



## BC CHICKEN MARKETING BOARD UPDATE for September 2018 REVISED

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### 1. A-154 allocation data.

The allocation for period A-154 (December 23, 2018 through February 16, 2019) was set by the CFC board of directors in Halifax, NS on July 24, 2018 at 3.5% above base.

Domestic allocation	244,410,329 kilograms live weight
Market development	9,940,860 kilograms live weight
Specialty	2,063,406 kilograms live weight
<b>Total</b>	<b>256,414,595 kilograms live weight</b>

- Market development represents 4.07% as compared to the domestic allocation.
- Specialty allocation represents 0.84% as compared to the domestic allocation.

BC's share of the A-154 allocation:

Domestic	32,979,644 kilograms live weight
Market development	2,220,000 kilograms live weight
Specialty	1,178,706 kilograms live weight
<b>Total</b>	<b>36,378,350 kilograms live weight</b>

- Market development represents 6.73% as compared to the domestic allocation.
- Specialty allocation represents 3.57% as compared to the domestic allocation.
- 3.5% over base yields 3.1% over base to BC under the current allocation formula.
- Allotments to BC growers for period A-154 will be at **109.35% pro rata**

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## **2. Pricing for quota Period A-152 (September 2 – October 27, 2018):**

### **Mainstream:**

The live price in BC for period A-152 (marketing's from September 2 to October 27, 2018 inclusive) has been set by the Board at **\$1.6590** per kilogram live weight. This represents a decrease of **\$0.034** from the previous period.

### **Linkage:**

The price linkage calculations done by Serecon for period **A-152** reflect the live chicken price of **\$1.659** per kilogram live weight. The calculations indicate a cost recovery parity between the two commodities of **94.39%** and a return on assets (minus quota) of **1.61%** will be achieved at the following prices:

	<b>Price</b>	<b>Change from A-151</b>
• Live chicken	\$1.6590/kg	Down \$0.034/kg
• Hatching eggs	\$5.4400 dozen	Down \$0.09140/dozen
• Day old chicks	\$0.7560/chick	Down \$0.0095/chick

### **Certified Organic:**

The live price for certified organic price for period A-152 has been set by the Board at **\$3.66 per kilogram live weight** which represents a decrease from the previous period of 5 cents/kg live weight (which was set at \$3.71).

### **Silkie:**

This is the second period of the two-period pricing block (A-151/A-152) for Silkie chicken. The price for A-152 is set at \$4.04 per kilogram live weight.

### **Taiwanese:**

This is the second period of the two-period pricing block for TC chicken. The results for quota period A-152 are displayed in the table below.

<b>Category</b>	<b>Age up to (days)</b>	<b>Price per kilogram Live weight</b>	<b>Age Between (days)</b>	<b>Price per kilogram Live weight</b>	<b>Age Over (days)</b>	<b>Price per kilogram Live weight</b>
<b>Loong Kong</b>	68	<b>\$2.69</b>	69 & 93	<b>\$2.63</b>	93	<b>\$2.65</b>
<b>Bradner Special Dual</b>	52	<b>\$2.74</b>	53 & 65	<b>\$2.68</b>	65	<b>\$2.69</b>
<b>Bradner Long cycle</b>	71	<b>\$2.86</b>	72 & 86	<b>\$2.80</b>	86	<b>\$2.81</b>

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<b>Shon don or Hong Kong Golden</b>	68	<b>\$2.74</b>	69 & 83	<b>\$2.68</b>	83	<b>\$2.70</b>
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### **3. 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.**

<b>Period</b>	<b>BCCMB sets Allocation</b>
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.

<b>Period</b>		<b><u>BCCMB requires completed documents at office</u></b>
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 <sup>st</sup> 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 *

### **4. 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 15<sup>th</sup> 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.

The Board applied for a summary dismissal which was granted by FIRB on August 27, 2018. The FIRB panel found that no special circumstances exist for extending the time limit for filing and appeal.

**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 appeal is to be heard at the same time as the BCCGA pricing appeal. The dates of the appeal are set for October 1-5, 2018 at a location likely in Vancouver yet 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:

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.

The appeal is to be heard at the same time as the PPPABC pricing appeal. The dates of the appeal are set for October 1-5, 2018 at a location likely in Vancouver yet to be determined.

