



BC CHICKEN MARKETING BOARD UPDATE for November/December 2015

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1. Disease alert from the Animal Health Branch

DISEASE ALERT: November 21, 2015

Low Pathogenicity H5 Avian Influenza in a Wild Mallard Duck (Abbotsford)

On Nov 10, 2015 a hunter-killed Mallard duck and field collected oropharyngeal and cloacal swabs were submitted to the Animal Health Centre as part of the BC Wild Bird Avian Influenza Surveillance Program.

Collection Site: **“a field off Smith Line Rd in Abbotsford”**

Initial screening for Avian Influenza revealed the cloacal swab to be positive for Avian Influenza and subsequent PCR testing was positive for subtype H5. CFIA was immediately notified and samples were forwarded to NCFAD for pathogenicity and N-type determination. NCFAD reports that genetic sequencing results indicate that this is a **low pathogenicity AI (LPAI) of North American Lineage, subtype H5N2**. This virus is not related to the virus that caused the Dec 2014 HPAI outbreak.

This finding is not unexpected as wild waterfowl are a known stable reservoir for endemic low pathogenicity avian influenza viruses of multiple subtypes.

BRITISH COLUMBIA CHICKEN MARKETING BOARD

The BC Wild Bird Avian Influenza Surveillance Program will continue to collect waterfowl samples over the fall & winter in an effort to provide information about the types of viruses circulating in this population.

This is a strong reminder that the Fraser Valley poultry industry lives with continual risk of exposure to Notifiable Avian Influenza (H5 & H7) from wild birds and the best defense against the introduction of AI into a poultry barn is STRICT BIOSECURITY. Any unexplained clinical signs or mortality should always be investigated by your poultry veterinarian. (Emphasis added).

2. Live Pricing for Quota Period A-134 (November 29, 2015 – January 23, 2016)

Mainstream:

The live price in BC for period A-134 (marketing's from November 29, 2015 to January 23, 2016 inclusive) has been set by the Board at **\$1.6266** per kilogram live weight. This represents an increase of **\$0.0031** from the previous period.

The Board notes that the PPAC on November 24, 2015 came to a unanimous agreement **to extend for 6 periods** (A-134 to A-139 inclusive) the existing differential at 4.85 cents and the caveats from the previous multi period pricing agreement.

Linkage:

The price linkage calculations done by Serecon for period **A-134** reflect the live chicken price of **\$1.6266** per kilogram live weight. The calculations indicate that cost recovery parity of **96.09%** and a return on assets (minus quota) of **4.37%** will be achieved at the following prices:

Live Chicken @ \$1.6266 per kilogram	down \$0.0031 per kilogram
Hatching Eggs @ \$5.2090 per dozen	up \$0.0339 per dozen
Day-Old Broiler Chicks @ \$0.7318 per chick	down \$0.0350 per chick

Organic:

The Board met by conference call on November 27, 2015 and voted to set the certified organic price for period A-134 at **\$4.27 per kilogram live weight** which represents 100% of the cost of production for the period. It is an increase over the previous period of 8 cents/kg live weight. The increase is attributed to increases in chick costs and rising feed costs.

The PPAC did not trigger exceptional circumstances as per Schedule 2.

The Board may consider an alternate pricing arrangement for certified organic chicken going forward pending a recommendation from the PPAC who have been tasked to discuss this issue at the committee level.

Specialty Chicken:

Taiwanese:

The SMAC met on November 24, 2015 and discussed the TC live price (the second of the two period block). Processors requested the price be set at 97% of the Serecon TC COP for all pricing categories. After protracted negotiation, the consensus of the SMAC was to use 100% of the COP less 8 cents/kg in every category. The SMAC agreed the 8 cent reduction in every category remain in place until such time as the full update on the TC COP is completed. This full update is budgeted and scheduled for completion in the first quarter of 2016. The Board accepted the recommendation of the SMAC.

The following prices have been set by the Board for Taiwanese chicken for quota period A-134 at:

- TC's up to **82** days of age: **\$2.6278** per kg (a decrease of 8 cents from the previous period).
- TC's **83 to 110** days of age: **\$2.8431** per kg. (a decrease of 8 cents from the previous period).
- TC's **over 110** days of age: **\$3.0398** per kg. (a decrease of 8 cents from the previous period).

Silkie:

The following prices have been set by the Board for Silkie chicken for quota period A-133 and A-134 in consultation with the SMAC which is the same price as the previous period.

- Silkie Chicken: **\$4.03** per kilogram.

3. Monitoring and Enforcement

Issue #1: Barn Space and Grower Allotments.

Growers are reminded that grower allotments (Domestic and Market Development) are based on quota holdings and predicated on measured, and certified barn space. Barn space must be available to be considered in calculating a grower's allotment. Part 23 -- Production Quotas states:

23.5 *An allotment of quota from the Board to a grower in the prescribed form is personal to the grower to whom it is allotted. All chicken must be produced and marketed pursuant to the*

allotment by the grower to whom the quota has been allotted and at the registered premises in respect of which that grower's quota has been allotted.

- 23.6 *Notwithstanding anything contained in these General Orders to the contrary, a grower will not be allotted quota, undermarketing, or a market development quota that singly or in combination exceeds the maximum quota that may be allotted in respect of a grower's premises calculated in accordance with Schedule 6.*

Leasing to circumvent barn space requirements is prohibited. Market Development is only issued if there is available space beyond what is required to house domestic quota allotments. Barns can be de-registered when a building no longer meets the requirements of the Orders, or is used for a purpose other than producing the regulated product. Part 33 – Barn Space states:

- 33.4 *Where a building no longer meets the requirements of this Part the grower shall inform the Board at the time when the building fails to meet the requirements. Building space described in this Section will be removed from the grower's profile and will not be eligible for any calculations for future allotments.*

Enforcement:

A grower was found to be using two of three barns registered with the BCCMB for purposes other than producing the regulated product without informing the Board or requesting that these buildings be de-registered. Until this was discovered by BCCMB staff, the grower had continued to receive full Domestic and MD allotments which were subsequently leased out by the grower. The Board has ordered that all allotments that were in excess of available barn space during these periods be deemed as over production. 100% of the excess production will be deducted from the growers' future allotments and over marketing levies have been invoiced to the grower for all production over 106% in accordance with the General Orders.

