



BC CHICKEN MARKETING BOARD UPDATE for August 2018

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1. A-153 Allocation

The allocation for period A-153 (October 28 to December 22, 2018) was set by the CFC Board of Directors at their meeting held in Halifax, NS on July 24, 2018.

The total national allocation was set at 268,816,360 kilograms live weight which represents 4.5% above the adjusted base for the period. Market Development at 9,504,155 kilograms live weight represents 3.69% of the national domestic allocation. Specialty allocation was requested by three provinces (BC, AB and ON) for a total of 2,035,971 kilograms live weight.

BC's share of the **A-153 allocation** is:

Domestic	35,821,018 kilograms live weight.
Market Development	2,220,000 kilograms live weight.
Specialty	1,108,046 kilograms live weight.
Total	39,149,064 kilograms live weight.

- MD represents 6.19% compared to BC's domestic allocation for the period.
- Specialty represents 3.09% compared to BC's domestic allocation for the period.
- **The pro-rata allotments to mainstream chicken growers is at 118.23% pro rata.**
- 4.5% over base yields 4.0% to BC under the current allocation agreement.

2. Cost of production and pricing linkage update.

Bob Burden of Serecon is currently in the process of conducting on farm surveys for the purpose of our scheduled pricing linkage update. It is critical that Bob receives complete information in order to ensure the accuracy of our sectors costs as compared to hatching eggs. Your full cooperation with Serecon is essential and appreciated.

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3. Quota Expansion Information Session.

Qualifying holders of BCCMB mainstream quota will be eligible to be granted a 20% pro-rata increase to their base quotas effective with shipments in period A-164 (Marketing's from July 5 to August 29, 2020).

There will be a special session for growers to meet with the Board and staff members to have their questions answered pertaining to the quota increase.

The session is scheduled for **August 22, 2018** at:

Quality Hotel and Conference Center (formerly the Ramada Inn)
36035 North Parallel Road
Abbotsford, BC
Summit Room
1:00 – 4:00 p.m.

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 office is the day **BEFORE the BCCMB sets the allocation.**

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

The following dates may assist growers in making planning decision respecting the quota expansion and relative deadlines. * These dates are subject to change.

<u>Period</u>		<u>BCCMB requires completed documents at office</u>
A-155 (February 17 – April 13, 2019)	Last period to do quota transfers and still be eligible for quota expansion	November 16, 2018 *
A-164 (July 5 – August 29, 2020)	1 st period growers receive 20% quota expansion (space permitting)	March 27, 2020 *
A-170 (June 6 – July 31, 2021)	Last date to provide registered space for quota expansion. Insufficient space will result in forfeiture of any portion of the growth quota that cannot be accommodated	February 26, 2021 *

5. 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 was conducted on Friday June 15th at the Quality Inn in Abbotsford. To date no decision has been rendered.

PPPABC pricing appeal (A-146 – A-150):

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. A pre-hearing conference has yet to be scheduled, as the Board is applying to have the appeal dismissed.

PPPABC pricing appeal (A-151 – A-156):

The Primary Poultry Processors Association of BC (Hallmark, Sunrise, Sofina and Farm Fed) have appealed the BCCMB's method of calculating the live price for periods A-151 through A-156 inclusive. They are requesting a stay of the implementation of the decision to the extent necessary to allow the Processors to pay the difference in chicken prices between the 2018 formula and the 2017 pricing formula (excluding the \$0.012 modular loading levy) into trust pending the FIRB's final decision on this appeal. This holdback is calculated at \$0.024 per kilogram for period A-151.

On July 13, 2018 the BCFIRB panel ruled to dismiss the stay of implementation of the partial stay and holdback of the \$0.024 per kilogram stating that the BCCMB's pricing increase was not sufficient to warrant the extraordinary relief sought by the processors.

The relief sought should the processors prevail at appeal is that the price for BC chicken be set in BC (2.021-2.100 kg weight category) based on the Ontario live price (based on 2.15 -2.45 kg weight category) and by adding a fixed differential of 0.0650/kg for a period of 3 years. The hearing has been scheduled for the entire week of October 1 through 5, 2018 at a location in Abbotsford to be determined.

BCCGA pricing appeal (A-151-A-156):

The BC Chicken Growers Association have appealed the BCCMB's method of calculating the live price for periods A-151 through A-156 inclusive on the basis that does not include the \$0.012 per kilogram modular loading recovery as was the case during the period of the mediated agreement (A-145 through A-150) and only accounts for 75% of the difference in feed costs between BC and Ontario.

