



## BC CHICKEN MARKETING BOARD UPDATE for December 2016

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### 1. Allocation for Quota Period A-142 (February 19 – April 15, 2017)

The total national allocation (including MD and specialty) for period A-142 (February 19<sup>th</sup> to April 15<sup>th</sup>, 2017) was set by the CFC Board of Directors on September 27, 2016. The A-142 domestic allocation was set at 238,971,228 kilograms live weight.

This was revisited by CFC on November 23, 2016. CFC Directors reconsidered a revised calculation methodology for the Atlantic Safeguard Agreement that supports the intent of the agreement going forward. After a thorough review, the CFC Board of Directors determined that there would be no change to the A-142 allocation number.

The A-142 domestic allocation for Canada was set at 238,971,228 kilograms live weight. This represents 5% above the adjusted base for the period. Market Development at 9,504,041 kilograms live weight represents 3.97% of the national domestic allocation. Specialty allocation was requested by two provinces (BC and ON) for a total of 1,507,754 kilograms live weight.

BC's share of the **A-142 allocation** is:

Domestic	33,672,887 kilograms live weight.
Market Development	1,578,830 kilograms live weight.
Specialty	872,754 kilograms live weight.
<b>Total</b>	<b>36,124,471 kilograms live weight.</b>

- MD represents 4.69% compared to BC's domestic allocation for the period.
- Specialty represents 2.59% compared to BC's domestic allocation for the period.

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- Domestic allotments to BC growers will be **112.67% pro rata**.
- 5.0% over base yields 4.0% to BC under the current allocation agreement.

## **2. Changes at CFC:**

On November 23, 2016 Mr. David Janzen formally resigned his position as Chair of CFC due to personal reasons.

On November 24, 2016 Mr. Benoit Fontaine from Quebec was elected as the new Chair of CFC. He recently served at the First Vice Chair of the CFC Executive Committee.

Mr. Derek Janzen from our Board was elected as an executive member of CFC and First Vice Chair. The other two executive members are Mr. Murray Booy from Ontario and Mr. Yvon Cyr from New Brunswick who were both elected to their respective positions at the March 2016 CFC AGM.

## **3. Appeals Update**

There are no current appeals or appeal decisions pending.

## **4. 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**.

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

## **5. Amendments to New Entrant Program for Growers.**

The Board on November 10, 2016 by way of motion amended the entry level of incentive quota from 11,189 kg to 20,000 kg per cycle for both existing and new mainstream growers entering the NEG program.

Further, the Board has established a program to allow both new and existing new entrant growers under this program to participate in a matching program.

Eligible growers may acquire up to a maximum of 10,000 kgs of quota on the open market which will be matched by the Board up to a maximum of 10,000 kg. The deadline to acquire quota and provide sufficient space for both acquired and matching incentive quota is January 1, 2020.

All incentive quotas will be tied to the region in which they were issued as well as being subject to Part 35 the Declining Quota Transfer Assessment rules. The offer is for only mainstream new entrant growers and excludes specialty growers at this time.

Affected and eligible growers were contacted via letter, which provides details of the program and the required undertakings.

## **6. Schedule 3 – Pricing Grid**

There have been a number of enquiries from growers inquiring how the targeted weight and 6% tolerance works. This section of the monthly Board report is intended as a short refresher on Schedule 3 – Pricing Order for Mainstream Chicken of the August 26, 2011 BCCMB General Orders.

Schedule 3 becomes the interim pricing order each mainstream regular broiler grower receives every 8 weeks. This discussed revolves around points 5 through 7 on your pricing order for chicken which states:

- (3) All prices are f.o.b. farm.
- (4) This order shall remain in effect until rescinded, varied or amended by further order of the Board.
- (5) The targeted weight shall be as specified on the contract.
- (6) Tolerance on a flock is plus or minus 6% from targeted weight.
- (7) If flock average weight falls within targeted weight tolerances (i.e. weight range plus or minus 6%) but the average weight is in a different category, the price payable will be determined by the average weight delivered.

The targeted weight is handwritten on your contract, which is a signed agreement between the grower, hatchery and processor. It is the average bird weight the grower is contracted to provide to the processor and is established by mutual agreement.

There is a plus or minus 6% tolerance around the target weight. If the grower ships within this range, the grower is paid on the ACTUAL average weight delivered of the flock. If the growers does not ship within this range, the grower is paid based on the targeted weight as written in the agreed upon, signed contract. Here are some examples:

### **Example #1 (grower within 6%)**

Grower contract states target weight is 2.35 kg

6% above 2.35 kg is 2.49 kg.

6% below 2.35 kg is 2.21 kg.

The pricing grid for A-140 shows the following at these weights:

- 2.35 kg** appears in the line 2.251 – 2.500 kg which attracts a price of **\$1.5867**
- 2.49 kg (6% above)** appears on the same line 2.25 – 2.500 which attracts a price of **\$1.5867**
- 2.21 kg (6% below)** appears on the line 2.171 – 2.250 kg which attracts a price of **\$1.5887** (which is a higher price).

The average weight of the flock shipped by the grower is **2.22 kg**. This is within the 6% tolerance so the grower is paid on the average weight delivered (the actual weight).

