



## BC CHICKEN MARKETING BOARD UPDATE for May 2015

In this edition:

1. A-132 allocation
2. A-130 Pricing
3. Avian Influenza Recovery
4. Allocation setting dates
5. Appeals update
6. BCCMB/BCBHEC Linkage update
7. A-129 End of Period Summary
8. Freedom of Information request
9. 2015 BC Chicken Consumer Engagement
10. New flock shipment form.

### 1. A-132 Allocation

The total national allocation (including MD) for period **A-132** (June 14 to August 9 to October 3, 2015) was set by the CFC Board of Directors on March 25, 2015 at **230,562,848** kilograms live weight. This represents **3.5% above** the adjusted base for the period.

**3.5%** over base is equivalent to **3.5% more** than actual production during the same time frame during 2014 nationally. Market Development at **10,008,181** kilograms live weight represents **4.57%** of the national domestic allocation. Specialty allocation was requested by three provinces (BC, AB and ON) for a total of **1,662,644** kilograms live weight.

**BC's share of the A-132 allocation is:**

Domestic	30,801,236 kilograms live weight.
Market Development	2,514,345 kilograms live weight.
Specialty	922,539 kilograms live weight.
<b>Total</b>	<b>34,308,120 kilograms live weight.</b>

- MD represents **8.16%** of BC's domestic allocation for the period.
- Domestic allotments to BC growers will be **97.87%** pro rata.



BRITISH COLUMBIA CHICKEN MARKETING BOARD

- Assurance of supply leases for the period total **57,358** kilograms which is equivalent to **0.18%** of BC's domestic allocation.
- **3.5%** over base yields **2.68%** over base to BC under the new national allocation agreement.

## **2. Period A-130 Pricing.**

### **Mainstream:**

The live price in BC for period A-130 (marketing's from April 19 to June 13, 2015 inclusive) has been set by the Board at **\$1.6454** per kilogram live weight. This represents an increase of **\$0.0209** from the previous period.

As per the March 4, 2015 unanimous recommendation of the PPAC a onetime adjustment of **\$0.0132** was applied by the board for the A-130 live price as a result of the change in the weight category used by CFO to establish their base price in A-129.

Beginning in A-130 the BCCMB will use the Ontario posted price in the traditional or "old" weight category of 1.84 to 1.95 or 2.45 to 2.64 kg live weight as its input to the BC formula.

### **Linkage:**

The price linkage calculations done by Serecon for period **A-130** reflect the live chicken price of **\$1.6245** per kilogram live weight. The calculations indicate that cost recovery parity of **96.06%** and a return on assets (minus quota) of **4.48%** will be achieved at the following prices:

Live Chicken @1.6454 per kilogram	up \$0.0209 per kilogram
Hatching Eggs @ \$5.0745 per dozen	up \$0.01690 per dozen
Day-Old Broiler Chicks @ \$0.7178 per chick	up \$0.0018 per chick

### **Specialty Chicken:**

At its meeting on February 19, 2015 the SMAC reviewed the Serecon updated information received on February 17, 2015. Serecon continues to monitor the relative feed price change between commercial and specialty broilers, confirming the relative consistency of results (a 0.05% decline for specialty vs a 2% decline for commercial) with the difference being justified given the fact that the specialty feed costs fell by 4.3% more than commercial feed in the last update.

### **Taiwanese:**

The following prices have been set by the Board for Taiwanese chicken for quota period A-130 at:

- TC's up to **82** days of age: **\$2.7665** per kg (no change from the previous period).
- TC's **83 to 110** days of age: **\$2.9822** per kg (no change from \$0.0080/kg from the previous period).
- TC's **over 110** days of age: **\$3.1806** per kg. (no change from the previous period).

### **Organic:**

The PPAC met on April 13, 2015 to discuss the updated COP information as provided by Serecon. The processor and grower members of the PPAC were unable to reach consensus on a recommendation to the board for the pricing of certified organic chicken for the period. The growers put forward a position of 100% of the COP and the processors countered with 95% of the COP. The PPAC chair provided to the board a recap of the discussion that included a request to the board for market information on the cost of organic feed across North America prior to the beginning of the next period.

