



BC CHICKEN MARKETING BOARD UPDATE for November 2016

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1. PPAC two period pricing agreement

The grower and processor members of PPAC have negotiated a two period pricing agreement which will be in effect for periods A-140 and A-141. The agreement calls for a **differential of \$0.0571 cents** per kilogram over the weighted average prices of Ontario, Manitoba, Saskatchewan and Alberta. This represents an increase of \$0.0086 over the negotiated \$0.0485 differential that has been in past for the past several years and \$0.0136 over the \$0.0435 per kilogram differential contained in the Schedule 19 of the BCCMB General Orders.

The agreement provides for a continuation during these two periods of all caveats related to catching costs and chick servicing costs found on the pricing orders for A-139 and prior.

2. Live Pricing for Quota Period A-140 (October 30 – December 24, 2016)

Organic:

The live price for certified organic price for period A-140 has been set by the Board at **\$3.93 per kilogram live weight** which represents 100% of the cost of production for the period and is an increase from the previous period of 8 cents/kg live weight (which was set at \$3.85). The increase is attributed to higher feed and chick costs

Mainstream:

The live price in BC for period A-140 (marketing's from October 30 to December 24, 2016 inclusive) has been set by the Board at **\$1.5917** per kilogram live weight. This represents a decrease of **\$0.055** from the previous period.

Decreases to the live price for period A-140:

Ontario	\$0.0620 per kilogram
Manitoba	\$0.0848 per kilogram
Saskatchewan	\$0.0579 per kilogram
Alberta	\$0.0620 per kilogram
BC	\$0.0550 per kilogram

Specialty Chicken:

Taiwanese:

This is the second period of the two-period pricing block for TC chicken and represents no change in price from the previous period.

The following prices have been set by the Board for Taiwanese chicken for quota period A-140 at:

Category	Age up to (days)	Price per kilogram Live weight	Age Between (days)	Price per kilogram Live weight	Age Over (days)	Price per kilogram Live weight
Loong Kong (LK)	68	\$2.65	69 & 93	\$2.59	93	\$2.61
Bradner Special Dual (BSD)	52	\$2.71	53 & 65	\$2.65	65	\$2.66
Bradner Long cycle (BTC)	71	\$2.82	72 & 86	\$2.76	86	\$2.77
Shondon or Hong Kong Golden (TC)	68	\$2.63	69 & 83	\$2.57	83	\$2.59

Silkies:

This is the second period of the two-period pricing block for Silkie chicken and represents no change in price from the previous period. The following prices have been set by the Board for Silkie chicken for quota period A-140:

- Silkie Chicken: **\$4.02** per kilogram.

Linkage:

The price linkage calculations done by Serecon for period **A-140** reflect the live chicken price of **\$1.5917** per kilogram live weight. The calculations indicate that cost recovery parity of **93.33%** and a return on assets (minus quota) of **-0.24%** will be achieved at the following prices:

Live Chicken @ \$1.5917 per kilogram	down \$0.055 per kg
Hatching Eggs @ \$5.1825 per dozen	down \$0.1254 per dozen
Day-Old Broiler Chicks @ \$0.7291 per chick	down \$0.0131 per chick

3. BC Formula for the Pricing of Live Mainstream Chicken

In its letter dated June 20, 2016 the Board advised industry that as part of good governance and sound marketing policy there would be a review of the current pricing formula that has been in place since 2010. The Board has no preconceived outcomes on the issue of pricing and is not contemplating change unless the review and industry consultation supports it. Any changes to the existing model will require additional consultation with PPAC and approval by BCFIRB.

The Board had requested written submission from the PPPABC, BCCGA and other interested parties by September 30, 2016. This was extended to October 15, 2016 at the request of one of the parties who subsequently advised the Board that they will not be ready until at least the end of November. Submissions will be posted on the BCCMB website once all have been received by the Board. Interested parties will be provided with an opportunity to comment on the posted submissions. The Board will reserve the right to meet with parties or individuals to discuss their submissions and obtain clarification if required.

In the interim, the Board has begun the process of reviewing submissions received, and will be conducting additional research and analysis independent from what is submitted by the PPPABC, the BCCGA or others.

