



BRITISH COLUMBIA CHICKEN MARKETING BOARD UPDATE FOR August 2011

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1. Live price for period A-106.

Mainstream:

The live price for period A-106 (marketing's from August 14 to October 8, 2011 inclusive) has been set by the Board at **\$1.7463**. This represents an increase of **\$0.0721** from the previous period.

The Board exercised its discretion under the exceptional circumstances clause in Schedule 3 of the January 23, 2006 General Orders (amended November 17, 2010) to depart from the BC Pricing Formula. The Ontario posted live price for quota period A-106 includes a special service charge of \$0.001 per kilogram live weight.

This special service charge is in effect in Ontario from A-106 to A-117 inclusive and is payable by Ontario processors as their contribution to the cost of the Ontario Industry Strategic Plan for 2013. The Board excluded the Ontario service fee from the Ontario posted live price for the purposes of the calculations contained in the BC pricing formula.

It should be noted that none of the Prairie Provinces included the Ontario service fee when setting their respective provincial live prices for quota period A-106. Further, it should be noted that in quota periods A-88 to A-92 a similar exclusion was made when BC set the live price to take into account another special service fee which was described as a temporary mechanism to recover the expenses incurred from the Ontario Producer Cost Survey. In those periods as in A-106, the BCCMB excluded the special Ontario service fee when setting the BC live price.



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Linkage:

The price linkage calculations done by Serecon for period **A-106** reflect the live chicken price of **\$1.7463** per kilogram live weight. The calculations indicate that cost recovery parity of **107.58%** and a return on assets (minus quota) of **17.81%** will be achieved at the following prices:

Live Chicken	\$1.7463 per kg	Up \$0.0721 per kg
Hatching Eggs	\$5.4237 per doz.	Up \$0.1632 per doz.
Day-Old Broiler Chicks	\$0.7343 per chick	Up \$0.0170 per chick

Specialty Chicken:

Taiwanese:

The following prices have been set by the Board for Taiwanese chicken for quota period A-106. The SMAC unanimously recommended to the Board that the prices for TC's be adjusted to reflect 75% of the increased feed costs indicated in the Serecon A-105 COP update. These prices will be in effect for periods A-105 and A-106.

- TC's up to 82 days of age: **\$2.6370** per kilogram: an increase of \$0.0660 per kg. (@ 75%)
- TC's 83 to 110 days of age: **\$2.8462** per kilogram: an increase of \$0.0682 per kg. (@ 75%)
- TC's over 110 days of age: **\$3.0192** per kilogram: an increase of \$0.0772 per kg. (@ 75%)

Organic:

The SMAC was advised that no update to the organic COP had been conducted in 2010 and that Serecon did not recommend using the base price that was established in 2008 to update the organic price with the addition of current feed and chick prices. The SMAC and the organic grower agreed to leave the price static until there was a need to conduct a full review of the organic COP.

- Certified Organic Chicken: **\$3.430** per kilogram: no change from A-105.

7. Appeals update.

Mr. Ben VanEck has appealed the decision of the Board to refuse to issue him a 2,000 birds/annum permit under Part 51 Permits of the January 23, 2006 General Orders. The hearing is set for October 7, 2011 at a time and location to be determined in the Abbotsford Area.

Recent appeal decisions can be accessed on our website at www.bcchicken.ca

9. Current market conditions. (With thanks to CFC Chicken Fax)

- As of June 30, 2011, **600.2 Mkg** of fresh chicken was available for the Canadian market, **2.9% more** than in 2010.
- Year to date production to June 30, 2011 was **518.0 Mkg 1.3% or 6.5 Mkg more** than the same period in 2010.
- Year to date imports for 2011 have reached **82.2 Mkg, 14.1% or 10.1 Mkg higher** than during the same period last year.
- Fresh supplies consist of total imports added to domestic production. Fresh supplies in May and June were **2.0% and 1.7% higher**, respectively, than in the corresponding months of 2010.
- Frozen chicken inventories on July 1, 2011 were **40.9 Mkg, 2.2 Mkg higher** than the previous month and **7.4 Mkg higher** than on July 1, 2010.
- Production in May and June was **2.1 Mkg and 0.7 Mkg higher**, respectively, compared to the same months in the previous year.
- Imports (as reported by AAFC) were **13.1 Mkg** in May and **13.8 Mkg in June, 0.1 Mkg lower and 1.0 Mkg higher** respectively, to the same months of the previous year.
- Producer prices in period **A-105 are 4.1 cents higher** than those of period A-104 in most provinces. On average, the Canadian live price in **A-105 is 24.0 cents higher** than in the corresponding weeks of the previous year.
- **Canadian Wholesale Chicken Prices. (cents/kg)**

<u>Product</u>	<u>July 11</u>	<u>July 10</u>	<u>Change</u>
Market composite	326.4	326.4	0.0%
Whole bird complex	332.4	321.5	3.40%
Breast complex	489.7	495.6	-1.20%
Wing complex	432.1	461.5	-6.40%
Leg complex	265.1	268.0	-1.10%

10. Allocation Setting Dates:

Future allocation dates will be published in monthly Board updates so that growers can be aware when the next unallocated period is being set.

The dates will assist growers in determining when to give notice to change processors, or to have discussions with processors prior to allocation setting with respect to Market Development allotments.

The last available day to give notice of changing processor and to return the completed BC A-99 form to the BCCMB offices is the day **BEFORE** the CFC sets the allocation.

Example: If you wished to change processors for period A-107, the last day that you could provide notice is July 11, 2011.

<u>Period</u>	<u>CFC Sets Allocation</u>
A-106 (August 14 – October 8, 2011)	May 11, 2011
A-107 (October 9 – December 3, 2011)	July 12, 2011
A-108 (December 4, 2011 – January 28, 2012)	September 7, 2011
A-109 (January 29 – March 24, 2012)	November 9, 2011
A-110 (March 25 – May 19, 2012)	December 14, 2011
A-111 (May 20 -- July 14, 2012)	February 1, 2012
A-112 (July 15 – September 8, 2012)	March 21, 2012
A-113 (September 9 – November 3, 2012)	May 30, 2012
A-114 (November 4 – December 29, 2012)	July 24, 2012
A-115 (December 30, 2012 – February 23, 2013)	September 18, 2012
A-116 (February 24 – April 20, 2013)	November 14, 2012

11. Animal Care Program update.

As of August 8, 2011 we have **286** of **348** or **82%** of BC chicken farms certified under the CFC Animal Care Program.

Regional breakdown:

32 of **42** Interior farms certified **76%**
243 of **290** Lower Mainland farms certified **84%**
11 of **16** Vancouver Island farms certified **69%**

The British Columbia Chicken Marketing Board monthly update is published by BCCMB staff and forwarded by e-mail and fax to all growers and a number of industry stakeholders on our contact list. Should you have any questions or suggestions regarding the content of any monthly update, please contact me directly at:

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