



# Chicken Farmers of Canada

Pre-Budget Submission



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## Chicken Farmers of Canada Pre-Budget Recommendations

**Recommendation 1:** That the government provide relief of the federal fuel charge on natural gas and propane used to heat chicken barns, similar to the relief extended to commercial greenhouse operators.

**Recommendation 2:** That the government implement initiatives stemming from the 2019 Budget announcement of \$2.15 billion to help sustain the incomes of eligible dairy, poultry, and egg farmers. These initiatives include:

- An investment program to support producers as they invest in further improvements to their operations
- A market development fund to promote Canadian-raised chicken
- A TRQ allocation methodology that is designed to ensure minimal market distortions
- The enforcement of Canadian production standards on imports
- The resolution of two major import control loopholes undermining our sector: the misuse of the Duties Relief Program (DRP) and the fraudulent importation of mislabeled broiler meat.
  - The DRP must update its rules governing the import and re-export of chicken products by banning the substitution and marination of imported chicken cuts and reducing the allowed time to re-export from the current 4 years. Furthermore, applicants who have been barred from the Import for Re-Export Program should not be eligible to participate in the DRP, and vice versa.
  - The DNA test that can distinguish between broiler meat and spent fowl must become a part of regular border control processes to ensure that chicken is no longer being fraudulently imported into Canada under the guise of mislabeled spent fowl.



**Chicken Farmers of Canada Pre-Budget Submission to the Standing Committee on Finance**  
*Climate Emergency: The Required Transition to a Low Carbon Economy*

Canada's farmers work hard every day to ensure Canadians enjoy consistent access to fresh, local Canadian chicken, that is raised sustainably and with care. As such, Canada's chicken farmers play a significant role in the food chain and the value chain, raising high-quality chicken while contributing \$6.8 billion to Canada's Gross Domestic Product, and paying \$2.2 billion in taxes. Not only does our sector directly sustain 87,200 jobs, it also supports further employment all throughout the value chain—in farming, processing, veterinary work, transportation, retail, restaurants and more.

The Canadian chicken sector is a growth and value-addition success story. Production is increasing, while production practices are constantly evolving and improving to ensure efficiency from farm to table. Our stable system of supply management ensures we remain competitive, while raising the safe, high-quality chicken consumers demand, in a sustainable way.

Canadians want a secure supply of affordable Canadian-raised food that is environmentally, socially and economically sustainable. They want to know that farmers are raising the best possible products and they want assurance systems that they can trust. Chicken Farmers of Canada's mission—as developed by stakeholders down the value chain—is to lead and grow a sustainable Canadian chicken industry, while strengthening trust and enhancing value for Canadians. We are focused on a whole of industry approach to trust and sustainability.

Canadian chicken farmers are leading the pack with our on-farm practices. Chicken Farmers of Canada's *Raised by a Canadian Farmer* brand incorporates the programs that farmers follow to raise their birds to the highest standards of care, quality and sustainability.

- Our farmers adhere to a strict mandatory, audited On-Farm Food Safety Program, a national standard that has received federal, provincial and territorial government recognition and full recognition by the Canadian Food Inspection Agency. We were proud to become the first organization to receive this recognition.



- Our farmers also adhere to a strict, mandatory and auditable Animal Care Program to ensure high animal care standards are being upheld on Canadian chicken farms across Canada. It is also third-party audited by NSF International, an internationally-recognized certification body. Our Animal Care program is based on the Code of Practice for the Care and Handling of Hatching Eggs, Breeders, Chickens and Turkeys, which was developed using the National Farm Animal Care Council’s development process. This credible process is based on science and collaboration amongst a broad group of stakeholders, including farmers, transporters, veterinarians, animal welfare and enforcement agencies, retail and food service organizations, processors, governments, and researchers.
- Our farmers are also committed to sustainability through innovation, by preserving the health of the land, providing value to Canada’s economy, and growing affordable food for Canadians.

