment Number C-8  
Abbotsford, BC

Gray Ridge Eggs Inc. - Federally Registered Establishment Number O-065  
Strathroy, ON

Gray Ridge Eggs Inc. - Federally Registered Establishment Number O-106  
Listowel, ON

James Wilkie Egg Farm - Federally Registered Establishment Number P-040  
Alberton, PE  
Les Oeufs Ovale s.e.c. - Federally Registered Establishment Number Q-021  
St-Lambert, QC

Les Oeufs Richard Eggs Inc. - Federally Registered Establishment Number Q-029  
Malartic, QC

Maritime Pride Eggs Inc. - Federally Registered Establishment Number N-5  
Amherst, NS

Newfoundland Eggs Inc. - Federally Registered Establishment Number NF-7  
Roaches Line, NL

Nutri-Oeuf Inc. - Federally Registered Establishment Number Q-012  
St-Hyacinthe, QC

Omegga Holdings - Federally Registered Establishment Number P-001  
Summerside, PE

Ontario Pride Eggs Inc. - Federally Registered Establishment Number O-302  
Monkland, ON

Réal Véer Inc. - Federally Registered Establishment Number Q-057  
Ste-Claire Dorchester,  
Sparks Egg Farms - Federally Registered Establishment Number A-020  
Calgary, AB

Star Egg Co. Ltd. - Federally Registered Establishment Number S-021  
Saskatoon, SK

#### **Egg Processing Members**

Burnbrae Farms Brockville - Federally Registered Establishment Number O26  
Brockville, ON

Burnbrae Farms Kernaghan - Federally Registered Establishment Number M-3  
Winnipeg, MB

Burnbrae Farms Lyn - Federally Registered Establishment Number O26  
Lyn, ON

Burnbrae Farms Sackville - Federally Registered Establishment Number O48  
Sackville, NB

Burnbrae Farms Winnipeg - Federally Registered Establishment Number O42  
Winnipeg, MB

Cargill Kitchen Solutions, a div of Cargill Limite - Federally Registered Establishment Number O35  
Etobicoke, ON

Country Queen Foods - Federally Registered Establishment Number O46  
Brampton, ON

Global Egg Corporation / EggSolutions - Federally Registered Establishment Number O36  
Etobicoke, ON

Global Egg Corporation / EggSolutions - Elmira - Federally Registered Establishment Number O34  
Elmira, ON

Inovatech Egg Products Inc. - Federally Registered Establishment Number  
Winnipeg, MB

Les Oeufs Bec-O Inc. - Federally Registered Establishment Number O20  
Upton, QC

MFI Food Canada Ltd. - Federally Registered Establishment Number  
Pointe-Claire, QC

Shelmac Brand Products Inc. - Federally Registered Establishment Number O28  
Toronto, ON

Vanderpol Egg Products Inc. - Federally Registered Establishment Number O66  
Abbotsford, BC

#### **Hatchery Members**

ACA Cooperative Limited - Federally Registered Establishment Number 139, N-02  
New Minas, NS

Archer's Poultry Farm Ltd. - Federally Registered Establishment Number O-12  
Brighton, ON

Berg's Poultry Farm and Hatchery - Federally Registered Establishment Number M-79  
Russell, MB

Cargill Meats Canada - Federally Registered Establishment Number O-15  
Jarvis, ON

Carleton Hatchery - Federally Registered Establishment Number M-78  
Winnipeg, MB

Charisons Turkey Hatchery - Federally Registered Establishment Number M-39  
Gunton, MB

Clark's Chick Hatchery - Federally Registered Establishment Number B-2  
Burt's Corner, NB

Clark's Chick Hatchery - Federally Registered Establishment Number F-2  
Trinity Bay, NL

Clark's Poultry Inc. - Federally Registered Establishment Number M-47  
Brandon, MB

Couvoir Boire et Frères Inc. - Federally Registered Establishment Number Q-89  
Wickham, QC

Couvoir Jolibec Inc. - Federally Registered Establishment Number Q-130  
St-Félix-de-Valois, QC

Couvoir Provincial - Federally Registered Establishment Number Q-68  
Victoriaville, QC

Couvoir Québec Inc. - Federally Registered Establishment Number Q-112  
Loretteville, QC

Couvoir Ramsay Inc. - Federally Registered Establishment Number Q-30  
St-Felix-de-Valois, QC

Couvoir Réal Coté - Federally Registered Establishment Number Q-39  
L'Ange Gardien, QC

Couvoir Scott Ltée - Federally Registered Establishment Number Q-02  
Scott Jonction, QC

Couvoir Unik Inc. - Federally Registered Establishment Number Q-03  
Mont St-Grégoire, QC

Cox Brothers Poultry - Federally Registered Establishment Number N-75, N-008  
Maitland, NS

Cuddy Farms - Federally Registered Establishment Number O-53  
Strathroy, ON

Fraser Valley Chick Sales Ltd. - Federally Registered Establishment Number C-10  
Abbotsford, BC

Friendly Family Farms Hatchery - Federally Registered Establishment Number M-06  
Blumenort, MB

Granny's Poultry Co-operative Ltd. - Federally Registered Establishment Number M-10  
Winnipeg, MB

Groupe Westco Inc. - Federally Registered Establishment Number B-01  
Saint-Francois, NB

Hybrid Turkeys - Federally Registered Establishment Number O-05  
Kitchener, ON

ISA North America - Federally Registered Establishment Number O-214  
Kitchener, ON

Lethbridge Inc. - Federally Registered Establishment Number A-14  
Lethbridge, AB

Lilydale Hatchery - Federally Registered Establishment Number A-25  
Edmonton, AB

Lilydale Inc. - Federally Registered Establishment Number S-03  
Wynyard, SK

Lilydale Inc. - Federally Registered Establishment Number C-05  
Abbotsford, BC

Lohmann Tierzucht Canada, Ltd. - Federally Registered Establishment Number O-44  
Brantford, ON

Lone Pine Farms - Federally Registered Establishment Number N-01  
Berwick, NS

Maple Leaf / Cold Springs Farm - Federally Registered Establishment Number O-54  
Thamesford, ON

