



BC CHICKEN MARKETING BOARD UPDATE for February 2017

In this edition:

1. **A-142 Pricing information**
2. **Allocation setting dates**
3. **Appeals Update**
4. **High Density Requirements**
5. **A-140 Production Statistics**

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

Mainstream:

The live price in BC for period A-142 (marketing's from February 19 to April 15, 2017 inclusive) has been set by the Board at **\$1.5851** per kilogram live weight. This represents an increase of **\$0.0049** from the previous period.

Changes to provincial prices for period A-142 factored into the BC pricing formula:

Ontario	Up \$0.0070 per kilogram
Saskatchewan	Up \$0.0059 per kilogram
Alberta	Up \$0.0070 per kilogram
Manitoba	Down \$0.01800 per kilogram

The price linkage calculations done by Serecon for period **A-142** reflect the live chicken price of **\$1.5851** per kilogram live weight. The calculations indicate a cost recovery parity between the two commodities of **96.73%** and a return on assets (minus quota) of **3.29%** will be achieved at the following prices:

	Price	Change from A-141
• Live chicken	\$1.5851/kg	Up \$0.0049/kg
• Hatching eggs	\$0.52873/dozen	Up \$0.1015/dozen
• Day old chicks	\$0.7401/chick	Up \$0.0106/chick

BRITISH COLUMBIA CHICKEN MARKETING BOARD

The Board received minority positions from the PPAC as they were unable to reach consensus. The Growers offered a differential of 6.71 cents (an increase of 1 cent) while the processors offered a differential of 5.71 cents (the status quo arising from the bridging agreement for A-140 and A-141). The General Orders at Schedule 19 – Pricing Model state if there is no agreement on a differential at the PPAC, the differential is to be set at 4.35 cents per kilogram live weight.

The Board exercised its discretion and set the domestic live price for mainstream chicken for quota period A-142 at the weighted average of Alberta, Saskatchewan, Manitoba and Ontario plus 5.71 cents per kilogram live weight and will maintain all the caveats as contained in the A-140 and A-141 pricing orders.

The Board determined it would be in the interest of sound marketing and less disruptive to the industry to maintain the status quo until such time as the work on the pricing review is complete. It was noted that the bridging agreement accepted by the growers and processors for periods A-140 and A-141 called for a differential of 5.71 cents and therefore could be implemented for one more period without causing undue hardship.

The Board's full decision and rationale will be posted before the end of February on the BCCMB website at www.bcchicken.ca under Schedule 15 decisions.

Organic:

The live price for certified organic price for period A-142 has been set by the Board at **\$3.73 per kilogram live weight** which represents 100% of the cost of production for the period and is a decrease from the previous period of 6 cents/kg live weight (which was set at \$3.79). The decrease is attributed to lower feed and chick costs.

Specialty Chicken:

Silkie:

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-142:

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

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-142 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

2. 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-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 14, 2018
A-152 (September 2, 2018 – October 27, 2018)	May 14, 2018

3. Appeals Update

Appeals to BCFIRB related to the recent changes to the BCCMB NEGP

Seven specialty new entrant growers are appealing the December 2016 decision of the Board. This decision excluded specialty growers from the increased entry level of 20,000 kilograms per cycle for new and existing mainstream new entrants as well as the opportunity to participate in a matching program up to an additional 10,000 kilograms per cycle.

One grower has subsequently withdrawn his appeal.

The BCCGA is seeking clarity and appealing one component of the 10,000 kilogram matching program for mainstream new entrants that deals with the funding of the program. They are also appealing the clause which requires 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).

FIRB has ordered that all the appeals respecting the changes to the NEG program be combined. A prehearing conference call is scheduled for March 7, 2017.

4. High Density Requirements

In accordance with the CFC Animal Care Program, growers are able to register their farms for high density (section 3) provided 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 increased density beyond 31kg/m² growers must call the board office and set up an appointment with one of the board auditors who will confirm that

all of these requirements are being met. If approved, a grower will be approved for high density in the next unallocated period.

Growers who were previously approved to grow under the 3.02kg/ft² (32.5kg/m²) will **not** automatically be given the highest density which is currently 35.5 kg/m². Growers would still be required to call the board office and speak to an auditor to reapply for the higher density.

There may be an opportunity to apply for the maximum density allowed under the CFC Animal Care Program which is 38 kilograms per square meter in near future. In anticipation of this, growers may contact BCCMB audit staff to commence the process of meeting the requirements under the ACP program.

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

B:\Administration\Correspondence\Board reports to growers\2016\BCCMB UPDATE 2016 11.docx

5. Production Statistics A-140

	A - 140			
Mainstream Grower's Only	# Growers	% of Total Growers	Kgs Over/(Under)	% Of Allocation
Mainstream Growers Receiving Allotment	267			
Growers over 110% of allotment	20	7.49%	269,191	5.88%
Growers over 106% of allotment	62	23.22%	543,129	16.92%
Growers between 100% and 105.9% of allotment	83	31.09%	320,282	33.73%
Growers between 94% and 99.9% of allotment	73	27.34%	-299,329	27.79%
Growers between 90% and 93.9% of allotment	29	10.86%	-296,624	11.23%
Growers below 90% of allotment	20	7.49%	-496,931	10.21%
Growers below 94% of allotment	49	18.35%	(793,556)	21.44%
Column Totals	267	100%	(229,473)	100%
BC Utilization			99.73%	
Growers Cycle Length	A - 140			
Mainstream Growers Receiving Allotment	# Growers	% of Total Growers	Kgs Live Wt	% Of Allocation
7 Week Cycle	5	1.87%	464,997	1.36%
8 Week Cycle	236	88.39%	30,975,118	91.71%
9 Week Cycle	6	2.25%	900,756	2.64%
10 Week Cycle	6	2.25%	385,058	1.13%
11 Week Cycle	1	0.37%	88,187	0.26%
12 Week Cycle	7	2.62%	611,639	1.79%
16 Week Cycle	6	2.25%	276,905	0.81%
Column Totals	267	100%	33,702,660	100%
Average Live Weight	A - 140			
	# Growers	% of Total Growers	# Kgs Produced	% Of Production
Mainstream Growers Rec'vd Allotment	267			
1.600 kg and below	0	0.00%	0	0.00%
1.601 – 1.700 kg	4	1.50%	397,805	1.21%
1.701 – 1.780 kg	11	4.12%	1,054,488	3.21%
1.781 – 1.850 kg	8	3.00%	954,415	2.90%
1.851 – 1.950 kg	19	7.12%	2,962,920	9.01%
1.951 – 2.020 kg	21	7.87%	2,514,249	7.64%
2.021 – 2.100 kg	31	11.61%	4,779,352	14.53%
2.101 – 2.170 kg	27	10.11%	4,137,072	12.58%
2.171 – 2.250 kg	26	9.74%	3,348,716	10.18%
2.251 – 2.500 kg	104	38.95%	11,703,485	35.58%
2.501 – 2.730 kg	16	5.99%	1,037,019	3.15%
2.731 – 3.180 kg	0	0.00%	0	0.00%
3.181 kg and above	0	0.00%	0	0.00%
Column Totals	267	100.00%	32,889,521	100.00%