



BC CHICKEN MARKETING BOARD UPDATE for October 2017

In this edition:

1. **A-146 Pricing**
2. **Mediated pricing formula settlement**
3. **Updated Election Rules and Procedures**
4. **Catching/Load Out amendments to General Orders**
5. **Allocation setting dates**
6. **New Canadian Food Guide**
7. **A-144 Production Statistics Period Summary**
8. **A-148 Allocation Data**
9. **Marketing Strategy Update**
10. **BCCMB and CFC Website resources**
11. **Social Media Hashtag #IHeartChickenFarmers**
12. **Update on measures in increase BC's periodic quota utilization.**
13. **Mandatory C&D following a disease outbreak.**

1. Pricing for quota period A-146 (October 1 – November 25, 2017):

Mainstream:

The live price in BC for period A-146 (marketing's from October 1 – November 25, 2017 inclusive) has been set by the Board at **\$1.6050** per kilogram live weight. This represents a decrease of **\$0.0020** from the previous period.

Please note that Ontario's price effective A-146 going forward included a modular cost recovery. This cost as per the mediated agreement with the PPAC will now be included when BC's live price will be calculated by Serecon.

Linkage:

The price linkage calculations done by Serecon for period **A-146** reflect the live chicken price of **\$1.6050** per kilogram live weight. The calculations indicate a cost recovery parity between the two commodities of **95.20%** and a return on assets (minus quota) of **1.85%** will be achieved at the following prices:

	Price	Change from A-143
• Live chicken	\$1.6053/kg	Down \$0.0017/kg
• Hatching eggs	\$5.2572 dozen	Down \$0.0702/dozen
• Day old chicks	\$0.7370/chick	Down \$0.0073/chick

BRITISH COLUMBIA CHICKEN MARKETING BOARD

Organic:

The live price for certified organic price for period A-146 has been set by the Board at **\$3.58 per kilogram live weight** which represents 100% of the cost of production for the period and is a decrease from the previous period of 9 cents/kg live weight (which was set at \$3.67). 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 the price from the previous period. The following prices have been set by the Board for Silkie chicken for quota period A-146:

- Silkie Chicken: **\$3.94** per kilogram.

Taiwanese:

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

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	68	\$2.60	69 & 93	\$2.55	93	\$2.56
Bradner Special Dual	52	\$2.67	53 & 65	\$2.61	65	\$2.62
Bradner Long cycle	71	\$2.77	72 & 86	\$2.71	86	\$2.72
Shondon or Hong Kong Golden	68	\$2.65	69 & 83	\$2.60	83	\$2.61

2. Mediated Pricing formula settlement.

A mediation concerning the chicken pricing formula was conducted on September 8, 2017 at the Sheraton Guildford, Surrey BC from 9:00 a.m. to 4:00 p.m. Attending stakeholder organizations were: BCCMB, PPPABC, BCCGA, BCBHEC and BCFIRB. The scope of the mediation was to determine a mechanism of guiderails to the current pricing formula; and a timetable for the annual review.

The agreement reached by the PPPABC and BCCGA which was ratified by the BCCMB was for the next 5 quota periods up to and including A-150.

The guardrails will be the differential between the live prices of BC and Ontario as follows:

- Maximum of \$0.0984
- Minimum of \$0.0761

The Ontario price is defined as being based on the weight category of 1.84 – 1.95 kg live weight. The Ontario price is to also be inclusive of the modular loading cost recovery premium which is currently set at \$0.012.

Any increases or decreases in the cost of catching during the period up to and including the end of period A-150 will result in corresponding increases or decreases to the maximum and minimum prices contained in above agreement. The live price will continue to be set on a six period rolling average.

The processors agreed to withdraw their appeal to BCFIRB.

3. Updated Rules and Procedures for Election of Members to the BCCMB.

During 2017, there was no election scheduled for a grower member to sit on the BCCMB Board. During this period, the Board consulted with the BCCGA on any amendments to the existing rules. The consensus of both the BCCMB and BCCGA was that since the rules have only been used once for the first time in March 2016 when Mr. Ray Nickel was elected to the Board for a three year term; that no changes were required at this time apart from updating the election timeline.

The BCCMB on August 11, 2017 requested that the existing election rules be approved by FIRB without any changes. On October 2, 2017 the BC FIRB approved the rules and procedures.

An election timeline will be circulated at a later date as the term for Mr. Derek Janzen expires in March of 2018. All growers are reminded to complete the election section contained in their 2018 licence application form, to be eligible to vote. The BCCMB is pleased to announce that COMB, under the auspices of its new GM Ms. Kristianne Hendricks will conduct the BCCMB election as the Boards External Election Office.

