



## BC CHICKEN MARKETING BOARD UPDATE for December 2018

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### 1. BCCMB Election for grower member.

The 3-year term of elected Board member Mr. Ray Nickel expires in March 2019.

The Notice for Nomination will go out to all growers on January 2, 2019 by either Canada Post or by email as indicated on your 2019 license application form. The election materials you receive will come from Kristianne Hendricks, the General Manager of the BC Council of Marketing Boards (COMB).

The full BCCMB Election Rules and Procedures as approved by BCFIRB on October 2, 2017 are on our website in the governance section or click [here](#) for the direct link to the rules.

The draft timeline for the election is as follows:

|   |                         |   |
|---|-------------------------|---|
| 1 | January 2, 2019         | Mail out Notice of Election and Election Timeline;<br>Commencement of Nominations |
|   | January 9, 2019         | Close of Nominations  |
| 2 | January 11, 2019        | Mail out Notice of Candidates   |
|   |                         |   |
|   | <b>January 25, 2019</b> | <b>Deadline to be added to Voting Grower List</b>                                 |
|   |                         |   |
| 3 | February 1, 2019        | Ballot Package Mail out/email out   |
|   |                         |   |

|  |                          |   |
|--|--------------------------|---|
|  | Feb 11 – Feb 25          | On line voting (10 days)  |
|  | Feb 11 – Feb 25          | Mail in ballots (2 weeks) must be received by February 26th                   |
|  | <b>February 28, 2019</b> | <b>Election Date – counting of ballots and outcome announced at BCCGA AGM</b> |

These dates may be subject to change. The official timeline and election materials will be circulated by Kristianne Hendricks, the GM of the BC Council of Marketing Boards (COMB).

Please be aware there is currently a potential for further job action by Canada Post workers. If you do not receive a copy of the Notice of Election package (notice of election, nomination form, procedures to vote by Canada Post etc.) in the mail by January 5, 2019 please contact Kristianne Hendricks at (604) 266-5451 for a copy by email. A copy of the package may also be obtained from the BCCMB website.

Should the postal disruptions continue into February, all growers indicating a preference for a mail-in ballot will be contacted by Kristianne Hendricks of COMB. At that time an email address for the voting grower representative will be requested.

## **2. Allocation for A-155.**

The **A-155 (February 7 – April 13, 2019)** total national allocation was set at 262,349,031 kilograms live weight on November 21, 2018 at CFC. This represents 2.0% above the adjusted base for the period. Market Development at 10,446,339 kilograms live weight represents 4.18% of the national domestic allocation. Specialty allocation was requested by two provinces (BC and ON) for a total of 2,055,485 kilograms live weight.

### **BC's share of the A-155 allocation is:**

|                    |                   |                               |
|--------------------|-------------------|-------------------------------|
| Domestic           | 35,655,248        | kilograms live weight.        |
| Market Development | 2,496,000         | kilograms live weight.        |
| Specialty          | 1,266,310         | kilograms live weight.        |
| <b>Total</b>       | <b>39,417,558</b> | <b>kilograms live weight.</b> |

- MD represents 7.0% compared to BC's domestic allocation for the period.
- Specialty represents 3.55% compared to BC's domestic allocation for the period.
- **Allotments to BC mainstream growers will be at 118.06% pro rata.**
- 2.0% over base yields 1.6% to BC under the current allocation agreement.

## **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

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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-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, 2019)              | March 20, 2019               |
| A-158 (August 4 – September 28, 2019)        | May 17, 2019                 |
| A-159 (September 29 – November 23, 2019)     | June 26, 2019                |
| A-160 (November 24, 2019 – January 18, 2020) | August 23, 2019              |
| A-161 (January 19 – March 14, 2020)          | 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.

| <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 <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 *                                 |

\* These dates are subject to change.

