Agriculture and
Agri-Food Canada

Agriculture et
Agroalimentaire Canada

Market and Industry
Services Branch

Direction générale des services
à l'industrie et aux marchés

Snapshot of the

Canadian chicken industry

Agricultural Industry
Services Directorate
Animal Industry Division
Poultry Section

Direction des services
à l'industrie agricole
Division de l'industrie animale
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Canada

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History

Farm Products Marketing Act

The Farm Products Marketing Agencies Act. 1970-71-72,c.65,s.1. was enacted to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products.

National Farm Products Council

The Council, originally created as the National Farm Products Marketing Council, is to consist of not less than three and not more than nine members, at least fifty per cent of whom shall be primary producers. The duties of the Council are

- to advise the Minister on all matters relating to the establishment and operation of agencies under the Act with a view to maintaining and promoting an efficient and competitive agricultural industry.
- to review the operations of agencies with a view to ensuring that they carry on their operations in accordance with their objectives set out in section 21; and
- to work with agencies in promoting more effective marketing of farm products in interprovincial and export trade.

Chicken Farmers of Canada

Chicken Farmers of Canada (CFC) was originally formed as the Canadian Chicken Marketing Agency (CCMA) in 1978 under the Farm Products Marketing Agencies Act through an agreement of the federal government, provincial agricultural ministers and chicken farmers. The CFC has the authority to regulate chicken production in Canada under a system of supply management.

Canadian Broiler Hatching Egg Marketing Agency

The Canadian Broiler Hatching Egg Marketing Agency (CBHEMA) was established in 1986 under the *Farm Products Agencies Act* through an agreement of the federal government, provincial agriculture ministers and broiler hatching egg producers in member provinces. CBHEMA is the national agency which is responsible for the orderly marketing of broiler hatching eggs in Canada. Member provinces are British Columbia, Alberta, Manitoba, Ontario and Québec.

Structure

Pure Blood Ligne Breeding Stock (great great grandparents)
- hatching eggs and chicks
1st generation

▼

Expanded Blood Lines (great grandparents) - hatching eggs and chicks
2nd generation

▼

Crosses (grandparents) - hatching eggs and chicks
3rd generation

▼

Multiplier Flocks (Hatchery Supply Flocks)
- hatching eggs and chicks
4e génération

▼

Commercial broiler hatching egg producers
5th generation

▼

Hatcheries   Feed Companies

▼

Commercial chicken producers

▼

Primary Processors

▼

Further Processors

▼

Foodservice   Retail   Brokers

▼

Consumers

Commercial broiler hatching egg producers

CBHEPA

The Canadian Broiler Hatching Egg Producers' Association (CBHEPA) is the national body which represents the interests of broiler hatching egg producers. There are approximately 300 broiler hatching egg producers with farm gate cash receipts of $150 million. Members range in size from small independent operators of mixed operations to large integrated operations. The CBHEPA meetings are usually held, when needed, in conjunction with CBHEMA meetings.

CBHEMA

The Canadian Broiler Hatching Egg Marketing Agency (CBHEMA) is the national agency which is responsible for the orderly marketing of broiler hatching eggs in Canada. CBHEMA was established in 1986 under the *Farm Products Agencies Act* through an agreement of the federal government, provincial agriculture ministers and broiler hatching egg producers in member provinces. Member provinces are British Columbia, Alberta, Manitoba, Ontario and Québec.
The CBHEMA Board of Directors is comprised of:

- five producer members representing each of the signatory provincial marketing boards.
- two Governor in Council (GIC), one to represent the interests of consumers; the other to represent the interests of the hatchery sector.
- The Chair is elected from the producer members on the Board of Directors and remains neutral on all issues, with his/her provincial Alternate voting on behalf of the province.

The CBHEMA has the authority to regulate broiler hatching egg production in Canada under a system of supply management. CBHEMA is funded entirely through a levy paid by producers based on the amount of broiler hatching eggs marketed.

Production

Broiler hatching egg production is based on a national supply managed system whereby allocation is determined by market share. The national allocation is determined based on the projected needs for chicks by the commercial chicken production sector. Allocation to the provinces is based on their percentage share of the national total.

Annual Production, by province (in '000 broiler hatching eggs)

	1989	1990	1991	1992	1993	1994	1995	1996	1997
B.C.	55,164	60,212	63,552	69,773	71,311	84,885	91,465	89382	90081
ALTA.	48,157	50,710	50,279	53,179	54,275	59,639	60,695	64183	61739
SASK.	11,744	12,422	12,660	13,284	14,497	15,015	14,057	13556	12511
MAN.	17,627	17,643	17,248	16,602	16,034	18,514	20,155	18733	17406
ONT.	142,296	145,726	146,145	141,692	151,901	165,328	173,217	175043	168105
P.Q.	127,350	128,238	132,061	134,844	133,911	145,258	154,792	157880	158912
Atl. Provinces	33,275	35,372	35,073	35,047	36,108	37,060	36,902	39077	44841
Total	435,612	450,323	457,018	464,421	478,036	525,700	551,283	557854	553595

Source: Poultry Section/AAFC & CBHEMA

Imports

Within the broiler hatching egg market, supply is generated domestically and from the United States. Under a bilateral agreement pursuant to Article XXII of the 1947 GATT, it has been negotiated that 17.4% of the domestic broiler hatching egg and 3.7% of the domestic broiler chick production can be sourced from the U.S. Broiler chick imports can be increased by decreasing egg imports using the ratio of 1.27 eggs to 1 chick.

Total chick imports, by province (in '000 chicks)

	1989	1990	1991	1992	1993	1994	1995	1996	1997
B.C.	9	0	7	1	576	250	11	192	800
ALTA.	9	54	21	131	175	35	0	11	1,177
SASK.	0	0	122	145	135	159	83	131	428
MAN.	4	99	471	676	324	235	310	1,239	532
ONT.	9,361	7,080	11,097	8,065	6,047	10,870	4,385	5,285	5,788
P.Q.	2,003	2,088	2,822	2,977	4,135	8,099	5,137	4,433	4,768
Atl. Provinces	109	247	244	287	189	371	17	385	690
Total	11,495	9,568	14,784	12,283	11,582	20,020	9,944	11677	14,185

Source: Poultry Section/AAFC & CBHEMA

Total Broiler hatching egg imports, by province (in '000 broiler hatching eggs)

	1989	1990	1991	1992	1993	1994	1995	1996	1997
B.C.	6,200	8,442	7,620	5,060	10,341	9,919	6,708	9,585	9,218
ALTA.	964	1,925	2,419	2,637	5,358	10,621	4,425	4,413	7,518
SASK.	4,047	3,051	2,214	969	102	70	60	50	0
MAN.	5,163	6,410	6,719	6,650	7,823	7,060	5,172	9,164	11,531
ONT.	30128	38,341	29,910	32,745	31,863	47,850	30,864	34,619	38,231
P.Q.	23608	27,193	24,998	20,823	24,708	32,237	24,464	29,993	31,840
Atl. Provinces	4,383	4,506	3,927	3,260	3,375	4,517	5,381	4,968	5,247
Total	74,492	89,868	77,807	72,144	83,570	112,273	77,074	92,793	103,584

Source: Poultry Section/AAFC & CBHEMA

Hatcheries

CPEPC

The Canadian Poultry and Egg Processors Council (CPEPC) is the national association serving Canadian hatcheries, chicken and turkey processors and egg graders and breakers. Council's mandate is to identify and represent the collective interests and aims of the processing industry and to define appropriate plans and carry out the activity that will best accomplish these objectives.

Hatcheries are an integral link in the chicken supply chain. The hatcheries are positioned between two supply managed commodity groups; broiler hatching eggs managed by the Canadian Broiler Hatching Egg Marketing Agency CBHEMA and chicken, managed by the Chicken Farmers of Canada (CFC).

Because broiler hatcheries are larger than egg layer hatcheries, they are more likely to concentrate solely on hatching broiler chicks. The throughput of the twenty seven Canadian hatcheries producing only broiler chicks is 12.2 times greater than that of twelve Canadian hatcheries producing only egg layer chicks.

There are thirty hatcheries which produce more broiler chicks than the largest hatchery producing egg layer chicks. Within this group of thirty hatcheries, only eight of them were dual hatcheries in that egg layer stock was also hatched. On the other hand, twenty-five of the remaining thirty-two hatcheries which hatch broiler chicks also hatch egg layer stock.

Thirty five of the hatcheries, essentially fifty percent, are dual-purpose hatcheries in that they hatch both broiler and egg layer chicks. As can be seen from the table below, 74% of hatcheries which produce egg layer chicks also hatch broiler chicks; whereas, only 56% of hatcheries which produce broiler chicks also hatch egg layer chicks.

Chicken Hatcheries, by province

	Egg layer	Broiler	Dual	Total
British Columbia	4	7	3	8
Alberta	8	9	7	10
Saskatchewan	3	4	3	4
Manitoba	6	9	5	10
Ontario	14	14	8	20
Québec	6	12	5	13
New Brunswick	3	3	2	4
Nova Scotia	2	3	1	4
Prince Edward Island	0	0	0	0
Newfoundland	1	1	1	1
Total	47	62	35	74

Source: the number of facilities reporting to Poultry Section's MIUnit

Annual Chick placements, by province (in '000 chicks)

	1989	1990	1991	1992	1993	1994	1995	1996	1997
B.C.	46,592	52,332	54,450	55,291	62,851	72,170	74,699	77,496	80,974
ALTA.	35,204	37,690	38,324	40,128	43,579	49,624	47,824	50480	53,177
SASK.	11,144	11,117	10,551	10,324	11,364	13,054	12,196	12697	13,273
MAN.	16,468	17,627	17,748	17,535	17,701	19,696	19,995	22262	22,187
ONT.	133,853	142,724	145,259	139,949	149,062	173,894	162,176	163778	167,613
P.Q.	119,635	122,209	123,956	122,919	127,175	146,350	143,311	150316	154,365
Atl. Provinces	31,322	33,411	33,745	33,454	34,566	39,009	41,325	42625	43,399
Total	394,218	417,110	424,033	419,600	446,298	513,797	501,527	519655	534,988

Source: Poultry Section/AAFC & CBHEMA

Feed

CFIA

CFIA is the Canadian Feed Industry Association.

The Canadian feed industry is the 16th largest manufacturing enterprise in Canada with total sales over 3.2 billion. Approximately 8,800 people employed by industry in manufacturing units. The estimated total complete feed equivalent required to feed all livestock and poultry in Canada is 20 to 22 million metric tonnes and the estimated total commercial production of complete feeds, supplements and premixes in Canada is 12 million metric tonnes.

Based on complete feed equivalent, requirements by volume for various species are: hog (36%), beef (29%), dairy (18%), poultry (14%) and other (3%).

Approximately 50% of the overall complete feed equivalent volume required to feed all livestock and poultry in Canada is manufactured on non-commercial on-farm mixing establishments. Swine, dairy and poultry feeds account for approximately 85% of the complete feeds manufactured and sold by commercial manufacturers in Canada. There are an estimated 520 commercial feed manufacturing establishments in Canada, broken down by region: Atlantic (5%), Quebec (34%), Ontario (33%), Prairies (23%) and British Columbia (5%).

The industry relies on imports from the United States, Europe and Asia for the majority of the high value single micro-ingredients, i.e. vitamins, trace minerals, amino acids, animal health pharmaceuticals and other micro feed additives, used in most feed products as there is virtually no vitamin production in Canada and the pharmaceutical fine chemical industry is limited.

Exports into the United States are primarily confined to cross-border movement of complete feeds and originate mainly in eastern Canada from Ontario and Quebec and in the west primarily from Alberta.

The Canadian feed industry is comprised of establishments that vary in size and manufacturing capacity from relatively small mills to large sophisticated and vertically integrated operations. Annual sales of operations vary from $1 million to over $130 million.

Many of the poultry co-operatives as well as many of the poultry processors operate feed mills which provide feed to the chicken producers.

Commercial chicken production

CBC

The Canadian Broiler Council (CBC) is the national body which represents the interests of the chicken producers. The CBC meets, when needed, in conjunction with CFC meetings.

CFC

The Chicken Farmers of Canada (CFC) is the national agency which is responsible for the orderly marketing of chicken in Canada. CFC was established in 1978 under the *Farm Products Agencies Act* through an agreement of the federal government, provincial agriculture ministers and chicken producers in member provinces.
The CFC's Board of Directors is comprised of:

- one chairman elected from one of the provincial marketing boards,
- ten producer members representing each of the provincial marketing boards,
- two processors chosen by the Canadian Poultry and Egg Processors' Council (CPEPC) to represent the interests of primary processors,
- one further processor chosen by the Further Poultry Processors Association of Canada (FPPAC) to represent the interests of independent further processors and
- one restauranteur chosen by the Canadian Restaurant and Foodservice Association (CRFA) to represent the interests of the foodservice industry.

The CFC has the authority to regulate chicken production in Canada under a system of supply management. CFC is funded entirely through a levy paid by producers based on the amount of chicken marketed.

