



BC CHICKEN MARKETING BOARD UPDATE for September 2014

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1. Period A-126 Pricing.

Mainstream:

The live price in BC for period A-126 (marketing's from to September 7 to November 1, 2014 inclusive) has been set by the Board at **\$1.6580** per kilogram live weight. This represents a decrease of **\$0.0562** from the previous period.

Linkage:

The price linkage calculations done by Serecon for period **A-126** reflect the live chicken price of **\$1.6580** per kilogram live weight.

The calculations indicate that cost recovery parity of **96.45%** and a return on assets (minus quota) of **4.36%** will be achieved at the following prices:

Live Chicken @1.6580 per kilogram	down \$0.0562 per kilogram
Hatching Eggs @ \$5.0899 per dozen	down \$0.1469 per dozen
Day-Old Broiler Chicks @ \$0.7194 per chick	down \$0.0153 per chick



BRITISH COLUMBIA CHICKEN MARKETING BOARD

Specialty Chicken:

At its meeting on September 4, 2014 the SMAC reviewed the Serecon updated information received on July 6, 2014.

Analysis indicated that feed costs have decreased on average by 8.1% for specialty, versus an increase of 3.4% for commercial feed and a decrease in organic feed at 3.8% since A-121. The SMAC has recommended to the Board the following prices be set for two periods, A-125 and A-126 for specialty chicken.

Taiwanese:

The following prices have been set by the Board for Taiwanese chicken for quota period A-126 in consultation with the SMAC at:

- TC's up to **82** days of age: **\$2.9182** per kg. (an increase of \$0.128/kg from the previous period).
- TC's **83 to 110** days of age: **\$3.1372** per kg (an increase of \$0.132/kg from the previous period).
- TC's **over 110** days of age: **\$3.3496** per kg. (an increase of \$0.150/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-126.

Silkie:

The following prices have been set by the Board for Silkie chicken for quota period A-126 in consultation with the SMAC at:

- Silkie Chicken: **\$4.23** per kilogram (an increase of \$0.14/kg from the previous period).

2. A-128 Allocation.

The total national allocation (including MD) for period **A-128** (December 28, 2014 – February 21, 2015) was set by the CFC Board of Directors on September 23, 2014 at **222,514,811** kilograms live weight. This represents **3.5% above** the adjusted base for the period.

3.5% over base is equivalent to **2.1% more** than actual production during the same time frame during 2013 nationally. Market Development at **9,057,467** kilograms live weight represents **4.3%** of the national domestic allocation.

BC’s share of the A-128 allocation is:

Domestic	30,261,102 kilograms live weight.
Market Development	2,089,832 kilograms live weight.
Specialty Allocation	980,048 kilograms live weight.
Total	33,330,982 kilograms live weight.

- MD represents **6.91%** of BC’s domestic allocation for the period.
- Domestic allotments to BC growers will be **99.31%** pro rata.
- Assurance of supply leases for the period total **83,430** kilograms which is equivalent to **0.28%** of BC’s domestic allocation.

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 CFC sets the allocation.

<u>Period</u>	<u>CFC Sets Allocation</u>
A-129 (February 22 – April 18, 2015)	November 19, 2014
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

4. A-125 End of Period Summary

Mainstream Grower's Only	A-125			
	# Growers	% of Total Growers	Kgs Over/(Under)	% Of Allocation
Mainstream Growers Receiving Allotment	261			
Growers over 110% of allotment	3	1.15%	67,799	1.55%
Growers over 106% of allotment	13	4.98%	130,104	4.23%
Growers between 100% and 105.9% of allotment	56	21.46%	115,986	18.91%
Growers between 94% and 99.9% of allotment	121	46.36%	(491,451)	49.81%
Growers between 90% and 93.9% of allotment	45	17.24%	(433,778)	18.13%
Growers below 90% of allotment	26	9.96%	(367,244)	8.92%
Growers below 94% of allotment	68	26.05%	(790,299)	26.50%
Column Totals	261	100%	(1,046,384)	100%
BC Utilization	95.44%			

Growers Cycle Length	A-125			
	# Growers	% of Total Growers	Kgs Live Wt	% Of Allocation
Mainstream Growers Receiving Allotment				
8 Week Cycle	234	86.03%	29,677,897	92.16%
9 Week Cycle	13	4.78%	1,190,746	3.70%
10 Wee7/k Cycle	9	3.31%	525,349	1.63%
11 Week Cycle	3	1.10%	304,307	0.95%
12 Week Cycle	7	2.57%	319,039	0.99%
16 Week Cycle	6	2.21%	184,041	0.57%
Column Totals	272	100%	32,201,379	100%