Maple Leaf Foods Inc. - Federally Registered Establishment Number A-13  
Wetaskiwin, AB

Maple Leaf Foods Inc. - Federally Registered Establishment Number O-21  
New Hamburg, ON

Maple Leaf Foods Inc. - Horizon Poultry - Federally Registered Establishment Number O-34  
Hanover, ON

Maple Lodge Farms - Curtis Chicks Limited - Federally Registered Establishment Number O-32  
Port Hope, ON

Maple Lodge Farms - Fleming Chicks Limited - Federally Registered Establishment Number O-01  
Beamsville, ON

McKinley Hatchery - Federally Registered Establishment Number O-22  
St. Mary's, ON

Okanagan Hatchery - Federally Registered Establishment Number C-22  
Armstrong, BC

Pacific Pride Chicks Ltd. - Federally Registered Establishment Number C-29  
Abbotsford, BC

Prairie Pride Chick Sales - Federally Registered Establishment Number S-07  
Grandora, SK  
Riverview Poultry - Federally Registered Establishment Number B-25  
McLeods, NB

Rochester Hatchery - Federally Registered Establishment Number A-10  
Rochester, AB

Steinbach Hatchery & Feed Ltd. - Federally Registered Establishment Number M-37  
Steinbach, MB

Stratford Chick Hatchery Ltd. - Federally Registered Establishment Number O-42  
Stratford, ON

Stratford Chick Hatchery Ltd. - Jarvis - Federally Registered Establishment Number O-42  
Jarvis, ON

Sunrise Hatchery - Federally Registered Establishment Number AH-5  
Westlock, AB

Western Hatchery - Federally Registered Establishment Number C-01  
Abbotsford, BC

## REGISTERED DELEGATES (6/1/2011)

Organization	Name	Companion Name
AAAQ	Daniel Dufour	Diane Ste-Marie
ACA Co-operative Ltd	Carron Moore	
ACA Co-operative Ltd.	Ian Blenkarn	Glenda Blenkarn
ACA Co-operative Ltd.	Gerry Kennie	
Agri Stats, Inc.	Michael Donohue	Nancy Donohue
Agriculture and Agri-Food Canada	Lucie Dubois	
Agriculture and Agri-Food Canada	Ruth Guitard	Tony Guitard
Alberta Agriculture and Rural Development	Dr. Chris Morely	
Archer's Poultry Farm Limited	Stuart Archer	
Aviagen	Mark Belanger	Robin Belanger
Aviagen	Randall Ennis	Cindy Rae Ennis
Aviagen	Scott Gillingham	Amy Gillingham
Baader/Linco	Duke Vaughan	
BC Broiler Hatching Egg Commission	Dave Cherniwchan	
BC Chicken Marketing Board	Bill Vanderspek	
bioMérieux	Stéphanie Bonneau	
Brians Poultry Services Ltd.	Brian Herman	Evelyn Herman
Burnbrae Farms Limited	Frank Both	
Burnbrae Farms Limited	Ted Hudson	Sherri Hudson
Burnbrae Farms Limited	Joseph Hudson	Joan McFall Hudson
Burnbrae Farms Limited	Craig Hunter	Susan Brister
Burnbrae Farms Limited	Hank Lammers	Rita Lammers
Burnbrae Farms Limited	Ian McFall	
Burnbrae Farms Limited	David Pigott	Carolyn Pigott
Canadian Food Inspection Agency	Kristopher Jollymore	
Canadian Food Inspection Agency	Cory Keats	
Canadian Food Inspection Agency	Daniel Leclair	
Canadian Food Inspection Agency	Judy Scaife	
Canadian Food Inspection Agency	Anne-Marie St. Laurent	
Canadian Food Inspection Agency	Cheryl White	
Canadian Hatching Egg Producers	Calvin Breukelman	
Canadian Hatching Egg Producers	Giuseppe Caminiti	
Canadian Hatching Egg Producers	Jack Greydanus	Christine Greydanus
Canadian Hatching Egg Producers	Kevin Tiemstra	Beatrice Tiemstra
Canadian Meat Council	James Laws	Anne Laws
Cargill Canada Ltd.	Mark MacDonald	
Cargill Canada Ltd.	Doug McGhee	Lindsay McGhee
Cargill Value Added Meats - Canada	Lucy McKee	
CG Manufacturing & Distributing Inc.	George Cobb	
Charison's Turkey Hatchery	Curtis Charison	
Charison's Turkey Hatchery	Shane Saunders	
Chicken Farmers of Canada	Martin Dufresne	Joanne Cyr
Chicken Farmers of Canada	Mike Dungate	
Chicken Farmers of Canada	David Fuller	Diane Fuller
Chicken Farmers of Canada	Dave Janzen	Jeannie Janzen
Chicken Farmers of Canada	Adrian Rehorst	
Clark's Chick Hatchery (Nutreco Canada)	Terry Andrews	
Clark's Poultry Inc.	Aubrey Gibson	Leslie Gibson
Clark's Poultry Inc.	Brad Lawson	Patty Lawson
Cobb-Vantress, Inc.	Philippe Dufour	
Cobb-Vantress, Inc.	Heath Wessels	
Computerway Food Systems	Billy Nance	
Country Queen Foods	Fred Marcus	
Country Ribbon Inc.	Stuart Baird	
Country Ribbon Inc.	Andrea Holloway	Chris Holloway
Country Ribbon Inc.	Leah Hounsell	Dwayne Hounsell
Country Ribbon Inc.	Ian Pittman	Rose Marie Pittman
Countryside Farms	Gord Bartel	
Countryside Farms	Peter Wieler	
Couprie Fenton Inc	Stephen Wagner	
Couvoir Boire & Frères Inc.	Eric Stejskal	
Couvoir Boire & Frères Inc.	Christian Trottier	
Couvoir Réal Côté inc.	Christine Côté	
CPEPC	Erica Charlton	Dan McNeill