Production

Annual Production, by province (in '000 kg, eviscerated weight)

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
British Columbia	42,120	45,348	49,375	55,249	58,129	62,305	69,896	71,548	74,509	84,310	96,536	99,204	102,917	109,204
Alberta	38,542	40,253	39,733	43,296	41,682	41,165	44,521	44,657	46,774	50,809	57,163	59,739	60,151	65,960
Saskatchewan	10,785	11,440	12,356	13,292	13,291	13,837	14,058	14,033	13,418	14,622	16,401	15,504	15,263	16,046
Manitoba	16,917	18,983	19,350	20,287	20,268	20,117	21,293	22,007	21,549	22,265	24,537	25,160	26,744	28,219
Ontario	140,992	160,598	165,400	186,006	184,749	182,031	193,453	195,319	192,137	206,615	237,539	231,141	242,198	250,790
Quebec	131,642	146,662	149,479	159,957	163,251	162,630	168,444	168,028	170,127	176,726	200,417	199,759	208,010	217,326
New Brunswick	11,140	12,329	13,251	14,055	14,458	14,145	15,147	15,204	15,123	15,615	17,778	18,304	19,672	20,703
Nova Scotia	15,168	15,545	16,924	18,482	19,328	18,284	19,470	19,595	19,649	20,088	22,827	24,449	25,374	26,509
Prince Edward Is	295	377	700	558	1,101	1,353	1,668	2,150	2,254	2,322	2,482	2,650	2,723	2,820
Newfoundland	5,647	6,192	6,360	6,549	6,751	6,878	7,183	6,980	7,141	8,480	9,430	9,985	10,453	10,062
CANADA	413,248	457,727	472,928	517,733	523,008	522,744	555,133	559,522	562,683	601,854	685,110	685,894	713,505	747,892
year-over-year growth		10.76	3.32	9.47	1.02	-0.05	6.20	0.79	0.56	6.96	13.83	0.11	4.03	4.80

Source: Poultry Section/AAFC

Chicken production is regulated by CFC, using two national agreements; the National Allocation Agreement and the Export Policy.

National Allocation Agreement

The National Allocation Agreement (NAA) establishes the basis upon which provincial allocation is determined and allocated. The national allocation is established on a rolling 8-week cycle such that there are roughly six allocation periods per year. The basic premises of the NAA are:

- it is a bottoms-up approach whereby individual processors determine their market needs and filter their requirements upward through the system to establish the national allocation.
- notwithstanding the previous point, there are "safeguards" in place to protect the market from over-production.
  - there are provincial growth caps of 8% over the adjusted base. The adjusted base is the previous year's production or allocation, whichever is higher, plus or minus any inter-period quota adjustments.
  - there is a national cap of 5% over the adjusted base.
  - Canada is broken down into three regions; West, Central and East.
  - there is a regional cap equal to the national cap.
  - there is a market responsiveness pool set up which will allow one region to surpass the regional cap by an additional 1.5% if necessary.
  - there are other triggers such as storage stock levels, acceptable producer prices, and import issuances, which will automatically launch a review of the cap.
- The NAA is simply a framework under which the allocation process works. The actual allocation of production to producers is a provincial board matter and as such the inner workings of the process is unique to each province.
  - in some provinces, processor requirements are sent directly to provincial boards, while in others, processor requirements are provided to the provincial board via a provincial processor association.
  - because of the need for regions to stay within a 5% cap, regional agreements determine the share of the growth by each provincial board.
  - pricing is a provincial matter and is not discussed at the national level. The minimum price is negotiated between producer boards and processor associations.

Export Policy

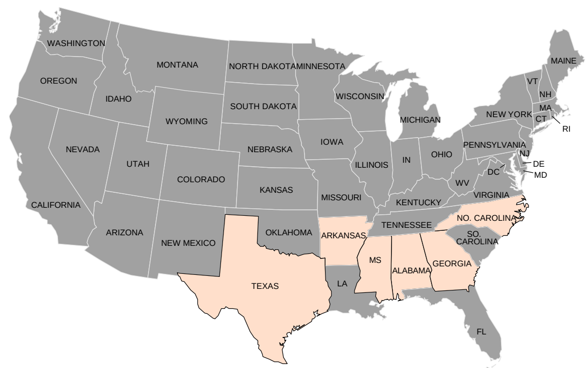
The CFC established an export policy so that processors within a province could take advantage of the export market using an additional allocation of quota so that they would not be compromising their domestic market needs. The CFC Export Policy is an "umbrella" policy which established the parameters under which provincial export policies now must operate. The CFC Export Policy does not provide any detail as to how individual provincial policies operate. The basic premises of the Export Policy are:

- quota allocation for export is limited to 8% of a provinces' domestic allocation.
- processors must sign a commitment that an amount equivalent to their export allocation will be exported.
- a volume equivalent to the export allocation must be exported or the volume remaining on the domestic market is subject to a fine of $0.44 per kg.

Main Areas of Production

In Canada, there is chicken production within every province. The levels of production within each region: **West** (British Columbia, Alberta, Saskatchewan, Manitoba) **Central** (Ontario, Québec) and **East** (New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland) conform closely to the population levels within those regions at roughly 30%, 62% and 8% respectively.

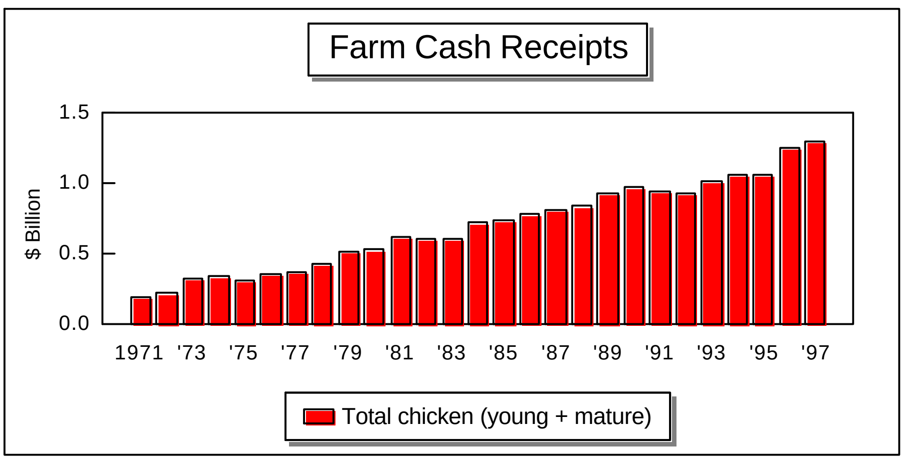
Production concentration in Canada is in contrast to production in the United States, which is situated mainly in the Southeastern states.



Chicken Farm Cash Receipts

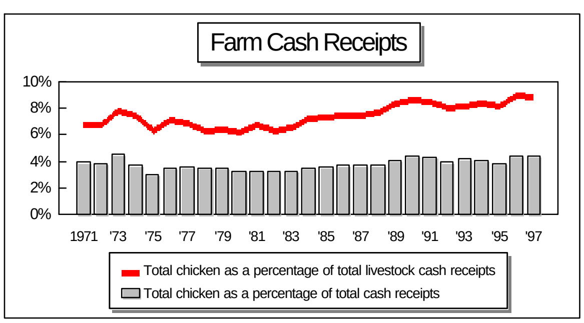
Provincial marketing boards have the authority to negotiate provincial live bird prices on behalf of producers. The producer price is negotiated with the processors based upon the current market conditions, input costs, prices established in neighbouring provinces, as well as other factors.

Farm cash receipts, as stated by Statistics Canada, for young chicken and mature chicken have risen 609%; from a level of $182,848,000 in 1971 to a level of $1,295,659,000 in 1997. During that same time-frame, total chicken production, as stated by Statistics Canada, has risen by a rate of 173%; from a level of 283,539,000 kg to 774,780,000 kg (eviscerated) in 1997. Dividing the national farm cash receipts by the national annual total chicken production gives an annual average producer price in 1997 of $1.23/kg, up 159% from $0.47 in 1971.

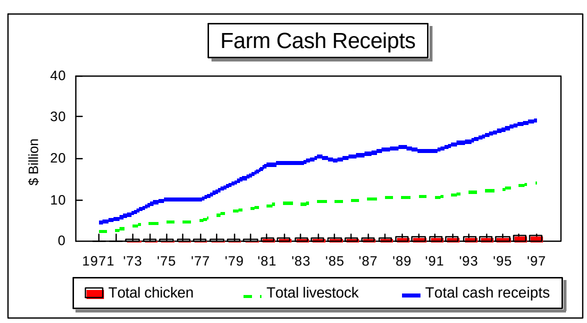


Source: Statistics Canada

While cash receipts have increased for the individual commodities which make up the feather industry, the weights given to each commodity have shifted, with chicken taking a larger share of the total poultry farm cash receipts, while eggs and turkey have diminished somewhat. As of 1997, chicken accounted for 59.26% of poultry farm cash receipts , while eggs and turkey accounted for 28.91% and 11.84%, respectively.



Source: Statistics Canada



Source: Statistics Canada

Farm Cash Receipts *(in '000s of dollars)*

	chicken	turkey	eggs	total livestock	total cash
1971	$182,848	$69,940	$151,717	$2,657,060	$4,653,034
1972	$213,943	$71,707	$168,780	$3,141,929	$5,565,192
1973	$316,389	$108,244	$252,121	$4,017,005	$7,031,729
1974	$337,442	$121,566	$282,632	$4,462,796	$9,039,432
1975	$310,642	$95,875	$275,188	$4,886,304	$10,209,172
1976	$354,644	$116,236	$300,912	$4,949,378	$10,096,398
1977	$367,148	$118,778	$306,008	$5,246,304	$10,233,978
1978	$418,163	$123,145	$311,550	$6,556,352	$12,065,650
1979	$504,162	$154,319	$349,885	$7,680,268	$14,412,525
1980	$520,071	$150,159	$407,034	$8,323,385	$15,958,808
1981	$613,863	$163,168	$456,308	$8,882,639	$18,534,152
1982	$605,358	$168,187	$439,895	$9,459,582	$18,882,588
1983	$605,868	$160,705	$460,344	$9,097,373	$18,859,428
1984	$714,292	$182,276	$479,665	$9,817,263	$20,481,028
1985	$724,824	$186,300	$470,610	$9,802,998	$19,792,372
1986	$772,225	$186,091	$458,573	$10,248,452	$20,578,256
1987	$798,362	$191,825	$454,567	$10,618,888	$21,270,824
1988	$835,250	$202,043	$485,741	$10,697,839	$22,350,972
1989	$918,822	$219,248	$514,915	$10,843,186	$22,854,856
1990	$970,988	$230,493	$486,560	$11,210,310	$21,933,844
1991	$935,397	$222,293	$497,026	$10,854,358	$21,928,208
1992	$922,803	$212,841	$514,074	$11,329,858	$23,632,176
1993	$1,006,808	$210,047	$537,669	$12,276,641	$24,141,942
1994	$1,060,948	$221,061	$563,530	$12,494,641	$25,818,932
1995	$1,050,977	$237,891	$594,909	$12,670,244	$27,016,960
1996	$1,247,062	$270,059	$658,886	$13,697,379	$28,363,876
1997	$1,295,659	$258,786	$632,117	$14,538,324	$29,513,945

Source: Statistics Canada

Comparison of Canadian Production levels with other countries

As illustrated in the table below, Canada ranks tenth in chicken production (1,000 Metric Tons in Ready-to-Cook Equivalents), behind United States, China (PRC), Brazil, Mexico, France, Japan, United Kingdom, Spain and Thailand.

	1993	1994	1995	1996	1997(p)	1998(f)
NORTH AMERICA						
Canada	613	696	695	721	745	765
Mexico	1,364	1,383	1,435	1478	1550	1620
United States	9,986	10,735	11,261	11,844	12,366	13133
Subtotal	11,963	12,814	13,391	14,043	14,661	15,518
SOUTH AMERICA						
Argentina	620	660	690	670	700	740
Brazil	3,143	3,411	4,050	4,052	4,340	4,600
Colombia	469	484	503	589	617	635
Subtotal	4,232	4,555	5,243	5,311	5,657	5,975
EUROPEAN UNION						
Belgium-Luxembourg	175	195	242	255	250	250
Denmark	145	152	149	155	157	157
France	1,046	1,070	1,095	1,178	1,215	1,235
Germany	349	365	361	382	395	405
Greece	144	146	145	151	155	156
Ireland	60	65	67	74	75	77
Italy	635	653	666	668	677	677
Netherlands	487	521	568	624	640	653
Portugal	206	213	188	200	200	200
Spain	764	804	830	860	870	880
United Kingdom	949	1,011	1,022	1,064	1,094	1,120
Subtotal	4,960	5,195	5,333	5,611	5,728	5,810
EASTERN EUROPE						
Hungary	200	208	248	218	225	230
Poland	150	175	185	220	240	247
Romania	145	117	140	160	135	120
Subtotal	495	500	573	598	600	597
FORMER SOVIET UNION						
Russia	540	440	340	305	290	290
Ukraine	230	210	190	170	170	0
Subtotal	770	650	530	475	460	290
MIDDLE EAST						
Israel	147	156	163	170	171	170
Kuwait	18	18	20	22	24	25
Saudi Arabia	275	276	298	328	423	440
United Arab Emirates	16	18	20	21	22	27
Subtotal	456	468	501	541	640	662
AFRICA						
Egypt	242	292	324	340	350	350
Republic of South Africa	572	580	603	602	665	715
Subtotal	814	872	927	942	1,015	1,065

ASIA						
China (PRC)	2,850	3,750	4,700	5,200	5,800	6,200
Hong Kong	67	64	70	69	68	66
Japan	1252	1,145	1,171	1,130	1,135	1,125
Singapore	51	48	50	50	49	49
Thailand	650	700	780	840	920	960
Subtotal	4,870	5,707	6,771	7,289	7,972	8400
OCEANIA						
Australia	420	448	450	453	461	470
Subtotal	420	448	450	453	461	470
TOTAL	28980	31,209	33,719	35,263	37,194	38787

Source: **http://www.fas.usda.gov/dlp/circular/97-10LP/tables/table46.pdf**

Primary processors

CPEPC

The Canadian Poultry and Egg Processors Council is the national association serving Canadian hatcheries, chicken and turkey processors and egg graders and breakers. Council's mandate is to identify and represent the collective interests and aims of the processing industry and to define appropriate plans and carry out the activity that will best accomplish these objectives.