Average Live Weight	A-125			
	# Growers	% of Total Growers	# Kgs Produced	% Of Production
Mainstream Growers Who Received Allotment	261			
1.600 kg and below	1	0.38%	49,365	0.16%
1.601 – 1.700 kg	5	1.92%	455,453	1.46%
1.701 – 1.780 kg	5	1.92%	369,527	1.19%
1.781 – 1.850 kg	6	2.30%	668,376	2.15%
1.851 – 1.950 kg	26	9.96%	3,435,222	11.03%
1.951 – 2.020 kg	23	8.81%	2,869,488	9.21%
2.021 – 2.100 kg	27	10.34%	3,999,224	12.84%
2.101 – 2.170 kg	37	14.18%	4,188,235	13.44%
2.171 – 2.250 kg	50	19.16%	5,233,408	16.80%
2.251 – 2.500 kg	75	28.74%	9,614,695	30.86%
2.501 – 2.730 kg	5	1.92%	213,249	0.68%
2.731 – 3.180 kg	1	0.38%	58,753	0.19%
3.181 kg and above	0	0.00%	-	0.00%
Column Totals	261	100.00%	31,154,995	100.00%

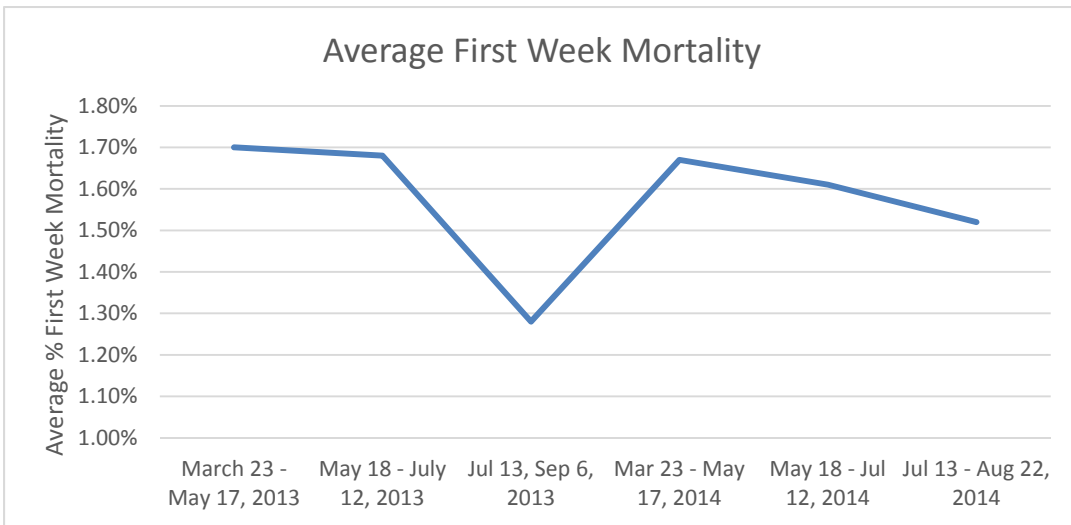
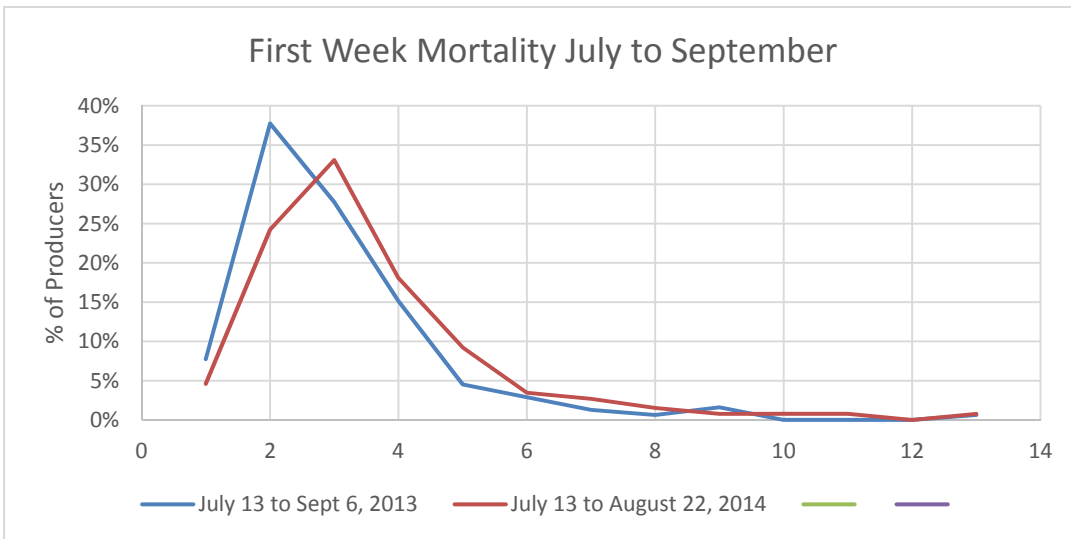
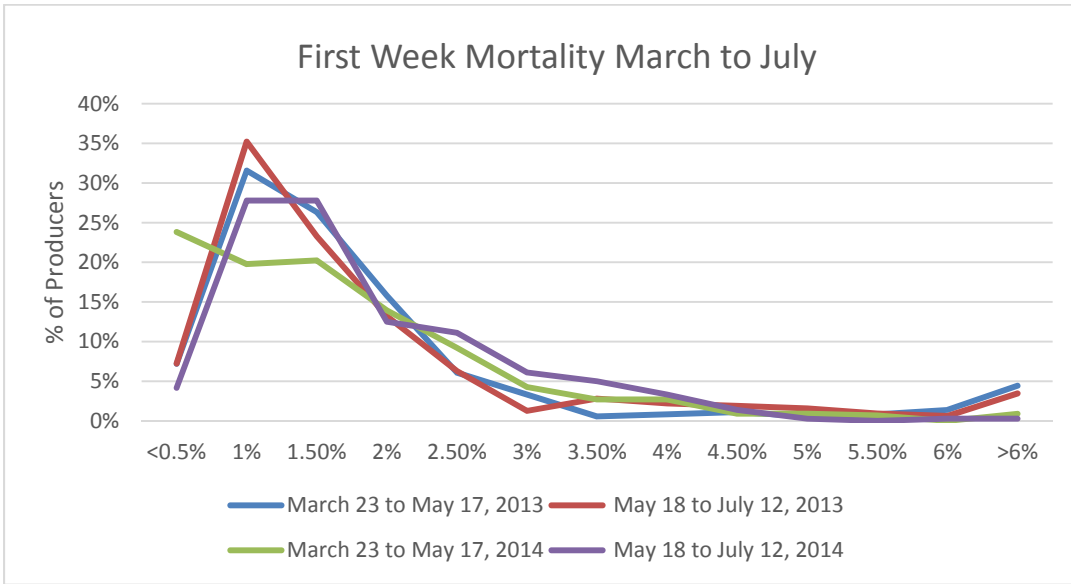
5. Appeals update.

