



BC CHICKEN MARKETING BOARD UPDATE for January 2015

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1. Period A-128 Pricing.

Mainstream:

The live price in BC for period A-128 (marketing's from December 28, 2014 to February 21, 2015 inclusive) has been set by the Board at **\$1.6360** per kilogram live weight. This represents a decrease of **\$0.0480** from the previous period.

Linkage:

The price linkage calculations done by Serecon for period **A-128** reflect the live chicken price of **\$1.6360** per kilogram live weight.

The calculations indicate that cost recovery parity of **96.82%** and a return on assets (minus quota) of **4.79%** will be achieved at the following prices:

Live Chicken @ 1.6360 per kilogram	down \$0.0480 per kilogram
Hatching Eggs @ \$5.0749 per dozen	down \$0.1094 per dozen
Day-Old Broiler Chicks @ \$0.7178 per chick	down \$0.0114 per chick

The Board and BCBHEC had agreed to proceed with the on-farm surveys by Serecon Consulting, while still discussing the components to be included in the linkage. As a result of the current Avian Influenza event in the Fraser Valley, the Board has postponed the surveys with Bob Burden of Serecon until further notice.



BRITISH COLUMBIA CHICKEN MARKETING BOARD

Specialty Chicken:

At its meeting on October 29, 2014 the SMAC reviewed the Serecon updated information received on October 27, 2014. Analysis indicated feed costs have declined 5.5% for specialty since A-125 versus 1.03% for commercial feed.

Taiwanese:

Specialty chick costs have changed (unchanged since May 11, 2011). Based on a weighted average price change based on the number of chicks provided in the COP survey (as a percentage of total chicks) chick costs would decline by 8.89% to \$0.55/kg from the current \$0.60/kg for a change of \$0.05/kg.

Due to the steep decrease in the price, the SMAC negotiated a gradual implementation of the pricing drop over 2 periods A-127 and A-128. The SMAC recommend to the Board that the TC prices for A-127 be at 66% of the proposed feed decrease and with a further decrease of 34% incorporated for the quota period A-128 as per the COP contained in the October 27, 2014 Serecon update. The chick price is to be included at 100% in A-127 resulting in the following:

		<u>feed drop</u>		<u>feed drop</u>	<u>feed drop</u>	<u>PRICES WITH NEW AGREEMENT</u>		
<u>Category</u>	<u>A-126</u>	<u>@100%</u>	<u>chx drop</u>	<u>66% A-127</u>	<u>34% A-128</u>	<u>A-127</u>	<u>A-128</u>	
2	\$3.1372	\$0.0970	\$0.0500	\$0.0640	\$ 0.0330	\$3.0232	\$2.9902	
3	\$3.3496	\$0.1100	\$0.0500	\$0.0726	\$ 0.0374	\$3.2270	\$3.1896	
1	\$2.9182	\$0.0940	\$0.0500	\$0.0620	\$ 0.0320	\$2.8062	\$2.7742	
A	B	C	D	E	F	G	H	
				66% of C = E	C-E = F	B-D-E =G	B-C-D = H	

The following prices have been set by the Board for Taiwanese chicken for quota period A-128 at:

- TC's up to **82** days of age: **\$2.7742** per kg (a decrease of \$0.0320/kg from the previous period).
- TC's **83 to 110** days of age: **\$2.9902** per kg (a decrease of \$0.0330/kg from the previous period).
- TC's **over 110** days of age: **\$3.1896** per kg. (a decrease of \$0.0374/kg from the previous period).