Chicken processing companies

There are one hundred and thirty five poultry primary processing plants (63 federally inspected and 72 provincially inspected) in Canada, with the major processing companies owning several plants. The five largest companies, Flamingo Foods (5 Québec), Groupe Dorchester/St. Damase (2 Québec), Lilydale Poultry Cooperative (3 British Columbia, 3 Alberta), Maple Leaf Poultry (4 Ontario, 1 Alberta, 1 Nova Scotia), and Maple Lodge Farms (1 Ontario, 1 New Brunswick) account for fifty eight percent of poultry slaughtered in Canada.

When looking at individual plants, eighty percent of the production is done by twenty two percent of the plants. Using the 80:20 rule, these 28 plants can be considered as "large plants". The next fifteen percent of production is filled by sixteen "medium sized" plants. The final five percent of production is filled by ninety two "small plants".

When considering companies which slaughter chicken, the same five companies (Flamingo Foods, Maple Leaf Poultry, Lilydale Poultry Cooperative, Maple Lodge Farms and Groupe Dorchester/St. Damase) account for fifty nine percent of total chicken slaughtered. Including the next five largest companies brings the total share of the ten largest primary chicken processing companies up to eighty one percent.

When looking at an individual plant basis, the five largest plants account for twenty eight percent of chicken slaughtered in Canada. The top fifteen plants account for fifty nine percent of slaughter while the top thirty plants account for eighty eight percent of slaughter.

Chicken processing plants

Poultry Processing Facilities

	Federally Inspected	Provincially Inspected	Total	Chicken	Turkey	Mature chicken	Duck	Geese
British Columbia	10	2	12	12	5	8	4	4
Alberta	6	8	14	13	7	6	2	2
Saskatchewan	1	0	1	1	1	1	0	0
Manitoba	5	3	8	6	4	6	2	2
Ontario	18	56	74	66	50	41	30	21
Québec	19	3	22	20	13	13	5	3
New Brunswick	1	0	1	1	0	0	0	0
Nova Scotia	2	0	2	2	2	2	0	0
Prince Edward Island	0	0	0	0	0	0	0	0
Newfoundland	1	0	1	1	0	0	0	0
total	63	72	135	122	82	77	43	32

Source: the number of facilities reporting data to Poultry Section’s MIUnit

Breakdown of slaughter plants by business-line

The degree of multi-purpose slaughtering plants in Canada

	slaughter 5 species	slaughter 4 species	slaughter 3 species	slaughter 2 species	slaughter 1 species	Total plants per species
Chicken	23	12	29	31	27	122
Turkey	23	10	29	13	7	82
Mature chicken	23	7	28	19	0	77
Duck	23	12	3	2	3	43
Geese	23	7	1	1	0	32
Total # plants	23	12	30	33	37	135

Source: the number of facilities reporting to Poultry Section’s MI Unit

There are 135 federal and provincially registered slaughter plants in Canada, of which 122 of them slaughter chicken.

Specialization of poultry slaughter establishments - and the relative importance based on species

	slaughter 5 species	slaughter 4 species	slaughter 3 species	slaughter 2 species	slaughter 1 species	Total Slaughter
Chicken	0.89%	0.34%	25.83%	30.17%	42.77%	970,973,442
Turkey	0.50%	0.09%	57.12%	11.67%	30.62%	178,662,532
Mature chicken	1.89%	6.05%	30.15%	61.91%	0.00%	64,748,794
Duck	4.96%	22.96%	0.08%	17.15%	54.85%	9.037,109
Geese	7.45%	27.27%	65.17%	0.10%	0.00%	1,413,364
Total Poultry	0.92%	0.80%	30.48%	29.02%	38.78%	
Total	11,301,56	9,793,142	373,323,9	355,442,2	474,974,2	1,224,835

Source: the number of facilities reporting to Poultry Section's MI Unit

There are 35 plants in Canada which process either four or five of the poultry species. Chicken is slaughtered in every one of these plants. While this accounts for 26% of the plants in Canada, it only accounts for 1.72% of total poultry slaughter and 1.23% of total chicken slaughtered.

There are 63 plants which process two or three species. Of these sixty-three plants, sixty of them slaughter chicken. In the thirty plants which slaughter three species, it is primarily chicken, turkey and mature chicken. However, in the thirty-three plants which only slaughter two species, it is primarily either chicken and turkey or chicken and mature chicken. While these 63 plants account for 48% of the plants in Canada, they account for 59.5% of total poultry slaughtered and 56% of total chicken slaughtered.

The degree of multi-purpose slaughtering plants in Canada - by region

	slaughter 5 species	slaughter 4 species	slaughter 3 species	slaughter 2 species	slaughter 1 species	Total # plants
British Columbia	2	2	2	3	3	12
Alberta	2	0	4	0	8	14
Saskatchewan	0	0	1	0	0	1
Manitoba	0	1	4	1	2	8
Ontario	17	8	10	22	17	74
Québec	2	1	7	7	5	22
New Brunswick	0	0	0	0	1	1
Nova Scotia	0	0	2	0	0	2
Prince Edward Island	0	0	0	0	0	0
Newfoundland	0	0	0	0	1	1
Total # plants	23	12	30	33	37	135

Source: the number of facilities reporting to Poultry Section's MI Unit

There are 37 plants which only process one species. Of these thirty-seven plants, only twenty seven are concentrated solely in the slaughter of chicken. While this accounts for 27% of the plants in Canada, they account for 38.8% of total poultry slaughtered and 42.8% of total chicken slaughtered.

Seventy five of the seventy seven plants which process mature chickens also process young chickens. The rational for this is that mature chickens are similar in size to young chickens and the meat from mature chickens is incorporated into the chicken products produced by the plants. No one plant is concentrated solely on the slaughter of mature chickens

The top 20% of processors of each of the following species slaughter this percentage of product:

Chicken	79.65%
Turkey	95.94%
Mature Chicken	94.73%
Ducks	97.60%
Geese	98.45%
Total Poultry	75.42%

Source: the number of facilities reporting to Poultry Section's MI Unit

One of the most constant rules in virtually every aspect of life and business is the "80:20 rule"; whereby 20% of the work produces 80% of the results and vice-versa. With 135 plants in Canada operating such multi-purpose slaughter plants, is it possible that this rule could apply to the poultry industry?

Despite the number of plants running multi-purpose kill lines, processing is in the hands of a few major players and the 80:20 rule does apply.

Co-operatives in the poultry sector

Co-operatives

The 1997 listing of the top 50 non-financial Canadian Co-operatives contains 5 poultry co-operatives.

British Columbia / Alberta
Lilydale Co-operative Ltd. ranked thirteenth **(13)** with 1997 revenues of $320,562,591. (12th in 1996 with revenues of $298,828,421 & 12th in 1995 with revenues of $297,257,366).
Major Activities: Poultry Products, Hatchery

Manitoba
Granny's Poultry Co-operative ranked thirty-third **(33)** with 1997 revenues of $73,656,130. (36th in 1996 with revenues of $64,413,239 & 41st in 1995 with revenues of $50,665,622).
Major Activities: Poultry Processing

Québec
Co-opérative Fédérée de Québec ranked fourth **(4)** with 1997 revenues of $1,843,478,000. (4th in 1996 with revenues of $1,790,946,000 & 5th in 1995 with revenues of $1,509,829,000).
Major Activities: Wholesaler, farm supplies, petroleum, livestock and poultry processing

Québec
Groupe Dorchester/St.Damase, La Co-op Avicole ranked fourteenth **(14)** with 1997 revenues of $231,100,652. (15th in 1996 with revenues of $210,675,103 & Coop de Dorchester and Société coop avicole régionale St-Damase were ranked 22nd and 33rd respectively in 1995 with combined revenues of $176,000,000).
Major Activities: Slaughtering and marketing of poultry products, hatchery

Nova Scotia
A.C.A. Co-operative Limited ranked thirty-sixth **(36)** with 1997 revenues of $66,830,000. (37th in 1996 with revenues of $63,165,000 & 38th in 1995 with revenues of $56,962,000).
Major Activities: Poultry processing, farm supplies

Note: It should be noted that the revenues presented in this list do not solely represent the co-operative's revenues from the poultry industry.

Further processing

Further Poultry Processors Association of Canada

The Further Poultry Processors Association of Canada (FPPAC) is a trade association where manufacturers of value-added poultry products have the opportunity to share visions and concerns. The association was founded by three independent further processors (without slaughter facilities) in August of 1985. The common cause that brought members together then was the concern about adequate supply of raw material and this today remains a key issue. FPPAC members are engaged in adding value to chicken, turkey, and fowl meat by way of sizing, marinating, breading, cooking, forming and adding other ingredients to make ready-to-eat or cooked meals.

Currently, the FPPAC is made up of 28 active further processors from across Canada. The bulk of the membership is based in Ontario where well over half of Canada's further processing capacity is located. Across Canada, FPPAC members account for sales of about $560 million made up of both retail and foodservice products and employ over 2,500 full-time positions. Members are also active in export markets such as the U.S., Russia, Cuba and South Africa. The association meets about five times a year and is actively involved in all matters related to the poultry industry from inspection and labeling issues to export development and HACCP.

FPPAC membership

Best Quality Foods Ltd.
Cambridge Canadian Foods Ltd.
D.C. Food Processing Inc.
J.D. Sweid & Co., Ltd., Hampton House Division
Lee Li Wholesale Meat Ltd.
M.D. Poultry Meats Inc.
Marsan Foods Ltd.
Pinty's Premium Foods Inc.
Premiers' Choice Gourmet Entrées Ltd.
Readyfoods Ltd., a div. Of Golden Valley Farms
Skilcor Food Products Inc.
Sure Fresh Foods Inc., div. of Cericola Farms Ltd.
Tender Choice Foods Inc.
Tri R Foods International Inc.
Campbell Soup Company Ltd.
Canton Poultry Meat
Elmira Poultry Inc.
Janes Family Foods Ltd.
MacDonald Poultry & Meat Supplies Ltd.
Maple Lodge Farms Ltd.
Morrison Lamothe Inc.
Planway Poultry Inc.
Puddy Bros., Ltd.
Sepp's Gourmet Foods Ltd.
Southern Fine Foods Ltd.
Sunwest Food Processors Ltd.
TNT Foods International Inc.
Victor Custom Quality Meats Ltd.

Canadian Poultry and Egg Processors Council

The Canadian Poultry and Egg Processors Council (CPEPC)has a Poultry Further Processing sub-sector group which represents both chicken and turkey members across Canada. This group reported an investment in plant and equipment in excess of $300 million and direct employment of more than 3,500 people.   This sector is supplied by primary processors and transforms raw chicken meat into a variety of innovative foods for the retail and foodservice markets.

Further Processing Plants

In 1997 there were **337 Federally Registered processing plants.** Sixty-nine of the federal processing plants have the capabilities of slaughtering and are discussed in the previous section. Five of the federal plants slaughter ratite, emus and/or game birds and were not included in the discussions of the plants which report to the Poultry MI Unit. Of the sixty-nine plants which are considered to be primary processors, sixty of them do some degree of further processing.

Federally Registered/Federally Inspected Poultry Processing Facilities

	Slaughter	Canning	Boning	Other	Total
British Columbia	12	2	19	22	32
Alberta	5	1	16	27	30
Saskatchewan	2	0	3	4	5
Manitoba	7	0	6	12	16
Ontario	19	6	55	107	122
Québec	20	10	62	96	117
New Brunswick	1	1	2	5	6
Nova Scotia	2	0	3	5	6
Prince Edward Island	0	2	2	2	2
Newfoundland	1	0	1	1	1
total	69	22	169	281	337

Source: CFIA database of registered facilities

The 268 facilities which do some form of processing other than slaughter, can be broken down into various groups.

- Further processing divisions of the major primary processors
- Independent poultry further processors
- Other establishments which do some form of further processing of chicken such as canning, boning, cutting or other further processing.

Imports

Importing chicken products into Canada

The levels negotiated under the North American Free Trade Agreement (NAFTA) are higher than the levels established under the World Trade Organization (WTO) and thus prevail. Under the NAFTA, it has been negotiated that 7.5% of domestic chicken needs can be sourced from the U.S. The 7.5% is calculated as a percentage of the previous year’s domestic production. Imports of chicken are broken down into ICL items and non-ICL items; whereby ICL items are subject to the tariff-rate quotas (TRQs), while non-ICL items are not.

There are three components to a TRQ: a low duty rate, a minimum access level (or "import access quantity") allowed entry at that rate, and a high rate of duty. The annual import access level for chicken is calculated at 7.5% of the previous year's domestic chicken production as reported by Statistics Canada.

Access at the low rate, or in-TRQ access, will be allocated to firms resident in Canada. Firms with an import allocation may apply for import permits (or "specific import permits"), which are normally issued on demand to allocation holders up to the amount of their import allocation. Applications for within access permits from firms without an import allocation will normally be refused.

Import permits are required for each shipment of chicken and chicken products falling within heading Nos. 01.05, 02.07, 02.09, 02.10, 16.01 and 16.02 of Schedule I to the Customs Tariff. Importers may either invoke General Import Permit (GIP) or present an import permit delivered to their firm for that shipment ("specific import permit") in order to clear Canada Customs. The specific import permit must also be presented to Canada Customs at the time of accounting for the shipment to be eligible for the lower "within access commitment" rate of duty. Those invoking the GIP will be permitted to import unlimited quantities of chicken, turkey and their products, but such imports will be subject to the higher "over access commitment" rate of duty.

Companies that use less than 90% of their allocation in any one year will have their allocation in the next year reduced to their actual level of use. Affected companies will be notified of the adjustment made to their allocation. An individual import permit is required for EACH shipment of chicken and chicken products. Import permits are normally issued with a validity period of 30 days around the date of arrival specified by importers (5 days prior to it and 24 days after).