#### **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 an 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 was heard at the same time as the BCCGA pricing appeal; on October 1-5, 2018 and November 1-2, 2018 inclusive in Vancouver BC. The decision of FIRB was for written closing arguments, all of which will be completed by December 19, 2018. The panel has reserved December 21<sup>st</sup> if they have questions arising from the written submissions. A FIRB decision is not expected until sometime in the New Year.

**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 was subsequently dropped by the BCCGA.

The appeal was heard in conjunction as the PPPABC pricing appeal. The decision of FIRB was for written closing arguments, all of which will be completed by December 19,

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2018. The panel has reserved December 21<sup>st</sup> if they have questions arising from the written submissions. A FIRB decision is not expected until sometime in the New Year.

**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.

**5. Freedom of Information requests 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 were provided to the PPPABC on November 16, 2018.

**6. BCCMB staff update.**

After twelve years of service as BCCMB accountant, Yvonne Wallace will be retiring effective December 31, 2018. We are pleased to announce that Ms. Guzel Gafurova, CPA, CGA has accepted the position as accountant and will be taking over from Yvonne.

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Yvonne and Guzel are currently working together in order to ensure an orderly transition. We are pleased to welcome Guzel to our team and wish to express our appreciation to Yvonne for her years of service to the BCCMB.

Please be advised that as of November 8, 2018 Administrative Assistant Kelli Garbutt has left her position with the BCCMB. We will be seeking a suitable replacement for Kelli in due course.

#### **7. CFC Overmarketing Assessment.**

The BCCMB has been issued an overmarketing levy for periods A-148 and A-149 in the amount of **\$319,559.68** by Chicken Farmers of Canada which is due and payable by December 31, 2018. As stated in earlier communications, the BCCMB will reserve a decision to reinstate monetary overmarketing levies between 106% and 110% until such time as the effect of Category 2 antibiotics are assessed. In any case, this will not be done any earlier than when eggs are set for chick placements for the first week of a new period. The BCCMB does not budget for collection from growers or payment to CFC of overmarketing levies, therefore the payment due to CFC for the A-148, A-149 assessment will be derived from BCCMB operating funds.

#### **8. Transition to Digital Communications**

Growers received notice in May of 2017 that the Annual report would no longer be provided in hard copy and sent by mail and that instead a link would be provided to access it directly from the BCCMB website.

Earlier this year the option of e-transfers was made available for payments to the Board, for example 2019 licence applications, over-marketing levies and quota transfer fees. If you have not as yet taken advantage of this option, please contact the Board office for details.

As part of the Board's continuing initiative to eliminate paper and move fully towards digital communications with growers and industry partners, **effective January 1, 2019** the BCCMB office will no longer be sending any communications via Canada Post to growers. ALL growers will be required to provide the BCCMB office with an email address in order to receive correspondence from the BCCMB.

Also on the above noted date, the Board will cease to accept/send faxes. Growers are encouraged to scan their BC 111 and MD forms and email them to the BCCMB Office. As an alternative to scanning, growers can use their smartphones to take a photo of a document and send it to the office via email.

- Correspondence with the Field Services staff should be directed to [inspection@bcchicken.ca](mailto:inspection@bcchicken.ca)
- General correspondence to the BCCMB office should be directed to [info@bcchicken.ca](mailto:info@bcchicken.ca)

Thank you for your understanding and cooperation as we make the transition to digital correspondence.

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## 9. A-152 allocation and production statistics.

