Chicken Farmers of Newfoundland and Labrador

Annual Performance Report 2025

Message from the Chairperson

It is my duty and pleasure on behalf of the Board of Directors to present the Annual Performance Report of the Chicken Farmers of Newfoundland and Labrador (CFNL) for the fiscal year ending December 31, 2025. The CFNL is a non-profit public body with a mandate to regulate, promote and control the production and marketing of chicken by producers and processors.

During fiscal year 2025, revenues remained consistent as did chicken production. Additionally, expenditures increased during the same period as a result of increased operational costs related to the operation of the Board. For further details, please refer to the audited financial statements, which are attached as Annex A.

This Annual Performance Report has been prepared in accordance with the **Transparency and Accountability Act** provisions for a category three entity. This report reflects progress made in 2025, which is the final year of this planning cycle, towards the objective identified by the CFNL in its 2023-2025 Activity Plan.

My signature below is indicative of the entire Board's accountability for the actual results reported in this document.

Sincerely,

Theresa Heffernan
Chairperson
CFNL

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Overview

The CFNL is a non-profit public body, which was established in 1980 by the **Newfoundland and Labrador Chicken Marketing Scheme** (the Scheme) under the **Natural Products Marketing Act** (the **Act**). The purpose and intent of the CFNL is to provide for the effective promotion, control and regulation of the production and marketing of chicken within the province, including the prohibition of production or marketing of chicken. The CFNL convenes six to seven times a year to review chicken allocation, legislation, policies and market conditions.

The CFNL administers the regulation and marketing of chicken as provided for in the **Act** and the Scheme under the laws of Newfoundland and Labrador. The CFNL operates under a risk management system commonly known as supply management. Supply management is a uniquely Canadian approach to agricultural production that benefits the entire Canadian food chain, from farmers to processors to consumers. Farmers get a fair return for their products; processors get a reliable supply of raw ingredients and Canadians get a consistent selection of high-quality products at reasonable prices.

The Scheme directs the appointment of a three-to-five-member board to be appointed by the Minister of Forestry, Agriculture and Lands (FAL). The CFNL is supported by one permanent full-time employee and the office is located in St. John’s. The CFNL reports to the Farm Industry Review Board (FIRB), which is the supervisory board.

Vision:

The vision of the CFNL is of a chicken industry which is stable, prosperous and robust and provides a safe, secure supply of chicken to the people of Newfoundland and Labrador for the long term.

Mandate:

The CFNL operates under the authority of the Minister of FAL in accordance with the Scheme under the **Act.** The commodity board promotes, regulates and controls the production and marketing of chicken by producers and processors and will participate in national allocation meetings with the Chicken Farmers of Canada to achieve its mandate.

Board Members:

As of December 31, 2025, the CFNL consisted of the following members:

Name	Position	Community	Appointment Date	Expiry Date
Theresa Heffernan	Chairperson	St. John’s	19/6/2023	19/6/2027
Carol Anne Walsh	Vice-Chairperson	Conception Bay South	10/2/2023	10/2/2027
Ruth Noseworthy	Director	Paradise	21/8/2024	21/8/2028
Davis Noel	Director	Paradise	10/2/2023	10/2/2027
Philip Barnes	Director	Holyrood	21/8/2024	21/8/2028

Financial Information:

The CFNL is self-funded; all chicken producers are required to pay a service charge of $0.0167 per kilogram (live weight), plus HST, to the CFNL, which uses the proceeds of this service charge to fund its expenditures.

The levy price per kilogram (live weight) paid to the CFNL from producers is set by the CFNL. The levy is comprised of a provincial levy of $0.0106 cents per kilogram and a Chicken Farmers of Canada levy of $0.0061 cents per kilogram. This is a total of $0.0167 cents per kilogram for every kilogram of live weight chicken processed. See below for more details on CFNL’s revenues and expenditures in fiscal 2025. Further information on revenues and expenditures can be found in Annex A: Audited Financial Statements.