Organic:

As per the Board notice to industry dated April 11, 2014 respecting organic reclassification to the mainstream – the board will not be setting a separate minimum live price for organic chicken for period A-127. The Board has however, undertaken to update the Organic COP with a view to assisting in determining a live price for Organic chicken. It is the intention to have the surveying done by the end of November, when another meeting of the organic industry will review the results. FIRB was notified on December 17, 2014 that it had become apparent that the Board would not be in the position to set a differentiated organic live price for A-128. Serecon has been unable to determine a new COP due to concerns about potential gaps in the data collected, and while continuing to study data previously collected could not meet with growers due to the current AI outbreak. The process is on hold pending resolution of the current AI outbreak. The Board is hopeful that Serecon will be in a position to provide a revised COP in the coming weeks and that the Board may be in a position to set a differentiated live price for organic chicken for the A-129 period.

Silkie:

The following prices have been set by the Board for Silkie chicken for quota period A-128 in consultation with the SMAC at no change from the previous period:

- Silkie Chicken: **\$4.13** per kilogram.

2. A-130 Allocation.

The total national allocation (including MD) for period **A-130** (April 19 – June 13, 2015) was set by the CFC Board of Directors on January 21, 2015 at **236,100,779** kilograms live weight. This represents **4.0% above** the adjusted base for the period.

4.0% over base is equivalent to **3.18% more** than actual production during the same time frame during 2013 nationally. Market Development at **8,100,336** kilograms live weight represents **3.43%** of the national domestic allocation.

BC's share of the A-130 allocation is:

Domestic	32,167,964 kilograms live weight.
Market Development	1,820,000 kilograms live weight.
Specialty	1,061,506 kilograms live weight.
Total	35,049,470 kilograms live weight.

- MD represents **5.65%** of BC's domestic allocation for the period.
- Domestic allotments to BC growers will be **106.02%** pro rata.
- Assurance of supply leases for the period total **29,515** kilograms which is equivalent to **0.09%** of BC's domestic allocation.
- **4.0%** over base yields **3.1%** over base to BC under the new national allocation agreement.

3. Avian Influenza Update

As of January 30, 2014 all 11 Infected Premises have received sign off on the biological heat treatment (BHT) of their infected material, this means that the first phase of composting has been completed and chick placement can now happen in all 1km zones. Seven of the infected premises have completed their Cleaning and Disinfection (C&D) and have entered their 21 day wait period, after which they will be allowed to restock. The remaining four infected premises are in various stages of BHT removal and C&D.

The Primary Control Zone, and its restrictions, will continue to remain in place until all Infected Premises have completed their 21 day wait period and the Minister orders the Control Zone removed. Post outbreak surveillance will continue for at least 3 months after the last infected premise has completed their C&D.

Thank you to all growers for stepping up your biosecurity and complying with CFIA requirements. Please remember that we are just entering what has traditionally been bird flu season and continue to keep your enhanced biosecurity measures in place.

4. 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 CFC sets the allocation.

<u>Period</u>	<u>CFC Sets Allocation</u>
A-130 (April 19 -- June 13, 2015)	January 21, 2015
A-131 (June 14 – August 8, 2015)	March 25, 2015
A-132 (August 9 – October 3, 2015)	May 5, 2015
A-133 (October 4 – November 28, 2015)	July 7, 2015
A-134 (November 29, 2015 – January 23, 2016)	September 2, 2015
A-135 (January 24 -- March 19, 2016)	October 14, 2015
A-136 (March 20 -- May 14, 2016)	December 2, 2015

5. 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. The applicants appeal included an application for a stay of the Chicken Board's April 14, 2014 decision. On August 21, 2014 the BCFIRB panel ruled on the stay application in favor of the BCCMB and the application was dismissed. After consultation with the organic industry on August 21, 2014; the Board on September 11, 2014 decided to reinstate a minimum live price for organic chicken. Arising from this decision, the parties agreed to adjourn the hearing of the appeal until the Board makes a decision on the new COP for organic chicken. BCFIRB on September 22, 2014 ruled that the appeal adjourned generally. Consequently, the appeal dates of October 6, 7, and 8 have been cancelled. The parties may request a pre-hearing conference no earlier than 30 days following the date of the Board's decision on the new COP or December 29, 2014 (whichever is sooner).

