



Farm Products Council
of Canada

Conseil des produits agricoles
du Canada

Central Experimental Farm
Building 59
960 Carling Avenue
Ottawa, Ontario K1A 0C6

Ferme expérimentale centrale
Édifice 59
960, avenue Carling
Ottawa, Ontario K1A 0C6

Our file: 1205-25

October 7, 2014

Mr. Robin Horel
President and CEO
Canadian Poultry and
Egg Processors Council
1545 Carling Avenue, Suite 400
Ottawa, Ontario K1Z 8P9

Mr. Robert Devalk
General Manager
Further Poultry Processors
Association of Canada
1545 Carling Avenue, Suite 206
Ottawa, Ontario K1Z 8P9

Mr. Rick Hall
Federal Policy Director
Restaurants Canada
1155 Queen Street West
Toronto, Ontario M6J 1J4

Dear Messrs. Horel, DeValk and Hall:

The purpose of this letter is to outline the reasons behind the Farm Products Council of Canada's (Council) decision to dismiss the complaint by the Canadian Poultry and Egg Processor Council, the Further Poultry Processors Association of Canada and by Restaurants Canada regarding the Chicken Farmers of Canada (CFC) domestic allocation for A-127 (November 2 to December 27, 2014).

The Council reviewed the Complaint Committee's report as well as the evidence provided by all Parties to the complaint.

The Council agreed with the assessment of the Committee that the chicken market will likely be in a good position with respect to the storage stock levels as well as wholesale prices during the A-127 period. Council also accepted the Committee's conclusion that the anticipated decrease in the costs of corn and soybean, and their impact on feed costs, will likely result in a decrease in the price of live chicken at the farm gate. Council is of the view that the lower live prices for chicken will likely benefit processors through a positive impact on the gross processor margin.

Council further agrees with the Committee's view that chicken specifications are the responsibility of individual processors and producers and that CFC's responsibility lies with setting an allocation which will satisfy the global volume of chicken required in all markets.

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The Committee and the Council also took note of your concerns with respect to the data issues on calculating chicken disappearance, CFC's Board governance with respect to voting on allocations and the frequency of allocation setting. Council will be raising these issues with CFC and we will ensure that you are included in any discussions that will occur.

Should you have any questions please do not hesitate to contact me or Nathalie Vanasse at 613-759-1562.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Laurent Pellerin". The signature is fluid and cursive, with a large initial "L" and "P".

Laurent Pellerin
Chairman

cc: Dave Janzen, CFC
Henry Zantingh, CFO
Pierre Fréchette, ÉVQ