



BC CHICKEN MARKETING BOARD UPDATE for January 2019

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1. BCCMB Election Update.

BCCMB's election officer, Ms. Kristianne Hendriks of the Council of Marketing Boards has announced that Mr. Ray Nickel has been elected by acclamation to his second three year term which will be effective February 28, 2019. At the close of nominations on January 9, Mr. Nickel was the sole candidate that had submitted the required nomination forms. We thank Ray for his past service and look forward to working with him over the next three years.

2. New BCCMB Chair

Mr. Harvey Sasaki was appointed as BCCMB Chair effective December 21, 2018 by Order in Council 796/18 for a two year term that is set to expire on December 21, 2020.

Harvey is President of Agri-Saki Consulting Incorporated specializing in agricultural policy and risk management. Harvey has worked with a broad range of industry and government clients, including ARDCorp, Association of BC Cattle Feeders, BC Agriculture Council, BC Chicken Growers Association, BC Egg Marketing Board, BC Fruit Growers Association, BC Milk Marketing Board, BC Poultry Association, Cattle Industry Development Council, Agriculture and Agri-Food Canada, City of Abbotsford and the University of the Fraser Valley.

Harvey worked for 31 years, in varying capacities in the BC Ministry of Agriculture, closing out his public service career in November 2010 as an Assistant Deputy Minister.

Over the course of his 10 years as Assistant Deputy Minister, he was responsible for directing all agriculture and aquaculture related functions, including strategic policy, risk management, animal and fish health, resource management, food safety and quality, resource management, industry development and negotiating several federal/provincial agreements.

Harvey was born, raised and educated in British Columbia. He grew up on a farm producing berries, greenhouse vegetables and flowers. He attended the University of British Columbia, obtaining a Bachelor of Science (Agriculture).

Harvey lives in Victoria with his wife and has three grown children and two grandchildren.

The Board and staff wish to extend their thanks and appreciation to Mr. Robin Smith who served as BCCMB Chair for the past five and a half years. We wish Robin and his wife Liz the best in all of their future endeavors.

3. Notice of BCCMB levy increase.

The BCCMB has voted to amend the levy on all classes of the regulated product effective with shipments beginning on February 17, 2019 (the first day of period A-155). The levy will increase from \$0.019 to \$0.020 per kilogram live weight (one tenth of a cent). This is the first increase to the levy in five years and is due to an increase in the levy that is charged by Chicken Farmers of Canada and increased operational costs in BC.

4. Period A-156 allocation.

The **A-156 (April 14 to June 8, 2019)** total national allocation was set at 262,176,195 kilograms live weight on November 21, 2018 at CFC. This represents 2.5% above the adjusted base for the period. Market Development at 10,211,860 kilograms live weight represents 3.89% of the national domestic allocation. Specialty allocation was requested by two provinces (BC and ON) for a total of 1,969,541 kilograms live weight.

BC's share of the A-156 allocation is:

Domestic	36,369,604	kilograms live weight.
Market Development	2,531,000	kilograms live weight.
Specialty	1,200,566	kilograms live weight.
Total	40,101,170	kilograms live weight.

- MD represents 7.0% compared to BC's domestic allocation for the period.
- Specialty represents 3.30% compared to BC's domestic allocation for the period.
- **Allotments to BC mainstream growers will be at 120.44% pro rata.**
- 2.50% over base yields 2.12% to BC under the current allocation agreement.

5. 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-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 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 *

* These dates are subject to change.

6. 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.

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 21st 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 were completed by December 19, 2018. A FIRB decision is not expected until sometime in the New Year.

7. Specialty chicken quota expansion.

At their meeting held on January 7, 2019 the Board has approved a quota expansion for holders of specialty chicken quota.

The expansion will take place in two phases as follows:

1. Effective with period **A-157** (marketing's from June 9 to August 3, 2019) qualifying specialty quota holders that entered the industry through the BCCMB new entrant program will be eligible to have their base quotas increased from their present level of 11,189 kilograms to 20,000 kilograms based on the standard eight week cycle (an increase of 8,811 kilograms).
 - New entrants that have purchased quota beyond the 11,189 level will remain eligible to receive an increase of 8,811 kilograms.
 - New entrants that have sold or transferred any of their specialty quota will not qualify for an increase to their quota during this phase of the expansion.
 - Growers that have sufficient registered space for some or all of the increase will be eligible to receive an increase to their quota beginning in period A-157.
 - Growers that do not have sufficient registered space for some or all of the increase will be given one year from the date of the offer to provide space. At the expiration date of one year, the opportunity for additional quota under this offer will be forfeited.
 - All growers will be given the option to accept or refuse the offer of an increase to their quotas.
 - Increases to quotas will be subject to a 10/10/0 declining quota assessment as per Part 35 *Quota Transfer Assessment* of the August 26, 2011 BCCMB General Orders.
2. Effective with period **A-159** (marketing's from September 29 – November 23, 2019) **ALL** qualifying specialty quota holders with the exception of those that have sold or transferred quota in the 365 days prior to the date of the offer will be eligible for a 20% increase to their base quotas.

- Growers that have sufficient registered space for some or all of the increase will be eligible to receive an increase to their quota beginning in period A-159.
- Growers that do not have sufficient registered space for some or all of the increase will be given one year from the date of the offer to provide space. At the expiration date of one year, the opportunity for additional quota under this phase of the offer will be forfeited.
- All growers will be given the option to accept or refuse the offer of an increase to their base quotas.
- Offers of increases to quotas cannot be deferred to a later date.
- Increases to quotas will be subject to a 10/10/0 declining quota assessment as per Part 35 *Quota Transfer Assessment* of the August 26, 2011 BCCMB General Orders.

Growers eligible for growth quota will receive notifications in the near future outlining their individual circumstances and options.

On behalf of the BCCMB directors and staff, many thanks to the grower and processor members of the BCCMB Specialty Markets Advisory Committee (SMAC) for their contribution to this process over the past year.

8. Transition to Digital Communications – REMINDER

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 is no longer 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 has ceased 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
- General correspondence to the BCCMB office should be directed to info@bcchicken.ca

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

9. Industry Satisfaction Survey.

The annual BCCMB industry satisfaction survey was coordinated by the BC Council of Marketing Boards (BC COMB) from Nov. 28 to Dec 18, 2018. 32 responses were received, 31 self-identified as producers, and one as a processor. The Board has reviewed the results of the survey and shared them with the BCCGA directors on January 10, 2019. The consensus of the BCCMB and BCCGA is that it is difficult to draw any meaningful conclusions from such a limited response. BC COMB has advised that sending the survey in September may help increase the response rate, as less than 10% of the growers participated this year.

The winner of our draw for an 'awesome' BC Chicken prize is Jason Stang from Armstrong. Thank you to those who took the time to participate in the survey this year.

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 bilvanderspek@bcchicken.ca

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