CPEPC	Brian Dahms	Terry Weinholdt
CPEPC	Robin Horel	Leah Horel
CPEPC	Susan Mallet	
CPEPC	Nicolas Paillat	
CPEPC / AOCP	Susan Collier	David Collier Logan Collier
CPEPC / AOCP	Kevin Thompson	
CSB-System International	Terry McCorrison	Marg McCorrison
Cuddy Farms Limited	John Flaherty	
CWT Farms International, Inc.	Shannon Burasco	
CWT Farms International, Inc.	Tom Fleming	
Davian Equipment	Josh Thompson	
DFAIT	Keltie Findlay	
DFAIT	Guy Giroux	
Diamond Moba Americas	David Williamson	Suzanne Williamson
Egg Farmers of Canada	George MacLeod	
Egg Farmers of Canada	Neil Newlands	
Egg Farmers of Canada	Jacqueline Pease	
Egg Farmers of Canada	Chris Wylie	
Egg Farmers of Ontario	Harry Pelissero	
England Farms, Inc.	Jack England, Jr.	
England Farms, Inc.	Wilborn P. Matheson	
Espera/Cooper N A Inc.	William (Bill) Cooper	
Exceldor	Luc Gagnon	Louise Textraze
Exceldor	Alain Gagnon	Denise Laforest
Exceldor	René Proulx	Renée Caron
Farm Credit Canada	Matthew Vair	
Farm Credit Canada	Christine Wheaton	
Farm Products Council of Canada	Jim Châtenay	
Farm Products Council of Canada	Ed deJong	
Farm Products Council of Canada	John Griffin	
Farm Products Council of Canada	Claude Janelle	
Farm Products Council of Canada	Phil Klassen	Patty Klassen
Farm Products Council of Canada	Christine Kwasse	
Farm Products Council of Canada	Reg Milne	
Farm Products Council of Canada	Brent Montgomery	
Farm Products Council of Canada	Laurent Pellerin	
FarmEcon LLC	Dr. Thomas Elam	
Fédération des prod. d'oeufs du Québec	Paulin Bouchard	
Fédération des prod. d'oeufs du Québec	Denis Frenette	
Global Egg Corporation	Aaron Kwinter	
Government of Alberta	Greg Orriss	
Grand River Foods	Craig Richardson	June Richardson
Granny's Poultry Cooperative	Craig Evans	Glenda Birney-Evans
Granny's Poultry Cooperative	Bill Rempel	Lori Rempel
Granny's Poultry Cooperative	Randy Schroeder	Irene Schroeder
Granny's Poultry Cooperative	Glen Taschuk	Kerri Taschuk
Granny's Poultry Cooperative	Wayne Urbonas	Judy Urbonas
Granny's Poultry Cooperative	Barclay Uruski	Shelley Uruski
Granny's Poultry Cooperative	Carey Vadeboncoeur	John Burnett
Granny's Poultry Cooperative	Trevor Wiebe	Mona Wiebe
Groupe Westco	Thomas Soucy	Marie Eve Rousseau
Groupe-Nutri-Group	Julie Lavallée-Morin	
Hartmann North America	Tracey Greenberg	
Hartmann North America	Gerald Lavis	Susan Lavis
Hybrid Turkeys	Scott Rowland	Becky Rowland
Hybrid Turkeys	Ronald Slavnik	Marnie Slavnik
Interplast Packaging Inc.	Scott Lindley	
Intervet	Rod Thompson	
ISA North America	Eugene Fridman	
Jamesway Incubator Company Inc.	Daniel Ferrari	
Jamesway Incubator Company Inc.	Larry Kortuem	
Janes Family Foods Ltd.	Steve Malinowski	
JLT Canada	Bill McCarthy	Elaine McCarthy
KL Products	Rick Bennett	Denise Bennett
L. H. Gray & Son Limited	Scott Brookshaw	
L. H. Gray & Son Limited	Bill Gray	Lynne Gray
L..H. Gray & Son Limited	Mike Walsh	Carol Walsh
Les Éleveurs de volailles du Québec	Dany Provençal	
Les Oeufs Ovale s.e.c.	Daniel Lavoie	Marie Pelletier
Les Oeufs Ovale s.e.c.	Nicolas Roy	Andréanne Hamel

