



British Columbia Chicken Marketing Board Update for March 2011.

1. Live Price for A-103 (February 27—April 23, 2011):

Mainstream:

The BC domestic live price for mainstream chicken in quota period A-103 was set by the Board at **\$1.5881** per kilogram live weight. This represents an **increase** of **5.91** cents per kilogram live weight from the live price of the previous period A-102.

The price linkage calculations done by Serecon for period A-103 reflect the live chicken price of \$1.5881 per kilogram live weight. The calculations indicate that cost recovery parity for period A-103 of **105.91%** will be achieved at the following prices:

Live Chicken	\$1.5881 per kg	Up \$0.0591 per kg
Hatching Eggs	\$5.0908 per doz.	Up \$0.1015 per doz.
Day-Old Broiler Chicks	\$0.6996 per chick	Up \$0.0106 per chick

Specialty Chicken:

The following prices have been set by the Board for specialty chicken for quota period A-103. As specialty prices are set every 16 weeks, these are updated prices from A-101.

- TC's up to 82 days of age: \$2.571 per kilogram: an increase of \$0.068 per kg.
- TC's 83 to 110 days of age: \$2.778 per kilogram: an increase of \$0.071 per kg.
- TC's over 111 days of age: \$2.942 per kilogram: an increase of \$0.080 per kg.
- Certified Organic Chicken: \$3.430 per kilogram: no change from period A-101

2. 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 how to provide the required notice to transfer quota, change processors, or to have discussions with processors 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.

BRITISH COLUMBIA CHICKEN MARKETING BOARD

<u>Period</u>	<u>CFC Sets Allocation</u>
A-105 (June 19 – August 13, 2011)	March 23, 2011
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

3. Assurance of Supply to processors below 2% for period A-104.

As required by BCFIRB in the 2010 supervisory review decision the Board has taken a number of steps to provide assurance of supply to processors below 2% of the domestic allocation in period A-104:

Prior to the A-104 allocation being allotted to growers, the difference in the level of assurance of supply to the regional processors to the amount of grower allocation that was assigned to them was calculated. The shortfall in the case of A-104 was determined to be 260,000 kilograms, or .77% of BC's total allocation for the period. The amount of 260,000 kilograms was then "carved out" of the total allocation prior to allotments being given to all growers for period A-104. The balance of the allocation was then allotted to all BC growers pro-rata to their quota holdings at 100.45%

The allocation that was carved out will be offered to growers in the form of a domestic lease in the regions where it is required by the processor and will attract a lease fee of \$0.28 per kilogram live weight payable to the Board.

Fees generated through the lease payable to the Board will be placed into the Board's general revenue account. Should the Board declare a surplus at the end of the fiscal year it will be returned to all growers in good standing with the Board as per Part 15 *Distribution of Board Operation Surplus* of the January 23, 2006 General Orders.

Following the allocation for period A-104, this program will be evaluated as to its effectiveness in achieving the goal of supplying regional processors while maintaining a balance between grower and processor interests. To this end, discussions have been initiated between regional processors and the grower associations in the regions. The Board will consider amendments to the program if they are required, but due to time constraints the current system will largely remain in place for A-105, with changes to be implemented for A-106. Growers that accept any amount of assurance of supply lease should be aware that they may be required to ship a portion of their total allotments to the small processor in their region.

Further, it is the expectation of the Board that the allocation shortfall to small and regional processors will diminish over time and be addressed at least in part by the BCCMB new entrant program for growers. The Board also continues to encourage small and regional processors to continue to build long term supply relationships with the growers in their region.

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

- In the first month of 2011, there was **102.2 Mkg** of fresh chicken available for the Canadian market, **3.3% more** than in 2010.
- Production in January 2011 was **87.5 Mkg, 0.6% (0.5 Mkg) more** than January 2010.
- First month imports in 2011 saw **14.7 Mkg**, brought into Canada, **22.9% (2.7 Mkg) higher** than last year. .
- Fresh supplies consist of total imports added to domestic production. Fresh supplies in December 2010 and January 2011 were **4.5% and 3.3% higher**, respectively, than in the corresponding months of the previous year.
- Frozen chicken inventories on February 1, 2011 were **33.8 Mkg, 0.8 Mkg lower** than the previous month and **1.8 Mkg lower** than on February 1, 2011.
- Imports (as reported by AAFC) were **14.1 Mkg** in December 2010 and **14.7 Mkg** in January 2011, **2.1 Mkg and 2.7 Mkg higher** respectively, to the same months of the previous year.
- Producer prices in period **A-103 are 5.9 cents higher** than those of period A-102 in most provinces. On average, the Canadian live price in **A-103 is 12.0 cents higher** than in the corresponding weeks of the previous year.
- **Canadian Wholesale Chicken Prices. (cents/kg)**

Product	Feb 11	Feb 10	Change
Market composite	325.1	332.1	-2.10%
Whole bird complex	321.1	323.6	-0.80%
Breast complex	477.2	482.6	-1.10%
Wing complex	485.2	505.2	-3.90%
Leg complex	274.4	266.9	2.80%

5. Animal Care Program update.

As of February 28, 2011 we have **187** of 331 or **56%** of BC chicken farms certified under the CFC Animal Care Program.

Regional breakdown:

Interior region: **26** of 41 farms **(63%)** certified.
Vancouver Island region: **7** of 20 farms **(35%)** certified.
Lower Mainland region: **154** of 270 farms **(57%)** certified.

REMINDER: The new bcchicken.ca website is up and running. If you require a user name to access the growers only side of the site, please contact Katie Lowe at 604-859-2868 or by e-mail at katielowe@bcchicken.ca

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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