4. Catching and Load out amendments to the General Orders.

BCCMB Form BC117 (load out report) has been made mandatory by the BCCMB effective with shipments beginning on October 1, 2017.

These forms are to be submitted to the BCCMB office within three days of shipment. A key element of the report is the requirement for growers to be in attendance prior to the beginning of catching, at least once during the process and when catching and loading have been completed.

Penalties for noncompliance will be dealt with under Part 52 *Failure to Comply* of the BCCMB General Orders which provides for a range of sanctions available to the Board.

Amendments to the General Orders dealing with catching and load out requirements will be distributed in the coming weeks.

5. 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-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

6. New Canadian Food Guide Concerns.

Chicken Farmers of Canada are concerned about the proposed changes to the Canadian Food Guide, which only highlights plant based sources of proteins in the general description of the Guiding Principles, where all protein sources should be included. Concerned farmers should contact their MPs. For more information check out the news section of the BCCMB website <http://bcchicken.ca/news/canadafoodguide/> and/or contact Marty Brett, Senior Communications Officer at Chicken Farmers of Canada mbrett@chicken.ca 613-566-5926.

7. A-144 end of period summary.

A-144				
Mainstream Grower's Only	# Growers	% of Total Growers	Kgs Over/(Under)	% Of Allocation
Mainstream Growers Receiving Allotment	286			
Growers over 110% of allotment	21	7.34%	289,808	4.82%
Growers over 106% of allotment	47	16.43%	505,638	11.93%
Growers between 100% and 105.9% of allotment	78	27.27%	229,492	24.45%
Growers between 94% and 99.9% of allotment	91	31.82%	-416,931	36.77%
Growers below 93.9% of allotment	70	24.48%	-1,312,058	26.78%
Column Totals	286	100.00%	-993,859	99.93%
BC Utilization			97.32%	

A-144				
Growers Cycle Length	# Growers	% of Total Growers	Kgs Live Wt	% Of Allocation
Mainstream Growers Receiving Allotment				
7 Week Cycle	5	1.75%	607,389	1.66%
8 Week Cycle	252	88.11%	33,552,322	91.67%
9 Week Cycle	8	2.80%	1,052,222	2.87%
10 Week Cycle	7	2.45%	306,286	0.84%
11 Week Cycle	1	0.35%	88,265	0.24%
12 Week Cycle	8	2.80%	738,094	2.02%
16 Week Cycle	5	1.75%	255,284	0.70%
Column Totals	286	100%	36,599,862	100%

A-144				
Average Live Weight	# Growers	% of Total Growers	# Kgs Produced	% Of Production
Mainstream Growers Rec'vd Allotment	286			
1.600 kg and below	6	2.19%	530,403	1.49%
1.601 – 1.700 kg	5	1.82%	383,604	1.08%
1.701 – 1.780 kg	11	4.01%	936,381	2.63%
1.781 – 1.850 kg	14	5.11%	2,078,066	5.84%
1.851 – 1.950 kg	16	5.84%	3,483,049	9.79%
1.951 – 2.020 kg	18	6.57%	1,936,798	5.44%
2.021 – 2.100 kg	27	9.85%	3,335,440	9.38%
2.101 – 2.170 kg	35	12.77%	5,412,339	15.21%
2.171 – 2.250 kg	39	14.23%	5,038,899	14.16%
2.251 – 2.500 kg	100	36.50%	11,422,817	32.11%
2.501 – 2.730 kg	12	4.38%	940,696	2.64%
2.731 – 3.180 kg	3	1.09%	78,457	0.22%
3.181 kg and above	0	0.00%	0	0.00%
Column Totals	286	104.38%	35,576,949	100.00%

8. A-148 Allocation.

The A-148 (January 21 – March 17, 2018) total national allocation was set at 256,938,095 kilograms live weight. This represents 5.0% above the adjusted base for the period. Market Development at 10,510,820 kilograms live weight represents 4.30% of the national domestic allocation. Specialty allocation was requested by three provinces (BC, AB and ON) for a total of 1,886,804 kilograms live weight.

BC's share of the **A-148 allocation** is:

Domestic	34,370,220	kilograms live weight.
Market Development	2,122,000	kilograms live weight.
Specialty	1,019,534	kilograms live weight.
Total	37,511,754	kilograms live weight.

- MD represents 6.17% compared to BC's domestic allocation for the period.
- Specialty represents 2.96% compared to BC's domestic allocation for the period.
- **The pro-rata allotments to BC growers are at 112.32% pro rata.**
- 5.0% over base yields 4.4% to BC under the current allocation agreement.

