



BC CHICKEN MARKETING BOARD UPDATE for July 2016

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1. Live Pricing for Quota Period A-138 (July 10 – September 3, 2016)

Mainstream:

The live price in BC for period A-138 (marketing's from July 9th to September 3, 2016 inclusive) has been set by the Board at **\$1.6259** per kilogram live weight. This represents an increase of **\$0.0347** from the previous period.

Organic:

The live price for certified organic price for period A-138 has been set by the Board at **\$3.88 per kilogram live weight** which represents 100% of the cost of production for the period and is a decrease from the previous period of 7 cents/kg live weight (which was set at \$3.95). The decrease is attributed to lower feed costs

Specialty Chicken:

Taiwanese:

The SMAC agreed the 8 cent reduction in every category remain in place until such time as the full update on the TC COP is completed. This full update was budgeted and scheduled for completion in the first quarter of 2016 and it was hoped to be implemented for A-137; however, Serecon has been unable to complete the data collection due to growers rescheduling their meetings with Bob Burden.

The SMAC met on May 10th. The prices recommended by the SMAC continue to use the current (old) COP for A-137/A-138 until such time as Serecon has completed on farm surveys, completed the full update and has met with the SMAC to review the results. The Board accepted the recommendation of the SMAC.

BRITISH COLUMBIA CHICKEN MARKETING BOARD

It is the understanding of the Board that the SMAC will meet on July 28th to finalize the update to the TC Serecon COP for use in quota period A-139.

The following prices have been set by the Board for Taiwanese chicken for quota period A-138 at:

- TC's up to **82** days of age: **\$2.5839** per kg (no change from the previous period).
- TC's **83 to 110** days of age: **\$2.7976** per kg. (no change from the previous period).
- TC's **over 110** days of age: **\$2.9881** per kg. ((no change from the previous period).

Silkies:

The following prices have been set by the Board for Silkie chicken for quota period A-138 consultation with the SMAC which represents no change from the previous period.

- Silkie Chicken: **\$3.98** per kilogram.

Linkage:

The information used to calculate the relative recovery of costs for each commodity as it relates to the live price of chicken will be updated on a three year basis going forward. The BCCMB and BCBHEC had signed an MOU to that effect. The most recent update (for use in quota period A-136) resulted in a 1.51 cent increase in the cost of day old broiler chicks.

The price linkage calculations done by Serecon for period **A-138** reflect the live chicken price of **\$1.6259** per kilogram live weight. The calculations indicate that cost recovery parity of **96.60%** and a return on assets (minus quota) of **2.88%** will be achieved at the following prices:

Live Chicken @ \$1.6259 per kilogram	up \$0.0347 per kg
Hatching Eggs @ \$5.2851 per dozen	up \$0.0621 per dozen
Day-Old Broiler Chicks @ \$0.7398 per chick	up \$0.0065 per chick

2. Appeals Update

The Primary Processors Association of BC (Hallmark Poultry, Sunrise Farms, Sofina Foods, and Farm Fed) is appealing the decision of the Board to sign the MOU at Chicken Farmers of Canada respecting the Long Term Allocation Agreement.

Submissions from the BCCMB, the BC Primary Processors Association, the BCCGA, Alberta Chicken Producers, Chicken Farmers of Saskatchewan and Chicken Farmers of Canada can be viewed on the BCFIRB website at:

<http://www2.gov.bc.ca/gov/content/governments/organizational-structure/ministries-organizations/boards-commissions-tribunals/bc-farm-industry-review-board/regulated-marketing/supervisory-reviews/2016-amendments-to-schedule-b-operating-agreement-for-chicken>

BCFIRB has published a final decision on the matter June 30, 2016. It also can be found at the above noted link.

The summary of the decision is as follows:

DECISION SUMMARY

- 1. On January 26, 2016 the BC Farm Industry Review Board (BCFIRB) initiated a review of the Chicken Board's January 15, 2016 request for approval under s. 4.02 of the British Columbia Chicken Marketing Scheme, 1961 to sign the amended Schedule "B" Operating Agreement of the Federal-Provincial Agreement for Chicken. The review included an examination of the issues identified by the Primary Poultry Processors Association of BC (PPPABC) in its appeal of the agreement in principle (precursor to the amended Operating Agreement) originally filed in 2015.*
- 2. BCFIRB, as a signatory to the Operating Agreement, is also required to make its own, independent determination as to whether it will sign the amended Operating Agreement.*
- 3. BCFIRB conducted its review through a principles/outcomes-based approach using SAFETI¹. As required by s. 9 of the Natural Products Marketing (BC) Act (NPMA), BCFIRB must find that the proposed amendments are authorized by governing legislation, regulations and agreements and are in accord with "sound marketing policy". The panel reviewed the proposed amendments to the Operating Agreement alongside submissions received from stakeholders and related background information in light of these requirements.*
- 4. Following on fulsome consideration and based on the rationale set out in this decision document, the panel is satisfied that moving forward with the proposed amendments to the Operating Agreement for the short-term is strategic and accords with sound marketing policy. BC benefits from being part of a cooperative system, and although the outcomes may not be ideal, on balance the amendments are a step forward in ensuring federal legislative requirements are met and supports Alberta's re-entry to the Federal-Provincial Agreement.*
- 5. The panel cannot predict with certainty the full effects on the industry of the proposed amendments to the Operating Agreement over the next ten years. Hence establishing ongoing monitoring and reporting against industry supported performance measures will be key in ensuring national and provincial responsiveness to changing markets.*

