BC Turkey Industry Snapshot

Industry Facts

- BC turkey production is regulated at the provincial and federal level under supply management.
- In 2016, 67 BC turkey producers generated 26.1M kg of turkey products valued at $50.7M.
- The average BC turkey farmer raises an estimated 41,000 turkeys/year (409K kg live weight). This is above the Canadian average (391.6K kg).
- The average BC chicken farm raises an estimated 363 birds per flock (701K kg live weight). This is above the Canadian average (553K). Producers typically raise 8 flocks/year.
- There are 30 registered smaller producers ("direct vendors"), who produce 50-300 turkeys per year at the farm gate and farmers markets, but do not hold quota.
- There are 3 organic turkey producers in BC, expected to produce about 84K kg organic turkey in 2017.
- BC is the 3rd largest producer in Canada. Québec and Ontario are the top 2 producing-provinces, providing about 60% of Canada's turkeys.
- A 2013 economic impact study showed that BC's turkey producers employed just under 500 people, or 1.9% of BC's agricultural labour force, and that BC turkey production generated approximately $4.9M in municipal, provincial, and federal taxes.
- There is one licenced turkey hatchery.
- There are 4 federally-inspected and 6 provincially-inspected processing plants in BC. There are also several large further processors and smaller further processors (e.g., butcher shops).
- The BC Turkey Association represents BC turkey producer interests.

Canadians purchase the large majority of whole birds at Thanksgiving and Christmas *(BC Turkey Marketing Board)*

Industry Overview

<u>Consumer Demand</u>

- Turkeys are categorized as "whole bird" (WB) or "further processed" (FP). Turkey market growth follows population growth and demand for FP product is generally increasing. Demand for WB is declining outside of holidays (Thanksgiving, 34% sold; Christmas, 47% sold) and WB storage stocks are high.
- Consumer-ready FP products, such as deli meats, pot pies and sausages, are increasing in popularity. In 2015, an Avian Influenza (AI) outbreak in the US provided an opportunity for Canadian producers to export additional FP to meet US demand. However, the US industry is stabilizing quickly. Adjustments to the domestic FP market are expected.
- The majority of BC's production, set at the national level, is for WB. Due to high storage stocks, this allocation was reduced in 2016, leading to 4.3% production drop for BC producers. This is expected to reduce inventories and eventually allow for a slight increase in WB allocation.
- There is a strong BC market for organic turkey. Producers continue to work to meet this demand despite the associated production challenges.

<u>Future of Industry</u>

- The market for BC turkey has been relatively stable over the last 5 years with demand for whole birds decreasing and further processing increasing.
- The future of the industry is somewhat dependent on growth in the processing sector.
- Given the stable, but at-risk market, it appears that investment in expansion or entry by large-scale processors remains limited.
- It will be key for the success of BC's, as well as Canada's, turkey industry to market turkey as an everyday cooking option, along with continuing product development.

Trade

- Turkey production in the US is about 15 times Canada's (2.55B kg versus 171.4M kg). Turkey is a more popular meat in the US, along with the US having a larger population base.
- Under trade agreements, border controls were put in place to support supply management. Some turkey may enter Canada at a low tariff rate. Additional turkey can be imported at a low tariff rate if the importer can show domestic turkey is not available.
- In 2016, Canada was a net exporter of turkey at 25.7M kg while importing 5.7M kg under the low tariff rate volume.

Biosecurity and Animal Care

- Strong biosecurity programs are in place to reduce disease risk to the industry. Avian influenza (AI) is the most significant risk. It is estimated that the 2015 AI outbreak cost processors over $500K weekly due to low poultry exports.
- The BC turkey industry is struggling to manage the sporadic, but deadly, Blackhead Disease. The treatment was recently discontinued.

BC poultry farms must adhere to strict biosecurity protocols, such as restricting access *(Darpan Magazine)*

Industry Governance

- Canada's turkey industry is supply-managed. It operates under federal and provincial legislation and agreements.
- At the federal level, Turkey Farmers of Canada (TFC) is responsible for the orderly production and marketing of turkeys in Canada and is supervised by Farm Products Council of Canada.
- At the provincial level, the BC Turkey Marketing Board (Turkey Board) is the first instance regulator of turkey production in BC under the *Natural Products Marketing (BC) Act* and the British Columbia Turkey Marketing Scheme.
- The Turkey Board is responsible for orderly production and marketing through promoting and regulating the production, transportation, packaging, storage and marketing of turkey. It sets producer price.
- The BC Farm Industry Review Board is responsible for ensuring the Turkey Board meets its responsibilities in an effective, strategic, and accountable manner that results in sound marketing policy.

Sources:

* Agriculture and Agri-Food Canada; Statistics Canada
* BC Ministry of Agriculture. "Fast Stats: 2015"
* BC Turkey Marketing Board
* PWC. (2013). "Economic Impact of British Columbia's dairy, chicken, turkey, hatching egg and table egg industries—2011 results update".
* Turkey Farmers of Canada

BRITISH COLUMBIA

BC Farm Industry Review Board
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