	2025	2024
Revenues	$ 421,319	$ 411,703
Expenditures	$ 383,178	$ 357,377
Surplus	$ 38,141	$ 54,326

Contact Information:

For information about the CFNL and its work, please contact us at:

Ron Walsh
Executive Director
Chicken Farmers of Newfoundland and Labrador
P.O. Box 8098
St. John’s, NL A1B 3M9

Phone: 709-747-1493
Email: rwalsh@nlchicken.com
Website: http://www.nlchicken.com

Physical location: 204 Brookfield Road, Agriculture Canada Building 6, St. John's, NL.

This report is available in alternate formats. Please contact the above if an alternate format is required.

Highlights and Partnerships

Inflation and increased food costs continue to force many Canadians to make difficult choices regarding putting food on the table for themselves and their families. Cost of living and affordability for Canadians continues to cause some families to struggle to provide the necessities of life. CFNL recognized this challenging time and provided the Community Food Sharing Association with $10,000 given the increased demands on the organization. For every $10 donated to the Community Food Sharing Association, they leverage $205 worth of food from the parent Food Sharing organization in Toronto. Farmers work hard to produce food for Canadians and want all Canadians to have enough food to eat.

Report on Performance

Issue: Enhancement of Emergency Preparedness Within the Chicken Industry Through Education and Training

Emergency preparedness is being reconsidered across Canada due to unprecedented disasters caused by extreme weather events, including fires, disease outbreaks such as avian flu, and other conditions that lead to emergency situations. Strengthening emergency preparedness in the chicken industry through education and training will help the industry better prepare for, reduce, respond to and recover from emergencies that may arise.

Objective: By December 31, 2025, the Chicken Farmers of Newfoundland and Labrador will have advanced initiatives related to emergency preparedness of the provincial chicken industry.

Indicator 1: Coordinated education and training sessions for farmers, staff and industry partners regarding emergency preparedness.

On April 9, 2025, the CFNL successfully held a training session offered by two subject matter experts for nine farmers and staff regarding what happens when highly pathogenic avian influenza occurs on a farm. Topics that were discussed included the roles and responsibilities of the farmer and CFIA during a disease outbreak, disease signs to watch for in the chickens, what to do if disease is suspected on a farm and the importance of biosecurity in eradicating the disease. Early detection of disease outbreaks is fundamental to stamping out disease in a timely manner. Farmers asked questions specific to their operations and received instruction on how they should proceed in the event of a disease outbreak on their farm. The session resulted in increased awareness and knowledge of what to expect in the event of a disease outbreak.

On April 22, 2025, the CFNL successfully held an education session for farmers and industry partners regarding climate change. A total of 22 participants learned what climate change may consist of and how it could potentially affect their farm operations. The broad effects of climate change are expected to be increased temperature, precipitation and more extreme weather events. In general, warmer, wetter and stormier weather will be the result of climate change. The specific effects will include droughts and heat waves, flooding, wildfires, storm frequency and intensity, increasing incidence of high wind and invasive species to mention a few. To mitigate the impact of climate change, proactive adaptation practices and enhanced capacity of stakeholders to plan and respond to disasters and emergency events will be required.

Indicator 2: Coordinated on-site farm visits from industry experts to improve emergency preparedness on farms.

In 2025, the CFNL was unsuccessful in achieving on-site farm visits from industry experts due to enhanced biosecurity measures enacted to prevent the possible transmission of avian influenza. Avian Influenza is occurring with increased frequency across Canada and limiting unnecessary access to farms is crucial to minimizing disease transmission. Therefore, unless the above situation changes, the CFNL will no longer conduct on-site farm visits and will coordinate to have farmers and staff attend training at selected locations to minimize the potential for disease transmission.

Opportunities and Challenges

The CFNL remains committed to being responsive to the opportunities and challenges that arise in the poultry industry. Seizing opportunities for growth and improvement, while addressing emerging challenges, will support a sustainable and commercially viable poultry sector.