Chicken Farmers of Canada are proud of our recently completed social, economic, and environmental Life Cycle Assessment (LCA) of the Canadian chicken sector. An LCA is an internationally recognized approach to assess the impacts associated with all stages of a product’s life – in this case chicken. With the support received under the Growing Forward 2 Program, a consulting firm with expertise in the agri-food sector and LCAs was commissioned to conduct the study on the Canadian chicken sector. The environmental component of the LCA highlighted the footprint of Canadian chicken through three main indicators: carbon footprint, water consumption and non-renewable energy use.

From our LCA findings, we are proud to showcase the following points, including:

- Since 1976, the environmental performance of the Canadian chicken sector significantly improved because of major productivity gains and significant improvements in feed conversion ratio. This has resulted in a:
  - 37% lower carbon footprint
  - 37% reduction in non-renewable energy consumption
  - 45% less water consumption



- Per kg of protein, the carbon footprint of Canadian chicken is lower than that of the other livestock commodities produced in North America
- When considering the average carbon footprint of chicken in different regions around the world, Canadian chicken production has the lowest carbon footprint overall
- Of all the energy used to produce one kilogram of Canadian chicken, 62% comes from renewable sources

Conducting an LCA is part of Chicken Farmers of Canada’s strategy to support our sector’s work in maintaining consumer confidence and our commitment to sustainability and to the environment. These results are a great example of the actions that our sector has taken to reduce emissions and provide affordable food for Canadians.

Canadian chicken farmers are committed to the health of our sector, and to the care of our birds and our environment—but we want to keep growing. We need the help and support of the federal government in order to do so.

Canadian chicken farmers were glad to see Budget 2019 include \$3.9 billion in support for farmers in dairy, poultry and egg sectors in response to market access concessions associated with the ratification of CETA and the CPTPP. This included support of \$2.15 billion to help sustain the incomes of eligible dairy, poultry, and egg farmers.

As a result of the work of the Agriculture and Agri-Food poultry and egg working group that stemmed from the Budget announcement, Chicken Farmers of Canada presented the Government of Canada with recommendations for initiatives under this funding that would help address the needs of producers who will be impacted by the increased market access:

- An investment program to support producers as they invest in further improvements to their operations
- A market development fund to promote Canadian-raised chicken
- A TRQ allocation methodology that is designed to ensure minimal market distortions



- The enforcement of Canadian production standards on imports
- The resolution of two major import control loopholes undermining our sector: the misuse of the Duties Relief Program (DRP) and the fraudulent importation of mislabeled broiler meat.
  - The DRP must update its rules governing the import and re-export of chicken products by banning the substitution and marination of imported chicken cuts and reducing the allowed time to re-export from the current 4 years. Furthermore, applicants who have been barred from the Import for Re-Export Program should not be eligible to participate in the DRP, and vice versa.
  - The DNA test that can distinguish between broiler meat and spent fowl must become a part of regular border control processes to ensure that chicken is no longer being fraudulently imported into Canada under the guise of mislabeled spent fowl.

Canadian chicken farmers also want to see relief of the federal fuel charge on natural gas and propane used to heat chicken barns. Commercial greenhouse operators growing plants, vegetables, fruits, cut flowers, medicinal plants and so on are partially relieved of the fuel charges and it is disappointing that Canadian livestock producers were not considered for this exemption. Canada's chicken farmers are raising safe, high-quality, sustainable food for Canadians, and the government needs to recognize that this vital contribution should not come with an additional fee.

### **Next steps**

Canada's 2,800 chicken farmers take pride in being able to feed millions of Canadians safe, high-quality, sustainable chicken, while also contributing to our strong economy. Our recommendations to the Standing Committee on Finance stem from the desire to keep chicken the number one meat protein choice of Canadians, while ensuring that we can continue to innovate, and raise safe, high-quality chicken. We seek the government's immediate support in order to keep providing for Canadians, encourage investment and continue to grow the economy. We look to the Standing Committee on Finance and Budget 2020 to make these changes that will be beneficial to Canadian farmers, consumers, and families.