Firms with an import allocation will normally be issued import permits up to the limit of their allocation. All import allocations expire at the end of each calendar year and all firms wishing an import allocation must re-qualify each year.

Import Access Quantities:

Chicken TRQs (weights for chicken are expressed in metric tonnes eviscerated equivalents.)

1995 39843.7 (WTO) or 7.5% of 1994 production (FTA)
1996 39843.7 (WTO) or 7.5% of 1995 production (FTA)
1997 39843.7 (WTO) or 7.5% of 1996 production (FTA)
1998 39843.7 (WTO) or 7.5% of 1997 production (FTA)
1999 39843.7 (WTO) or 7.5% of 1998 production (FTA)
2000 39843.7 (WTO) or 7.5% of 1999 production (FTA)

Source: Department of Foreign Affairs and International Trade
http://www.dfait-maeci.gc.ca/~eicb/notices/SER509-e.htm

ICL Chicken Products

Chicken Items on the Import Control List

96. Live fowls of the species Gallus domesticus (other than those for breeding purposes and other than started pullets and spent fowls), weighing more than 185 g, that are classified under tariff item No. 0105.92.91, 0105.92.92, 0105.93.91 or 0105.93.92 of Schedule I to the Customs Tariff.

97. Meat and edible offal of fowls of the species Gallus domesticus, fresh, chilled or frozen, not cut in pieces (other than spent fowls), that are classified under tariff item No. 0207.11.91, 0207.11.92, 0207.12.91 or 0207.12.92 of Schedule I to the Customs Tariff.

98. Cuts of meat and edible offal, including livers, of fowls of the species Gallus domesticus, fresh, chilled or frozen (other than spent fowls), that are classified under tariff item No. 0207.13.91, 0207.13.92 (bone in), 0207.13.93 (boneless), 0207.14.21, 0207.14.22, 0207.14.91, 0207.14.92 (bone in) or 0207.14.93 (boneless) of Schedule I to the Customs Tariff.

99. Fat of fowls (not rendered or otherwise extracted) of the species Gallus domesticus, fresh, chilled or frozen, salted, in brine, dried or smoked, that is classified under tariff item No. 0209.00.21 or 0209.00.22 of Schedule I to the Customs Tariff.

100. Meat of fowls of the species Gallus domesticus, salted, in brine, dried or smoked, that is classified under tariff item No. 0210.90.11, 0210.90.12 (bone in) or 0210.90.13 (boneless) of Schedule I to the Customs Tariff.

101. Sausages and similar products, made from meat, meat offal or blood of fowls of the species Gallus domesticus, and food preparations based on those products (other than in cans or glass jars or made from spent fowls), that are classified under tariff item No. 1601.00.22 or 1601.00.23 of Schedule I to the Customs Tariff.

102. Prepared or preserved liver paste, made from fowls of the species Gallus domesticus (other than in cans or glass jars), that is classified under tariff item No. 1602.20.22 or 1602.20.23 of Schedule I to the Customs Tariff.

103. Prepared meals, made from fowls of the species of Gallus domesticus (other than specially defined mixtures and meals made from spent fowls), that are classified under tariff item No. 1602.32.13, 1602.32.14 (bone in) or 1602.32.15 (boneless) of Schedule I to the Customs Tariff.

104. Prepared or preserved meat or meat offal of fowls of the species Gallus domesticus (other than prepared meals, fowls of the species Gallus domesticus in cans or glass jars, specially defined mixtures and products made from spent fowls) that is classified under tariff item No. 1602.32.94, 1602.32.95 (bone in) or 1602.32.96 (boneless) of Schedule I to the Customs Tariff.

Non-ICL Chicken Products

Chicken items not on the Import Control List *(Non-ICL items)*

10.1 Generally, chicken products similar to those that are identified to be "specially defined mixtures" are exempted from the ICL. Examples of such products include: Chicken cordon bleu, breaded breast of chicken cordon bleu, chicken Kiev, breaded breast of chicken Kiev, boneless Rock Cornish with rice, stuffed Rock Cornish, boneless chicken with apples and almonds, chicken Romanoff Regell, chicken Neptune breast, boneless chicken Panache and chicken TV dinners. These products are normally excluded from the TRQ coverage.

10.2 Chicken products produced from old roosters and "spent fowl", commonly called "stewing hens", are also excluded from the ICL.

10.3 Turkey products that are identified as "specially defined mixtures" are also not on the ICL. However, turkey breeder meat, and products made from turkey breeder meat, are on the ICL.

10.4 Chicken and turkey products that are simply cooked and/or marinated or spiced are on the ICL.

10.5 Chicken and turkey products with only small amounts of bone or cartilage are considered to be "boneless".

10.6 It is the responsibility of applicants, not accountants, to state that their products are not on the ICL.

10.7 Chicken and turkey products not classifiable as "specially defined mixtures" under Chapter 16 of the Customs Tariff are considered as non-ICL products if they were exempted from the ICL prior to the implementation of TRQs on January 1, 1995.

Processors of chicken and turkey products not on the ICL will receive one kilogram of import allocation for each kilogram of chicken or turkey used to produce such products. Since 1996, there has been no cap on the non-ICL portion of the chicken and turkey TRQs. Processors will be allocated as much chicken and turkey as they require for the production of non-ICL products. A "processor of products not on the ICL" is a processor who manufactures non-controlled products, such as TV dinners, using controlled products as inputs.

Tariff Rate Quota Utilization

APRMT61C DEPARTMENT OF FOREIGN AFFAIRS AND INTERNATIONAL TRADE
98-02-20 EPM TRQ IMPORTS SUMMARY 97/01/01 TO 97/12/31

02 CHICKEN ACCESS LEVEL: 54,892,808

TARIFF CODE	UNIT	DESCRIPTION	GLOBAL IMPORTS	SUPPLEMENTARY IMPORTS SHORTAGE	SUPPLEMENTARY IMPORTS TO COMPETE	SUPPLEMENTARY IMPORTS TO EXPORT	TOTAL
105929100	KGM	LIVE FOWLS OF THE SPECIES GALLUS DOMESTICUS (OTHER THAN THOSE FOR BREEDING PURPOSES AND OTHER THAN STARTED PULLETS AND SPENT FOWLS), WEIGHING MORE THAN 185 G, THAT ARE CLASSIFIED UNDER TARIFF ITEM NO. 0105.92.91 OR 0105.93.91 OF SCHEDULE I TO THE CUSTOMS TARIFF.	108,614			624,287	732,901
	KGM	MEAT AND OFFAL OF FOWLS OF THE SPECIES GALLUS DOMESTICUS, FRESH, CHILLED OR FROZEN, NOT CUT IN PIECES (OTHER THAN SPENT FOWLS), THAT ARE CLASSIFIED UNDER TARIFF ITEM NO. 0207.11.91, 0207.12.91 OF SCHEDULE I TO THE CUSTOMS TARIFF:					
207119100	KGM	FRESH	1,065,422			14,036	1,079,458
207129100	KGM	FROZEN	2			42,106	42,108
	KGM	CUTS OF MEAT AND OFFAL, INCLUDING LIVERS, OF FOWLS OF THE SPECIES GALLUS DOMESTICUS, FRESH, CHILLED OR FROZEN (OTHER THAN SPENT FOWLS), THAT ARE CLASSIFIED UNDER TARIFF ITEM NO. 0207.13.91, 0207.14.91, 0207.14.21 OF SCHEDULE I TO THE CUSTOMS TARIFF:					
207139100	KGM	FRESH:					
207139101	KGM	BONE-IN	13,424,574	90,967	169,344	4,956,276	18,641,161
207139102	KGM	BONELESS	22,886,852		1,211,578	951,538	25,049,968
207142100	KGM	LIVERS, FROZEN				420	420
207149100	KGM	FROZEN:					
207149101	KGM	BONE-IN	8,518,021		31,354	34,334	8,583,709
207149102	KGM	BONELESS	1,702,326		12,228	46,048	1,760,602
209002100	KGM	FAT OF FOWLS OF THE SPECIES GALLUS DOMESTICUS THAT IS CLASSIFIED UNDER TARIFF ITEM NO. 0209.00.21 OF SCHEDULE I TO THE CUSTOMS TARIFF.					
210901100	KGM	MEAT OF FOWLS OF THE SPECIES GALLUS DOMESTICUS, SALTED, IN BRINE, DRIED OR					

1601002200 KGM	SAUSAGES AND SIMILAR PRODUCTS, MADE FROM MEAT, MEAT OFFAL OF BLOOD OF FOWLS OF THE SPECIES GALLUS DOMESTICUS, AND FOOD PREPARATIONS BASED ON THOSE PRODUCTS (OTHER THAN IN CANS OR GLASS JARS OR MADE FROM SPENT FOWLS), THAT ARE CLASSIFIED UNDER TARIFF ITEM NO. 1601.00.22 OF SCHEDULE I TO THE CUSTOMS TARIFF.	6,552			102,372	108,924
1602202200 KGM	PREPARED OR PRESERVED LIVER PASTE, MADE FROM FOWLS OF THE SPECIES GALLUS DOMESTICUS (OTHER THAN IN CANS OR GLASS JARS), THAT IS CLASSIFIED UNDER TARIFF ITEM NO. 1602.20.22 OF SCHEDULE I TO THE CUSTOMS TARIFF.					
1602321300 KGM	PREPARED MEALS, MADE FROM FOWLS OF THE SPECIES GALLUS DOMESTICUS (OTHER THAN SPECIALLY DEFINED MIXTURES, MEALS IN CANS OR GLASS JARS AND MEALS MADE FROM SPENT FOWLS), THAT ARE CLASSIFIED UNDER TARIFF ITEM NO. 1602.32.13 OF SCHEDULE I TO THE CUSTOMS TARIFF.					
1602329400 KGM	PREPARED OR PRESERVED MEAT, MEAT OFFAL OR BLOOD OF FOWLS OF THE SPECIES GALLUS DOMESTICUS (OTHER THAN PREPARED MEALS IN CANS OR GLASS JARS, SPECIALLY DEFINED MIXTURES AND PRODUCTS MADE FROM SPENT FOWLS) THAT IS CLASSIFIED UNDER TARIFF ITEM NO. 1602.32.94 OF SCHEDULE I TO THE CUSTOMS TARIFF:					
1602329401 KGM	BONE-IN	587,306				587,306
1602329402 KGM	BONELESS	5,607,088		63,746	1,707,202	7,378,036
02 CHICKEN	:	53,906,757	90,967	1,488,250	8,478,619	63,964,593

The quantities in this table are reported in **eviscerated weight equivalent** (boneless products are multiplied by a factor of 2.0 and live birds are multiplied by a factor of 0.75).

Department of Foreign Affairs and International Trade EPM TRQ Import summaries 97/01/01 to 97/12/31
http://www.dfait-maeci.gc.ca/~eicb/reports/aprmt61c-1997.pdf

The ICL access level for chicken imports into Canada for 1997 was 54,892,808 kg (evisc.). Global imports licences issued in that time-frame amounted to 53,906,757 kg, while total import licences for ICL items amounted to 63,964,593 kg. The 10,057,836 kg difference consisted of supplementary imports licences issued for 90,967 kg due to a shortage of a particular product, 1,488,250 kg to compete and 8,478,619 kg to re-export.

Imports into Canada

Imports into Canada of chicken products on the Import Control List (ICL) in 1997 totaled 50,443 MT (actual weight). Total imports of chicken products, (ICL + non-ICL) totaled 64,099 MT (actual weight).

			1995		1996		1997		1998
Live	Live	1,153,062		590,511		846,440		1,129,606	
			1,153,062		590,511		846,440		1,129,606
Carcass	Carcass	1,465,857		2,660,877		1,148,324		358,802	
			1,465,857		2,660,877		1,148,324		358,802
Parts	Wings	8,983,519		15,060,915		14,055,941		16,844,518	
	Boneless Breast	10,639,708		11,631,829		11,424,886		13,065,135	
	Breast Bone-in	10,104,729		4,730,984		9,746,120		7,973,252	
	Whole Cut up	1,226,705		1,460,382		2,362,372		4,195,582	
	Legs Bone-in	526,177		242,356		32,481		178,954	
	Boneless Legs	259,989		0		0		0	
			31,740,827		33,126,466		37,621,800		42,257,441
Cooked	Cooked Boneless	2,771,328		1,390,029		2,754,035		489,731	
	Cooked Parts	2,490,097		1,918,742		1,059,827		640,953	
	Breaded	1,331,607		480,615		834,208		133,695	
	Canned	176,462		215,291		392,831		53,900	
	Fried	319,456		450,950		380,117		0	
	Patties	238,933		107,042		362,539		10,925	
	Loaf	250,957		87,429		114,150		432,812	
	Bbq	38,221		43,088		57,747		0	
	Nuggets	39,927		17,423		31,299		5,795	
			7,656,988		4,710,609		5,986,753		1,767,811
Others	Frames	0		775,671		3,820,531		3,264,869	
	Boneless Parts	1,926,367		406,903		493,869		435,936	
	Diced	204,203		57,336		333,387		2,219,412	
	Freeze Dried	73,482		122,783		143,954		184,157	
	Giblets	8,325		9,907		47,379		5,909	
	Msm	251,458		2,700		900		182	
	Necks & Backs	0		0		0		0	
			2,463,835		1,375,300		4,840,020		6,110,465
			44,480,569		42,463,763		50,443,337		51,624,125

Source: Agriculture & Agri-Food Canada

The previous table was an illustration of the types of products being imported into Canada. The import figures for Canada as seen in this table are different than in the FAO and USDA tables below.

The FAO table below lists ICL + dinners in their Canada number and the USDA table lists their data in ready-to-cook equivalent weight. The tables below illustrate world-wide imports. The FAO database lists all of the countries who have imported chicken meat; for the purpose of illustration, only the countries which import over 10,000 MT have been included. The USDA table is only a summary of selected countries.