Opportunities:

The Buy Canadian Policy that was introduced by the Federal Government prioritizes Canadian suppliers and industries and keeps the matter top of mind for Canadians. The policy leverages government purchasing power to support Canadian workers, businesses and supply chains while elevating the economic and commercial value of buying Canadian. Chicken Farmers of Canada has a campaign titled "Raised by a Canadian Farmer" that aligns well with the Buy Canadian Policy. An opportunity to benefit from this policy may exist as awareness is raised among Canadians that purchasing Canadian-made products supports their community, region and Canada.

Challenges:

In July of 2026, the existing Canada United States Mexico Agreement (CUSMA) is up for review. Given the current climate regarding trade with the stakeholders of this agreement, it is reasonable to assume some diligent negotiations may be required to continue with such an agreement. While the uncertainty of the lifespan of the agreement has the potential to create unstable market conditions, the chicken industry will remain committed to achieving stability for the industry.

Annex A: Audited Financial Statements

CHICKEN FARMERS OF
NEWFOUNDLAND AND LABRADOR

FINANCIAL STATEMENTS

DECEMBER 31, 2025

Chicken
FARMERS
of Newfoundland and Labrador

Management's Report

Management's Responsibility for the Chicken Farmers of Newfoundland and Labrador Financial Statements

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that transactions are properly authorized, assets are safeguarded and liabilities are recognized.

Management is also responsible for ensuring that transactions comply with relevant policies and authorities and are properly recorded to produce timely and reliable financial information.

The Board members are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through participation in Board of Director meetings. The Board members review internal financial information periodically and external audited financial statements yearly.

The Auditor General conducts an independent audit of the annual financial statements of the Chicken Farmers of Newfoundland and Labrador, in accordance with Canadian generally accepted auditing standards, in order to express an opinion thereon. The Auditor General has full and free access to financial management of the Chicken Farmers of Newfoundland and Labrador.

On behalf of the Chicken Farmers of Newfoundland and Labrador.

Ron Walsh

Ron Walsh
Executive Director

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OFFICE OF THE AUDITOR GENERAL
NEWFOUNDLAND AND LABRADOR

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Chicken Farmers of Newfoundland and Labrador
St. John's, Newfoundland and Labrador

Opinion

I have audited the financial statements of the Chicken Farmers of Newfoundland and Labrador, which comprise the statement of financial position as at December 31, 2025, and the statement of operations, statement of change in net financial assets, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Chicken Farmers of Newfoundland and Labrador as at December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Chicken Farmers of Newfoundland and Labrador in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance.

Independent Auditor's Report (cont.)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Chicken Farmers of Newfoundland and Labrador's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Chicken Farmers of Newfoundland and Labrador's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Chicken Farmers of Newfoundland and Labrador's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditor's Report (cont.)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Chicken Farmers of Newfoundland and Labrador's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Chicken Farmers of Newfoundland and Labrador to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

DENISE HANRAHAN, CPA, MBA, ICD.D
Auditor General

March 19, 2026
St. John's, Newfoundland and Labrador

CHICKEN FARMERS OF NEWFOUNDLAND AND LABRADOR

STATEMENT OF FINANCIAL POSITION

As at December 31	2025	2024
FINANCIAL ASSETS		
Cash and cash equivalents	$ 573,174	$ 502,052
Accounts receivable	29,828	37,015
Investments	33,879	32,912
	636,881	571,979
LIABILITIES		
Accounts payables and accrued liabilities	29,544	25,714
Accrued severance pay	29,225	27,044
	58,769	52,758
Net financial assets	578,112	519,221
NON-FINANCIAL ASSETS		
Prepaid expenses	2,801	4,017
Tangible capital assets (Note 4)	260,776	280,310
	263,577	284,327
Accumulated surplus (Note 9)	$ 841,689	$ 803,548

Contractual obligations (Note 10)

The accompanying notes are an integral part of these financial statements.

