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NEWSLETTER

National Farm Products Council

June
2006



**Council
News**

COUNCIL MEETINGS

Council met on May 11 and 12 approving the chicken allocation for period A-73 (July 23 to September 16, 2006). Representatives from the Import Controls Division at the Department of Foreign Affairs (DFAIT) made a presentation on the TRQ administration and the import for re-export program. The Executive of the Canadian Turkey Marketing Agency attended the meeting to discuss the development of a new quota allocation methodology and submitted the Agency's 2006-07 quota regulation for Council's approval. Continued consideration for prior-approval of the CTMA Quota Regulation will be an agenda item at the Council's June 12th meeting.

INFORMATION SESSIONS ON THE AGRICULTURAL PRODUCTS MARKETING ACT (APMA)

NFPC Executive Director Terry Hayward held meetings in May with the provincial supervisory councils and provincial boards and commissions in New Brunswick, Nova Scotia, Manitoba and Saskatchewan to make presentations on the administration of the Agricultural Products Marketing Act (APMA). The presentation reviewed the administrative requirements for processing orders and regulations and provided information on the Council's new database on APMA orders and regulations. Both current holders of delegation orders under the APMA and those boards or commissions interested in obtaining a delegation of authority were invited to attend the meetings. Further information meetings will be scheduled for PE, AB, ON, BC and QC.

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COMMENTS or QUESTIONS

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Agency News

Canadian Egg Marketing Agency

At their May 31st meeting, the Agency's directors received updates on the financial situation of the agency, WTO trade negotiations, proposed revision to the Agency's Start Clean Stay Clean Program, and Canadian Food Inspection Agency's mandatory national serological survey for avian influenza H5/H7 in indoor reared commercial poultry.

Tim Lambert, Chief Executive Officer, presented a paper entitled Strategic Insights: CEMA Business Planning. This document will be the basis of the Agency's Strategic Plan for 2007-2010.

In addition, the Cost of Production Committee presented for adoption, the final report of the 2004 Cost of Production Survey. CEMA Directors accepted the report as presented by the Agency's Cost of Production Committee. The next step is for the Committee and agency staff to develop updating techniques for each cost component for review by the directors at their July 2006 meeting in Niagara Falls. Once the Directors approve the updating methodologies, the 2004 survey results can be incorporated into the CEMA cost of production formula.

With regard to the financial update, the Agency has lost approximately \$6.4 million dollars in their Pooled Income Fund in the first 4 periods (16 weeks). This fund finances the agency's industrial product removal program. Agency staff is forecasting a loss of approximately \$12.9 million by year end.

The loss can be attributed to three factors:

- *Low breaking stock prices in the United States.
- *The increase in value of the Canadian dollar versus the U.S. dollar.
- *Higher than expected industrial product volumes.

The Directors discussed numerous financing alternatives and were unable to come to a decision during the open portion of their meeting.



International News

Poultry Briefs, Vol. 06, Issue 4, April 2006

Poultry from China

The USDA has added China to the list of countries eligible to export processed poultry products to the U.S. A review of China's laws, regulations, and other materials show that its poultry processing system includes requirements equivalent to the provisions of the U.S.'s Poultry Products Inspection Act and its regulations.

Processed poultry products from China may be imported to the U.S. only if they have been processed in certified slaughter establishments.

The Associated Press/Springdale, ARK, Marcus Kabel, May 9, 2006

Tyson: U.S. Consumers Confident in Poultry

Tyson Foods Inc., the world's largest meat producer, said Tuesday its tracking surveys have found no drop in U.S. consumer confidence in poultry despite the spread in other parts of the world of a deadly strain of bird flu.

To make sure things stay that way, Tyson is distributing information about safety precautions that it is taking together with the U.S. poultry industry to detect and stamp out the flu virus if it makes it to North America.

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AgriBusiness, May 30, 2006

Brazilian poultry to be theme of international advertising campaign

Advertising agency Young & Rubicam is preparing an advertising campaign to promote Brazilian chicken in Saudi Arabia, the United Arab Emirates, Kuwait and Russia. The initiative is of the Brazilian Poultry Exporters Association (ABEF), which is investing US \$10 million in the project to launch brand Brazilian Chicken.

Sao Paulo - A US \$10 million campaign is being developed by advertising agency Young & Rubicam (Y&R) to make Brazilian chicken into a national symbol, like French champagne and Swiss cheese. "Or like Brazilian coffee was one century ago," stated Alessandro Cardoni, account services director at the agency presided by Roberto Justus. Y&R recently won the advertising account of the Brazilian Poultry Exporters Association (ABEF). The association's objective is to promote a strong advertising campaign in Saudi Arabia, the United Arab Emirates, Kuwait and Russia - four countries that are great consumers of Brazilian chicken.

The idea is to launch and consolidate brand Brazilian Chicken, a stamp that the 21 companies associated to the ABEF are going to start using as a synonym of quality chicken. "Many people in Brazil do not know that the country is the largest world exporter of chicken. The idea is to show that if we are the largest, we are also the best," stated Cardoni. The slogan has already been created: Brazilian Chicken, number one in the world. The stamp is being elaborated. Cardoni does not reveal what it will look like, but it will certainly have the image of a chicken and the Brazilian colors, green and yellow.