The benefit of the FAO and USDA tables is that it gives an overview of global movement of chicken products.

Imports World-wide

According to Food and Agriculture Organization of the United Nations (FAO) world-wide imports of chicken products in 1996 amounted to 4,586,709 tonnes. Canada ranked seventeenth and accounted for just over one percent of chicken imports world-wide.

Chicken Meat Imports (MT) 1996

Rank	Country	Quantity	% of world imports
1	Russian Federation	752,000	16.40%
2	Hong Kong	710,340	15.49%
3	Japan	546,574	11.92%
4	China	308,120	6.72%
5	Germany	264,920	5.78%
6	Saudi Arabia	240,071	5.23%
7	UK	155,220	3.38%
8	EU (15)	147,966	3.23%
9	Netherlands	122,570	2.67%
10	Mexico	115,290	2.51%
11	United Arab Emarites	98,000	2.14%
12	France	90,119	1.96%
13	Singapore	72,624	1.58%
14	Belgium-Luxembourgh	55,206	1.20%
15	Spain	53,332	1.16%
16	Kuwait	53,112	1.16%
17	Canada	49,619	1.08%
18	Jamaica	42,662	0.93%
19	Oman	41,035	0.89%
20	Poland	30,692	0.67%
21	Argentina	29,014	0.63%
22	Switzerland	28,721	0.63%
23	Ukraine	28,000	0.61%
24	Uzbekistan	24,000	0.52%
25	Azerbaijan	21,760	0.47%
26	Yemen	21,199	0.46%
27	Cuba	21,000	0.46%
28	South Africa	20400	0.44%
29	Congo, Democratic Republic	19000	0.41%
30	Qatar	18,000	0.39%
31	Greece	16,700	0.36%
32	Macedonia	15,884	0.35%
33	Italy	15,574	0.34%
34	Kazakhstan	15,182	0.33%
35	Armenia	13,650	0.30%
36	Colombia	13,575	0.30%
37	Bosnia Herzg	13,000	0.28%
38	Estonia	11,674	0.25%
39	Benin	11,600	0.25%
40	Bahrain	11,000	0.24%
41	Denmark	10,714	0.23%

Source: **http://www.fao.org/waicent/FaoInfo/Agricult/database.htm**

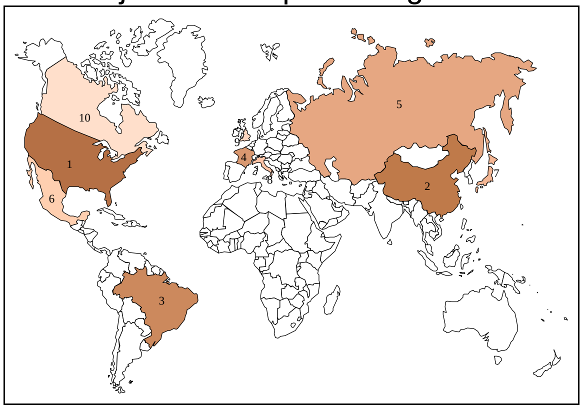
World-wide chicken imports (1,000 Metric Tons in Ready to Cook Equivalent)

	1993	1994	1995	1996	1997(p)	1998(f)
NORTH AMERICA						
Canada	57	62	73	71	79	82
Mexico	87	102	94	103	118	125
United States	0	0	0	2	2	1
Subtotal	144	164	167	176	199	208
SOUTH AMERICA						
Argentina	47	52	20	29	38	20
Brazil	0	0	0	0	0	0
Subtotal	47	52	20	29	38	20
EUROPEAN UNION 1/						
Belgium-Luxembourg	0	0	0	0	2	2
Denmark	0	1	0	0	0	0
France	3	7	9	10	10	12
Germany	84	41	47	57	60	55
Greece	2	0	0	0	1	0
Ireland	9	0	0	0	0	0
Italy	23	18	12	12	12	12
Netherlands	6	9	1	20	20	20
Portugal	0	0	0	0	0	0
Spain	13	14	10	24	25	22
United Kingdom	2	2	4	16	14	14
Subtotal	142	92	83	139	144	137
EASTERN EUROPE						
Poland	60	42	27	31	35	37
Romania	50	45	24	5	10	20
Subtotal	110	87	51	36	45	57
FORMER SOVIET UNION						
Russia	146	475	800	950	1,100	1,200
Subtotal	146	475	800	950	1,100	1,200
MIDDLE EAST						
Saudi Arabia	262	274	289	286	247	245
Subtotal	262	274	289	286	247	245
AFRICA						
Republic of South Africa	4	11	54	47	45	45
Subtotal	4	11	54	47	45	45
ASIA						
China (PRC)	224	323	590	850	900	1,000
Hong Kong	373	498	645	746	840	957
Japan	390	444	536	547	535	535
Singapore	56	68	60	69	65	68
Subtotal	1043	1,333	1,831	2212	2,340	2,560
OCEANIA						
Australia	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0
TOTAL	1,898	2,488	3,295	3,875	4,158	4472

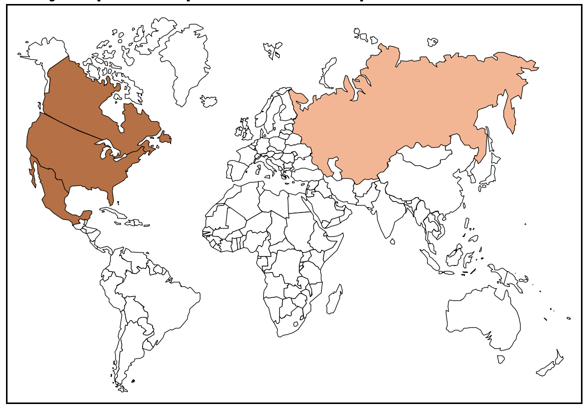
Source: **http://www.fas.usda.gov/dlp/circular/97-10LP/tables/table47.pdf**

Exports

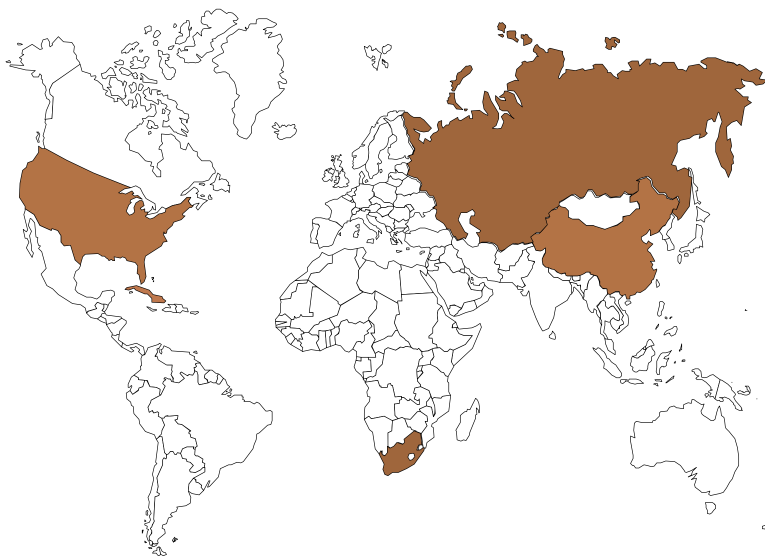
The major chicken producing countries



Major per capita consumption areas



Canada's major export markets



Canadian exports of chicken by Region, *ranked by 1997 shipments (kgs, actual weight)*

	1994	1995	1996	1997
Central America and West	3,538,505	8,682,003	12,104,977	21,485,543
Eastern Europe	4230132	13,205,110	11627541	12,128,157
Asia	1,922,478	4,381,390	5257819	6,144,900
North America	518,031	977,954	1693705	2,851,093
Africa	2178975	6,580,009	2645031	890826
South America	0	11	87,119	691527
European Union	105,318	295,539	272,850	170385
Other Western Europe	99,765	105,365	109,374	96403
Middle East	0	1,050	48	0
Total shipments	12,593,204	34,228,431	33,798,464	44,458,834
# Countries	24	33	35	33

Source: Agriculture & Agri-Food Canada

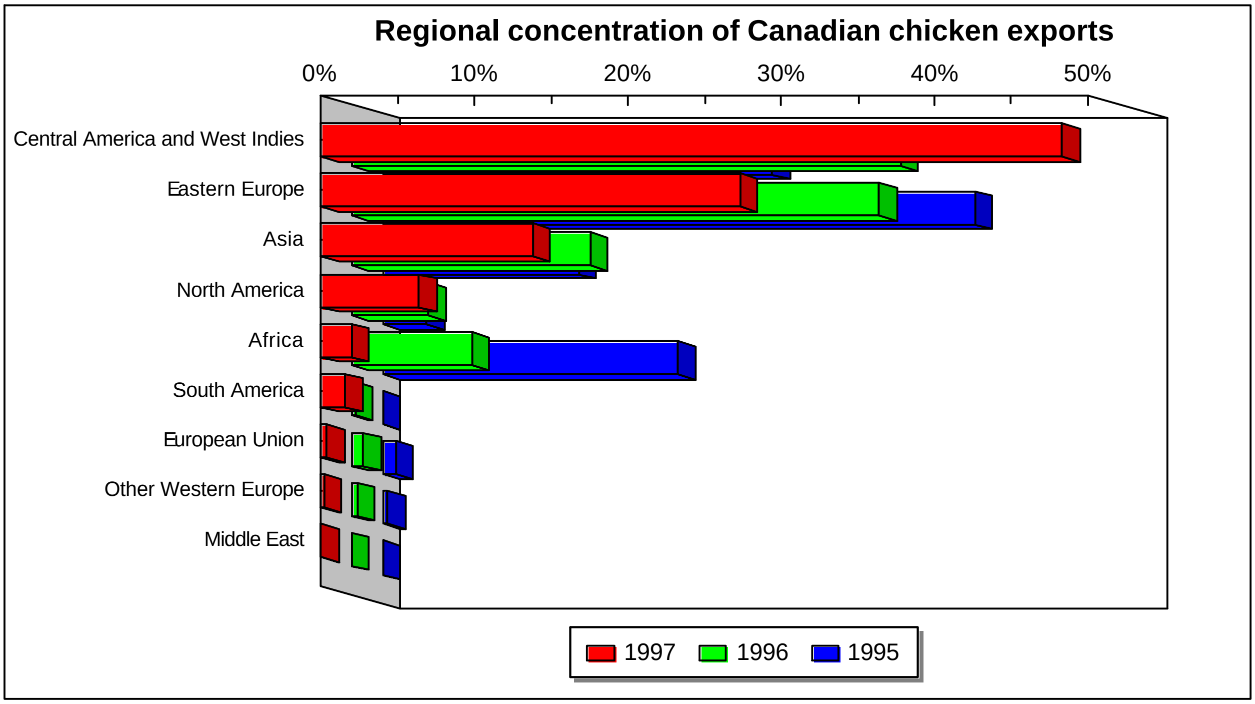
Canadian chicken export concentration in specific countries

		1994	1995	1996	1997
Top Market		3,237,896	10,884,557	12,016,676	21,336,048
Top 4 Markets		9,304,023	28,936,036	29,397,628	40,655,889
Top 8 Markets		11,399,406	32,205,157	32,649,328	43,291,131
	total exports	12,593,204	34,228,431	33,798,464	44,458,834
Top Market		25.7%	31.8%	35.6%	48.0%
Top 4 Markets		73.9%	84.5%	87.0%	91.4%
Top 8 Markets		90.5%	94.1%	96.6%	97.4%

Source: Agriculture & Agri-Food Canada

Throughout the last three years, there have been ten countries which primarily make up our export markets. While that has remained relatively stable, the reliance on the top four countries has increased somewhat. What is notable is that the reliance on the top two markets has increased from 55.7% in 1995 to 66.9% in 1996 and finally 73.2 in 1997. Currently, our top market accounts for close to 50% of Canada's chicken exports.

Shown on a regional scale, the picture is very similar.



Source: Agriculture & Agri-Food Canada

In comparison, the export concentration ratio in the United States has been relatively stable over the past four years. As shown in the Table below, the top market accounts for roughly one-third of US exports with a concentration ratio of 33%. The top four markets account for roughly two-thirds of US exports with a concentration ratio of 68%. The top eight markets account for roughly four-fifths of US exports with a concentration ratio of 82%.