Lilydale Inc.	Ed Rodenburg	
Lohmann Tierzucht Canada Ltd	Khalil Arar	
Lone Pine Farm Limited	Peter Clark	
Lone Pine Farm Limited	Robert Clark	Ruth Clark
Manitoba Chicken Producers	Wayne Hiltz	
Manitoba Egg Farmers	James Neumann	
Maple Leaf Consumer Foods	Reg Cliche	Brenda Cliche
Maple Leaf Consumer Foods	Jeff McDowell	
Maple Leaf Foods	Gord Hastie	
Maple Leaf Foods	Gary Raycroft	
Maple Leaf Fresh Foods	Rick Weiss	
Maple Lodge Farms Ltd.	Michael Burrows	
Maple Lodge Farms Ltd.	Mark Finnimore	
Maple Lodge Farms Ltd.	Rachel Ouckama	
Maple Lodge Farms Ltd.	Janice Thompson	
Marel Stork Poultry Processing	Martin Gallant	
Marel Stork Poultry Processing	Kirk MacKenzie	
Marel Stork Poultry Processing	David Wilson	
Maritime Pride Eggs	Mark Beal	
McKinley Hatchery Ltd	Al Corneil	
Merial Canada	David Myers	
Meyn Canada Inc.	Michel Drapeau	
Meyn Canada Inc.	Kamy Motalleb	
Meyn Canada Inc.	Meredith Robillard	
MFI Food Canada Ltd	Karim Cressaty	
Michael Foods, Inc.	Lowell Ostrand	
Morris Hatchery / Northstar Hatchery	Jeff Pierce	Ginger Pierce
Nadeau Poultry	John Feenstra	Bev Feenstra
Nadeau Poultry	Yves Landry	Fernande Ouellette
Nutri-Oeuf Inc	Richard Decelles	Odette Labrecque
Nutri-Oeuf Inc	Michel Gauvin	
Olymel	Michel Pépin	
Olymel LP	Yvan Brodeur	
Ontario Farm Products Marketing Commissi	Paul Glenney	
Ontario Pride Eggs	Pierre Barbeau	
Organization Groupe-Nutri-Group	Robert Desilets	Victoire Leblanc
Organization Groupe-Nutri-Group	Jean-Philippe Désilets	Evelyne Lacaille
Outstanding Contribution Award Recipient	Tony Tavares	Danica Tavares
P&H Foods	Paul Borg	Theo Borg
Pacific Pride Chicks Ltd	Marvin Friesen	
Pfizer Animal Health	Ernest Gasarabwe	
Pfizer Animal Health - Global Poultry	John Kenney	
Pintys Delicious Foods Inc.	Jack Vanderlaan	Marie Vanderlaan
Pollos San Felipe	Marietta Zapata	Bob Ripley
Prime Equipment Group	Buzz Samuelson	
Rosengren Epidemiological Consulting	Dr. Leigh Rosengren	
Rothsay	Todd Moser	
Rothsay	Andrew Wort	
Sealed Air Canada	Kevin Cinel	
Shelmac Brand Products	Phil Offman	Tally Saul
Sofina (Lilydale)	Doug Hart	Deb Hart
Sparks Egg Farms	Maheub Gilani	
Sparks Egg Farms	Muneer Gilani	
Star Egg Co. Ltd.	Bert Harman	
Steinbach Hatchery	Jake Friesen	
Szewchuk & Associates Inc.	George Szewchuk	Szewchuk Linda
Turkey Farmers of Canada (TFC)	Phil Boyd	
Turkey Farmers of Canada (TFC)	Mark Davies	
UFR Urban Forest Recyclers Inc.	Donald Meister	
Vanderpol's Eggs Ltd.	Henry Meerstra	
Vanderpol's Eggs Ltd.	Mike Vanderpol	
Vencomatic Equipment Canada	Thomas Randall	
West Coast Reduction Ltd.	Geoffrey Smolkin	
Western Hatchery Ltd.	Ernie Silveri	

**CANADIAN POULTRY AND EGG PROCESSORS COUNCIL**

**2011 ANNUAL GENERAL MEETING**

3:45 PM - 4:30 PM - Monday, June 13th, 2011  
Salon Ballroom – Delta Hotel Newfoundland  
St. John's, NL

**A g e n d a**

Welcome to Delegates

Call to Order and Chairman's Address

Adoption of Agenda

Approval of Minutes - 2010 Annual General Meeting

New Members:

Supreme Egg Products Inc.

Audited Financial Reports and Appointment of Auditors

2011-2012 Budget and Fee Assessment

President's Address

Future Annual Conventions:

2012 - Charlevoix, QC – Fairmont Le Manoir Richelieu

2013 - Banff, AB – Fairmont Banff Springs

2014 - Toronto, Ontario

Other Business: i)

ii)

Announcements

Adjournment

CANADIAN POULTRY AND EGG PROCESSORS COUNCIL  
MINUTES OF THE ANNUAL GENERAL MEETING OF MEMBERS HELD

JUNE 7, 2010  
DELTA BESSBOROUGH HOTEL – SASKATOON, SK

WELCOME

Mr. David Pezderic, of Prairie Pride Natural Foods, located in Saskatoon, welcomed all delegates to the province of Saskatchewan, the city of Saskatoon and to the 60<sup>th</sup> Annual General Meeting of the Canadian Poultry and Egg Processors Council.

CALL TO ORDER AND CHAIRMAN'S REMARKS

Chairman Reg Cliche called the 2010 Annual General Meeting to order.

In his address, Mr. Cliche noted that the last time we held our convention in Saskatchewan we were in Regina and it was 1988. He noted that a lot has happened in the intervening years, both in our industry and in Saskatchewan – which is enjoying a measure of economic prosperity during a period in which not every province in Canada can say the same. Mr. Cliche also mentioned how some things, notably western hospitality, had not changed and urged delegates to take some time to enjoy it while in Saskatchewan.

Reg noted how CPEPC is a unique organization, particularly when it comes to governance. He reminded members of our sectoral governance structure and noted that, since making the change to this structure approximately fifteen years ago, the approach has been found to be very efficient for our members. Mr. Cliche pointed out how this structure allows our members in their respective commodities the independence and focus needed to address the issues most important to them, while benefiting from the combined resources of all poultry sectors in one Council to ensure our collective voice on the bigger common issues is heard. He advised delegates that all sectors had approved the Board's recommendation on the Association Synergy Project during their closed sector meetings earlier in the day. He stated that CPEPC, along with CMC & FPPAC will move in a planned way toward hiring of media and government relations resources, sharing services, increased collaboration and eventually moving offices into one location. He noted his personal belief that this approach provided the best opportunity for our industry's voice to be heard more clearly by government, supply chain partners, customers, the media and other stakeholders, while still respecting the divergence of views, business models and trade policy positions of the individual Associations. Reg concluded this portion of his address by stating that our experience with the various sectors within CPEPC can serve as a blueprint for success in this new venture.

Mr. Cliche summarized some of the most important issues in each sector before taking the time to thank all processor and associate members of CPEPC for their commitment to CPEPC. Reg also welcomed Laurent Pellerin, the new Chairperson of the Farm Products Council of Canada (FPCC) to our industry. He noted that CPEPC had appreciated the transparency and leadership of FPCC over the past year and that he was looking forward to getting to know Laurent and to working with him on the many issues that affect our industry over the next year as well.

Mr. Cliche concluded his remarks by thanking CPEPC staff for their efforts on behalf of the membership, and welcomed Nicolas Paillat to the team in his role as Manager for Hatchery and Turkey sectors.

ADOPTION OF AGENDA

It was moved by Paul Borg, seconded by Rick Weiss and carried that the agenda for the 60th Annual General Meeting of the Canadian Poultry and Egg Processors Council be approved as presented.

APPROVAL OF MINUTES

It was moved by Ed Rodenburg, seconded by Robert Giguere and carried that the minutes of the 59th Annual General Meeting of the Canadian Poultry and Egg Processors Council held at the Delta Beauséjour Hotel in Moncton, NB; on June 8, 2009 be approved as presented.

