



BC CHICKEN MARKETING BOARD UPDATE for January 2016

In this edition:

1. A-135 live pricing information
2. Appeals update
3. Allocation setting dates
4. Provincial and CFC 2016 levy rates
5. BCCMB Member – job description
6. BCCMB/BCBHEC Pricing linkage update
7. CFC Operating Agreement Update
8. TC cost of production update

1. Live Pricing for Quota Period A-135 (January 24 to March 19, 2016)

Mainstream:

The live price in BC for period A-135 (marketing's from to January 24 to March 19, 2016 inclusive) has been set by the Board at **\$1.5981** per kilogram live weight. This represents a decrease of **\$0.0285** 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-135** reflect the live chicken price of **\$1.5981** per kilogram live weight. The calculations indicate that cost recovery parity of **94.40%** and a return on assets (minus quota) of **2.50%** will be achieved at the following prices:

Live Chicken @ \$1.5981 per kilogram	down \$0.0285 per kg
Hatching Eggs @ \$5.1401 per dozen	down \$0.0689 per dozen
Day-Old Broiler Chicks @ \$0.7246 per chick	down \$0.0072 per chick

BRITISH COLUMBIA CHICKEN MARKETING BOARD

Organic:

The Board met by conference call on November 27, 2015 and voted to set the certified organic price for period A-134 at **\$4.16 per kilogram live weight** which represents 100% of the cost of production for the period and a decrease from the previous period of 11 cents/kg live weight. The decrease is attributed to lower feed costs.

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: **\$2.6311** per kg (an increase of .39 cents from the previous period).
- TC's **83 to 110** days of age: **\$2.8465** per kg. (an increase of .39 cents from the previous period).
- TC's **over 110** days of age: **\$3.0437** per kg. (an increase of .39 cents from the previous period).

Silkie:

The following prices have been set by the Board for Silkie chicken for quota period A-135 consultation with the SMAC which represents no change from the previous period.

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

2. Appeals Update

Oranya II Holdings Inc has withdrawn their appeal to the changes to specialty quota and organic production contained in the April 8, 2014 Notice to Industry Stakeholders effective December 22, 2015. The Board has agreed to make amendments to the organic chicken policy as follows:

Designation of mainstream quota for use as Organic

Mainstream quota holders will not be automatically entitled to use mainstream quota to produce organic chicken. To ensure and maintain orderly marketing, the Board will on a case-by-case basis approve a designation of mainstream quota for use as organic production. Prior approval from the Board is required. The approval process will require:

- Completion of the prescribed form
- Proof of organic certification
- A detailed business plan
- A letter of commitment by a processor to contract for the product for a certain period of time (2 years) from the specific grower. The letter from the processor is to outline the specific marketplace for this product.

Growers will be required to receive approval for the next unallocated period. Growers/processors wishing to terminate such agreements must receive Board approval. All signed BC101 Forms must be honored.

This policy is for:

- New Entrant Growers (NEG)
- Existing mainstream chicken growers wanting to switch to organic production.
- Existing growers currently using mainstream quota to produce organic production.

July 1, 2016 deadline for declaration noted in the April 2014 communique:

The current July 1, 2016 date for election for current specialty quota holders will be modified. All growers currently using specialty quota to grow organic production will be required no later than July 1, 2016 to make a written election to the Board that must provide the number of kilograms of specialty quota held based on the standard eight week production period:

a) To be converted from specialty to mainstream for use to grow organic chicken in the 2017 production periods. Or,

b) To be utilized in 2017 under the new deadline extension provisions to grow organic chicken under the following provisions:

The new extension deadline provisions will specify that each grower who is currently producing organic chicken with specialty quota and wishes to continue to produce organic chicken with mainstream quota will have until December 31, 2020, to either convert their specialty quota to mainstream or acquire additional mainstream quota under which to produce organic chicken. A grower who wishes to avail himself of the new extension deadline will be required to make elections in respect of a minimum of 20% of his or her specialty quota each year starting in 2017 until the final year at 40% in 2020. By December 31, 2020 only mainstream quota may be used to produce organic chicken. This extension will allow growers additional time to acquire mainstream chicken quota with which to raise organic chicken if they wish to continue to produce

organic chicken but not to convert specialty quota to mainstream quota. No further extensions to the conversion deadline will be permitted.