Issue #2: BC Form101 – Periodic Allotment Contracts

The BC101 contract is between the grower, processor and hatchery. It should accurately reflect what is being done with the grower's allotment. If there are birds being sent to more than one processor, the contract MUST reflect this. If some product is being custom slaughtered, or being used for home consumption the contract MUST reflect this.

Growers are reminded that ALL slaughter of the regulated product is to be reported to the Board and levies remitted in a timely fashion. The General Orders contain several parts respecting custom slaughter and slaughter arising from signed BC101 contracts. The onus is on the grower to ensure his Quota Production Update (QPU) is and accurate reflective of his Form BC101 contract.

Enforcement:

It was discovered during a routine review of processor slaughter reports that a grower had shipped birds to a processor that he was not contracted to a number of days prior to his normal shipping date with his contracted processor. The birds that were shipped two days earlier were not reported to the board and levies were not remitted. When

questioned, the grower admitted that he knew that he was going to be overproduced, did not want to be levied for over production, and thought that the problem could be solved by shipping birds to another processor without reporting them. This grower had been reprimanded two years earlier for similar conduct. The board viewed this a second offence and ordered that the growers' license to produce the regulated product be suspended for one full period during which no allotment will be received by the grower.

4. Appeals Update

Oranya II Holdings Inc. & Thomas Reid Farms have appealed the changes to specialty quota and organic production contained in the April 8, 2014 Notice to Industry Stakeholders. Thomas Reid Farms has since withdrawn from the appeal. The appeal was dismissed by BCFIRB on September 10, 2015. The issues instead went to mediation; this process has yet to reach a conclusion. The appeal is rescheduled for January 4, 5, 6, and 2016 if the process is not concluded by the middle to end of December 2015. No time and location have been determined at this time.

The Primary Processors Association of BC (Hallmark, Sunrise, Sofina (Lilydale) and Farm Fed) is appealing the decision of the Board to sign the MOU at Chicken Farmers of Canada respecting the Long Term Allocation Agreement. Processors in Manitoba and Saskatchewan had also filed appeals in their respective provinces which have since been withdrawn in both provinces. No hearing date has yet been scheduled.

5. 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 BC99 form to the BCCMB offices is the day **BEFORE the BCCMB sets the allocation.**

<u>Period</u>	<u>BCCMB sets Allocation</u>
A-137 (May 15 – July 9, 2016)	February 2, 2016
A-138 (July 10 – September 3, 2016)	Mar 23, 2016
A-139 (September 4 – October 29, 2016)	June 1, 2016
A-140 (October 30 – December 24, 2016)	July 20, 2016
A-141 (December 25, 2016 – February 18, 2017)	September 27, 2016
A-142 (February 19 – April 15, 2017)	November 16, 2016

6. BCCMB Holiday Season Office Hours

BCCMB staff would like to take this opportunity to wish everyone a Merry Christmas and a Happy New Year. We appreciate the support that we have received from you during 2015 and look forward to working with you in the New Year.

Our office hours during the Holiday Season:

- Thursday, December 24 – 8:00 to Noon.
- Friday, December 25 – Closed - Merry Christmas!
- Monday, December 28 – Closed
- Thursday, December 31 – 8:00 to noon
- Friday, January 1 – Closed – Happy New Year!
- Monday January 4 – Normal office hours resume.

Staff will be available at all times during this period should there be an emergency.

7. Specialty Grower Meeting

On November 24, 2015 the Board met with specialty growers and processors at a special meeting at the Ramada Inn and Conference Centre in Abbotsford. The meeting was well attended by growers, processors, Board members and staff with over 45 people in attendance.

Topics of discussion and presentations included year to date production statistics, national allocation, national prices of specialty product, the July 1, 2016 deadline for use of specialty quota to grow organic production and a marketing incentive fee concept for all allotments beyond 100%. A presentation was given on trends and opportunities in the specialty market. The new CFIA approved flock sheets were presented and a tutorial provided to aid in filling out the correct information.

8. Inspectors Corner

Winter Storm Preparedness

In light of recent wind storms, and as we are likely to have future winter storms, now is a good time to review your farms readiness should your farm be affected. Make sure your farms generator is receiving its minimum testing of once per production cycle (as required by the Animal Care Program), and that you have adequate fuel in the tank for an extended time without power. Have a walk around all of the barns and check for tin

that may have loosened in past storms, as well ensure no tree branches are in contact with the barns.

General reminder to all growers for winter driveway conditions to the safety for those who need to access your barns i.e.: hatcheries, feed delivery, catching crews; those areas should be cleared of snow and icy surfaces should be slated and or sanded.

9. REMINDER – Deadline to submit comments for Code of practice:

The deadline for submitting comments on the draft Code of Practice for chickens, turkeys and breeders is **Friday December 4, 2015**. A number of growers may have already participated, but it is important that as many as possible do so.

It can be accessed by going to <https://www.nfacc.ca/codes-of-practice/chickens-turkeys-and-breeders>

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: Phone 604-859-2868 or E-mail to billvanderspek@bcchicken.ca

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