NEW MEMBERS

It was moved by Paul Borg, seconded by Mike Vanderpol and carried that the undernoted companies be confirmed as members of the Canadian Poultry and Egg Processors Council:

Aviagen Turkeys  
BioMérieux Canada, Inc.  
Chick Master Incubator Co.  
Curwood Packaging Inc.  
Gridpath Solutions Inc.  
J.D. Sweid Ltd.  
O & T Farms Ltd.  
Pfizer Animal Health  
Primus International Inc.  
Reuven International Ltd.  
Unified Purchasing Group of Canada

#### AUDITED FINANCIAL STATEMENTS

Treasurer Craig Evans presented the audited financial statements for the year ended February 28, 2010 to the membership. Mr. Evans referred to the Auditors' Report in the convention book that stated we are continuing to manage our finances in an appropriate manner, and in accordance with generally accepted accounting principles.

Mr. Evans noted that at the previous day's Board of Directors meeting, the Directors reviewed Council's investment policy and decided to strike a committee to monitor CPEPC's investment strategy going forward. Craig also drew the attendees' attention to the Statement of Changes in Net Assets, noting that Council's surplus position had increased slightly due to an operating surplus of just over \$14,000 which represented an improvement over the 2010 budget of approximately \$61,000.

Following a review of the various accounts and their comparison to budget:

It was moved by Alain Gagnon, seconded by Gerry Kennie and carried that the membership of the Canadian Poultry and Egg Processors Council approve the audited financial statements for the year ended February 28, 2010, as recommended by the Board of Directors and circulated in the convention book.

#### APPOINTMENT OF AUDITORS

On the recommendation of Council's Board of Directors:

It was moved by Robert Giguere, seconded by Mike Vanderpol and carried that the firm of Parker Prins Lebano be retained as financial auditors of the Corporation for the fiscal year ending February 28, 2011.

#### APPROVAL OF BUDGET

Mr. Evans continued by reviewing Council's proposed budget for the fiscal year ending February 28, 2011. He noted that CPEPC's Board of Directors had recommended an average increase in fees for both processor and associate members of 5%. He noted that the recommendation and the budget were made in consideration of the strategic and operational goals of CPEPC. The budget also forecasts additional associate members joining Council. He reminded members of their decision at the 2007 AGM to base membership fees on the Board's approval of the preliminary budget and confirmed that membership fee invoices for the 2011 fiscal year had already been issued based on this Board of Directors approved budget.

In reviewing some key expense lines, Craig asked attendees to note that fiscal 2010 salaries and benefits expense was very close to budget while travel expense was much lower than budget. Increases in both are expected in fiscal 2011 partially due to one time costs associated with hiring of our new Manager for Hatchery and Turkey sector. He also noted that Meetings cost was much lower than 2009 but in line with our very tight budget. For 2011, we have agreed to provide meals at sector meetings resulting in the increase in this line item but the 2011 budgeted amount remains lower than historical expenses for meetings and reflects ongoing initiatives to control meeting costs plus the decision to hold the October sector meetings in Ottawa rather than moving them around the country. Mr. Evans concluded his review by noting that for 2011, the budget calls for a break even result.

There being no questions from the attendees, it was moved by Alain Gagnon, seconded by Paul Borg and carried that the membership accept the financial budget for the year ending February 28, 2011 as approved by the Council's Board of Directors and as presented to the members.

## PRESIDENT'S ADDRESS

Mr. Horel took pleasure in welcoming delegates to CPEPC's Convention in his home town of Saskatoon. He also thanked the Turkey Farmers of Canada (TFC) Board of Directors for agreeing to move the normal date of their meeting in order to allow CPEPC to host their summer meeting immediately following the convention in Saskatoon. He expressed his hope that delegates to the TFC summer meeting would take advantage of some of the business and social programs associated with CPEPC's convention and noted his understanding that some of the turkey processing members planned to stay for a couple of extra days to attend the TFC meetings as well. He called it a win – win for both organizations.

Robin took the occasion to forecast what he expected would occupy CPEPC and its members' attention over the next couple of years. He noted that domestic chicken and turkey per capita consumption had been flat for a number of years while eggs and egg products were enjoying a welcome consumption increase. He pointed out that Canadian poultry and egg companies are innovating. For proof he reminded attendees of the size of the egg counter and the variety of new chicken and turkey products in the grocery store. He noted a similar trend at food service as well, but suggested that the innovation had been ongoing for sometime, and with the potential exception of the egg sector recently, had not resulted in increased per capita consumption. He shared his belief that without this innovation we would have experienced decreasing rather than flat consumption of chicken and turkey.

Mr. Horel stated that, whether we are looking at holding our own against competing proteins with Canadian consumers; preparing ourselves for the next push from other countries wanting more access to our market; or maybe even setting our sights on increasing exports as the way to increase our businesses – we will need to trim cost from our supply chains. He also reminded delegates that the industry will feel increased regulatory pressure on food safety, traceability, animal health, labeling, inspection and animal welfare. He noted that these issues would affect the entire supply chains from hatcheries through farms, processing and distribution and summarized by stating that CPEPC would continue to be busy working for a level playing field, so that chicken & turkey processors, egg graders & processors, and hatcheries have a reasonable opportunity for success.

Robin stated that we would need to build on our internal strengths of sound industry knowledge, robust process and good governance and work harder externally to increase influence with regulators, politicians, suppliers, customers, consumers, and other key stakeholders. We would need to improve our ability to collect, analyze and disseminate data. We have to redouble our efforts to be the recognized voice of Canadian poultry and egg processors and hatcheries in Canada and abroad. He noted his belief that CPEPC is well positioned to accomplish these goals. He reminded members how much Council depends on them and thanked them for their time and expertise and also for all the work they do with staff to help resolve issues and build consensus positions behind the scenes. He noted his appreciation for the support of both processor and associate members and claimed it as our biggest asset.