Signed on behalf of the Board: ______________ Chairperson ______________ Director

CHICKEN FARMERS OF NEWFOUNDLAND AND LABRADOR
STATEMENT OF OPERATIONS
For the Year Ended December 31

	2025 Budget (Unaudited) (Note 7)	2025 Actual	2024 Actual
REVENUES			
Levies	$ 400,800	$ 419,871	$ 409,859
Interest and miscellaneous	500	1,448	1,844
	401,300	421,319	411,703
EXPENSES (Note 11)			
Administration	117,458	128,377	103,006
Regulatory	209,163	200,241	202,197
Promotion	28,710	24,871	22,896
Facilitation	38,280	29,689	29,278
	393,611	383,178	357,377
Annual surplus	7,689	38,141	54,326
Accumulated surplus, beginning of year	803,548	803,548	749,222
Accumulated surplus, end of year	$ 811,237	$ 841,689	$ 803,548

The accompanying notes are an
integral part of these financial statements.

CHICKEN FARMERS OF NEWFOUNDLAND AND LABRADOR
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31

	2025 Budget (Unaudited) (Note 7)	2025 Actual	2024 Actual
Annual surplus	$ 7,689	$ 38,141	$ 54,326
Tangible capital assets			
Acquisition of tangible capital assets	-	(4,306)	(5,579)
Amortization of tangible capital assets	22,309	23,840	22,906
	22,309	19,534	17,327
Prepaid expenses			
Acquisition of prepaid expenses	-	-	(1,008)
Use of prepaid expense	-	1,216	-
	-	1,216	(1,008)
Increase in net financial assets	29,998	58,891	70,645
Net financial assets, beginning of year	519,221	519,221	448,576
Net financial assets, end of year	$ 549,219	$ 578,112	$ 519,221

The accompanying notes are an integral part of these financial statements.

CHICKEN FARMERS OF NEWFOUNDLAND AND LABRADOR
STATEMENT OF CASH FLOWS

For the Year Ended December 31	2025	2024
Operating transactions		
Annual surplus	$ 38,141	$ 54,326
Adjustment for non-cash items		
Amortization of tangible capital assets	23,840	22,906
	61,981	77,232
Change in non-cash working capital		
Accounts receivable	7,187	(5,319)
Accounts payable and accrued liabilities	3,830	(283)
Accrued severance pay	2,181	2,075
Prepaid expenses	1,216	(1,008)
Cash and cash equivalents provided from operating transactions	76,395	72,697
Capital transactions		
Acquisition of tangible capital assets	(4,306)	(5,579)
Cash and cash equivalents applied to capital transactions	(4,306)	(5,579)
Investing transactions		
Increase in investments	(967)	(1,277)
Cash and cash equivalents applied to investing transactions	(967)	(1,277)
Increase in cash and cash equivalents	71,122	65,841
Cash and cash equivalents, beginning of year	502,052	436,211
Cash and cash equivalents, end of year	$ 573,174	$ 502,052

The accompanying notes are an integral part of these financial statements.

1. Nature of operations

The Chicken Farmers of Newfoundland and Labrador (the Board) was established in 1980 by the Newfoundland and Labrador Chicken Marketing Scheme, under the Natural Products Marketing Act (Act), to provide for the effective promotion, control and regulation of the production and marketing of chicken in Newfoundland and Labrador. The Board is responsible for administering the regulations as provided for in the Act under the laws of the Province of Newfoundland and Labrador (the Province).

2. Summary of significant accounting policies

(a) Basis of accounting

The Board is classified as an Other Government Organizations as defined by Canadian public sector accounting standards (CPSAS). These financial statements are prepared by management in accordance with CPSAS for provincial reporting entities established by the Canadian Public Sector Accounting Board (PSAB). The Board does not prepare a statement of remeasurement gains and losses as they have not entered into relevant transactions or circumstances that are being addressed by the statement. Outlined below are the significant accounting policies followed.

(b) Cash and cash equivalents

Cash and cash equivalents includes cash in the bank and short-term investments with maturities less than one year.

(c) Financial instruments

Financial instruments recognized on the statement of financial position consist of cash and cash equivalents, accounts receivable, investments, and accounts payable and accrued liabilities. The Board generally recognizes a financial instrument when it enters into a contract which creates a financial asset or financial liability. Financial assets and financial liabilities are initially measured at cost, which is the fair value at the time of acquisition.