6. *BCFIRB gives its prior approval for the Chicken Board to sign the amended Operating Agreement in its current form no earlier than July 15, 2016.*
7. *BCFIRB will sign the amended Operating Agreement in its current form no earlier than July 15, 2016.*
8. *The Chicken Board and PPPABC are to constructively engage with each other and their western counterparts to evaluate options for changes to the Market Development Policy and other options identified in the PPPABC final submission.*
9. *The Chicken Board is to monitor and publically report on the outcomes of the amended Operating Agreement as part of its annual reporting cycle. Processors and further processors and other stakeholders are expected to engage with the Chicken Board as appropriate in developing performance measures and providing data.*
10. *As a signatory, BCFIRB expects the annual CFC review under s. 10.01 of the amended Operating Agreement will be based on performance measures developed in cooperation with stakeholders and publically reported (including to all signatories).*

¹ *Strategic, Accountable, Fair, Effective, Transparent, Inclusive*

3. Allocation Setting Dates

Future allocation dates will be published in monthly Board updates so that growers can be aware when the next unallocated period is being set.

The 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-140 (October 30 – December 24, 2016)	July 20, 2016
A-141 (December 25, 2016 – February 18, 2017)	September 27, 2016
A-142 (February 19 – April 15, 2017)	November 16, 2016
A-143 (April 16, 2017 – June 10, 2017)	January 17, 2017

4. A-136 Production Statistics (REVISED)

Mainstream Grower's Only	A-136			
	# Growers	% of Total Growers	Kgs Over/(Under)	% Of Allocation
Mainstream Growers Receiving Allotment	258			
Growers over 110% of allotment	15	5.81%	156,127	3.84%
Growers over 106% of allotment	46	17.83%	405,109	13.23%
Growers between 100% and 105.9% of allotment	92	35.66%	313,308	37.23%
Growers between 94% and 99.9% of allotment	79	30.62%	-291,519	30.61%
Growers between 90% and 93.9% of allotment	26	10.08%	-310,722	11.98%
Growers below 90% of allotment	15	5.81%	-380,430	6.96%
Growers below 94% of allotment	68	26.36%	(691,152)	18.93%
Column Totals	258	100%	(264,254)	100%
BC Utilization	98.60%			

Growers Cycle Length	A-136			
	# Growers	% of Total Growers	Kgs Live Wt	% Of Allocation
Mainstream Growers Receiving Allotment				
7 Week Cycle	5	1.95%	410,007	1.19%
8 Week Cycle	226	87.55%	31,589,351	91.62%
9 Week Cycle	11	4.28%	1,459,997	4.23%
10 Week Cycle	7	2.72%	530,335	1.54%
11 Week Cycle	0	0.00%	0	0.00%
12 Week Cycle	4	1.56%	204,658	0.59%
16 Week Cycle	5	1.95%	284,661	0.83%
Column Totals	258	100%	34,479,009	100%

Average Live Weight	A-136			
	# Growers	% of Total Growers	# Kgs Produced	% Of Production
Mainstream Growers Rec'vd Allotment	258			
1.600 kg and below	2	0.78%	190,326	0.56%
1.601 – 1.700 kg	6	2.33%	346,972	1.03%
1.701 – 1.780 kg	4	1.55%	409,040	1.21%
1.781 – 1.850 kg	3	1.16%	215,508	0.64%
1.851 – 1.950 kg	13	5.04%	1,340,271	3.97%
1.951 – 2.020 kg	18	6.98%	2,986,188	8.85%
2.021 – 2.100 kg	24	9.30%	3,987,381	11.81%
2.101 – 2.170 kg	33	12.79%	5,169,915	15.31%
2.171 – 2.250 kg	35	13.57%	5,917,187	17.53%
2.251 – 2.500 kg	91	35.27%	10,818,891	32.05%
2.501 – 2.730 kg	26	10.08%	2,271,288	6.73%
2.731 – 3.180 kg	3	1.16%	106,459	0.32%
3.181 kg and above	0	0.00%	0	0.00%
Column Totals	258	100.00%	33,759,426	100.00%

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 E-mail to billvanderspek@bcchicken.ca

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