Robin took a few moments to thank the other members of CPEPC's staff individually and welcomed Mr. Paillat who joined the team in April. He stated that this team, backed up by the expertise of the membership, would be able to tackle all the issues that come along. Finally Mr. Horel thanked Reg Cliche and the Board of Directors who have given extra time to Council over the past year, even while the demands from their own businesses increase. He encouraged members to let the staff know what they could do differently or better and asked them to enjoy their convention.

## FUTURE CONVENTIONS

Chairman Cliche reviewed the locations listed in the meeting agenda that had been determined for future conventions and noted that, at the Board of Directors meeting on June 6<sup>th</sup>, staff was given direction to plan for the 2015 convention in the province of Manitoba.

## ADJOURNMENT

No other business being brought forward for the meeting it was duly moved, seconded and carried that the 2010 Annual General Meeting of the members of the Canadian Poultry and Egg Processors Council be adjourned, prior to an additional presentation being made by Mr. Cliche.



**PARKER PRINS LEBANO**  
Chartered Accountants  
Professional Corporation

**INDEPENDENT AUDITORS' REPORT**

To the Members of

**CANADIAN POULTRY AND EGG PROCESSORS COUNCIL**  
**CONSEIL CANADIEN DES TRANSFORMATEURS D'OEUFS ET DE VOLAILLES**

**Report on the Financial Statements**

We have audited the accompanying financial statements of the **CANADIAN POULTRY AND EGG PROCESSORS COUNCIL**, which comprise the Statement Of Financial Position as at February 28, 2011, and the Statement Of Changes In Net Assets, Operations, and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the **CANADIAN POULTRY AND EGG PROCESSORS COUNCIL** as at February 28, 2011, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Parker Prins LeBano*

Parker Prins LeBano Chartered Accountants Professional Corporation  
Authorized to practice public accounting by The Institute of Chartered Accountants of Ontario


Ottawa, Ontario  
March 8, 2011

**CANADIAN POULTRY AND EGG PROCESSORS COUNCIL**  
**CONSEIL CANADIEN DES TRANSFORMATEURS D'OEUFS ET DE VOLAILLES**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT FEBRUARY 28, 2011**

	2011	2010
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 107,789	\$ 25,105
Investments	603,724	645,172
Past president retirement investment (note 7)	34,997	30,471
Accounts receivable	16,252	43,410
Accidental Contamination and Malicious Tampering insurance receivable	-	133,683
Prepaid expenses	7,998	3,287
	770,760	881,128
<b>CAPITAL (note 3)</b>	19,827	22,689
	\$ 790,587	\$ 903,817
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable	\$ 65,673	\$ 59,790
Past president retirement payout (note 7)	34,997	30,471
Accidental Contamination and Malicious Tampering insurance payable	-	140,442
	100,670	250,703
<b>TAMPERING REWARD</b>	20,000	20,000
	120,670	250,703
<b>NET ASSETS</b>	669,917	653,114
	\$ 790,587	\$ 903,817

On behalf of the Board:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

The accompanying notes are an integral part of these financial statements.

**CANADIAN POULTRY AND EGG PROCESSORS COUNCIL  
CONSEIL CANADIEN DES TRANSFORMATEURS D'OEUF ET DE VOLAILLES  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED FEBRUARY 28, 2011**

	2011	2010
<b>NET ASSETS</b>		
BALANCE, BEGINNING OF YEAR	\$ 653,114	\$ 638,908
EXCESS OF REVENUE OVER EXPENDITURE	16,803	14,206
BALANCE, END OF YEAR	\$ 669,917	\$ 653,114

The accompanying notes are an integral part of these financial statements. 5

**CANADIAN POULTRY AND EGG PROCESSORS COUNCIL  
CONSEIL CANADIEN DES TRANSFORMATEURS D'OEUF ET DE VOLAILLES  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED FEBRUARY 28, 2011**

	2011	2010
<b>REVENUE</b>		
Membership fees - processors - non-processors	\$ 986,582	\$ 940,530
	66,574	62,330
	1,053,156	1,002,860
Convention	171,855	189,326
Investment income	7,916	6,100
	1,232,927	1,198,286
<b>EXPENDITURE</b>		
Amortization	8,166	9,927
Convention	115,727	106,697
Equipment lease and maintenance	9,173	12,202
Meetings	34,373	18,325
Office and administration	219,696	200,094
Poultry research C/PRC	20,000	20,000
Professional fees	19,843	11,831
Rent	71,559	75,244
Salaries and benefits	647,486	679,626
Travel	60,548	41,621
Vehicle	9,553	8,513
	1,216,124	1,184,080
<b>EXCESS OF REVENUE OVER EXPENDITURE FOR THE YEAR</b>	\$ 16,803	\$ 14,206

The accompanying notes are an integral part of these financial statements. 4

**CANADIAN POULTRY AND EGG PROCESSORS COUNCIL**  
**CONSEIL CANADIEN DES TRANSFORMATEURS D'ŒUFS ET DE VOLAILLES**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED FEBRUARY 28, 2011**

	<u>2011</u>	<u>2010</u>
<b>CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES</b>		
Excess of revenue over expenditure for the year	\$ 16,803	\$ 14,206
Items not requiring an outlay of cash:		
Amortization	8,166	9,927
Net change to non-cash items related to operations:		
Accounts receivable	27,158	(36,765)
Accidental Contamination and Malicious Tampering insurance receivable	133,683	(133,683)
Prepaid expenses	(4,711)	2,267
Accounts payable and accrued liabilities	5,883	27,675
Accidental Contamination and Malicious Tampering insurance payable	(140,442)	140,442
	<u>46,540</u>	<u>24,069</u>
	<u>(5,304)</u>	<u>(5,074)</u>
<b>CASH FLOWS USED FOR INVESTING ACTIVITIES</b>		
Purchase of capital assets	41,236	18,995
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>670,277</u>	<u>651,282</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>\$ 711,513</u>	<u>\$ 670,277</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 107,789</u>	<u>\$ 25,105</u>
	<u>603,724</u>	<u>645,172</u>
<b>REPRESENTED BY:</b>	<u>\$ 711,513</u>	<u>\$ 670,277</u>
Cash		
Investments		