9. Marketing Strategy Update.

BCCMB engaged CREW Marketing to prepare a 3 year promotional strategy, with a focus on BCCMB's strategic goals to build education and awareness programs. On September 29, we held a strategy session with stakeholders including farmers, processors, and BC agriculture industry to help develop the strategy. CREW will present the draft strategy in November.

10. BCCMB & CFC Website Resources.

Looking for information to share with your non-farming friends? Or some industry key messages on a national policy issue? There are four websites with resources you can use: bcchicken.ca, letstalkchicken.ca, chicken.ca and chickenfarmers.ca

BCchicken.ca is a provincial resource with BC specific information and resources for farmers, consumers. Government and other stakeholders, including industry updates, forms, general orders, etc.

Let's Talk Chicken is new consumer-friendly website that answers the most commonly asked questions about chicken farming in Canada, This is a great resource to share to dispel myths with your non-farming friends!

Chicken.ca remains as a resource to promote chicken the food, featuring recipes, nutritional information and safe food handling tips.

Chickenfarmers.ca focuses on policy issues, government relations. Check out this website if you are looking for some industry key messages about certain issues.

11. Social Media Hashtag #IHeartChickenFarmers.

Love to share photos of your family farm on Twitter or Instagram? If so we encourage you to use the hashtag #IHeartChickenFarmers. Posts with this hashtag will help Chicken Farmers of Canada replace gossip with facts. If you would like to learn more contact Cheryl Davie at cheryldavie@bcchicken.ca 604-859-2868.

12. Update on measures to increase BC's periodic quota utilization.

The BCCMB continues to be concerned with BC's record of quota utilization and has taken a number of steps over the past several months that are intended to encourage growers to maximize their production and meet their allotments.

- (1) Effective in **A-143** the Board announced the following as temporary measure:
- Growers that produce up to 102% of their periodic allotment will not have their allotment reduced four periods later. Over marketing adjustments will be made on all production beyond 102%.
 - Monetary over marketing levies between 106% and 109.9% will be suspended. Marketing's above 109.9% will attract levies at the rate of \$0.66 per kilogram.
 - These temporary measures will be reviewed on a period by period basis but will not in any case be amended prior to eggs sets for the first week of a new period.
- (2) Effective in **A-147** the Board announced:
- A decision to temporarily and until further notice amend Schedule 7, Section 3 of the BCCMB General Orders *Lease of Quota Without Premises* to allow for the leasing **IN** of quota up to 100% of a grower's domestic allotment.
 - Growers wishing to take advantage of this provision must have sufficient measured and certified barn space to accommodate the extra production.
 - This measure is intended to provide the opportunity to fully utilize available barn space and to assist growers and processors in meeting BC's national allocation.
 - This amendment refers to the leasing **IN** (not out) of quota; all other provisions of Schedule 7 remain in effect.

(3) **NEW.** For an initial two year period beginning in Period **A-149**, ending in A-161:

The board will consider a temporary lease of unregistered barn space by a registered grower.

- To qualify a grower must meet the requirements in Part 33 Barn Space at section 33.1 - have room for his entire allotment at a minimum of 31 kg/square meter on his own premise. This includes any additional quota acquired or granted to a grower during the period the lease is in existence.
- A written lease must be on file at the Board office. The lease must be for a building, not a floor or a portion of a floor. The lease must specify the quota periods it covers and must terminate no later than the end of period A-161.
- The leased space must be approved in advance by BCCMB field services staff prior to use. Once approved, the leased space may be utilized in the next unallocated period.
- Please contact BCCMB field services staff if you have questions or a facility that you are considering to lease or lease out.

13. Mandatory C&D following a disease outbreak.

The Board has formed a new committee that is looking into BC's under production issues. One of the items that has surfaced several times is the repeat occurrence of some diseases on the broiler farms. The most common ones at this time are IBH and Reovirus. In discussions it has been evident that not all producers are following the protocols laid out in the OFFSAP manual in regards to cleaning a disinfection after a disease event on the farm.

This is a reminder to all producers that under the **OFFSAP Program Section 4.1 Cleaning and Disinfecting** there are requirements if a disease is suspected or diagnosed on your farm. These requirements are mandatory under the **On Farm food Safety program. Section 4.1 states "You Must: Clean and disinfect your barn thoroughly (complete Washing) after a disease outbreak (e.g. ILT) or a disease outbreak that required depopulation (e.g. Avian Influenza or Newcastle Disease). If you suspect a disease has infected your flock, for example a problem that required veterinary consultation, you should clean and disinfect your barn thoroughly.**

During recent audits it has been determined that some growers are in fact not doing the proper C&D after a disease outbreak . This will be looked at closely during future audits and will be documented as a Corrective Action if not done according to Section 4.1.

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\2017\BCCMB UPDATE 2017 10.docx