The BCCMB is continuing its legal action to recover any available funds from Fairline Canada (1992) Ltd. A trial date has been set for February 17 and 18, 2015 at BC Supreme Court in Vancouver. This action is as a result of Fairline's default on payments to growers in the spring of 2013. Further details will be provided as the trial date approaches.

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 have also filed appeals in their respective provinces. To date no prehearing conference has been schedule.

6. 2015 BCCMB Board Member Election

The 3-year term of elected grower Board member Mr. Derek Janzen expires in March 2015. Notice for Nomination went out to all growers on January 2, 2015 by either Canada Post or by email as indicated on your 2015 licence application form. By the close of nominations on January 12, 2015 at 4:00 p.m. the Election Office had only received one nomination, that of Derek Janzen. **As such, no election will be held.** Later that evening, the Election Officer informed the Board that Mr. Derek Janzen has been elected by acclamation and a notice was sent to all growers. Congratulations Derek. His new term will run from March 2015 to March 2018.

7. A-126 End of Period Summary:

	A-126			
Mainstream Grower's Only	# Growers	% of Total Growers	Kgs Over/(Under)	% Of Allocation
Mainstream Growers Receiving Allotment	264			
Growers over 110% of allotment	5	1.89%	40,416	1.11%
Growers over 106% of allotment	19	7.20%	163,481	6.46%
Growers between 100% and 105.9% of allotment	104	39.39%	297,927	35.20%
Growers between 94% and 99.9% of allotment	105	39.77%	(386,960)	47.19%
Growers between 90% and 93.9% of allotment	22	8.33%	(194,825)	7.74%
Growers below 90% of allotment	14	5.30%	(163,569)	3.40%
Growers below 94% of allotment	35	13.26%	(354,174)	10.93%
Column Totals	264	100%	(283,946)	100%
BC Utilization			98.96%	

	A-126			
Growers Cycle Length	# Growers	% of Total Growers	Kgs Live Wt	% Of Allocation
Mainstream Growers Receiving Allotment				
8 Week Cycle	231	85.87%	28,831,903	91.28%
9 Week Cycle	14	5.20%	1,227,542	3.89%
10 Week Cycle	9	3.35%	604,352	1.91%
11 Week Cycle	3	1.12%	213,398	0.68%
12 Week Cycle	6	2.23%	495,254	1.57%
16 Week Cycle	6	2.23%	213,377	0.68%
Column Totals	269	100%	31,585,826	100%

	A-126			
Average Live Weight	# Growers	% of Total Growers	# Kgs Produced	% Of Production
Mainstream Growers Rec'vd Allotment	264			
1.600 kg and below	0	0.00%	-	0.00%
1.601 – 1.700 kg	5	1.89%	433,070	1.38%
1.701 – 1.780 kg	6	2.27%	475,407	1.52%
1.781 – 1.850 kg	4	1.52%	223,794	0.71%
1.851 – 1.950 kg	15	5.68%	2,000,620	6.39%
1.951 – 2.020 kg	22	8.33%	2,854,586	9.12%
2.021 – 2.100 kg	34	12.88%	4,570,057	14.60%
2.101 – 2.170 kg	34	12.88%	4,024,932	12.86%
2.171 – 2.250 kg	43	16.29%	5,190,557	16.58%
2.251 – 2.500 kg	85	32.20%	10,118,458	32.33%
2.501 – 2.730 kg	15	5.68%	1,164,888	3.72%
2.731 – 3.180 kg	0	0.00%	-	0.00%
3.181 kg and above	1	0.38%	245,511	0.78%
Column Totals	264	100.00%	31,301,880	100.00%

8. CFC AMU Videos

The CFC AMU videos have been finalized and will be posted on the website on the growers only side shortly.

9. ISPOS Report and Final Campaign results from Chicken Squad Campaign

Please find attached a copy of the IPSOS report on the results from the Chicken Squad Campaign.

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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