The accompanying notes are an integral part of these financial statements. 5

**CANADIAN POULTRY AND EGG PROCESSORS COUNCIL**  
**CONSEIL CANADIEN DES TRANSFORMATEURS D'ŒUFS ET DE VOLAILLES**  
**NOTES TO FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2011**

- 1. PURPOSE OF THE ORGANIZATION**
- The Canadian Poultry and Egg Processors Council is a national organization formed by the Canadian feather industry to act on its behalf with government, industry, public at large as well as its own membership with respect to issues of vital interest to its members. The Canadian Poultry and Egg Processors Council is incorporated under the Canada Corporations Act as a not-for-profit organization.
- 2. SIGNIFICANT ACCOUNTING POLICIES**
- These financial statements are prepared in accordance with Canadian generally accepted accounting principles and reflect the following policies:
- (a) REVENUE RECOGNITION**
- The Canadian Poultry and Egg Processors Council follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
- Membership fees**
- Membership fees received are recognized as revenue in the period in which they are billed. These fees are assessed as follows:
- Processors**
- These fees are assessed on the basis of the total poultry slaughter and egg grading and processing by members in Canada in the previous calendar year. These assessments are billed directly or through Provincial Associations.
- Associates**
- A fixed fee of \$1,192 per member.
- Hatcheries**
- These fees are assessed on the basis of total chicks hatched by members in Canada in the previous calendar year. These assessments are billed directly and through Provincial Associations.

**CANADIAN POULTRY AND EGG PROCESSORS COUNCIL  
CONSEIL CANADIEN DES TRANSFORMATEURS D'OEUF ET DE VOLAILLES  
NOTES TO FINANCIAL STATEMENTS (continued)  
FEBRUARY 28, 2011**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Restricted contributions related to Special Projects**

The organization follows the deferral method of accounting for restricted contributions related to special projects. The contributions are recognized as revenue in the year in which the related expenses are incurred. Contribution revenue received for special projects that is in excess of allowable project expenses is deferred to offset project expenses in future years.

**(b) CAPITAL ASSETS**

Office furniture and equipment are recorded at cost and are amortized over 4 years on the straight line basis which will amortize the cost of the assets over their estimated useful lives.

**3. CAPITAL ASSETS**

	2011		2010	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and equipment	\$ 236,219	\$ 216,392	\$ 19,827	\$ 22,689

**4. COMMITMENTS**

The Council is committed to pay annual lease payments for its office premises, automobile, and various office equipment. The total required payments are as follows:

2012	\$ 70,000
2013	\$ 22,000

**5. PENSION PLAN**

On August 1, 2003 the organization began a Pension Plan for their employees. The Pension Plan is a contributory pension plan covering all employees of the Canadian Poultry and Egg Processors Council. Under the Plan, contributions are made by the plan members and the Canadian Poultry and Egg Processors Council. The Plan is registered with the Canada Revenue Agency and the registration number is 1094416.

**CANADIAN POULTRY AND EGG PROCESSORS COUNCIL  
CONSEIL CANADIEN DES TRANSFORMATEURS D'OEUF ET DE VOLAILLES  
NOTES TO FINANCIAL STATEMENTS (continued)  
FEBRUARY 28, 2011**

**6. FINANCIAL INSTRUMENTS**

The Council's financial instruments consist of cash, accounts receivable, investments and accounts payable. The book values of the accounts receivable and accounts payable approximate fair values due to their short-term nature. Investments are carried at market value. Unless otherwise noted, it is management's opinion that the Council is not exposed to significant interest, currency or credit risks arising from these financial instruments.

**7. PAST PRESIDENT RETIREMENT INVESTMENT AND PAYOUT**

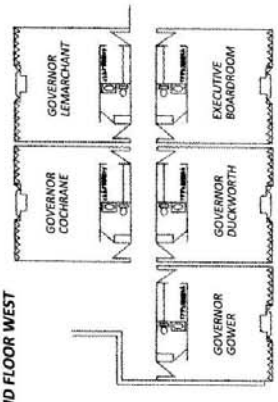
The past president retirement investment and associated past president retirement payout are recorded at market value. The investment balance funds are held in trust for a past president and the past president payout represents the funds that will be paid to the past president.

**Canadian Poultry and Egg Processors Council**  
**Conseil Canadien des Transformateurs d'Oeufs et de Volailles**

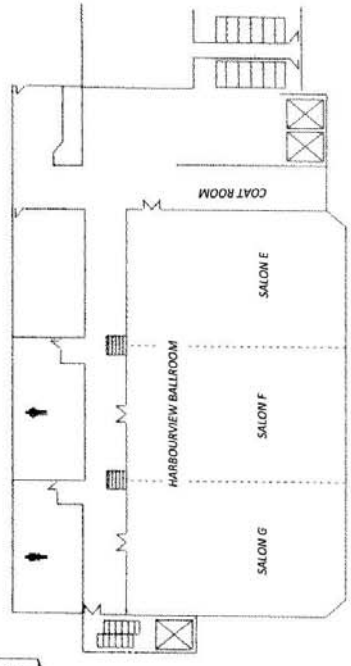
**Financial Report**  
**2011/2012**

	2011 Budget	2011 Actual	2012 Budget
<b>REVENUE</b>			
Fees – Processors	987,600	986,582	1,057,000
Associates	68,600	66,574	73,000
	1,056,200	1,053,156	1,130,000
Other – Convention (Net)	80,000	56,128	70,000
Interest & Other	8,000	7,916	10,000
<b>Total Revenue</b>	<b>1,144,200</b>	<b>1,117,200</b>	<b>1,210,000</b>
<b>EXPENSES</b>			
Salaries & Benefits	687,000	647,486	716,000
Travel	53,000	60,548	73,000
Meetings	30,000	34,373	41,000
Telephone & Fax	20,000	14,489	16,000
Rent	76,000	71,559	78,000
Equipment Lease	12,000	9,173	12,000
Auto Lease & Operating	10,000	9,553	11,000
Office Supplies	8,600	4,492	6,200
Contingency	14,000	22,372	14,000
Translation	14,000	13,481	14,000
Postage & Courier	1,000	190	1,000
Audit	6,200	7,585	8,000
Bank	2,000	3,241	3,400
Insurance	7,000	9,979	10,000
Publications	2,000	2,548	3,000
Computer Support & Web-Site	15,000	8,931	12,000
Consulting & Legal	130,000	129,881	135,000
Memberships:			
CPCSFE	10,000	10,000	10,000
CPRC	20,000	20,000	20,000
Others	16,500	12,350	16,500
Amortization	9,900	8,166	9,900
<b>Total Expenses before Other Items</b>	<b>1,144,200</b>	<b>1,100,397</b>	<b>1,210,000</b>
<b>NET PROFIT (LOSS)</b>	<b>0</b>	<b>16,803</b>	<b>0</b>