United States exports of chicken by Region, *ranked by 1997 shipments (000s US$)*

United States Exports of Poultry Meat
Calendar Years 1994- 1997
(In thousands of dollars)

Export Markets	1994	1995	1996	1997
Republics of Former USSR	329,893	671,659	1,035,270*	926928
China & Hong Kong	297575	436,483	479,629	488,854*
North America	391,413	333,299	377,160	428,616*
Japan	172,791*	171,222	171,490	133,666
Caribbean Islands	64,535	78,063	87,343	108,962*
Eastern Europe (Excl FSU)	76,945*	64,908	62,433	63483
Sub-Sahara Africa	11,934	30,441	27,528	48,790*
European Union-15	53,653	46,213	54,577*	40249
ASEAN Region	47,080*	43,668	42,767	36,852
Middle East	46,564	51,661	39,037	34434
South America	16,428	29,212	29,517	31507
Oceania and Pacific Islands	19,776	18,397	26,389	26,628*
Central America	6,924	8,403	8,994	15,293*
Non-EU West Europe	3397	5,732*	4,355	2718
South Asia	114	302*	85	244
North Africa	3978	2460	152	120
	1570414	2025713	2,482,838*	2423115

Note: * denotes highest export levels since at least calendar year 1970

United States chicken export concentration in specific countries

	1994	1995	1996	1997
Top Market	20%	30%	37%*	33%
Top 4 Markets	63%	67%	69%*	68%
Top 8 Markets	81%	82%	83%	82%

Analysis by: Commodity and Marketing Programs / FAS / USDA
For more information or questions, call Anne Player at (202) 720-9146 to discuss 'BICO' report
Source: U.S. Bureau of the Census Trade Data

World-wide chicken exports *(1,000 Metric Tons in Ready to Cook Equivalent)*

	1993	1994	1995	1996	1997(p)	1998(f)
NORTH AMERICA						
Canada	2	15	39	40	45	50
United States	891	1,304	1,766	2005	2,100	2154
Subtotal	893	1,319	1,805	2,045	2,145	2,204
SOUTH AMERICA						
Argentina	0	0	8	10	20	30
Brazil	417	481	424	569	655	720
Venezuela	25	10	3	3	12	12
Subtotal	442	491	435	582	687	762
EUROPEAN UNION 1/						
Belgium-Luxembourg	25	27	36	35	30	30
Denmark	53	75	82	82	85	85
France	317	315	357	344	350	360
Germany	36	11	11	9	12	7
Greece	1	8	8	10	10	10
Ireland	9	0	0	1	1	1
Italy	3	4	12	10	10	10
Netherlands	106	108	149	157	164	169
Portugal	9	10	10	8	8	8
Spain	1	2	3	2	2	2
United Kingdom	14	19	35	46	47	48
Subtotal	574	579	703	704	719	730
EASTERN EUROPE						
Hungary	38	35	59	55	60	63
Romania	3	3	1	1	1	0
Subtotal	41	38	60	56	61	63
MIDDLE EAST						
Israel	1	1	1	1	1	1
Saudi Arabia	5	8	17	25	35	37
Subtotal	6	9	18	26	36	38
AFRICA						
Republic of South Africa	7	3	1	4	5	5
Subtotal	7	3	1	4	5	5
ASIA						
China (PRC)	145	240	350	420	500	645
Hong Kong	178	285	435	435	625	727
Japan	6	3	3	3	3	3
Singapore	10	11	7	9	10	11
Thailand	157	168	173	165	180	190
Subtotal	496	707	968	1,032	1,318	1,576
OCEANIA						
Australia	7	8	10	8	10	11
Subtotal	7	8	10	8	10	11
TOTAL	2466	3,154	4,000	4,457	4,981	5389

Source: **http://www.fas.usda.gov/dlp/circular/97-10LP/tables/table48.pdf**

Chicken products being exported from Canada

	1995	1996	1997	1998
Chicken Portions, Raw, Bone-In	26,044,075	25,242,861	28,698,627	40,746,290
Mechanically Deboned Chicken	4,907,663	5,007,138	10,181,848	11,016,171
Poultry Giblets (Livers, Hearts, Gizzards)	844,477	1,498,928	1,817,604	2,964,746
Whole Eviscerated Raw Chicken	1,582,902	976,629	1,377,780	1,777,506
Chicken Skin	37,779	551,635	1,317,350	1,283,183
Frozen Poultry Dinners	636,004	323,185	566,383	597,434
Chicken Portions, Raw, Boneless	22,910	50,080	411,656	186,282
Cooked Chicken, Boneless	17,244	91,246	81,397	40,274
Cooked Chicken, Bone-In	39,619	45,905	6,189	8,251
Raw, Prepared Bone-In Chicken	76,851	20	0	3,106
Raw, Prepared Boneless Chicken	18,907	10,837	0	0
	34,228,431	33,798,464	44,458,834	58,623,243

Source: Agriculture & Agri-Food Canada

Which establishments are the products being sourced from

While there were only six processors which exported more than one millions kgs of chicken products in 1997, there were thirteen establishments from which more than one million kgs of chicken products were exported. While some processors have found export markets for their products, others rely on the services of brokers to export products. The numbers also indicate that some processors who export products on their own, also export through the services of brokers.

Due to the size of the Canadian poultry companies and depending on the cuts needed, it is sometimes necessary to gather product from several different processing plants in order to accumulate enough product for a large shipment. If there is a market for a substantial quantity of a very specifically sized cut on an ongoing basis , then it is usually a broker who will contact several of the Canadian processors in order to garner enough product to fill the order. Brokers are now experiencing some competition from processors who are looking to exploit export markets of their own.

Who is exporting from Canada

The top twenty exporters in 1997 accounted for 84.57% of total exports. Of these twenty exporters, there was an even split in numbers amongst processors and brokers. The top ten exporting establishments accounted for 35.9% of total exports, while the top ten exporting brokers accounted for 48.6% of total exports.
Overall, there were thirty two brokers which accounted for 52.4% of chicken exports, while ninety seven establishments accounted for the remaining 47.6%.

Foodservice

CRFA

The Canadian Restaurant and Foodservices Association (CRFA) was formed in 1944, and is the largest hospitality industry association in Canada representing 13,500 corporate members controlling more than 40,000 outlets. CRFA members include restaurants, quick service establishments, hotels, caterers, institutions, educators, and foodservice suppliers. The CRFA provides a variety of services to members including representation to government, human resource advocacy, professional development programs, research and trade information, group buying programs, and national trade shows.

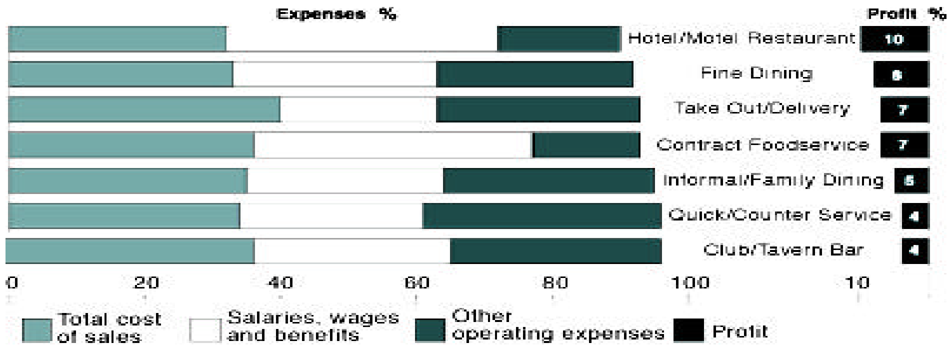
Every two years the Canadian Restaurant and Foodservices Association (CRFA) undertakes a national survey of foodservice operations. Questionnaires are sent to all CRFA members in Canada requesting various financial and operating data. This data is used to prepare a series of operating ratios detailing industry performance in a number of areas.

Findings of note in this survey include:

- Establishments classified as takeout/delivery with limited seating achieved the highest level of pre-tax profit.
- Franchisor-controlled outlets were more profitable than both franchisee-controlled and non-franchised establishments.
- Operators with more than two years experience had a higher pretax profit than those in business for less than two years.

Source: KPMG Hospitality, Leisure and Tourism

Profitability by type of Establishment



Source: KPMG Hospitality, Leisure and Tourism @ **http://www.kpmg.ca/ht/**

Similar to the U.S., KFC is the leader in the chicken chain segment in Canada with sales revenue (including Scott's restaurants) in 1996 totaling $643.3 million. A distant second is Cara's Swiss Chalet ($295 million) and St. Hubert ($192.1 million). Fourth and fifth spots are held by Dixie Lee ($55.8 million) and Can-Skillet Systems ($27.8 million). *Poultry Briefs, September 1997*

About 60% of the 200 chain restaurants participating in the FoodTRENDS'97 survey said that they are selling more chicken dishes this year than last year. Nearly 70% said business had increased. *Poultry Briefs, September 1997*

Retail

CCGD

The Canadian Council of Grocery Distributors (CCGD) is a non-profit association representing Canadian distributors and marketers of food and grocery related products. The Canadian Council of Grocery Distributors is dedicated to the active promotion of its members' economic well-being in delivering the best value to consumers and serving community needs with integrity. This will be achieved through leadership in public policy initiatives, enhancement of trade relationships, business development and human resources development.

The Council, together with its members (who make up over 80% of those involved in the food distribution industry in Canada), represents a vital link in Canada's food distribution chain. Its membership includes both large and small retail and wholesale enterprises and grocery chain operators. There are also Allied Members, persons or companies which provides support services to regular members in fields such as banking, data processing, equipment procurement, marketing, research and transportation to name a few. This membership category has been recently extended to also include manufacturers, brokers, processors and importers. In 1995 the FoodService Council, a food distributors' organization, was created within the operating framework of CCGD.

The Canadian Council of Grocery Distributors works actively towards the long-term efficiency, productivity and viability of Canada's entire food distribution industry. To accomplish this objective, CCGD is involved in public policy, trade relations and member education and development. Council members have access to up-to-date technical, legislative, regulatory, educational and research information. The Council also strives to promote harmonious and productive relations between suppliers and distributors as well as with consumers and the groups who represent them.

CFIG

The Canadian Federation of Independent Grocers (CFIG) is a non-profit trade organization founded in 1962 with the purpose of furthering the unique interests of Canada's independent and franchised grocery stores.

CFIG is governed by a Board of Directors elected from the membership and reflecting a regional distribution. A national office consisting of the President together with a staff complement operates the federation in a manner consistent with the policies established by the Board. The Board and the
President also receive ongoing input from advisory committees consisting of members and established across Canada.

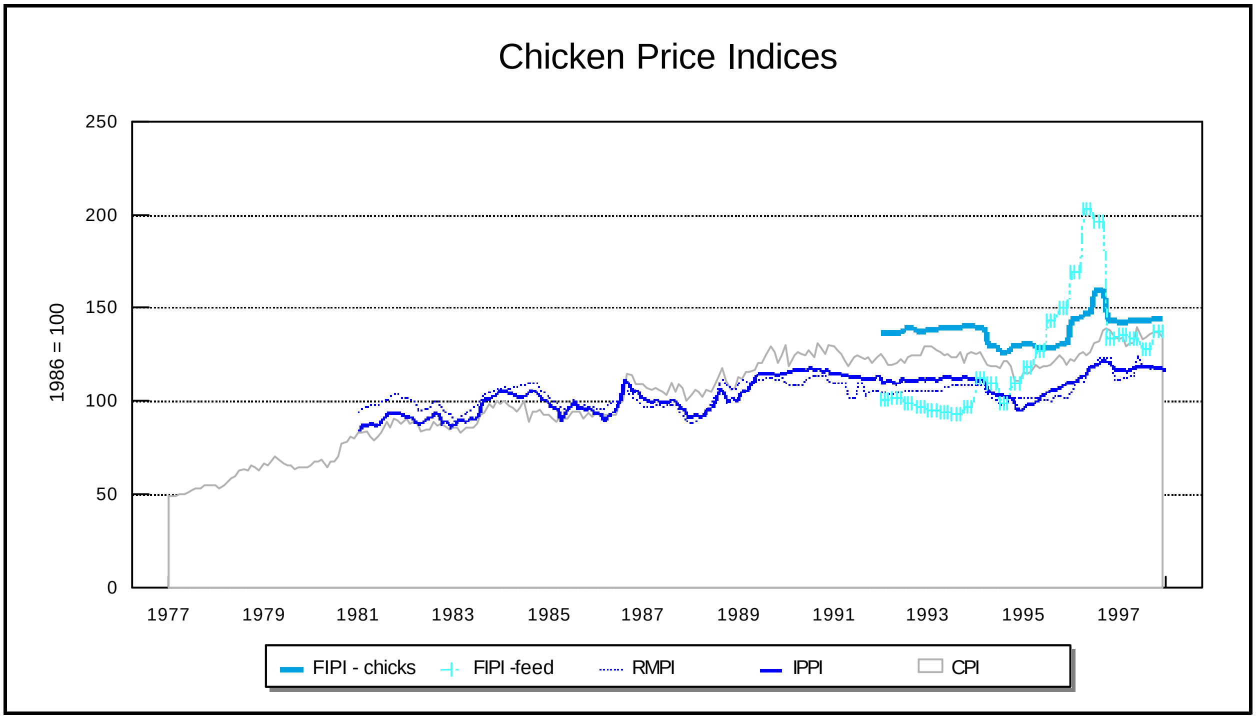
The membership of Canadian Federation of Independent Grocers is primarily comprised of independent and franchised grocery retailers from across Canada. Over time, however, many companies who supply the retailer have expressed an interest in participating in the organization. As a result, there are now three classes of membership; retail, associate and affiliate.

A retail membership is available to any independent or franchised grocery store in Canada.

An associate membership is available to any firm supplying products or services to independent or franchised grocers.

An affiliate membership is available to individuals interested in grocery industry activities, who otherwise do not qualify for retail or associate membership.

