



BC CHICKEN MARKETING BOARD UPDATE for February 2019

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1. Reminder of BCCMB levy increase.

The levy on all classes of the regulated product will be amended 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.

The BCCMB will present its 2018 year end audited financial statements at the BCCGA AGM. The statements will be emailed prior to the meeting to all growers.

2. A-155 Pricing (February 17 – April 13, 2019)

Mainstream:

The live price in BC for period A-155 (marketing's from February 17 to April 13, 2019 inclusive) have been set by the Board at \$1.651 per kilogram live weight. This represents an increase of \$0.022 from the previous period.

Linkage:

The price linkage calculations done by Serecon for period A-155 reflect the live price of \$1.651 per kilogram live weight. The calculations indicate a cost recovery parity between the two commodities of 92.90% and a return on assets (minus quota) of 1.02% will be achieved at the following prices:

	Price	Change from A-154
Live Chicken	\$1.651/kg	UP \$0.021/kg
Hatching Eggs	\$5.4536/dozen	UP \$0.1284/dozen
Day old chicks	\$0.7575/chick	UP \$0.0134/chick

Organic:

The live price for certified organic chicken for period A-155 has been set by the Board at **\$3.63 per kilogram live weight** which represents an increase from the previous period of 4.0 cents/kg live weight (which was set at \$3.59).

Specialty Chicken:

Silkies:

This is the first period of the two-period pricing block (A-155/A-156) for Silkie chicken. The price for A-155 is set at \$4.14, which represents no change from the previous period.

Taiwanese:

This is the first period of the two-period pricing block (A-155/A-156) 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	\$2.77 Down 0.02	69 & 93	\$2.71 Down 0.02	93	\$2.72 Down 0.03
Bradner Special Dual	52	\$2.77 Down 0.02	53 & 65	\$2.71 Down 0.01	65	\$2.72 Down 0.01
Bradner Long cycle	71	\$2.88 Down 0.03	72 & 86	\$2.82 Down 0.02	86	\$2.83 Down 0.03
Shon don or Hong Kong Golden	68	\$2.77 Down 0.02	69 & 83	\$2.71 Down 0.02	83	\$2.73 Down 0.02

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.**

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

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 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. 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.

5. Farm Security Seminar: "protecting your assets" – save the date

Date: April 18, 2019
Time: 9:00 AM to 4:00PM
Venue: Quality Inn, Abbotsford BC

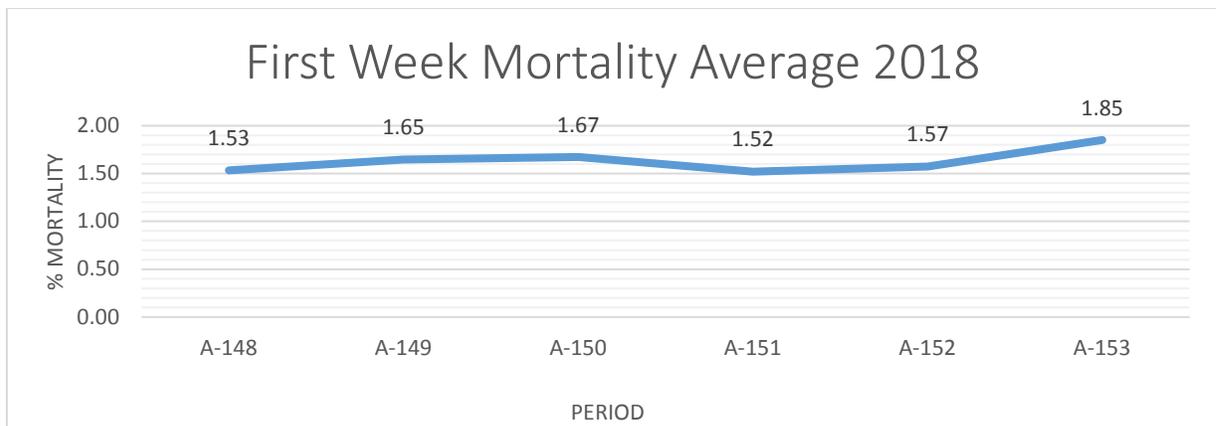
Protecting your assets from unauthorized activity is your right! As a farmer, you can protect your family, employees, animals and property from threats; however, assessing and determining risk is becoming more difficult as emerging threats are changing. In this one-day workshop, you will learn what gaps exist in your security and how to fill them. This includes farm access (trespass) and how to protect your social media channels. You will be able to access valuable information and take back practical tips to put into action on your farm.