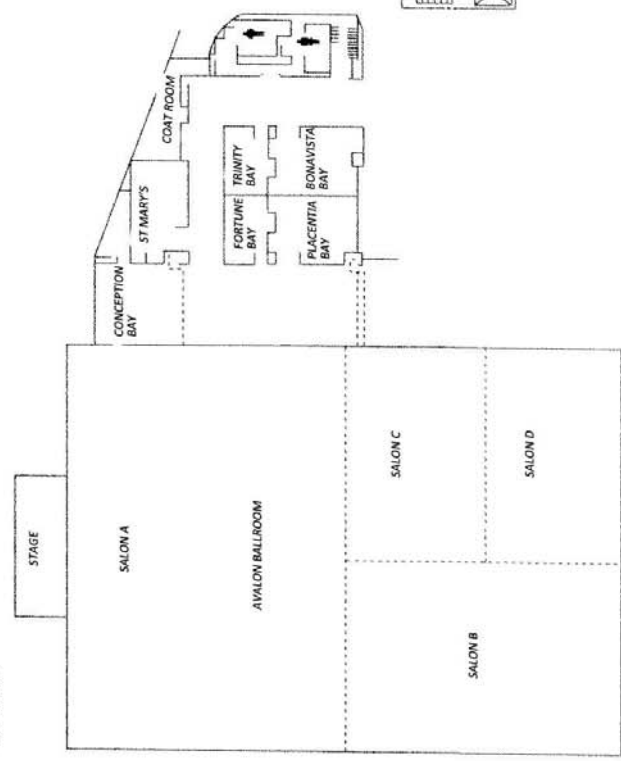
**MEETING ROOMS  
SECOND FLOOR WEST**



**NEW WING MEETING ROOMS**



**MEETING AND BANQUET  
FACILITIES**



## PROGRAM HIGHLIGHTS

### BUSINESS SESSIONS

### SOCIAL EVENTS

#### SUNDAY, JUNE 12

9:00 AM - 5:00 PM	<b>Registration – Foyer</b>		
7:30 AM - 9:30 AM	<b>Board of Directors Meeting – Salon EF</b>		<b>Golf Tournament</b>
		9:30 AM	Meet in lobby for bus
		10:30 AM	Brunch
		12:00 PM	Tee off (shotgun start)
			or
			<b>Tour</b>
		12:45 PM	Meet in lobby for bus
		6:00 PM - 8:00 PM	<b>Opening Reception</b> <b>Harbourview Ballroom</b>

#### MONDAY, JUNE 13

7:00 AM - 4:00 PM	<b>Registration – Foyer</b>  <u><b>Poultry / Egg / Hatchery Processor</b></u> <u><b>“Members Only”</b></u>		
8:00 AM - 9:45 AM	<b>Poultry Sector – Salon EF</b>	8:30 AM - 4:30 PM	<b>Companion’s Program</b> <b>Salon A</b>
9:45 AM - 12:00 PM	<b>Chicken Sector – Salon EF</b>		This program will consist of a visit to the seals in Logy Bay, the beach in Middle Cove, the lookout at Flat Rock, Quidi Vidi and lunch at Portobello’s
9:45 AM - 12:00 PM	<b>Turkey Sector – Bonavista Bay</b>		
7:00 AM - 9:00 AM	<b>CHF Leghorn Sector – Salon G</b>		
9:30 AM - 12:00 PM	<b>CHF Joint – Salon G</b>		
8:00 AM - 12:00 PM	<b>Egg Grading Sector – Brownsdale Room (Lower Level)</b>	12:00 PM	<b>Luncheon for Delegates</b> <b>Salon A</b>
8:00 AM - 12:00 PM	<b>Egg Further Processing Sector – Conception Bay</b>		<b>Speaker: Dr. Charles Randell – President, C-CORE</b>
2:00 PM - 3:15 PM	<b>Plenary Session - All Delegates</b> <b>Salon BCD</b>		<b>Monday Evening Program</b>
3:15 PM – 3:45 PM	Refreshment Break	6:00 PM	Meet in Salon A.
3:45 PM - 4:30 PM	<b>Annual General Meeting</b> <b>Salon BCD</b>	6:00 PM - 9:30 PM	“Rally in the Alley”, pub dinner and entertainment

#### TUESDAY, JUNE 14

7:00 AM - 2:00 PM	<b>Registration – Foyer</b>  <u><b>Open Sectoral Sessions</b></u>		
9:00 AM - 10:15 AM	<b>Poultry / Hatchery Session – Salon BCD</b>	7:15 AM - 8:45 AM	<b>Breakfast for All Attendees</b> <b>Salon A</b>
9:00 AM - 10:15 AM	<b>Egg Session – Salon FG</b>		<b>Speaker: Dennis O’Keefe – Mayor of St. John’s</b>
10:15 AM - 10:45 AM	Refreshment Break	2:00 PM - 3:15 PM	<b>Keynote Speaker:</b> <b>Salon BCD</b>
10:45 AM - 12:00 PM	<b>Joint Sector Session – Salon BCD</b>		<b>REX MURPHY</b>
12:00 PM - 2:00 PM	On your own for lunch	6:00 PM - 11:00 PM	<b>Chairman’s Reception and Banquet / Entertainment</b> <b>Avalon Ballroom</b>