Price Indices



Source: Statistics Canada

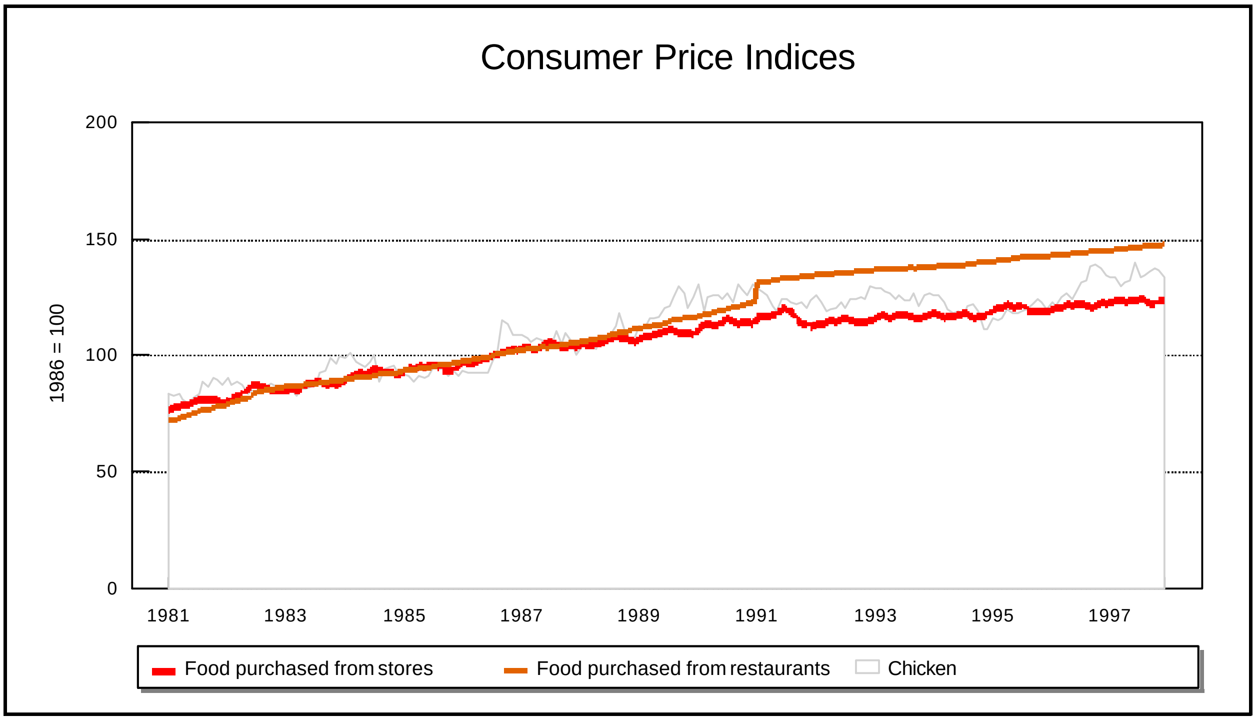
There are several price indices which can be found along the chicken supply chain. There are two Farm Input Price Indices (FIPI), a Raw Material Price Index (RMPI), an Industrial Product Price Index (IPPI) and finally, the familiar Consumer Price Index (CPI).

The FIPI can be assumed to be producer input costs, the RMPI and IPPI are processor input costs, while the CPI is the consumer cost. Broken down into these three groups, it is possible to see where the trends are in the market and what are the eventual implications on the Consumer Price Index.

The producer input costs have risen the most in the last decade, especially the input feed costs which shot through the roof in late 1995- early 1996. The feed costs also have an effect on the other major input cost, chicks. There was a dramatic increase in the FIPI for broiler chicks in the latter part of 1995 and early part of 1996 as well. The producer output of young chicken, of which approximately 70% of the cost is comprised these two inputs, makes up part of the processor input costs.

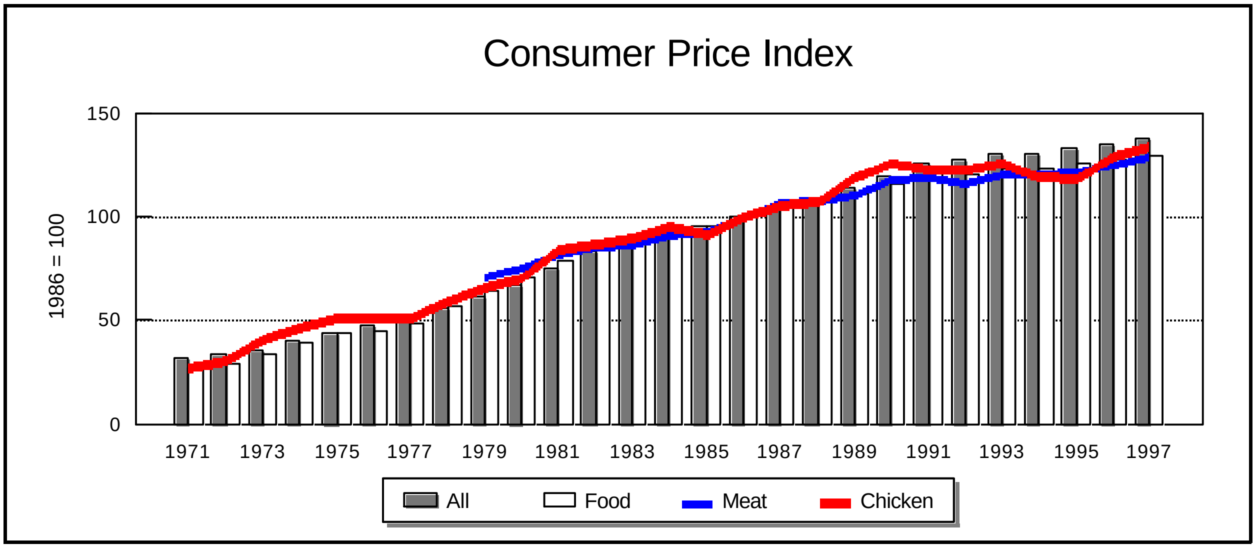
The processors chicken input costs have remained relatively stable over the past 16 years. Similarly to the producer input costs, the processors' chicken input costs rose during the period of dramatic feed cost increases. This is due to costs being passed along the supply chain. The increase in the price index was, however, not to the same extent.

Retail and Food Service price indices



Source: Statistics Canada

Chicken CPI in the overall picture



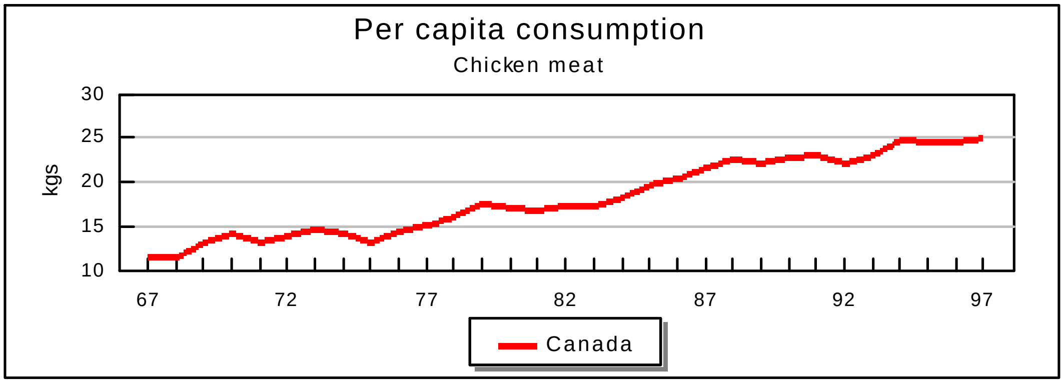
Source: Statistics Canada

	All	All minus food	Food	Meat	Chicken	Beef	Pork
1971	31.9	34.0	27.2	NA	27.2	30.4	N/A
1972	33.4	35.2	29.2	NA	31.3	33.2	N/A
1973	36.0	37.0	33.5	NA	41.0	40.2	N/A
1974	39.9	40.3	39.0	NA	46.4	44.3	N/A
1975	44.2	44.3	44.0	NA	51.3	42.0	N/A
1976	47.5	48.5	45.2	NA	51.3	39.3	N/A
1977	51.3	52.3	48.9	NA	51.6	41.8	N/A
1978	55.9	55.7	56.5	NA	59.9	61.1	N/A
1979	61.0	60.1	63.9	71.8	66.0	80.3	63.7
1980	67.2	66.1	70.8	76.1	71.0	87.2	62.1
1981	75.5	74.6	78.9	82.6	84.5	89.5	72.3
1982	83.7	83.4	84.6	86.4	86.8	88.9	85.3
1983	88.5	88.7	87.7	87.6	89.9	89.6	84.4
1984	92.4	92.3	92.6	91.8	95.8	95.5	83.9
1985	96.0	96.2	95.2	94.0	91.8	97.9	86.1
1986	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1987	104.4	104.3	104.4	108.0	106.1	109.1	108.9
1988	108.6	108.9	107.2	108.3	107.6	110.8	103.6
1989	114.0	114.7	111.1	111.5	120.0	113.2	105.3
1990	119.5	120.3	115.7	118.3	126.1	117.6	114.8
1991	126.2	127.3	121.2	119.1	123.5	118.3	112.0
1992	128.1	129.7	120.8	116.9	123.0	116.8	106.7
1993	130.4	132.2	122.8	121.3	125.6	123.1	110.9
1994	130.7	132.4	123.3	121.7	119.3	124.1	112.8
1995	133.5	135.1	126.3	122.3	118.9	123.6	115.6
1996	135.6	137.3	128.0	126.1	129.9	118.3	125.0
1997	137.8	139.6	129.9	129.9	134.1	119.5	130.8

Consumption

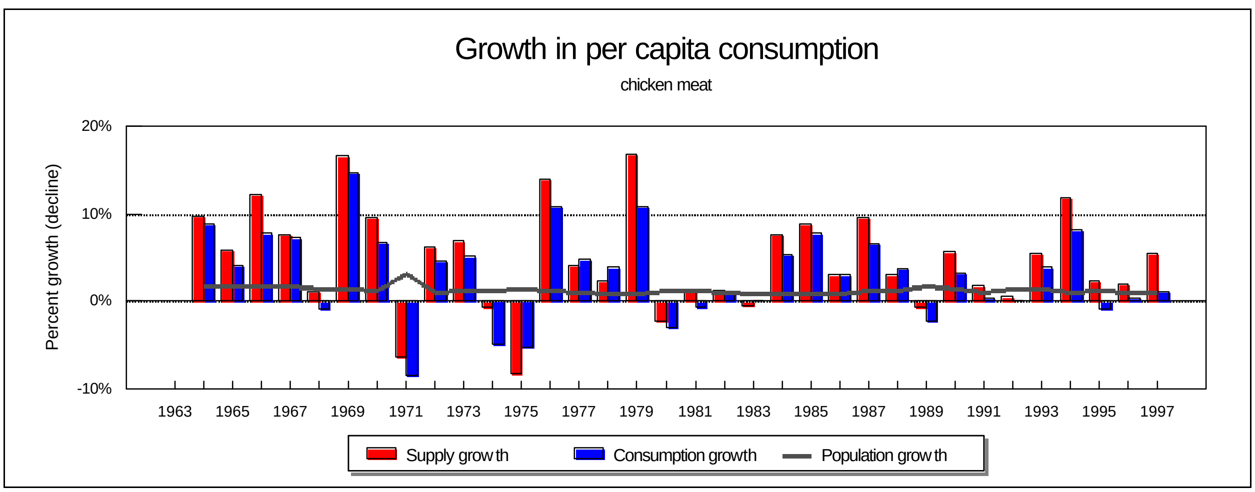
Growth in per capita consumption

Per capita consumption has increased from 11.7 kg in 1967 to 25.2 kg in 1997.



Source: Statistics Canada

While the growth appears to be constant, the variability from year-to-year can be seen in the graph below. The average population growth is fairly constant, averaging 1.4%. The average per capita consumption growth over that same time period is 3.4%.



Source: Statistics Canada

It is clear from the graph that there is variability in growth from year to year. Variability in growth, in itself, is not a major concern, as long as it is simply a matter of variations in the level of strong, positive growth. What raises apprehension is when there are consumption decreases in several years. Over the past three decades there have been consumption drops in eight different years.

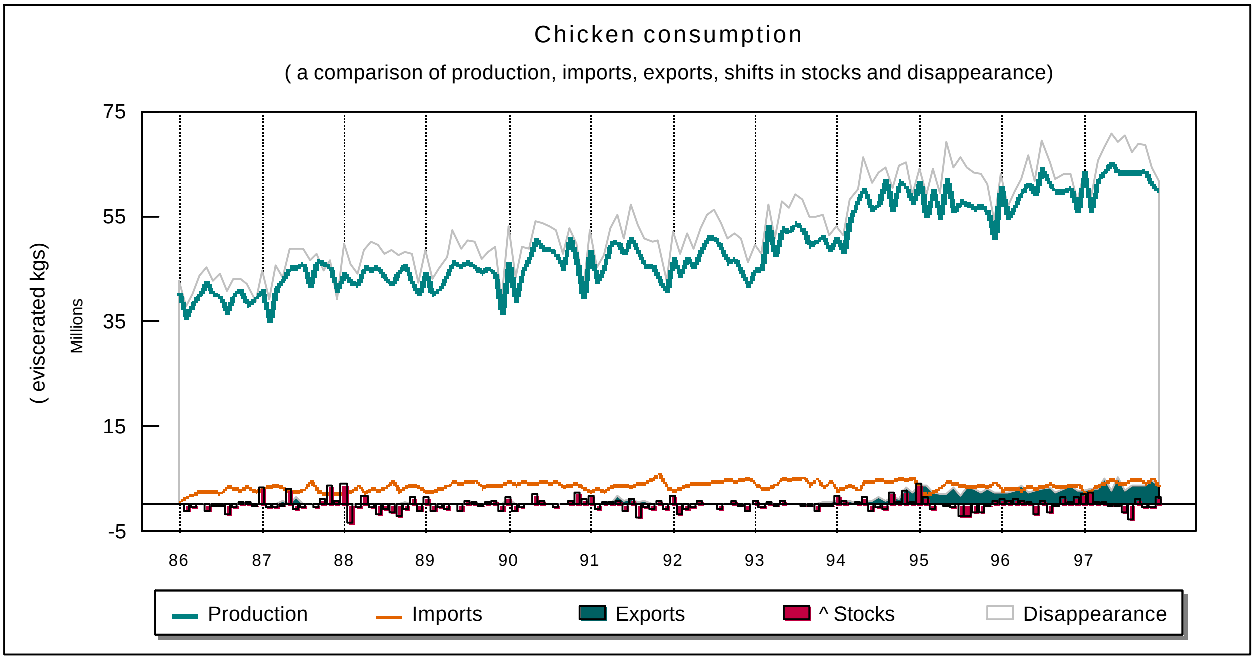
It is essential to determine whether these changes were a matter of supply or demand. The largest drop in per capita consumption was in 1971. This was the year of the largest population increase in recent Canadian history; unfortunately, it was also a year of decreased supply. Critics of the supply management system fault it as being too restrictive and not market responsive; however, this largest drop in per capita consumption occurred prior to the creation of the Canadian Chicken Marketing Agency. Despite operating in a free-market, the industry was unable to quickly adjust to this expansion in the customer base.

