



## **BC CHICKEN MARKETING BOARD UPDATE for October/November 2018**

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### **1. Order in Council Announcement:**

By order of the Lieutenant Governor in Council, under Order #485, effective September 30, 2018 that:

Alistair Johnston is reappointed as a member of the BCCMB for a term ending September 30, 2021, and

Gay Mary Jean Hahn is appointed as a member of the BCCMB for a term ending September 30, 2021.

The Board would like to take this opportunity to thank Mr. Ralph Payne for his 2 years of service as a BCCMB member. The Board would like to congratulate Alistair on his reappointment for a further 3 years, and welcome Gay to the Board.

Gay recently retired at the CEO of Avalon Dairy, Burnaby. In a 27 year career with Avalon, she guided the company to being the first certified organic dairy in BC. Under her direction Avalon expanded markets and products and built a new state-of-the-art plant in Burnaby. Prior to Avalon, Gay had an extensive career in the BC food processing industry including: egg products, seafood and honey.

Gay was very active on industry boards as Chair of: BC Dairy Foundation, BC Dairy Council, BC Food Processors Association and the Food Processing HR Council of Canada.

Also Gay was a member of BC Investment Agriculture Foundation and Chair of Hockey Canada Female Council.

## **2. A-153 Pricing (October 28 – December 22, 2018):**

### **Mainstream:**

The live price in BC for period A-153 (marketing's from October 28 to December 22, 2018 inclusive) have been set by the Board at \$1.645 per kilogram live weight. This represents a decrease of 1.4 cents from the previous period.

### **Linkage:**

The price linkage calculations done by Serecon for period A-150 reflect the live price of \$1.645 per kilogram live weight. The calculations indicate a cost recovery parity between the two commodities of 92.32% and a return on assets (minus quota) of -0.07% will be achieved at the following prices:

	<b>Price</b>	<b>Change from A-152</b>
Live Chicken	\$1.645/kg	Down \$0.014/kg
Hatching Eggs	\$5.3611/dozen	Down \$0.0789/dozen
Day old chicks	\$0.7478/chick	Down \$0.0082/chick

### **Organic:**

The live price for certified organic chicken for period A-153 has been set by the Board at **\$3.68 per kilogram live weight** which represents an increase from the previous period of 2.0 cents/kg live weight (which was set at \$3.66).

### **Specialty Chicken:**

#### **Silkie:**

This is the first period of the two-period pricing block (A-153/A-154) for Silkie chicken. The price for A-153 is set at \$4.14, which is an increase from the previous period by 10 cents (A-152 was set at \$4.04).

## Taiwanese:

This is the first period of the two-period pricing block (A-153/A-154) for TC chicken. The results are displayed in the table below where “green” indicates an increase and “red” indicates a decrease 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	<b>\$2.79</b> Up 0.10	69 & 93	<b>\$2.73</b> Up 0.10	93	<b>\$2.75</b> Up 0.10
Bradner Special Dual	52	<b>\$2.79</b> Up 0.05	53 & 65	<b>\$2.72</b> Up 0.04	65	<b>\$2.73</b> Up 0.04
Bradner Long cycle	71	<b>\$2.91</b> Up 0.05	72 & 86	<b>\$2.84</b> Up 0.04	86	<b>\$2.86</b> Up 0.05
Shon don or Hong Kong Golden	68	<b>\$2.79</b> Up 0.05	69 & 83	<b>\$2.73</b> Up 0.05	83	<b>\$2.75</b> Up 0.05

### 3. USMCA:

The United States, Mexico and Canada have signed an agreement to replace NAFTA. The press release from CFC has been distributed to all growers via email and is also posted on the BCCMB website.

The USMCA makes fundamental changes to how imports are administered while ensuring continued stability for farmers.

#### **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.**

<b><u>Period</u></b>	<b><u>BCCMB sets Allocation</u></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
A-157 (June 9 – August 3, 2018)	March 20, 2019
A-158 (August 4 – September 28, 2018)	May 17, 2019
A-159 (September 29 – November 23, 2018)	June 26, 2019
A-160 (November 24, 2018 – January 18, 2019)	August 23, 2019
A-161 (January 19 – March 14, 2019)	October 1, 2019
A-162 (March 15 – May 9, 2020)	November 29, 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><u>Period</u></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 *

#### **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 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.

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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 appeal was heard on October 1-5, 2018 and November 1-2, 2018 inclusive, at the Sandman Inn located at 180 West Georgia Street, Vancouver BC. To date no decision has been rendered.

**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. This request for relief has been dropped by the BCCGA.

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The appeal was heard at the same time as the PPPABC pricing appeal. To date no decision has been rendered.

**BCCGA appeal BCCMB decision to deny funding a hatchery/processing plant feasibility study:**

The BC Chicken Growers Association have appealed the Board's decision denying them funds to conduct a feasibility study with respect to the chicken growers owning and operating a hatchery and processing plant in BC. The Board does not anticipate directly or indirectly funding through BCCMB levies any studies involving possible commercial enterprises. On November 8<sup>th</sup>, the BCCGA withdrew their appeal to BCFIRB.

**6. Freedom of Information Update:**

Animal Justice Canada Legislative Fund

With the assistance of legal counsel, scope of the request has been narrowed to cover animal welfare inspection reports/animal care audits and farm compliance data for the period of January 1, 2017 to August 1, 2018.