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## **5. Shareholders and the General Orders (reprinted from the previous board report)**

This section is intended to clarify the sections of the General Orders that refer to “shareholders”. Some growers engaged in estate planning and changing their shareholder structure or farm name without informing the BCCMB staff. Please be advised that any change in shareholders or company name will require a quota transfer as per Part 39 of the General Orders. **The land and quota must be in the same name and owned in “fee simple”.**

When making these changes, please note that it will only be effective in the next unallocated period once approved by the Board. For ease of completion, a complete set of quota transfer papers can be found on the BCCMB website in the “members only” section.

## **6. Pricing Linkage Update**

Bob Burden of Serecon reports that he is nearing completion of the on farm surveys for the BCCMB/BCBHEC pricing linkage update that is scheduled for implementation in period A-155 (February 17 through April 30, 2019).

BCCMB Board and staff members would like to extend their appreciation to the growers that participated in the surveys for their openness and cooperation. Many thanks!

## **7. Proposed changes to the 2019 licence application form:**

Board staff intends to send out to growers their 2019 licence application form in October of 2018. The form must be completed in its entirety and returned to the Board office by no later than November 30, 2018. This year, growers will be asked to provide a current up-to-date list of shareholders/share structure and a copy of their current land titles certificates. Failure to provide the requested information may result in a delay of licence renewal for 2019 which could affect future allotments and eligibility for the quota expansion announced on June 18, 2018.

In order to avoid any problems, please provide the requested information in a timely manner.

*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](mailto:billvanderspek@bcchicken.ca)*

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## 8. A-150 End of Period Production Summary

A-150				
Mainstream Grower's Only	# Growers	% of Total Growers	Kgs Over/(Under)	% Of Allocation
Mainstream Growers Receiving Allotment	<b>284</b>			
<b>Growers over 110% of allotment</b>	67	23.59%	8,820,180	20.77%
<b>Growers over 106% of allotment</b>	120	42.25%	16,315,588	39.53%
Growers between 100% and 105.9% of allotment	100	35.21%	14,215,673	37.20%
Growers between 94% and 99.9% of allotment	50	17.61%	6,543,036	18.11%
Growers below 93.9% of allotment	14	4.93%	1,520,798	4.89%
Column Totals	284	100.00%	38,595,095	100.00%
<b>BC Utilization</b>			102.89%	
A-150				
Growers Cycle Length	# Growers	% of Total Growers	Kgs Live Wt	% Of Allocation
Mainstream Growers Receiving Allotment				
7 Week Cycle	6	2.11%	546,736	1.48%
8 Week Cycle	253	89.08%	34,780,265	93.99%
9 Week Cycle	9	3.17%	633,124	1.71%
10 Week Cycle	6	2.11%	436,671	1.18%
11 Week Cycle	0	0.00%	0	0.00%
12 Week Cycle	6	2.11%	454,775	1.23%
16 Week Cycle	4	1.41%	151,415	0.41%
Column Totals	284	100%	37,002,986	100%
A-150				
Average Live Weight	# Growers	% of Total Growers	# Kgs Produced	% Of Production
Mainstream Growers Rec'vd Allotment	<b>284</b>			
1.600 kg and below	0	0.00%	0	0.00%
1.601 – 1.700 kg	4	1.41%	274,925	0.71%
1.701 – 1.780 kg	4	1.41%	356,786	0.92%
1.781 – 1.850 kg	7	2.46%	786,682	2.04%
1.851 – 1.950 kg	12	4.23%	1,871,824	4.85%
1.951 – 2.020 kg	12	4.23%	1,789,708	4.64%
2.021 – 2.100 kg	28	9.86%	3,432,096	8.89%
2.101 – 2.170 kg	21	7.39%	4,276,681	11.08%
2.171 – 2.250 kg	21	7.39%	3,313,575	8.59%
2.251 – 2.500 kg	131	46.13%	18,471,859	47.86%
2.501 – 2.730 kg	36	12.68%	3,679,006	9.53%
2.731 – 3.180 kg	8	2.82%	341,953	0.89%
3.181 kg and above	0	0.00%	0	0.00%
Column Totals	284	100.00%	38,595,095	100.00%

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