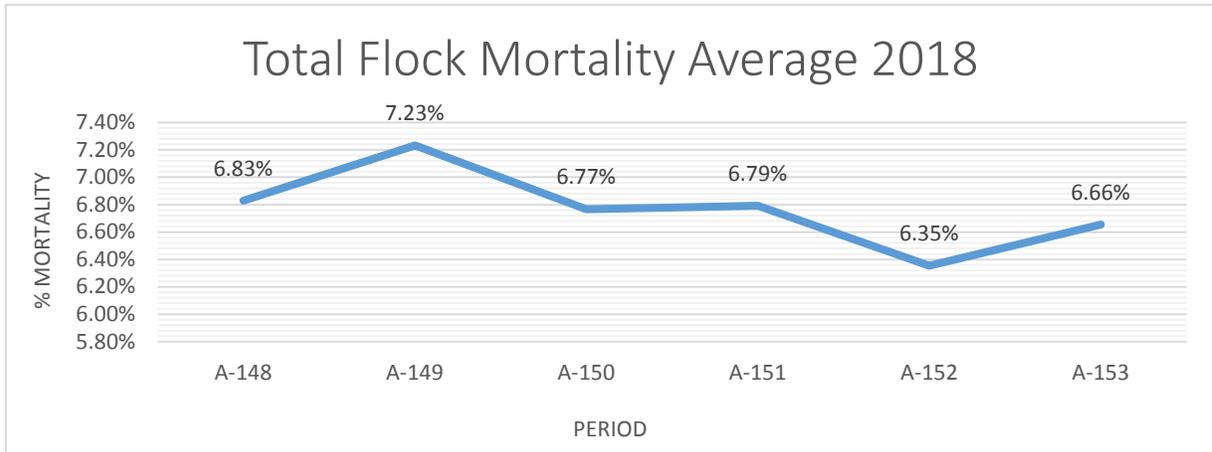
As we get nearer to the date an agenda and RSVP information will be circulated.

Save the date!

6. 2018 Mortality Statistics

This includes all bird types (Specialty, Organic, Mainstream and Raised Without Antibiotics). These graphs represent mortality levels over an entire year. Please note that we have used the difference between the number of birds placed and the payable birds shipped for the “Total Flock Mortality Average” graph. Condemns that are not deducted from the growers and DOA’s will be included. The numbers from the “First Week Mortality Average” graph come from the BC111 Form that each grower sends in after placement.





7. Mandatory Notifiable Avian Influenza Insurance Review

In January 2018, the boards and commission completed their review of whether or not to seek enabling authorities under the *Natural Products Marketing (BC) Act* to require producers to maintain insurance against losses resulting from Notifiable Avian Influenza (NAI). Based on the findings of the review the boards and commission determined that the need to implement mandatory insurance requirements was not necessary.

The review highlighted the need to address the extraordinary costs of cleaning and disinfecting (C&D) infected premises (IP) in order to enable a timely return to a system of orderly marketing. Following the 2014 HPNAI outbreak, the federal and provincial governments' stated that they would not entertain any future requests from the BC poultry industry under the AgriRecovery Program to cover the extraordinary costs of IP C&D. Under existing authorities, the boards and commission have the power to set aside funds to address the extraordinary costs of IP C&D following a NAI discovery.

The British Columbia Broiler Hatching Egg Commission, the British Columbia Chicken Marketing Board and the British Columbia Turkey Marketing Board have determined that working collectively together to establish and maintain an Infected Premises Cleaning and Disinfecting Cost Recovery Fund is in keeping with sound marketing policy. The establishment and maintenance of the Fund will provide funding assurance to registered growers to ensure the timely initiation and completion of the C&D of IPs following a future NAI discovery.

Egg producers in British Columbia have access to the Canadian Egg Industry Reciprocal Alliance (CEIRA) insurance for NAI. As well, private insurance companies provide NAI insurance, including coverage for IP C&D. Based on the available insurance coverage, the British Columbia Egg Marketing Board has determined that there is sufficient coverage for BC egg producers for IP C&D and contribute to a timely return to as system of orderly marketing.

The boards and commission explored insurance-based mechanisms, including working with CEIRA to enhance and protect the Fund. The analysis of the options determined that it would be more cost effective for the boards and commission to retain the risk and manage the Fund.

The boards and commission have agreed to file a joint submission to request BC FIRB prior-approval in accordance with the August 14, 2014 BC FIRB Supervisory Review order, to support the proposed approach to addressing the need for a program and funding to address the extraordinary cost of IP C&D that inhibit the timely return to a system of orderly marketing.

Further details and information from the review, including the draft Joint Submission can be found at www.avianinsurancereview.com. You are encouraged to review the material. If you have any questions regarding the Joint Submission or assistance with the Appendix documents, please contact Harvey Sasaki at harveysasaki@gmail.com.

We would appreciate receiving any feedback, comments or concerns for consideration in our final decision by March 15, 2019.

8. Retirement of Kathy Erickson

Manager of Field Service, Ms. Kathy Erickson, will retire from her position on March 1st. She will be in attendance at the Poultry Conference to say goodbye to the chicken industry. Kathy has been with the BCCMB since 2002. We wish Kathy and her husband Dennis the best in the future as they transition to their new role as brand new grandparents.

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

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