The relief sought should the BCCGA prevail at appeal:

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1. That the feed cost differential in the formula be amended from 75% to 100% or otherwise return to the original interim decision announced by the Board on June 11, 2018.
2. That the modular loading cost recovery premium of \$0.012 per kilogram be included in the pricing formula.

To date no date has been set for a pre-hearing conference call with BCFIRB on this appeal.

6. Freedom of Information Requests:

The Board has received two requests under the Freedom of Information and Protection of Privacy Act (FIPPA) BC. To date, neither of these have been responded to, but there are strict timelines that must be adhere to under the Act. The BCCMB is being advised by legal counsel and will ensure that the private information pertaining to grower's names, addresses and contact information are protected. We will provide more information as it becomes available.

Animal Justice Canada Legislative Fund

The Board is in receipt of a Freedom of Information and Protection of Privacy request from the Animal Justice Canada Legislative Fund of Toronto. They have made the same request of the following BC Commodity Boards: Chicken, Egg, Turkey, Milk, Hatching Egg, and Pork.

The following information has been requested from all of the boards and commissions.

All available:

- Animal welfare inspection reports/animal care audit reports
- Financial records (i.e. any records of government funding and what it was used for)
- Photos/videos from inspections
- Reports re number of total inspections completed, number of failed inspections, number of charges laid/corrective actions taken (i.e. farm compliance data)
- Appeal, hearing and decision files
- Complaint files re animal welfare and farm compliance
- Bio-security audit reports
- All correspondence re animal welfare inspections and bio-security audits
- Meeting minutes re complaints, undercover footage, audits

- Policy documents (i.e. policy re corrective actions and timelines post inspection/ audit, performance of audits)
- Rules of practice/standards/protocols
- Code of conduct
- contracts signed between Board and producers

With the assistance of legal counsel, BCCMB staff is in the process of obtaining clarification of the data/dates requested. BCCMB staff are also working collaboratively with the other board and commission offices with a view to a common approach to this expansive request.

Pursuant to section 21 of FIPPA, the BCCMB **must** disclose the information to the applicant unless it can be shown that: (1) the record contains information that is your business' trade secret or commercial, financial, labour relations, scientific or technical information; (2) the information was supplied, implicitly or explicitly, in confidence and has been consistently treated in a confidential manner; and (3) one or more of the following harms will result if the information is disclosed:

The disclosure of the information will:

- Harm significantly your business' competitive position or interfere significantly with your business' contractual or other negotiations;
- Result in similar information no longer being supplied to the BCCMB where it is in the public interest that similar information continues to be supplied, other than where a statute or regulation requires that the information be supplied;
- Result in undue loss or gain to any person or organization, or
- Reveal information supplied to, or the report of, an arbitrator, mediator, labour relations officer or other person or body appointed to resolve or inquire into a labour relations dispute.

The Board will be providing notice to growers by separate cover respecting your views regarding disclosure of the requested information. Your input will be considered, along with other relevant factors, in deciding whether to disclose the requested information.

For more information of FIPPA please go to their website at:
<https://www.oipc.bc.ca/guidance-documents/1466>

Primary Poultry Processors Association of BC (PPPABC):

The Board is in receipt of a Freedom of Information and Protection of Privacy request from the Primary Poultry Processors Association of BC (Hallmark, Sunrise, Sofina and Farm Fed) They have requested the following information:

1. All information cited publicly by the Chicken Board as the basis for its Pricing Model (Mainstream) Formula Decision 2018 (the "Pricing Decision");
2. All records relied upon by the Chicken Board in coming to the Pricing Decision, including but not limited to:
 - (a) Any factual material;
 - (b) Any statistical surveys;
 - (c) Any economic forecasts; and
 - (d) Any reports or documents prepared by the Chicken Board or by third parties on behalf of the Chicken Board or provided to the Chicken Board;
3. All internal communications, documents, file notes, memoranda, and any other records pertaining to the pricing of live chicken in British Columbia produced by the Chicken Board, or any of its employees or board members, during the period of January 1, 2017 to June 27, 2018;
4. All communications, documents, file notes, memoranda, and any other records pertaining to the pricing of live chicken in British Columbia sent between the Chicken Board, or any of its employees or board members, and the following entities and persons, during the period of January 1, 2017 to June 27, 2018:
 - (a) The British Columbia Chicken Growers' Association (the "BCCGA");
 - (b) Ference & Company;
 - (c) Serecon Consulting Group;
 - (d) The Chicken Farmers of Canada;
 - (e) The British Columbia Farm Industry Review Board;
 - (f) Any other members of the chicken industry in British Columbia or any other province; and
 - (g) Any person who is an employee, board member, or agent of the above entities;
5. All records pertaining to any interactions between the Chicken Board, or any of its employees or board members, and the British Columbia Ministry of Agriculture, from the period of January 1, 2017 to June 27, 2018.

