



CORRECTED COPY

BC CHICKEN MARKETING BOARD UPDATE for January 2017

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1. Live Pricing for Quota Period A-141 (December 25, 2016 – February 18, 2017)

Organic:

The live price for certified organic price for period A-141 has been set by the Board at **\$3.79 per kilogram live weight** which represents 100% of the cost of production for the period and is a decrease from the previous period of 14cents/kg live weight (which was set at \$3.93). **The decrease is attributed to a decline in feed and chick costs**

Mainstream:

The live price in BC for period A-141 (marketing's from December 25, 2016 to February 18, 2017 inclusive) has been set by the Board at **\$1.5802**per kilogram live weight. This represents a decrease of **1.15 cents/kg** from the previous period.

This is the second and final period of the multi period pricing agreement of the PPAC. The grower and processor members of the PPAC came to a written negotiated multi-period pricing agreement to cover periods A-140 and A-141 inclusive at a differential of \$0.0571 to the BCCMB pricing formula.

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Specialty Chicken:

Taiwanese:

This is the first 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-141 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

Silkie:

This is the first period of the two-period pricing block for Silkie chicken and represents a decrease in the price by one cent/kg from the previous period. The following price have been set by the Board for Silkie chicken for quota period A-141:

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

Linkage:

The price linkage calculations done by Serecon for period **A-141** reflect the live chicken price of **\$1.5802** per kilogram live weight. The calculations indicate that cost recovery parity of **94.68%** and a return on assets (minus quota) of **1.3%** will be achieved at the following prices:

Live Chicken @ \$1.5802 per kilogram
Hatching Eggs @ \$5.1858 per dozen
Day-Old Broiler Chicks @ \$0.7295 per chick

down \$0.0115 per kg
up \$0.0034 per dozen
up \$0.0040 per chick

2. Mainstream live chicken pricing review.

As previously communicated to industry, it had been the intention of the Board to complete its review of the current pricing methodology in time for period A-142 which begins on February 19, 2017.

A number of circumstances have intervened making it impossible for the Board to meet this self-imposed deadline. A PPAC meeting has been scheduled for February 6, 2017 to deal with the matter of pricing for quota period A-142.

One of the parties from whom the Board requested input was unable to complete their work and make a submission to the Board until late in December.

The Board has engaged an independent consultant to review all of the material that has been submitted by the BC Chicken Growers Association (BCCGA) and the Primary Poultry Processors Association of BC (PPPABC). Once this review has been completed, the Board will continue to consult with interested parties and be in a position to make its determination by the end of February 2017. If any amendments to the current BCFIRB ordered pricing formula arising from this review are contemplated they will be reviewed with the PPAC, BCCGA and PPPABC. Any amendments to the current pricing formula found at Schedule 19 – Pricing Model of the August 26, 2011 BCCMB General Orders require the approval of BCFIRB; this process will take time.

Industry will be apprised of further developments as they arise.

3. Appeals Update

11 Specialty Growers appealing the change made to the NEG program as outlined in the December 2016 BCCMB Board report:

Eleven specialty New Entrant growers are appealing the decision of the Board to exclude all specialty growers from the increase to 20,000 kg per cycle (space must be provided by December 1, 2017) and the opportunity to participate in the matching program up to 10,000 kg (Deadline of January 1, 2020 to have purchased quota and provided sufficient space for purchased and BOGO quota). To date there has been no prehearing conference call.

BCCGA appealing the change made to the NEG program as outlined in the December 2016 BCCMB Board report:

The BCCGA is appealing the BOGO portion of the decision. BCCGA is opposed to having the matching program being funded from the general mainstream chicken quota allocation and not from the New Entrant Grower Pool. The BCCGA is also appealing NEG's who accept the additional quota up to the new entry level of 20,000 kg/cycle remaining tied to their current processor until such time as the new quota issuance has reached maturity under Part 35 of the BCCMB General Orders (another 10 years). To date there has been no prehearing conference call.

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.**

Period	BCCMB sets Allocation
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. Allocation for Quota Period A-143 (April 16 – June 10, 2016)

The total national allocation (including MD and specialty) for period A-143 (April 16 to June 10, 2017) was set by the CFC Board of Directors on January 17, 2017. The A-143 domestic allocation was set at 256,931,359 kilograms live weight. This represents 4.0% above the adjusted base for the period. Market Development at 9,320,634 kilograms live weight represents 3.78% of the national domestic allocation. Specialty allocation was requested by two provinces (BC and ON) for a total of 1,462,066 kilograms live weight.

BC's share of the **A-143 allocation** is:

Domestic	34,565,231 kilograms live weight.
Market Development	2,639,199 kilograms live weight.
Specialty	846,536 kilograms live weight.
Total	38,050,966 kilograms live weight.

- MD represents 7.63% compared to BC's domestic allocation for the period.
- Specialty represents 2.44% compared to BC's domestic allocation for the period.
- Domestic allotments to BC growers will be **113.13% pro rata.**
- 4.0% over base yields 3.3% to BC under the current allocation agreement.

6. Density Increase for Specialty Quota Holders

Specialty growers effective on/after the next unallocated period (quota period A-144 - shipments June 11, 2017) may elect to increase their stocking density. The Board amended the General Orders on January 9, 2017 after a unanimous request was received from the SMAC. The Board has increased the maximum allowable stocking density for specialty quota holders to 32.5 kilograms live weight per square meter (3.02 kg per square foot). The amendments can be found at Part 33 and Schedule 5 of the August 26, 2011 BCCMB General Orders.