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.

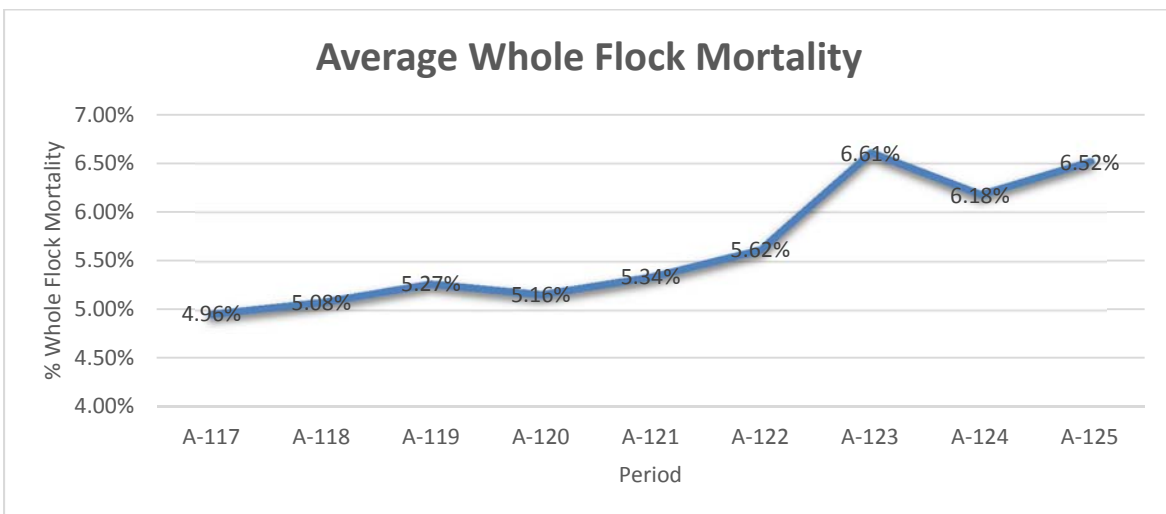
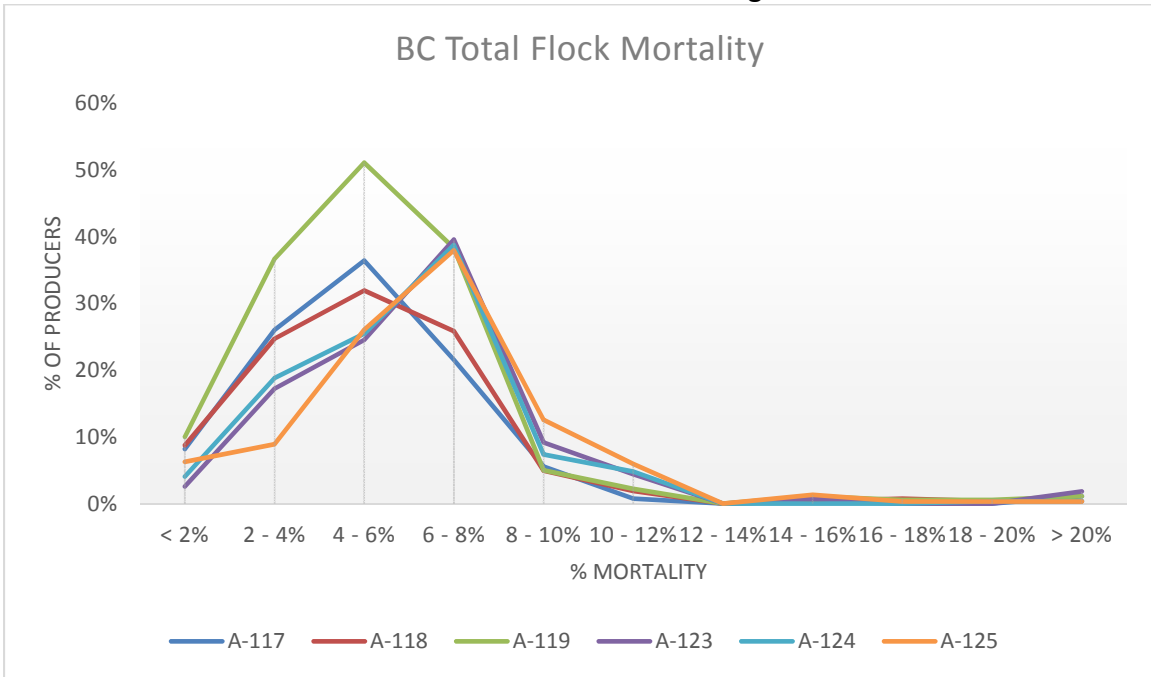
6. First Week Mortality

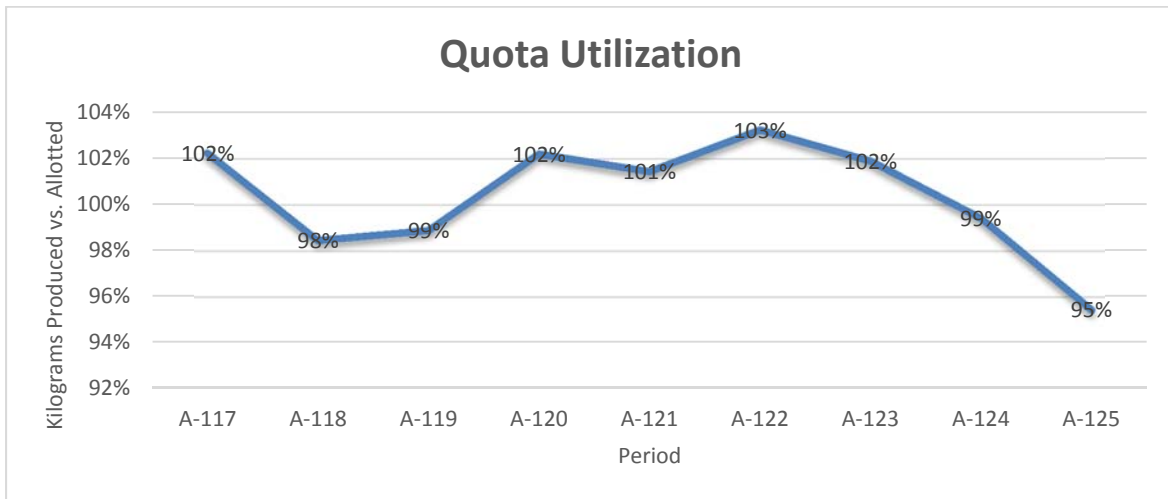
With the withdrawal of Category One antibiotics (ie – Excenel) at the hatchery in A-124, many producers and other industry stakeholders are concerned about how this will affect first week mortality. The Board has used the information obtained from the BC111's and provided a comparison of the first week mortality for A-123, A-124 and A-125 as well as the same time frame last year. The average first week mortality has remained fairly steady. Please see the following tables for further information.