The Board will be providing notice to affected parties by separate cover respecting their views regarding disclosure of the requested information.

7. CFC Life Cycle Assessment.



Farmers Complete Life Cycle Assessment - and the News is Good

OTTAWA, Aug. 14, 2018 /CNW/ - Considering the average carbon footprint of chicken around the world, Canadian chicken has one of the lowest carbon footprint of all.

This is a key result coming from a recent Life Cycle Assessment (LCA) conducted by Groupe AGÉCO, a consultation firm specializing in corporate social responsibility and economic studies; the study was designed to measure the environmental and social performance of Canada's chicken sector, from hatching egg to processor.

The Environmental Footprint – Key findings

- Since 1976, environmental performance significantly improved because of major productivity gains and significant improvements in feed conversion ratio.
- Per kilogram of protein, the carbon footprint of Canadian chicken is lower than that of other livestock commodities produced in North America based on FAO's assessment of global livestock emissions.
- In the last 40 years, the carbon footprint of the sector was reduced by 37%.
- Water consumption has been reduced by 45% in the same timeframe.
- 62% of the entire sector's total energy use comes from renewable sources, with chicken feed accounting for the bulk of renewable energy consumption.

The Social Performance

Canada's chicken farmers are committed to food safety & animal care: Canadian chicken farmers are certified on the mandatory *Raised by a Canadian Farmer* On-Farm Food Safety Program (OFFSP) and Animal Care Program (ACP), both of which are 3rd party audited.

After eliminating Category I antibiotics (the most important for human medicine) on the farm, Canada's farmers have committed to eliminating the preventive use of Category II antibiotics by the end of 2018 and a goal had been set to eliminate the preventive use of Category III antibiotics by the end of 2020.

Dedicated social license: Over 90% of Canadian chicken farmers are engaged in their communities by providing free services to community members or by being engaged in municipal or regional organizations.

Competitive working conditions: Over 90% of Canadian chicken farmers pay their workers a salary over the provincial minimum wage and about 70% offer their employees benefits such as insurance and bonuses in addition to other benefits in kind.

A Pledge for Continual Improvement

For Canadian chicken farmers, sustainability means protecting animal health and welfare, ensuring worker and community wellbeing, preserving the health of the land and of Canadian farms and contributing to the Canadian economy by providing affordable food to Canadians.

Benoît Fontaine, Chair of Chicken Farmers of Canada affirms that, "Our sustainability journey is a process of continual improvement. We have come a long way with the implementation of on-farm programs, and with the growth in our industry which has contributed to the Canadian economy and helps support rural communities. But we'll always have more work to do and we will continually evolve to improve our practices and deliver on the expectations of Canadian consumers."

Background

An LCA is an internationally recognized approach to assess the impacts associated with all of the stages of a product's life – in this case chicken. There is a well-established protocol for LCA subject to an ISO standardized methodology. LCAs can help an industry determine which aspects of their production are most efficient, and where they can improve efficiencies, reduce environmental impacts, or improve social interactions along their entire value chains.

The LCA provides the chicken industry with benchmarks for its impact on climate change, natural resources, biodiversity and ecosystem quality, and human health, while the social LCA provides a qualitative assessment of the industry's socioeconomic performance.

Conducting an LCA is part of our strategy to support our industry's work in maintaining consumer and buyer confidence that supply chain risks are adequately addressed. It can also improve industry's social licence and assurance to consumers that chicken is safe, and produced in an efficient and responsible way.

People care deeply about their food, about knowing where it comes from and that what they are serving to their family and friends is of the highest quality; our farmers and their families are no different. So when we say that the Canadian chicken industry is good for Canadians, it's because we know that we're raising our chickens to the highest standards: yours.

To find out more about our LCA results, check out this new infographic:

<https://www.chickenfarmers.ca/resources/sustainability-assessment-of-the-canadian-chicken-value-chain/>

For further information: Marty Brett, Senior Corporate Communications Officer, (613) 566-5926, mbrett@chicken.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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