It remains the intention of the Board to review of all submissions and documents and provide a decision in time for period A-142 pricing.

4. Commencement of SE testing on Broiler Farms

The Board has engaged Dr. Bill Cox to assist in implementing a study to assess the prevalence of Salmonella Enteritidis (SE) on BC broiler chicken farms. Over the course of the next 12 months, 105 farms will be randomly selected to participate in this study. BCCMB Inspection staff will notify you if your farm has been selected, and will make arrangements to collect the samples at your farm.

Samples will be taken when your birds are between 25 and 32 days of age from each floor in production (maximum of 8 samples).

The purpose of the study is to determine the presence of SE on broiler farms, and to also explore the possible links to infection (including the prevalence of rodent and beetle activity) on farm, hatchery source and feed suppliers.

You will be notified on the results of the testing by BCCMB Inspection staff. There will be no action taken if you farm tested positive for SE (as most birds will be processed prior to the results being known); however, Growers testing positive will be encouraged to perform a full cleaning and disinfecting protocol prior to the next chick placement.

A communique was sent to all growers by email dated October 31, 2016. Your cooperation is critical and will be appreciated by the Board.

5. BCCMB Strategic Planning

The Board has completed a series of meetings with the facilitator assisting the Board in the creation of its new 3 year Strategic Plan. The Board has held individual meeting with processors, and will be scheduling meetings with FIRB Chair and FIRB staff and the BCCGA in the coming month.

6. Appeals Update

There are no current appeals or appeal decisions pending.

7. Allocation Setting Dates

Future allocation 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-142 (February 19 – April 15, 2017)	November 16, 2016
A-143 (April 16, 2017 – June 10, 2017)	January 17, 2017
A-144 (June 11, 2017-August 6, 2017)	March 15, 2017
A-145 (August 7, 2017 – September 30, 2017)	May 3, 2017
A-146 (October 1, 2017 – November 25, 2017)	June 28, 2017
A-147 (November 26, 2017 – January 20, 2018)	August 15, 2017
A-148 (January 21, 2018 – March 17, 2018)	October 11, 2017
A-149 (March 18, 2018 – May 12, 2018)	November 22, 2017
A-150 (May 13, 2018 – July 7, 2018)	January 11, 2018
A-151 (July 8, 2018 – September 1, 2018)	March 21, 2018
A-152 (September 2, 2018 – October 27, 2018)	May 17, 2018

8. Avian Influenza Insurance project update

The Mandatory Insurance Steering Committee (MISC) continues to work on determining the expected losses that could result from a Notifiable Avian Influenza (NAI) discovery. They have received a Loss Quantification Model (LQM) for each sector from consultant Serecon, but need confirmed compensation models from Canadian Food Inspection Agency's (CFIA) to complete the work.

At a meeting on October 19, the MISC decided to focus on mandatory insurance for cleaning and disinfecting only, rather than compensation for grower losses. They will continue to work towards fair and reasonable compensation from CFIA, but not make it part of the mandatory insurance review. The first report will be available for industry review and feedback on December 23, 2016 with subsequent reports posted by the end of January 2017. Click [here](#) for the committee's updated work plan or go to www.bcchicken.ca

If you have any questions or comments regarding the work plan, please direct them to harveysasaki@gmail.com.

9. BCCMB Holiday Season 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 2016 and look forward to working with you in the New Year.

Our office hours during the Holiday Season:

- Friday, December 23 – 8:00 to Noon.
- Sunday, December 25 – Closed - Merry Christmas!
- Monday, December 26 – Closed
- Tuesday, December 27 – Closed
- Wednesday, December 28 – normal office hours (8:00 a.m. to 4:00 p.m.)
- Thursday, December 29 -- normal office hours (8:00 a.m. to 4:00 p.m.)
- Friday, December 30 – 8:00 a.m. to Noon.
- Sunday, January 1 – Happy New Year!
- Monday, January 2 – Closed
- Tuesday, January 3 – Normal office hours resume.

Should there be an emergency during the holiday period, please call (604) 302-9662 and leave a message; you will receive a return call as soon as possible.

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 by E-mail to billvanderspek@bcchicken.ca

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