The Board met by conference call on April 17, 2015 and voted to set the certified organic price for period A-130 at \$4.13 per kilogram live weight which represents 100% of the cost of production for the period.

### **Silkie:**

The following prices have been set by the Board for Silkie chicken for quota period A-130 in consultation with the SMAC which is the same price as the previous period.

- Silkie Chicken: **\$4.12** per kilogram.

### **3. Avian Influenza Recovery Update**

On May 8, 2015 the Governments of Canada and BC issued a joint release titled "Governments helps poultry industry recover from impact of avian influenza"

The 2014 Canada-British Columbia Avian Influenza Initiative developed under the Federal /Provincial /Territorial AgriRecovery framework will provide operators of infected premises up to:

- 90% reimbursement for extraordinary cleaning, disinfection and stage two composting costs to a maximum per bird depending on the type of poultry flock.
- 90% of repair or replacement cost of equipment damaged as a result of C&D activities.
- 90% of the destruction and disposal costs of eggs, chicks, or birds that could not be marketed as a direct result of AI.
- Payments for birds from infected premises that died prior to a CFIA destruction order to a maximum per bird depending of the type of poultry flock.

The Ministry will be working directly with the 13 commercial and small lot flock owners that were affected as well as industry representatives.

In addition, the BCPA will receive up to \$325,025 in federal funding under the AgriRisk initiative to help the industry implement an insurance product that will cover producers for costs associated with and future notifiable AI outbreaks.

#### **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 BCCMB sets the allocation.**

<b><u>Period</u></b>	<b><u>BCCMB sets Allocation</u></b>
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
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

#### **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 date for this hearing has now been set for September 28-30, 2015. A location and time have yet to be determined.

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. To date no prehearing conference has been schedule.

## **6. BCBHEC/BCCMB Linkage Update**

Bob Burden of Serecon Consulting may be contacting you in the near future to set up an appointment to review your production records. It is essential that Mr. Burden obtain complete information from a pre-determined number of growers and a variety of farm sizes in the lower mainland, Vancouver Island and Interior regions.

Your full cooperation during this process will be appreciated by the Board. Should you have any questions or wish to verify the validity of Mr. Burden's request, please do not hesitate to contact the BCCMB offices.

## **7. A-129 End of Period Summary.**

<b>Mainstream Grower's Only</b>	<b>A-129</b>			
	# Growers	% of Total Growers	Kgs Over/(Under)	% Of Allocation
Mainstream Growers Receiving Allotment	<b>260</b>			
<b>Growers over 110% of allotment</b>	27	10.38%	410,920	9.70%
<b>Growers over 106% of allotment</b>	57	21.92%	677,561	20.75%
Growers between 100% and 105.9% of allotment	113	43.46%	443,017	45.21%
Growers between 94% and 99.9% of allotment	60	23.08%	(209,053)	25.38%
Growers between 90% and 93.9% of allotment	20	7.69%	(141,608)	5.93%
Growers below 90% of allotment	10	3.85%	(147,093)	2.71%
<b>Growers below 94% of allotment</b>	29	11.15%	(273,634)	7.84%
Column Totals	260	100%	622,823	100%
<b>BC Utilization</b>	103.07%			

<b>Growers Cycle Length</b>	<b>A-129</b>			
	# Growers	% of Total Growers	Kgs Live Wt	% Of Allocation
Mainstream Growers Receiving Allotment				
8 Week Cycle	232	85.93%	28,095,850	90.94%
9 Week Cycle	14	5.19%	1,307,253	4.23%
10 Week Cycle	9	3.33%	626,549	2.03%
11 Week Cycle	2	0.74%	82,986	0.27%
12 Week Cycle	7	2.59%	595,243	1.93%
16 Week Cycle	6	2.22%	185,820	0.60%
Column Totals	270	100%	30,893,702	100%