The campaign will be launched simultaneously in all four countries in September and will last four months. There will be three actions in parallel. First, there will be product promotion, with sampling, at events for representatives of the local market and journalists. At a second stage, Y&R is going to place brand Brazilian Chicken in specialized magazines and in cuisine programs. Finally, television ads, billboards and a vast campaign at points of sale will be released. If the actions provide a positive result, ABEF should expand the publicity to other countries.

World Poultrymeat
No. 77, May 24, 2006

Pressure hits poultry producers globally

Current price levels for chicken meat are hitting producers of all sizes, all over the world, "Gordon Butland of Global Poultry Strategies told the 5th World Poultry conference being held in London this week. Delivering a paper on trade patterns, he said, "I have been in the industry for 16 years, and I have never seen such widespread losses around the world."

It is difficult to reconcile the new sense of optimism in parts of the industry with what is happening around the world, Butland said. For the two heavyweights, USA and Brazil, AI has "collided" with over-optimistic production forecasts resulting in increased inventories and drastic price reductions.

Did you know?

Poultry Briefs, Vol. 06, Issue 4, April 2006

Beer Boosts Bird Size

Adding hops to poultry feed could prove successful in increasing bird size according to new research out of the University of Arkansas. It was determined that adding the beer ingredient to feed improved the early growth rate of broiler chicks and decreased the feed required to produce a pound of weight gain.

Research has been conducted over the years to find an alternative product for replacing antibiotics in broiler diets, including many herbs, spices, organic acids and other related products, however the beer hops is reportedly the first to deliver performance improvement of this magnitude. Results of the study are published in the International Journal of Poultry Science.

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Industry News

The Western Producer, Vol. 84, Issue 18, May 4, 2006

Canada Tightens Bird Imports

Canada is beefing up its live bird import regulations to try to prevent the spread of avian flu, the Canadian Food Inspection Agency has announced. Live poultry imported to Canada must now undergo an inspection by a certified veterinarian no more than 24 hours before shipment. The birds must be confirmed to have been kept in an avian flu-free region since they were hatched, or for 21 days before being shipped. Vaccinated birds are not eligible for import.

Canada requires a routine 30-day quarantine of imported animals but new measures will require that a sample from each shipment be tested for avian flu within 21 days of entering the country. The new import regulations will be applied to imports of live poultry and other commercial birds including parrots, day-old chicks and hatching eggs.

The Performance of the Poultry and Egg Supply Management system in Canada

Mr. Daniel Mercier-Gouin, Vice-president of AGÉCO Group, presented the findings of its study on "Comparative Analysis of the Performance of Poultry Sector Regulatory Systems in Canada, the United States, France and Australia" at the annual meeting of the Fédération des producteurs de volailles du Québec held in Laval, Québec on April 19, 2006.

Based on this study, the Canadian poultry and egg supply management system seems to have provided a better distribution of poultry production across the country and a better sharing of revenues and powers between producers and processors. The study highlights the social advantages of the Canadian system obtained without a detrimental impact on the poultry economic chain. The study concludes that the Canadian poultry and egg sector perform better than the system in place in Australia, the United States and France.



Other News

CNN.com, May 26, 2006

Chicken and Egg Debate Unscrambled Egg Came First, 'Eggsperts' Agree

LONDON, England -- It's a question that has baffled scientists, academics and pub bores through the ages: What came first, the chicken or the egg?

Now a team made up of a geneticist, philosopher and chicken farmer claim to have found an answer. It was the egg. Put simply, the reason is down to the fact that genetic material does not change during an animal's life. Therefore the first bird that evolved into what we would call a chicken, probably in prehistoric times, must have first existed as an embryo inside an egg.

Professor John Brookfield, a specialist in evolutionary genetics at the University of Nottingham, told the UK Press Association the pecking order was clear. The living organism inside the eggshell would have had the same DNA as the chicken it would develop into, he said. "Therefore, the first living thing which we could say unequivocally was a member of the species would be this first egg," he added. "So, I would conclude that the egg came first."

The same conclusion was reached by his fellow "eggsperts" Professor David Papineau, of King's College London, and poultry farmer Charles Bourns.

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Upcoming Meetings

June 11-13	CPEPC Convention	Charlottetown, PEI
June 26-28	CTMA Meeting	Waskesiu, Saskatchewan
June 25-27	Federal/Provincial/Territorial Ministers of Agriculture Meeting	St. John's, Newfoundland
July 10-12	CEMA Summer Meeting	Niagara Falls, Ontario
July 11-13	CBHEMA Summer Meeting	Niagara Falls, Ontario
July 25-28	Canadian Federation of Agriculture Semi-Annual Meeting	St. John's Newfoundland
July 25-26	NFPC Meeting	Ottawa, Ontario
August 8-10	CFC Summer Meeting	St. Andrews by-the-Sea, NB