The Board subsequently measures all of its financial assets and financial liabilities at cost. Financial assets measured at cost include cash and cash equivalents, accounts receivable and investments. Non-redeemable guaranteed investment certificates are classified as investments. Interest related to these investments is accrued as earned. Financial liabilities measured at cost include accounts payable and accrued liabilities.

2. Summary of significant accounting policies (cont.)

(c) Financial instruments (cont.)

The carrying value of cash and cash equivalents, accounts receivable, investments and accounts payable and accrued liabilities approximate fair value due to their nature and/or the short term maturity associated with these instruments.

Income attributable to financial instruments is reported in the statement of operations.

(d) Accrued severance pay

Severance pay will be awarded at the rate of one week of salary per year of service to a maximum of 20 weeks and is calculated based upon current salary levels. The amount is payable when the employee ceases employment with the Board.

(e) Tangible capital assets

Tangible capital assets are recorded at cost, including amounts that are directly related to the acquisition of the assets. The cost, less residual value, of tangible capital assets is amortized over their estimated useful life as follows, except in the year of acquisition when one half of the rate is used.

Furniture and equipment	20%, declining balance
Trailers	5 and 15 years, straight-line

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Board's ability to provide services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. Net write-downs are accounted for as expenses in the statement of operations.

(f) Revenues

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

The Board charges levies to the producer based on volume of chicken marketed in the Province. Revenue is recognized when the chicken is produced/marketed and collectability is reasonably assured.

2. Summary of significant accounting policies (cont.)

(f) Revenues (cont.)

Pursuant to authority given to it under the Farm Products Marketing Act of Canada, the Chicken Farmers of Canada (CFC) collects levies from provincial commodity boards. The Board collects these levies directly from the processor and remits them to the CFC. There were $151,262 of levies collected in 2025 (2024 - $153,831).

The Board recognizes the receipt of government transfers as revenue in the period the transfer is authorized and all eligibility criteria have been met, except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability for the Board. Government transfers consist of funding from the Province.

(g) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

(h) Measurement uncertainty

The preparation of financial statements, in conformity with CPSAS, requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include the useful life of tangible capital assets, accrued severance and impairment of assets.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

3. Operating agreement

The Board has entered into an agreement with the other provincial boards known as the operating agreement. This agreement provides for levy assessment should a province over produce its allocation from the CFC.

As part of this agreement, the Board has filed a letter of credit to the CFC in respect of any possible over marketing levies assessed. The letter of credit as at December 31, 2025 was $28,658 (2024 - $28,658).

CHICKEN FARMERS OF NEWFOUNDLAND AND LABRADOR
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

4. Tangible capital assets

	Furniture and equipment	Trailers	Total
Cost			
Balance, December 31, 2024	$ 46,626	$ 330,543	$ 377,169
Additions	4,306	-	4,306
Disposals	1,825	-	1,825
Balance, December 31, 2025	$ 49,107	$ 330,543	$ 379,650
Accumulated amortization			
Balance, December 31, 2024	$ 41,882	$ 54,977	$ 96,859
Amortization	1,349	22,491	23,840
Disposals	1,825	-	1,825
Balance, December 31, 2025	$ 41,406	$ 77,468	$ 118,874
Net book value, December 31, 2025	**$ 7,701**	**$ 253,075**	**$ 260,776**
Net book value, December 31, 2024	**$ 4,744**	**$ 275,566**	**$ 280,310**

5. Economic dependence

Approximately 99% (2024 – 99%) of revenue relates to producer levies collected from Country Ribbon Inc. The loss of this revenue could have a material adverse impact on the Board's operating results and financial position.

6. Financial risk management

The Board recognizes the importance of managing significant risks and this includes policies, procedures and oversight designed to reduce the risks identified to an appropriate threshold. The risks that the Board are exposed to through its financial instruments are credit risk, liquidity risk and market risk. There was no significant change in the Board's exposure to these risks or its processes for managing these risks from the prior year.