Animal Justice Canada has been informed that approximately 15,040 pages of records involve audit reports where no compliance issues were identified, and asked if they would further like to limit their request to reports and audits where non-compliance was identified. To date no response has been received on this further offer, narrowing of the request.

PPPABC

With the assistance of legal counsel, the scope of the request has been clarified. The PPPABC (Hallmark, Sunrise, Sofina and Farm Fed) and requesting all documentation pertaining to the pricing of live chicken in BC produced by the Chicken Board, employees or Board members during the period of January 1, 2017 to June 27, 2018. A cost estimate has been provided to the PPPABC, and accepted by them on September 13, 2018. The BCCMB has requested an extension of time in order to ensure third party interests are appropriately taken into account. The BCCMB's material will be provided to the PPPABC no later than November 16, 2018.

## **7. BCCMB Christmas Office Hours:**

BCCMB staff would like to take this opportunity to wish everyone a Merry Christmas and a Happy New Year. We appreciate the support that we have received from you during 2018 and look forward to working with you in the New Year.

Our office hours during the Holiday Season:

- Monday, December 24 – the office closes at 12:00 noon (8:00 a.m. to noon)
- Tuesday, December 25 – Closed -- Merry Christmas
- Wednesday, December 26 – Closed -- Boxing Day
- Thursday, December 27 –Friday, December 28 -- normal office hours (8:00 a.m. to 4:00 p.m.)
- Monday December 31, 2018 – office closes at 12:00 noon (8:00 a.m. to noon)
- Tuesday, January 1 – Closed - Happy New Year!
- Wednesday, January 2 – Normal office hours resume. (8:00 a.m. to 4:00 p.m.)

Should there be an emergency during the holiday period, please call (604) 302-9662 and leave a message; you will receive a return call as soon as possible.

## **8. Growers Christmas Luncheon**

The Christmas luncheon is scheduled for Wednesday December 5, 2018 at Newlands Golf and Country Club. A notice has been sent to each registered grower. RSVP is required and is limited to 2 people per grower licence.

Please email your RSVP to [info@bcchicken.ca](mailto:info@bcchicken.ca)

## 9. A-151 Period Summary

A-151				
Mainstream Grower's Only	# Growers	% of Total Growers	Kgs Over/(Under)	% Of Allocation
Mainstream Growers Receiving Allotment	<b>279</b>			
<b>Growers over 110% of allotment</b>	29	10.39%	440,836	8.58%
<b>Growers over 106% of allotment</b>	73	26.16%	816,214	21.40%
Growers between 100% and 105.9% of allotment	101	36.20%	478,508	40.77%
Growers between 94% and 99.9% of allotment	72	25.81%	-257,765	27.98%
Growers below 93.9% of allotment	34	12.19%	-587,032	9.86%
Column Totals	280	100.36%	449,925	100.00%
<b>BC Utilization</b>			101.46%	
A-151				
Growers Cycle Length	# Growers	% of Total Growers	Kgs Live Wt	% Of Allocation
Mainstream Growers Receiving Allotment				
7 Week Cycle	5	1.79%	474,852	1.24%
8 Week Cycle	254	90.71%	36,312,459	94.70%
9 Week Cycle	12	4.29%	829,984	2.16%
10 Week Cycle	6	2.14%	501,711	1.31%
11 Week Cycle	1	0.36%	88,087	0.23%
12 Week Cycle	1	0.36%	52,061	0.14%
16 Week Cycle	1	0.36%	84,724	0.22%
Column Totals	280	100%	38,343,878	100%
A-151				
Average Live Weight	# Growers	% of Total Growers	# Kgs Produced	% Of Production
Mainstream Growers Rec'vd Allotment	<b>279</b>			
1.600 kg and below	2	0.71%	131,360	0.34%
1.601 – 1.700 kg	3	1.07%	202,751	0.52%
1.701 – 1.780 kg	3	1.07%	272,700	0.70%
1.781 – 1.850 kg	9	3.21%	845,865	2.18%
1.851 – 1.950 kg	12	4.29%	1,672,223	4.31%
1.951 – 2.020 kg	21	7.50%	2,509,541	6.47%
2.021 – 2.100 kg	24	8.57%	3,766,919	9.71%
2.101 – 2.170 kg	28	10.00%	4,656,553	12.00%
2.171 – 2.250 kg	27	9.64%	5,557,847	14.33%
2.251 – 2.500 kg	120	42.86%	17,021,092	43.88%
2.501 – 2.730 kg	24	8.57%	1,883,422	4.85%
2.731 – 3.180 kg	7	2.50%	273,533	0.71%
3.181 kg and above	0	0.00%	0	0.00%
Column Totals	280	100.00%	38,793,806	100.00%

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## **10. Stand Up for Our Industry!**

Are you passionate about dispelling myths and speaking up about farming with the public? This workshop is for you! Communications expert Andrew Campbell will provide us with a deeper insight into our audience and some social media tools we can use to help bridge the gap. The session is scheduled for November 20, 2018 from 9:00 am to 12:30 and will include a light lunch.

Andrew Campbell is an Ontario dairy farmer with a passion for agriculture advocacy, social media and new technology. We thank Chicken Farmers of Canada for providing this workshop. If you wish to attend please RSVP to Cheryl Davie [cheryldavie@bcchicken.ca](mailto:cheryldavie@bcchicken.ca) 604-859-2868.

*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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