



BC CHICKEN MARKETING BOARD UPDATE for April/May 2018

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1. Pricing for quota period A-150 (May 13 – July 7 2018)

Mainstream:

The live price in BC for period A-150 (marketing's from May 13 to July 7, 2018 inclusive) has been set by the Board at **\$1.6330** per kilogram live weight. This represents an increase of **\$0.055** from the previous period.

Linkage:

The price linkage calculations done by Serecon for period **A-150** reflect the live chicken price of **\$1.6330** per kilogram live weight. The calculations indicate a cost recovery parity between the two commodities of **94.92%** and a return on assets (minus quota) of **2.58%** will be achieved at the following prices:

	Price	Change from A-149
• Live chicken	\$1.6330/kg	Up \$0.055/kg
• Hatching eggs	\$5.3472 dozen	Up \$0.1454/dozen
• Day old chicks	\$0.7463/chick	Up \$0.0151/chick

Organic:

The live price for certified organic price for period A-150 has been set by the Board at **\$3.69 per kilogram live weight** which represents an increase from the previous period of 8 cents/kg live weight (which was set at \$3.58).

Specialty Chicken:

BRITISH COLUMBIA CHICKEN MARKETING BOARD

Silkie:

This is the second period of the two-period pricing block (A-149/A-150) for Silkie chicken. The price for A-149 is set at \$4.00 which is an increase from the previous period of \$0.02 (A-148 was set at \$3.98). A-150 remains unchanged from the previous period at \$4.00

Taiwanese:

This is the second period of the two-period pricing block for TC chicken. The results for quota period A-150 are displayed in the table below, showing no change 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	\$2.66	69 & 93	\$2.60	93	\$2.62
Bradner Special Dual	52	\$2.72	53 & 65	\$2.66	65	\$2.67
Bradner Long cycle	71	\$2.83	72 & 86	\$2.77	86	\$2.78
Shon don or Hong Kong Golden	68	\$2.71	69 & 83	\$2.65 n/c	83	\$2.67

2. Increase in Catching Costs

Processors have been in discussion with their respective service providers and have agreed to increase the fees paid for catching by \$0.0015/kg effective quota period A-150. The rate for growers using chicks supplied by their respective processors' hatchery goes from 3.3 cents/kg to 3.45 cents/kg for single deck barns and from 3.6 cents/kg to 3.75 cents/kg for double decked barns effective at the start of A-150 (May 13, 2018).

The Board as per the mediated pricing agreement have amended the BC live price formula to incorporate the increase in catching costs effective A-150.

3. Amendments to Part 31 Disaster Flock of the BCCMB General Orders:

The Board has amended Part 31 Disaster Flock of the General Orders. It now includes a section for growers to apply to have their 6% tolerance expanded to 10% for a specific quota period under certain conditions. The change will now allow both growers and processors to recoup lost opportunity in specific situations. The rationale for the change is that growers and the BCCGA have lobbied for a change to the disaster flock section that will allow for flexibility in managing excess mortality caused by disease.

The amended General Orders are on the website at www.bcchicken.ca and the specific part has been emailed directly to all registered growers for inclusion in their General Orders binder. A checklist that will assist growers in ensuring their application is complete will be available upon request from the Board office.

4. Replacing/Renovating/Removing Barns from production

When a grower intends to increase the size of a building or buildings, or to construct a new building for a quota production period, or remove a building from its grower profile, the grower **MUST** inform the Board in writing, prior to the deadline of the date the quota production period in question is being set at CFC, specifying the amount of building space to be demolished or added, and the expected completion date. This requirement is found in *Part 33 Barn Space, Section 33.5* of the BCCMB General Orders. Recently several more growers have found themselves in contravention of this section of the General Orders. Failure to request approval from the Board in advance may result in a forfeiture of the amount of allotment for which there is not sufficient measured, registered space. This may also impact future allotments.