6. Financial risk management (cont.)

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Board's main credit risk relates to cash and cash equivalents, investments and accounts receivable. The Board's maximum exposure to credit risk is the carrying amounts of these financial instruments. The Board is not exposed to significant credit risk with its cash and cash equivalents, and investments because these financial instruments are held with a Chartered Bank. The Board is not exposed to significant credit risk related to its accounts receivable as these amounts are due from Country Ribbon Inc. Accordingly, there is no allowance for doubtful accounts as all amounts are considered collectible and management determines it is a low risk.

Liquidity risk

Liquidity risk is the risk that the Board will be unable to meet its contractual obligations and financial liabilities. The Board's exposure to liquidity risk relates mainly to its accounts payable and accrued liabilities, and accrued severance pay. The Board manages liquidity risk by monitoring its cash flows and ensuring that it has sufficient resources available to meet its obligations and liabilities.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency (foreign exchange) risk, interest rate risk and other price risk. The Board is not exposed to significant foreign exchange or other price risk. The Board is not exposed to significant interest rate related to investments because these investments have fixed interest rates and fixed values at maturity.

7. Budgeted figures

Budgeted figures, which have been prepared on a cash basis, are provided for comparison purposes and have been derived from the estimates prepared by management. Budgeted figures included in the financial statements are not audited.

8. Non-financial assets

The recognition and measurement of non-financial assets is based on their service potential. These assets will not provide resources to discharge liabilities of the Board. For non-financial assets, the future economic benefit consists of their capacity to render service to further the Board's objectives.

9. Accumulated surplus

The Board segregates its accumulated surplus in the following categories:

	2025	2024
Unrestricted	$ 676,489	$ 638,348
Contingency fund	165,200	165,200
	$ 841,689	$ 803,548

The unrestricted fund is set aside for regular program delivery and administrative activities of the Board, while the purpose of the contingency fund is to mitigate the effects of revenue shortfalls and emergencies on the general operations of the Board.

10. Contractual obligations

As at December 31, 2025, the Board entered into a lease with the following payment schedule (amounts are subject to cost recovery):

2026	$ 3,048
2027	3,048
2028	3,048
2029	3,048
	$ 12,192

11. Segmented information by object

The Board reports its expenses by program area as outlined in its approved budget

CHICKEN FARMERS OF NEWFOUNDLAND AND LABRADOR
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

11. Segmented information by object (cont.)

	Administration		Regulatory		Promotion		Facilitation		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Expenses										
Amortization	$ 23,840	$ 22,906	$ -	$ -	$ -	$ -	$ -	$ -	$ 23,840	$ 22,906
Donations	21,403	5,000	-	-	-	-	-	-	21,403	5,000
Food Safety and Animal Care	5,756	3,702	5,935	3,818	2,698	1,735	3,597	2,314	17,986	11,569
Insurance	1,158	1,142	-	-	-	-	-	-	1,158	1,142
Interest and bank charges	1,162	755	-	-	-	-	-	-	1,162	755
Levy - CFC	-	-	151,262	153,831	-	-	-	-	151,262	153,831
Office and postage	1,453	1,257	1,451	1,253	660	570	880	769	4,444	3,849
Per diems	24,655	18,633	-	-	-	-	-	-	24,655	18,633
Professional fees	5,668	4,975	4,047	5,130	1,839	2,332	2,453	3,109	14,007	15,546
Promotion	80	490	83	880	2,642	1,166	50	306	2,855	2,842
Rent	3,315	3,582	-	-	-	-	-	-	3,315	3,582
Telephone	3,552	4,084	-	-	-	-	-	-	3,552	4,084
Travel and meetings	1,878	2,582	1,928	2,329	880	1,199	1,173	1,599	5,859	7,709
Wages and benefits	34,457	33,898	35,535	34,956	16,152	15,894	21,536	21,181	107,680	105,929
Total	$ 128,377	$ 103,006	$ 200,241	$ 202,197	$ 24,871	$ 22,896	$ 29,689	$ 29,278	$ 383,178	$ 357,377