The new extension deadline/timeline is as follows: Year	Minimum Percentage Mainstream conversion requirement	Specialty Quota that may be used for Organic Production
2016	0%	100%
December 31, 2017	20%	80%
December 31, 2018	20%	60%
December 31, 2019	20%	40%
December 31, 2020	40%	0%

The required amendments to the General Orders will be circulated in the New Year.

The Primary Processors Association of BC (Hallmark Poultry, Sunrise Farms, Sofina Foods, 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.

Wingtat Game Bird Packers has appealed a decision of the Board regarding the level of payment ordered to a grower for a shipment to the processor that was designated as a Disaster Flock under Part 31 of the August 26, 2011 General Orders. A pre hearing conference call (PHC) was held on January 7, 2016; the date of the appeal hearing has been set for February 23, 2016.

Neil teBrinke dba Mountainview Acres has appealed a decision of the Board to suspend his license to produce the regulated product for one period for a second infraction of same provisions of the August 26, 2011 General Orders. A pre hearing conference call (PHC) was held on January 12; the date of the appeal has been set for February 9, 2016.

3. 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.**

Period	BCCMB sets Allocation
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

4. 2016 Provincial Levy Rates. (expressed in cents per kilogram)

Province	Provincial	CFC	Total
British Columbia	1.3700	0.5300	1.9000
Alberta	1.2200	0.5300	1.7500
Saskatchewan	1.4100	0.5300	1.9400
Manitoba	1.5000	0.5300	2.0300
Ontario	1.6000	0.5300	2.1300
Quebec	1.5300	0.5300	2.0600
New Brunswick	0.5600	0.5300	1.0900
Nova Scotia	0.9500	0.5300	1.4800
PEI	1.0000	0.5300	1.5300
Newfoundland	1.0600	0.5300	1.5900

5. BCCMB Board Member Job Description taken from the BRDO website.

BRITISH COLUMBIA CHICKEN MARKETING BOARD

POSITION DESCRIPTION

Position Title: Member

BCCMB Purpose and Mandates

The BCCMB is a specialized body created by a regulation under the Natural Products Marketing (BC) Act to regulate the production and marketing of chicken in British Columbia in accordance with the principles of supply management. The BCCMB is accountable to the supervisory board, the British Columbia Farm Industry Review Board (BCFIRB), for effective administration. This includes the development of orders, policies and programs which achieve the government's economic policy framework objectives, achieve provincial objectives for maximal growth for British Columbia's chicken industry through national negotiations and agreement, and achieving a fair balance among industry members with differing, and at times, competing economic interests. The BCCMB has a complement of five part-time members appointed by Order in Council and elected by registered chicken growers. The BCCMB has ten full-time staff and a current operating budget of approximately \$4,000,000, which is funded by levies paid by registered chicken growers. The impact of the BCCMB's decisions may be considerable and could involve substantial economic implications for individuals within the British Columbia chicken industry and the industry as a whole.

BRITISH COLUMBIA CHICKEN MARKETING BOARD 5

Persons aggrieved or dissatisfied by an order, decision or determination of the BCCMB may appeal that order, decision or determination to BCFIRB.

Nature and Scope of the Position

BCCMB members are expected to assume full responsibility for the effective and efficient discharge of their duties under the Chicken Marketing Scheme they administer in the broader public interest and are to maintain the highest possible standards of conduct and governance. They must comply with the rules of natural justice and the principles of administrative law and must have balanced judgement, and the ability to make fair, consistent and timely decisions. Members are accountable to the chair for the timely and appropriate resolution of issues assigned to them. Members are encouraged to undertake professional development opportunities and are expected to assist in the orientation and training of new members.

Duties and Responsibilities of Members

(1) Members have both legal and ethical responsibilities. They serve a stewardship role with respect to the industry.

(2) Members have an overriding obligation to serve the interests of the industry as a whole, in a forward-looking, knowledgeable and open-minded way. This obligation is not affected by how the Member was appointed, the term of appointment, or whether the Member also represents the interests of a particular sector of the industry.

(3) Every Member is expected to:

(a) show vision and leadership in the development of the industry, by

(i) staying informed on issues that may affect the industry,

(ii) demonstrating respect for the differing opinions of other Members,

(iii) acting fairly towards those affected by the Board's actions, and

(iv) working to build strong positive relationships between the BCCMB and industry stakeholders.