Three of the years of negative per capita consumption growth were a result of the growth in supply not keeping up with the growth in population.

There have been only five decreases in the level of supply since 1963; the two most recent being in 1980 and 1989 at -1.19% and -0.41%, respectively.

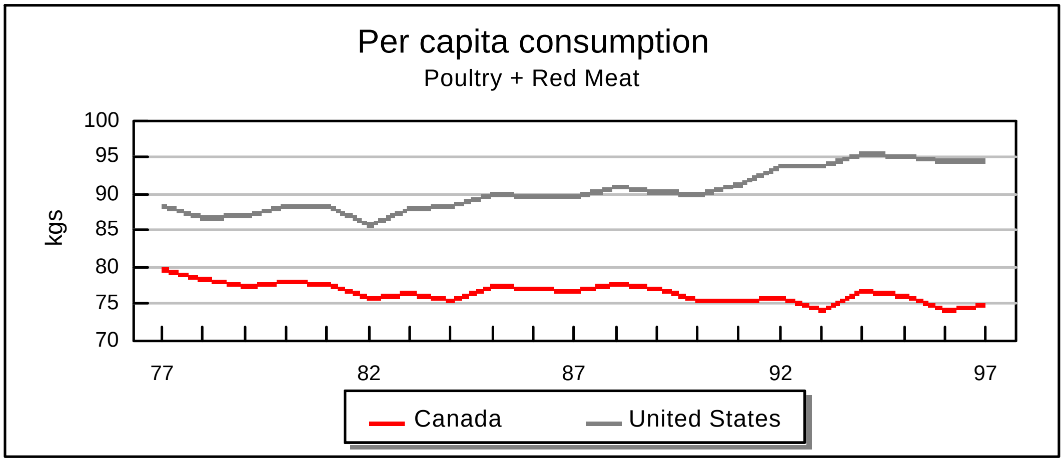
Seasonal chicken consumption

Monthly consumption data illustrates the seasonality of chicken consumption. As can be seen from the graph below, there is a seasonal curve with peak production and consumption in the summer months and lower production and consumption in the winter months.



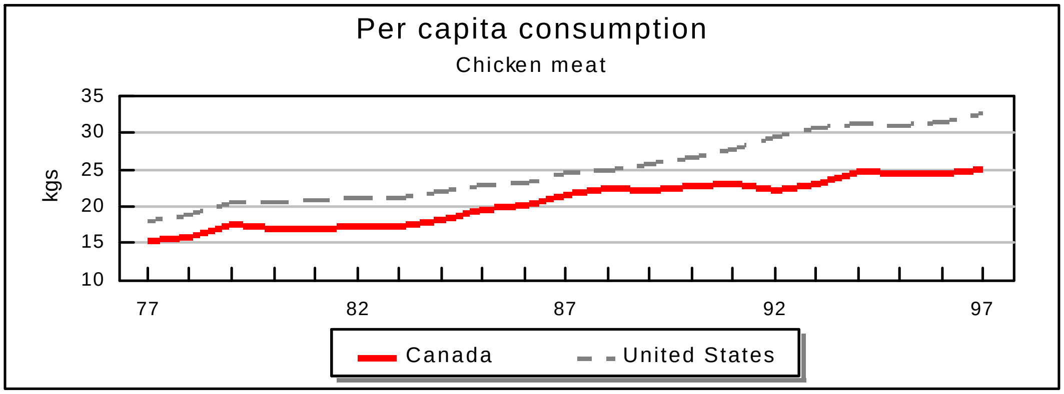
Consumption comparison with the United States

While chicken per capita consumption in Canada is always compared to the level of consumption in the United States, it is inherent to look at the overall picture. Per capita consumption of proteins is higher in the US than it is in Canada. Over the past two decades, the gap has widened even further, with the spread increasing from 8.2 kg per capita in 1976 to 19.6 kg per capita in 1997. The most startling aspect of this gap is the fact that the reason behind the increase is two-fold; an increase in protein meat consumption in the United States and a decrease in protein meat consumption in Canada.



Source: Statistics Canada

Similar to the overall protein consumption trend, the spread in young chicken meat per capita consumption has also increased going from 3.3 kg per capita in 1976 to 7.7 kg per capita in 1997. However, unlike the overall meat consumption trend, this is a gap emerging between two dramatically rising consumption levels.



Source: Statistics Canada

Consumption comparison with other countries

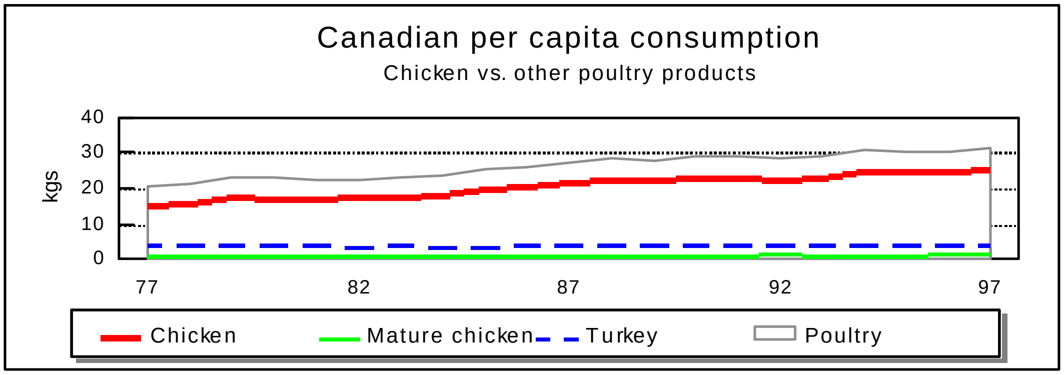
As illustrated in the table below, Canada ranks sixth in per capita consumption of chicken products (kilograms per person), behind Hong Kong, United States, Saudi Arabia, Singapore and Israel.

	1993	1994	1995	1996	1997(p)	1998(f)
NORTH AMERICA						
Canada	24.4	26.4	26.1	26.2	27.1	27.4
Mexico	16.4	16.4	16.6	16.8	17.4	17.9
United States	35.6	36.4	36.3	37.3	38.6	40.9
SOUTH AMERICA						
Argentina	20.1	21.4	20.8	20.0	20.7	20.8
Brazil	17.6	18.7	22.8	21.7	22.7	23.6
Venezuela	16.3	15.7	18.0	17.6	16.4	16.5
EUROPEAN UNION						
Belgium-Luxembourg	11.8	12.3	13.9	14.7	14.7	14.7
Denmark	11.8	11.9	11.5	11.7	11.8	12.0
France	10.7	11.4	11.2	13.4	12.6	12.5
Germany	6.8	7.0	7.1	7.3	7.5	7.8
Greece	14.9	15.1	15.5	16.1	16.4	16.4
Ireland	16.9	17.1	17.4	19.6	19.9	20.3
Italy	11.3	11.5	11.3	11.4	11.5	11.5
Netherlands	14.0	14.9	15.3	16.0	16.1	16.2
Portugal	20.3	20.9	18.5	19.8	19.8	19.8
Spain	21.0	21.9	22.1	22.6	22.7	22.8
United Kingdom	18.0	19.1	19.1	19.7	20.1	20.5
EASTERN EUROPE						
Poland	5.6	5.6	5.4	6.5	7.0	7.2
Hungary	15.3	17.2	18.1	16.2	16.7	17.3
FORMER SOVIET UNION						
Russia	4.6	6.1	7.7	8.4	9.3	10.0
Ukraine	4.5	4.1	3.8	3.6	3.7	0.0
MIDDLE EAST						
Israel	33.2	30.6	31.2	30.9	31.0	30.9
Saudi Arabia	32.3	31.5	31.6	31.4	32.5	32.3
AFRICA						
Egypt	4.5	5.0	5.4	5.5	5.5	5.6
Republic of South Africa	14.6	14.8	16.3	15.7	16.9	17.8
ASIA						
China (PRC)	2.5	3.3	4.2	4.7	5.1	5.4
Hong Kong	45.1	48.1	46.2	37.2	44.9	46.2
Japan	13.0	12.8	13.4	13.3	13.3	13.2
Singapore	29.5	31.8	31.2	31.5	31.2	31.5
Thailand	8.7	9.3	10.4	11.3	12.4	13
OCEANIA						
Australia	23.6	24.9	24.6	24.6	24.7	24.9

Source: **http://www.fas.usda.gov/dlp/circular/97-10LP/tables/table50.pdf**

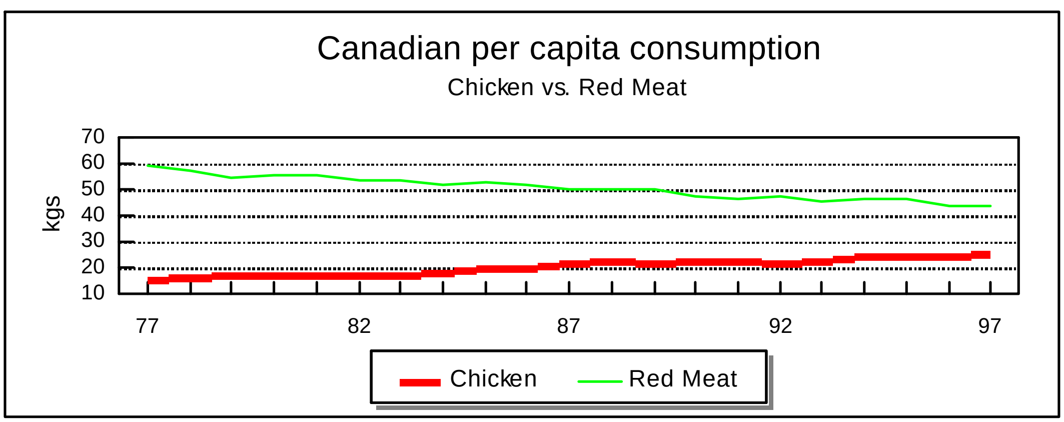
Consumption comparison with other protein meats

Since total Canadian per capita meat consumption has remained stable since the early 1970s, that is the period of time within which to focus. Beef consumption peaked in the mid-seventies and has been on a constant decline since. Pork consumption has increased since the mid-seventies with numerous peaks and valleys along the way. From the early 1970s, poultry consumption has grown by fifty percent mainly due to the growth in chicken consumption. The largest year over year increase in chicken consumption was in 1994 when per capita consumption of young chicken meat in Canada increased 2.0kg.



Source: Statistics Canada

The growth in per capita consumption of poultry meat is due almost entirely to the growth in chicken consumption. Turkey per capita consumption is currently at 4.2 kg. Over the past two decades, turkey consumption has remained within the range of 4.0 to 4.5 kg with an average yearly consumption of 4.2 kg. Similarly, mature chicken consumption has shown little growth. Mature chicken per capita consumption is currently at 2.0 kg. Over the same twenty year period, mature chicken consumption has been within the range of 1.1 to 2.0 kg with an average annual consumption of 1.4kg.

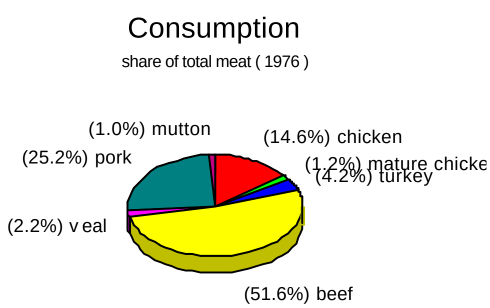


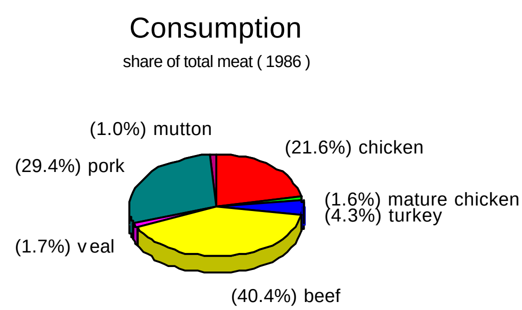
Source: Statistics Canada

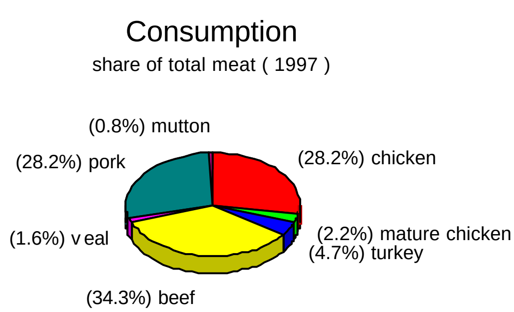
Over two decades (1977-1997), per capita chicken consumption has grown 65%. Over the same period, total red meat per capita consumption has declined at a rate of 26.6%.

The total amount of meat being consumed in Canada has is relatively stable, within the vicinity of 75 to 80 kg per person per year. Thus, when one commodity group increases the per capita consumption of it's products, it is at the detriment of another commodity group.

1997 per capita consumption figures are ranked as follows: beef, **30.6** kg; pork, **25.2** kg; chicken, **25.2** kg; turkey, 4.2 kg, mature chicken, 2.0 kg; veal 1.4 kg; mutton and lamb, 0.7 kg. The basis for the consumption data used in these comparisons consists of poultry meat in eviscerated weight and beef, pork, veal, mutton and lamb in carcass weight.







Source: Statistics Canada

What is very clear from these graphs is the increase of chicken's share of the "meat pie". This dramatic growth is at the expense of, or as a result of, the 17.3% decline in beef's share of the "meat pie".