Average Live Weight	A-129			
	# Growers	% of Total Growers	# Kgs Produced	% Of Production
Mainstream Growers Rec'd Allotment	<b>260</b>			
1.600 kg and below	1	0.38%	148,856	0.47%
1.601 – 1.700 kg	7	2.69%	617,011	1.96%
1.701 – 1.780 kg	4	1.54%	368,439	1.17%
1.781 – 1.850 kg	6	2.31%	690,929	2.19%
1.851 – 1.950 kg	17	6.54%	1,687,116	5.35%
1.951 – 2.020 kg	18	6.92%	1,781,432	5.65%
2.021 – 2.100 kg	29	11.15%	4,543,242	14.42%
2.101 – 2.170 kg	26	10.00%	4,118,393	13.07%
2.171 – 2.250 kg	41	15.77%	4,709,819	14.95%
2.251 – 2.500 kg	89	34.23%	10,964,654	34.80%
2.501 – 2.730 kg	20	7.69%	1,800,959	5.72%
2.731 – 3.180 kg	2	0.77%	78,127	0.25%
3.181 kg and above	0	0.00%	-	0.00%
Column Totals	260	100.00%	31,508,977	100.00%

## **8. Vancouver Sun Freedom of Information Request update.**

Following advice from our legal counsel and two rounds of consultation with all of the affected growers, the requested information was released to the Vancouver Sun on May 6, 2015. As promised, all names, addresses, phone numbers and signatures were redacted from the 2014 bio-security audits from farms from Vancouver to Hope. The decision by the board to redact contact information could be challenged by the Vancouver Sun to the Freedom of Information Ombudsman, but to date this has not been done.

## **9. 2015 BC Chicken Consumer Engagement Project**

Did you know that...

- In a 2013 survey, British Columbians were more likely to report that they are eating less chicken than consumers in other provinces?
- According to available retail sales data, British Columbia retailers sell about 16% less chicken per capita than the Canadian average?

- If we could close the gap on sales of chicken at BC retailers, we could increase chicken sales in BC by up to \$247 Million dollars?

The BC Chicken Marketing Board and the BC Chicken Growers Association are launching a BC Chicken Retail and Consumer Engagement Campaign in the summer of 2015 with funding support provided, in part, by the BC Government's Buy Local Program; delivered by the Investment Agriculture Foundation of BC with funding from the BC Ministry of Agriculture.

The objectives of this program include:

- Increase sales of fresh chicken at BC retailers (measured at store level on campaign dates)
- Increase BC resident's demand for chicken (measured by yearly Nielsen MarketTrack data)
- Reduce the number of BC residents that believe hormones and steroids are added to local chicken
- Dispel other myths about chicken production in BC

This project will be an expansion of the pilot project last November when 21 BC chicken growers volunteered at 16 retail stores in BC. Once the dates and locations are firmed up, further details about this opportunity will be sent out separately via the BC Chicken Growers Association.

In the meantime, if you have any questions or are interested in volunteering, contact Cheryl Davie, Manager of Strategic Initiatives & Analysis at BC Chicken Marketing Board Tel: 604-859-2868 or [cheryldavie@bcchicken.ca](mailto:cheryldavie@bcchicken.ca)



## **10. New flock shipping forms.**

We have a new flock shipping form (version 7.0a) that will be mailed out to growers next week. Effective June 15, 2015 the new form must be used and all medications must be listed. These include medications with a specified withdrawal time that are in the feed, over the counter medications, and veterinary prescriptions given to the flock by the grower or the hatchery. Please watch your mail and email as we have designed a BC specific PDF fillable version that will be ready for use within the next week or two. The PDF version will also be available on the BCCMB website. Full instructions for use will be available as well. For further information, contact Kathy Erickson, Field Services Manager at our office at (604) 859-2868 or by email at [kathyerickson@bcchicken.ca](mailto:kathyerickson@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: Phone 604-859-2868 or E-mail to [billvanderspek@bcchicken.ca](mailto:billvanderspek@bcchicken.ca)*

*Bill Vanderspek  
Executive Director  
British Columbia Chicken Marketing Board*

*B:\Administration\Correspondence\Board reports to growers\2015\BCCMB UPDATE 2015 02.docm*