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-152 (September 2, 2018 – October 27, 2018)	May 17, 2018
A-153 (October 28 – December 22, 2018)	July 24, 2018
A-154 (December 23,, 2018 – February 16, 2019)	September 11, 2018
A-155 (February 17 – April 13, 2019)	November 21, 2018
A-156 (April 14 --- June 8, 2019)	January 15, 2019

6. Production Statistics for period A-148

A-148				
Mainstream Grower's Only	# Growers	% of Total Growers	Kgs Over/(Under)	% Of Allocation
Mainstream Growers Receiving Allotment	277			
Growers over 110% of allotment	46	16.61%	596,555	12.03%
Growers over 106% of allotment	101	36.46%	1,225,511	34.63%
Growers between 100% and 105.9% of allotment	77	27.80%	338,441	30.64%
Growers between 94% and 99.9% of allotment	59	21.30%	-238,977	23.14%
Growers below 93.9% of allotment	40	14.44%	-564,220	11.59%
Column Totals	277	100.00%	760,755	100.00%
BC Utilization			103.12%	
A-148				
Growers Cycle Length	# Growers	% of Total Growers	Kgs Live Wt	% Of Allocation
Mainstream Growers Receiving Allotment				
7 Week Cycle	5	1.81%	604,931	1.70%
8 Week Cycle	252	90.97%	33,488,561	93.96%
9 Week Cycle	8	2.89%	573,335	1.61%
10 Week Cycle	6	2.17%	613,945	1.72%
11 Week Cycle	1	0.36%	88,337	0.25%
12 Week Cycle	2	0.72%	172,312	0.48%
16 Week Cycle	3	1.08%	101,632	0.29%
Column Totals	277	100%	35,643,053	100%
A-148				
Average Live Weight	# Growers	% of Total Growers	# Kgs Produced	% Of Production
Mainstream Growers Rec'vd Allotment	277			
1.600 kg and below	0	0.00%	0	0.00%
1.601 – 1.700 kg	5	1.81%	355,368	0.98%
1.701 – 1.780 kg	6	2.17%	755,146	2.07%
1.781 – 1.850 kg	11	3.97%	1,091,667	3.00%
1.851 – 1.950 kg	15	5.42%	1,870,974	5.14%
1.951 – 2.020 kg	14	5.05%	2,601,728	7.15%
2.021 – 2.100 kg	38	13.72%	4,726,916	12.98%
2.101 – 2.170 kg	20	7.22%	3,442,471	9.46%
2.171 – 2.250 kg	30	10.83%	4,384,442	12.04%
2.251 – 2.500 kg	107	38.63%	14,508,299	39.85%
2.501 – 2.730 kg	25	9.03%	2,431,623	6.68%
2.731 – 3.180 kg	6	2.17%	235,174	0.65%
3.181 kg and above	0	0.00%	0	0.00%
Column Totals	277	100.00%	36,403,808	100.00%

7. A-152 Allocation data.

The **A-152 (September 2 – October 27, 2018)** total national allocation was set at 266,693,042 kilograms live weight on March 20, 2017 at CFC. This represents 3.0% above the adjusted base for the period. Market Development at 10,672,860 kilograms live weight represents 4.20% of the national domestic allocation. Specialty allocation was requested by three provinces (BC, AB and ON) for a total of 2,119,594 kilograms live weight.

BC's share of the A-152 allocation is:

Domestic	35,570,269	kilograms live weight.
Market Development	2,377,000	kilograms live weight.
Specialty	1,119,569	kilograms live weight.
Total	39,066,838	kilograms live weight.

- MD represents 6.68% compared to BC's domestic allocation for the period.
- Specialty represents 3.14% compared to BC's domestic allocation for the period.
- **Allotments to BC mainstream growers will be at 115.13% pro rata.**
- 3.0% over base yields 2.6% to BC under the current allocation agreement.