This means the grower is paid based on the average of 2.22 kg and not the targeted weight of 2.35 kg as hand written in his or her contract.

The grower is paid based on the line 2.171 – 2.250 kg which attracts a price of **\$1.5887** (which is a higher price).

#### Example #2 (grower within 6% tolerance)

Grower contract states target weight is 2.35 kg  
6% above 2.35 kg is 2.49 kg.  
6% below 2.35 kg is 2.21 kg.

The pricing grid for A-140 shows the following at these weights:

- 2.35 kg** appears in the line 2.251 – 2.500 kg which attracts a price of **\$1.5867**
- 2.49 kg (6% above)** appears on the same line 2.251 – 2.500 which attracts a price of **\$1.5867**.
- 2.21 kg (6% below)** appears on the line 2.171 – 2.250 kg which attracts a price of **\$1.5887**.

The average weight of the flock shipped by the grower is **2.31 kg**. This is within the 6% tolerance so the grower is paid on the average weight delivered (the actual weight).

This means the grower is paid based on the average of 2.31 kg and not the targeted weight as hand written in his or her contract. The grower is paid based on the line 2.251 – 2.500 kg which attracts a price of **\$1.5867**.

#### Example #3 (grower NOT within 6% tolerance)

Grower contract states target weight is 2.35 kg  
6% above 2.35 kg is 2.49 kg.  
6% below 2.35 kg is 2.21 kg.

The pricing grid for A-140 shows the following at these weights:

- 2.35 kg** appears in the line 2.251 – 2.500 kg which attracts a price of **\$1.5867**
- 2.49 kg (6% above)** appears on the same line 2.251 – 2.500 which attracts a price of **\$1.5867**.
- 2.21 kg (6% below)** appears on the line 2.171 – 2.250 kg which attracts a price of **\$1.5887**.

The average weight of the flock shipped by the grower is **2.8 kg**. This is not within the 6% tolerance so the grower is paid on the targeted weight as handwritten in the grower's contract.

This means the grower is not paid based on the average weight of his birds being shipped but instead based on the targeted weight of 2.35 kg as specified on his or her contract. The grower is paid based on the line 2.251 – 2.800 kg which attracts a price of **\$1.5867**.

The grower is NOT paid on the line of his actual average weight of 2.8 kg which would attract a price of \$1.6357 at line 2.731 – 3.180 kg.

## **7. 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](mailto:billvanderspek@bcchicken.ca)*

## 8. A-139 Period Summary

	A - 139			
<b>Mainstream Grower's Only</b>	# Growers	% of Total Growers	Kgs Over/(Under)	% Of Allocation
Mainstream Growers Receiving Allotment	<b>262</b>			
<b>Growers over 110% of allotment</b>	18	6.87%	302,618	5.27%
<b>Growers over 106% of allotment</b>	49	18.70%	581,497	15.14%
Growers between 100% and 105.9% of allotment	87	33.21%	316,411	32.39%
Growers between 94% and 99.9% of allotment	84	32.06%	-337,918	35.96%
Growers between 90% and 93.9% of allotment	24	9.16%	-282,376	11.11%
Growers below 90% of allotment	18	6.87%	-232,630	5.41%
<b>Growers below 94% of allotment</b>	42	16.03%	(515,006)	16.51%
Column Totals	262	100%	44,985	100%
<b>BC Utilization</b>			98.45%	
<b>Growers Cycle Length</b>	A - 139			
Mainstream Growers Receiving Allotment	# Growers	% of Total Growers	Kgs Live Wt	% Of Allocation
7 Week Cycle	5	1.91%	481,990	1.41%
8 Week Cycle	235	89.69%	31,697,023	92.83%
9 Week Cycle	10	3.82%	1,209,665	3.54%
10 Week Cycle	8	3.05%	481,676	1.41%
11 Week Cycle	0	0.00%	0	0.00%
12 Week Cycle	3	1.15%	191,616	0.56%
16 Week Cycle	1	0.38%	84,013	0.25%
Column Totals	262	100%	34,145,983	100%
<b>Average Live Weight</b>	A - 139			
Mainstream Growers Rec'vd Allotment	# Growers	% of Total Growers	# Kgs Produced	% Of Production
1.600 kg and below	2	0.76%	68,733	0.20%
1.601 – 1.700 kg	1	0.38%	135,935	0.40%
1.701 – 1.780 kg	4	1.53%	500,335	1.48%
1.781 – 1.850 kg	7	2.67%	747,036	2.21%
1.851 – 1.950 kg	16	6.11%	2,547,492	7.55%
1.951 – 2.020 kg	18	6.87%	2,569,215	7.62%
2.021 – 2.100 kg	33	12.60%	5,406,183	16.03%
2.101 – 2.170 kg	29	11.07%	4,613,232	13.68%
2.171 – 2.250 kg	43	16.41%	5,399,849	16.01%
2.251 – 2.500 kg	89	33.97%	10,269,488	30.45%
2.501 – 2.730 kg	17	6.49%	1,404,011	4.16%
2.731 – 3.180 kg	2	0.76%	23,254	0.07%
3.181 kg and above	1	0.38%	44,318	0.13%
Column Totals	262	100.00%	33,729,081	100.00%

