



**Restaurants
Canada**

Formerly the Canadian Restaurant and Foodservices Association
Antérieurement l'Association canadienne des restaurateurs et
des services alimentaires

1155 Queen Street West
Toronto ON, Canada M6J 1J4
www.restaurantscanada.org

t 416-923-8416
1-800-387-5649
f 416-923-1450

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VIA EMAIL

Dominique Levesque
Administrative Officer
Farm Products Council of Canada
960 Carling Avenue
Building 59
Ottawa, Ontario
K1A 0C6

Subject: Complaint against CFC – Period A-127 Allocation Decision

Restaurants Canada is writing this letter to lodge a complaint against the allocation decision made by Chicken Farmers of Canada (CFC) for period A-127. The level of production approved by the CFC will unfairly favour competing sectors to the restaurant industry, and likely have a negative impact on our members' businesses.

Restaurants Canada champions the growth of the chicken industry in Canada – but on an orderly basis - so our members' businesses may benefit from production expansion. Our members, however, will not benefit from a major production increase authorized to take place only a few short months in the future; Restaurants Canada members who source large volumes of chicken purchase that product on a cost plus basis tied to live price, and cannot immediately alter their sourcing arrangements. As a consequence, they will face increased competition from retailers who will be able to purchase chicken at a discounted rate due to surplus supplies in the hands of processors, and so reduce their chicken retail prices as well as in-store prepared meal substitutes.

Additionally, Restaurants Canada believes because of a tight supply of hatching eggs and chicks in North America, birds raised for market during A-127 could be grown to a higher live weight – and size – in order to achieve the authorized production level, delivering to market a specification universally not wanted by the association's membership.

In closing, Restaurants Canada supports the expansion of the Canadian chicken industry, on the basis that increased growth will result in greater market responsiveness – including lower prices and a wider range of specification to meet our members' business development needs. Setting allocation in a seemingly ad hoc and gyrating fashion, however, produces no lasting benefit to our members, and in fact can place our industry at a sizable disadvantage vis-a-vis competing sectors.

Rick Hall
Federal Policy Director
Directeur, politique fédérale