8. Appeals Update

K&M Farms denial for Annualization:

K&M Farms, a self-marketer of chicken, has appealed a decision of the Board to deny his request for annualized production. The hearing date has been set for Friday June 15th and Tuesday June 19th at a location in Abbotsford to be determined.

K&M Farms request for Direction of Product and Continuation of Services

K&M Farms, a self-marketer of chicken, has appealed the decision of the Board to deny his request to have his product directed to Rosstown Natural Foods and to direct the processor to provide the services of catching, processing, cut up and packaging to his specifications at set prices. The hearing date has been set for June 15th and June 19th at a location in Abbotsford to be determined. It has been combined with the annualization appeal. Several BC processors have applied to participate in the appeal as intervenors.

PPPABC pricing appeal:

At the time of this writing, the BCCMB has been informed that the Primary Poultry Processors of BC (Hallmark, Sunrise, Sofina and Farm Fed) have appealed the BCCMB's method of calculating the live price for periods A-146 through A-150 inclusive. They assert that the mediated agreement reached on September 8, 2017 has been applied incorrectly and that the live price has been set 1.2 cents per kilogram too high for the periods in question. As of this date formal notification of the appeal has not been received from BCFIRB. More details will be circulated when they become available.

9. Pricing Review Update

The Board is in receipt of initial positions of both the growers and processors. It is the continued expectation of the Board to complete the review in time for A-151 pricing which commences July 8, 2018.

10. Linkage Update

The BCCMB and the BC Broiler Hatching Egg Commission are currently engaged in a scheduled update to the pricing linkage between our two commodities. The timeline set by our two boards specifies that this work is to be completed and implemented for period A-155 which begins on February 17, 2019. Serecon Consulting has been contracted for the purpose of the update which includes cost of production data to be collected on a number of farms. Should you be contacted by a representative of Serecon, please provide them with your full cooperation and access to your records. It is critical that the correct information be obtained in order that an accurate reflection of the cost of our operations be reflected in the linkage update.

If you are contacted by Serecon and wish to confirm the validity of their request, please contact Bill, Christine or Shawn at the BCCMB office.

11. AMU strategy timeline update from CFC.

The first timeline for the AMU strategy is the elimination of the preventive use of Category II antibiotics as of January 1, 2019. As part of this strategy there will be a new requirement in the OFFSP manual.

CFC has produced an update to the OFFSP manual – links to these have been provided below. The update includes a description of the strategy, the new requirement, and a listing of antimicrobials by category of importance for easy reference.

English: [Program Update](#)

CFC will be including an article in the upcoming Chicken Farmer newsletter and an electronic copy of the update.

12. Chef Tour on Vancouver Island

On May 9, 2017, BCCMB facilitated a tour with Sysco Victoria, hosting over 40 Vancouver Island chefs at Whitta Farms in Nanoose Bay. The tour received excellent feedback, with Sysco Victoria confirming their commitment to BC chicken farmers, stating “If we all work together and support our local food scene we can have an immense impact, supporting local farming families, providing safe quality foods and creating customer loyalty.”

The tour wrapped up with a delicious chicken lunch and an informative BCCMB presentation at Tigh Na Mara Resort in Parksville.

The board and staff at BCCMB thank Bev and Brian Whitta for taking the time out of their busy schedule to host these key industry influencers and for being such generous hosts. We cannot advocate for our industry without farmers like you!

13. Collaboration with 7-11 Canada

As part of BCCMB's strategic objective to collaborate with CFC to better promote domestically produced chicken consumption in Canada, we are proud to continue to build our rapport with the head office of 7-11 Canada (located in Surrey, BC). In May 2017, 7-11 revealed their commitment to local chicken farmers by adopting the Raised by a Canadian Farmer brand. On Saturday July 28, 2018 we will be celebrating National Wing Weekend at a 7-11 location in downtown Vancouver with Peak FM radio. If you are interested in participating in this event, contact Cheryl Davie in our office cheryldavie@bcchicken.ca.

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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