| <b>A-152</b>                                 |            |                    |                  |                 |
|--|------------|--------------------|------------------|-----------------|
| <b>Mainstream Grower's Only</b>              | # Growers  | % of Total Growers | Kgs Over/(Under) | % Of Allocation |
| Mainstream Growers Receiving Allotment       | <b>284</b> |                    |                  |                 |
| <b>Growers over 110% of allotment</b>        | 53         | 18.66%             | 804,184          | 16.05%          |
| <b>Growers over 106% of allotment</b>        | 119        | 41.90%             | 1,408,903        | 36.51%          |
| Growers between 100% and 105.9% of allotment | 98         | 34.51%             | 546,220          | 44.37%          |
| Growers between 94% and 99.9% of allotment   | 39         | 13.73%             | -96,386          | 10.72%          |
| Growers below 93.9% of allotment             | 28         | 9.86%              | -359,106         | 8.40%           |
| Column Totals                                | 284        | 100.00%            | 1,499,631        | 100.00%         |
| <b>BC Utilization</b>                        |            |                    | 103.49%          |                 |
|  |            |                    |                  |                 |
|  |            |                    |                  |                 |
| <b>A-152</b>                                 |            |                    |                  |                 |
| <b>Growers Cycle Length</b>                  | # Growers  | % of Total Growers | Kgs Live Wt      | % Of Allocation |
| Mainstream Growers Receiving Allotment       |            |                    |                  |                 |
| 7 Week Cycle                                 | 8          | 2.82%              | 862,559          | 2.30%           |
| 8 Week Cycle                                 | 250        | 88.03%             | 34,899,309       | 93.03%          |
| 9 Week Cycle                                 | 10         | 3.52%              | 787,416          | 2.10%           |
| 10 Week Cycle                                | 6          | 2.11%              | 363,876          | 0.97%           |
| 11 Week Cycle                                | 1          | 0.35%              | 87,817           | 0.23%           |
| 12 Week Cycle                                | 6          | 2.11%              | 398,121          | 1.06%           |
| 16 Week Cycle                                | 3          | 1.06%              | 114,260          | 0.30%           |
| Column Totals                                | 284        | 100%               | 37,513,358       | 100%            |
|  |            |                    |                  |                 |
| <b>A-152</b>                                 |            |                    |                  |                 |
| <b>Average Live Weight</b>                   | # 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                             | 2          | 0.70%              | 154,579          | 0.40%           |
| 1.701 – 1.780 kg                             | 6          | 2.11%              | 722,731          | 1.85%           |
| 1.781 – 1.850 kg                             | 6          | 2.11%              | 460,332          | 1.18%           |
| 1.851 – 1.950 kg                             | 11         | 3.87%              | 1,348,208        | 3.46%           |
| 1.951 – 2.020 kg                             | 18         | 6.34%              | 2,028,020        | 5.20%           |
| 2.021 – 2.100 kg                             | 23         | 8.10%              | 3,381,963        | 8.67%           |
| 2.101 – 2.170 kg                             | 26         | 9.15%              | 4,881,583        | 12.51%          |
| 2.171 – 2.250 kg                             | 34         | 11.97%             | 5,755,952        | 14.75%          |
| 2.251 – 2.500 kg                             | 103        | 36.27%             | 14,932,225       | 38.28%          |
| 2.501 – 2.730 kg                             | 44         | 15.49%             | 4,053,717        | 10.39%          |
| 2.731 – 3.180 kg                             | 10         | 3.52%              | 514,476          | 1.32%           |
| 3.181 kg and above                           | 1          | 0.35%              | 779,204          | 2.00%           |
| Column Totals                                | 284        | 100.00%            | 39,012,990       | 100.00%         |

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## **10. Industry Satisfaction Survey.**

All BC licensed chicken growers, hatcheries and processors should receive an email from the BC Council of Marketing Boards (COMB) with a link to an on-line industry survey. This survey helps us quantify your satisfaction and respond to your expectations in terms of our services. This will be our third year doing the survey and the Board uses the results to monitor our performance. Please be assured your responses are kept strictly confidential by COMB.

**All participants who take the time to complete the survey by the deadline will be entered into a draw for a prize that has yet to be determined but is guaranteed to be awesome!**

## **11. BCCMB Holiday Season Office Hours:**

BCCMB Board and staff members would like to take this opportunity to wish everyone a Merry Christmas and a Happy New Year. We appreciate the support that we 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 times that the office is closed, please call (604) 302-9662 and leave a message; you will receive a return call as soon as possible.

*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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