Any specialty grower wishing to become qualified must complete the extra steps under the CFC Animal Care Program (ACP) to move to a density greater than 31 kg live weight per square meter, to a maximum of 32.5 kg per square meter. The increased density will be for the next unallocated period. Please contact inspection staff for an appointment.

7. High Density Update for mainstream quota holders:

In the Animal Care Program manual, growers are able to register their farms for high density (section 3) as long as they are able to adhere to the following requirements:

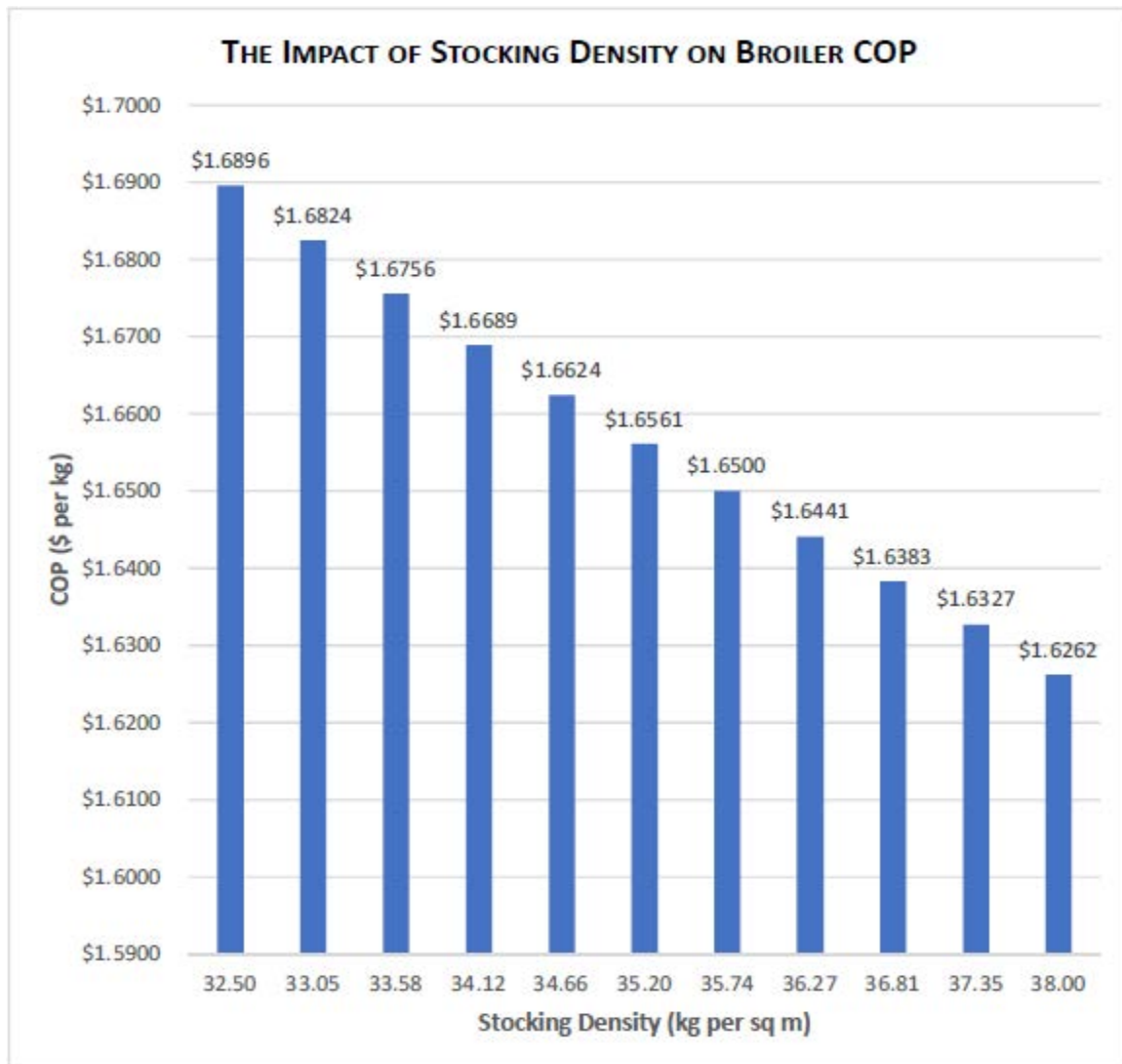
1. The number of feeders and drinkers available must be appropriate for the number of birds in the barn.
2. Water meters must be available and intake recorded daily to monitor for changes in water intake.
3. Chickens must not have to travel any farther than 4m (13ft) to reach feed or water.
4. Minimum and maximum temperatures must be recorded daily.
5. Humidity or ammonia meters must be available to ensure that air quality is sufficient. This must be measured on each floor of the barn and the minimum and maximum be recorded daily.
6. Mortality and condemn records must be maintained for each flock. Mortalities and condemns must not be higher than would be expected for birds raised at 2.88kg/ft² (31kg/m²).

In order to apply for any high density growers must call the board office and set up an appointment with one of the board inspectors. The inspectors will look at all of these requirements and if all are met the grower will be approved for high density in the next unallocated period.

Growers who were previously accepted to grow under the 3.02kg/ft² (32.5kg/m²) will **not** automatically be given the highest density. Growers would still be required to call the board office and speak to an inspector to reapply for the higher density.

We currently have 14 growers registered under the 3.02kg/ft² (32.5 kg/m²) and 111 growers registered under the 3.30 kg/ft² (35.5 kg/m²).

The impact of stocking density of the broiler COP is shown below:



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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