7. Whole Flock Mortality

While first week mortality has remained fairly constant over the last year, whole flock mortality has increased. In the graph below we compare mortality levels over 6 cycles. Please note that we have used the difference between the number of birds placed and payable birds shipped for this graph so condemnns and DOA's will be included. There has also been a noticeable decline in Quota Utilization starting in A-123.





8. Employee Hiring Guidelines

There has been attention in the media recently regarding animal care practices in the agriculture industry. We have seen the recent impacts that undercover video footage from Canadian farms has had on the agriculture industry. We are under increasing scrutiny from the public and have a role to play in demonstrating our due diligence.

Chicken Farmers of Canada encourages all producers to be proactive by implementing standard hiring procedures and having all employees review and sign a Farm Animal Care Policy. To ensure consistency of hiring practices and bird care among all individuals accessing the farm, producers should communicate about these policies with any other individuals or services that have access to the farm, including catchers, transporters, and feed reps.

CFC is developing a Policy for Farm Hiring Practices that producers can use when hiring new employees. This should be completed soon and we will forward it as soon as possible.

9. Grower Dashboard

The Board has applied for funding in order to develop a Grower Dashboard. This is a custom database that producers will be able to use to record all of their OFFSAP, Animal Care and Biosecurity Program requirements. The goal is to have a program where growers can receive feedback such as how your farm compares to the industry average and how your current flock compares to your previous flocks. In order to make this program as user friendly as possible we would like grower input on the design and content. If you are interested in providing your thoughts and ideas, please contact Katie Lowe (katielowe@bcchicken.ca) or 604-859-2868.

10. Producer Survey

On Monday, September 15, you should have received an email from the BC Council of Marketing Boards (COMB) with a link to an on-line survey (for growers not on email this survey has been mailed to you). We will use the survey results internally to evaluate our services and benchmark our performance for future years. All responses are strictly confidential. If you have already completed the survey, thank you. If not, please take the time to do so – your input is important to us.

All growers who take the time to complete the survey by the September 30, 2014 deadline will be entered into a draw for a prize that has yet to be determined but is guaranteed to be awesome!

11. BC Chicken Squad Ambassador Program

On November 8th and 9th chicken farmers across BC will be celebrities at Save On Foods stores. This program was developed in response to a request from Overweitea Food Group who approached us earlier this year. They want chicken farmers to come to their stores to answer customer questions and dispel some myths about chicken farming. This is a very important program for our industry and we encourage you to participate. [Click here for more info and to register: http://tinyurl.com/lrqvgan](http://tinyurl.com/lrqvgan). If you have any questions or would like to learn more please contact Cheryl in our office at 604-859-2868.

12. PPAC and SMAC update

The Board is pleased to announce the appointment of Ms. Karen Landon to the position of joint chair of the Price and Production Advisory Committee (PPAC) and the Specialty Markets Advisory Committee (SMAC) effective January 1, 2015. In the past these committees have had separate chairs, but the board felt that a common chair would provide some continuity to common issues faced by both the mainstream and specialty sectors. Ms. Landon comes with many years of experience in the agricultural banking sector and has a keen interest in agriculture having served as President of the Abbotsford Chamber of Commerce and as a current member of the 4H Foundation. Many growers will know Karen from her years as a commercial banker in the Fraser Valley as well as from her attendance at many grower meetings over the past number of years. We look forward to Karen's leadership and contribution to these important committees.

The Board and board staff wish to thank Mr. Stuart Wilson and Mr. Armour Green for their vision and leadership of the PPAC and SMAC over the past seven years; much has been accomplished by these committees for the benefit of growers, processors, and consumers. Armour and Stuart have both agreed to remain until the end of the year and to assist in the transition to a joint chair. We wish both of these gentlemen the best in their future endeavors.

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

*Bill Vanderspek
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