(b) exercise the care, diligence and skill a reasonably prudent person would exercise in comparable circumstances when making decisions or taking positions on issues, by:

(i) being reasonably available for meetings, consultations and other BCCMB activities,

(ii) being prepared for BCCMB activities, for example, by reading material in advance and soliciting the opinions of others, as appropriate,

(iii) listening with an open mind to opposing points of view on matters relevant to the BCCMB,

(iv) participating actively in BCCMB meetings, and

(v) taking into account only relevant, not improper or irrelevant, considerations when making decisions.

(c) maintain the integrity, competence and effectiveness of the BCCMB, by

(i) being aware of the conflict of interest policy and complying fully with all disclosure and other requirements,

(ii) in the case of a Member who is active in a sector of the industry, informing himself or herself fully of the perspectives of that sector in relation to any matter before the

BCCMB, and representing those perspectives to the BCCMB so as to contribute to informed and fair outcomes,

- (iii) ensuring that familiarity with a sector of the industry does not detrimentally affect the Member's ability to consider and make decisions that promote the interests of the industry as a whole,
- (iv) presenting a positive image of the BCCMB to the industry and to industry outsiders,
- (v) refraining from publicly commenting on or criticizing the views of other Members,
- (vi) acting to promote collegiality and respect among Members and with BCCMB staff.

Program Linkages

The BCCMB has ongoing contacts and relationships with: the Ministry of Agriculture and Lands (Ministry); members and staff of BC FIRB; other government officials; stakeholders in the BC chicken industry; downstream users of chicken including further processors, wholesalers and retailers; other BC commodity boards; the Chicken Farmers of Canada; individuals and organizations who appear before the BCCMB; and with members of the public.

Member Qualifications

BCCMB members must have proven leadership skills in gaining the confidence of a wide range of constituents through effective consultative and consensus building processes.

They should have experience: in agri-food production, marketing or processing; as a consumer representative; or in a regulatory environment. Members must have good writing, analytical, communication and conflict resolution skills and should not have interests that conflict with the performance of their statutory duties. Members must show balanced judgement and possess the ability to make fair, consistent and timely decisions. Ability to travel, a home office and internet and electronic mail access are required.

6. BCCMB/BCBHEC pricing linkage update.

Serecon has reported that they have completed their grower interviews and are now in the process of compiling the data.

The Board has a meeting scheduled with Serecon for the end of February to discuss the results after which time they will be shared with the PPAC prior to implementation.

Many thanks to all of the growers that participated in the process and freely gave of your time and provided access to your records. Much appreciated, many thanks to all of you.

7. CFC Operating Agreement Update.

On January 6, 2016, the Board made a motion to request permission from FIRB to sign the CFC Operating Agreement provided that BC's small lot exemption issue under Annex I of the Operating Agreement are successfully concluded with CFC.

The issue that the BCCMB had with the further processing component of the new allocation agreement has been resolved to the satisfaction of the Board. The one remaining issue is BC's need to have our 2000 bird permit program enshrined in Annex I of the Operating Agreement. If this can be accomplished, the view of the BCCMB is that BCFIRB approval remains as the only obstacle to the BCCMB becoming a signatory to the new CFC Operating Agreement.

The BCCMB is of the view that it had participated in negotiations in good faith that resulted in the best outcome that could be attained for the BC chicken industry in light of the competing demands of other stakeholders and the overriding interests of all stakeholders in coming to an agreement that would result in Alberta rejoining the FPA. It is time to move the process forward in the best interests of the Canadian Chicken Industry while maintaining the integrity of our supply management system. Our board remains confident that the long term prospects for growth of the BC chicken industry remain strong and that the comparative advantage components contained in the allocation formula bode well for our Province.

It is hoped that this request will either move forward the outstanding Processor appeal of the MOU or move the matter to BCFIRB for Supervisory Review. To date the Board has not received a response from BCFIRB.

8. Taiwanese Chicken Cost of Production Update.

Since the last full update of the TC COP done almost five years ago there have been a number of changes in the program such as breeds, time to market, feed conversions and others. The BCCMB has commissioned Serecon Consulting to undertake a full review and update of the TC COP which is expected to be completed in time for period A-137 pricing. Bob Burden or another Serecon representative will be in touch with TC growers in the near future with a request to meet to review TC production records.

Your complete cooperation with Serecon will be required in order to complete this project and will be appreciated by the Board and your fellow growers.

Should you have any questions or wish to verify the identity of Serecon staff, please call the Board office.

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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