



BC CHICKEN MARKETING BOARD UPDATE for June 2019

In this edition:	Page
1. Period A-157 Pricing.	1
2. Allocation Setting Dates.	2
3. Appeals Update	3
4. Building new barns or barn extension:.....	5
5. Public Accountability Reporting Project (PARP) update:	5
6. Removal of Record Assessment Audit:	6
7. Security Hints:	6

1. Period A-157 Pricing.

Mainstream:

The live price in BC for period A-157 (marketing’s from June 9, 2019 to August 3, 2019 inclusive) have been set by the Board at \$1.647 per kilogram live weight. This represents an increase of \$0.002 from the previous period.

Linkage:

The price linkage calculations done by Serecon for period A-157 reflect the live price of \$1.647 per kilogram live weight. The calculations indicate a cost recovery parity between the two commodities of 92.92% will be achieved at the following prices:

	Price	Change from A-156
Live Chicken	\$1.647/kg	Up \$0.002/kg
Hatching Eggs	\$5.5562/dozen	Up \$0.0486/dozen
Day old chicks	\$0.7687/chick	Up \$0.0050/chick

Organic:

The live price for certified organic chicken for period A-157 has been set by the Board at **\$3.54 per kilogram live weight** which represents a decrease from the previous period of 4.0 cents/kg live weight (which was set at \$3.58).

Specialty Chicken:

Silkie:

This is the first period of the two-period pricing block (A-157/A-158) for Silkie chicken. The price for A-157 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-157/A-158) 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 n/c	69 & 93	\$2.71 n/c	93	\$2.72 n/c
Bradner Special Dual	52	\$2.78 Up 0.01	53 & 65	\$2.72 Up 0.01	65	\$2.71 Up 0.01
Bradner Long cycle	71	\$2.89 Up 0.01	72 & 86	\$2.83 Up 0.01	86	\$2.85 Up 0.02
Shon don or Hong Kong Golden	68	\$2.80 Up 0.03	69 & 83	\$2.73 Up 0.03	83	\$2.76 Up 0.03

2. 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.**

Period	BCCMB sets Allocation
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.

3. Appeals Update:

Since our last update, there are no outstanding appeals awaiting decision and no new appeals registered with BCFIRB. In our last update we reported on the dismissal of the appeals by the BCCGA and PPPABC of the BCCMB interim pricing decision. Below is a summary of that decision provided to us by BCFIRB for your information:

BRITISH COLUMBIA FARM INDUSTRY REVIEW BOARD

(BCFIRB)

Decision Summary

May 16, 2019

TITLE: Primary Poultry Processors Association of British Columbia and BCChicken Growers' Association v BC Chicken Marketing Board¹

- Did the Chicken Board err in its June 27, 2018 decision to implement a new pricing formula for the live pricing of mainstream broiler chicken effective for periods A-151 to A-156?

Decision

- Both appeals were dismissed.
- The BC Chicken Marketing Board (Chicken Board) was directed to issue its decision regarding a long term pricing formula not later than period A-161 (February 2020).

Findings

- The Chicken Board's decision to adjust the preliminary pricing decision from a 100% feed and chick differential to 75% is consistent with sound marketing policy.

- The Chicken Board followed a procedurally fair process based on regulatory requirements, which is appropriate to the interim nature of the decision it was making for a pricing formula for periods A- 151 through A-156 (June 2018 to May 2019).
- The development of the June 27, 2018 pricing formula was based on a procedurally sound process and should remain in place until such time as the Chicken Board establishes a new pricing formula.
- While the panel supports, in principle, a chicken pricing formula based on the Ontario price and a fixed differential, there is insufficient evidence before the panel on this appeal to establish such a formula.
- The Chicken Board's finding that the BC grower returns were sufficiently low so as to require an adjustment in the Pricing Decision was based on verifiable data and as such, was reasonable.
- The panel does not accept that the Processors demonstrated, through verifiable data from independent sources, declining competitiveness.
- The interim pricing formula for periods A-151 through A-156 (July 2018 to May 2019) is consistent with sound marketing policy.

Points

- Compared to other provinces, it generally costs more to grow chicken in BC due to higher feed and chick costs. There are normal business tensions between chicken growers (maximize price received) and processors (minimize price paid).
- It was common ground that the live price formula must be consistent, predictable and transparent.
- BCFIRB observed that open and ongoing communication between the Chicken Board, the Primary Poultry Processors and the Chicken Growers is essential for the success of BC's chicken industry.

¹ BCFIRB appeal decisions are available online here: [Appeal Decisions](#)

Contact: BC Farm Industry Review Board 250-356-8945 or firb@gov.bc.ca

4. Building new barns or barn extension:

When a grower intends to increase the size of a building or buildings, or to construct a new building for a quota production period, or remove a building from its grower profile, the grower **MUST** inform the Board in writing, prior to the deadline of the date the quota production period in question is being set at CFC, specifying the amount of building space to be demolished or added, and the expected completion date. This requirement is found in *Part 33 Barn Space, Section 33.5* of the BCCMB General Orders. Failure to request approval from the Board in advance may result in a forfeiture of the amount of allotment for which there is not sufficient measured, registered space. This may also impact future allotments.

5. Public Accountability Reporting Project (PARP) update:

Good governance (including transparency and accountability) and informed, strategic decision making are essential elements for commodity Boards and FIRB, to deliver sound marketing policy outcomes that matter for agriculture and the public. FIRB has requested all commodity boards participate in a Public Accountability and Report Project (PARP), to demonstrate effective governance and sound leadership of the regulated agriculture sectors. This report is to be annual in nature and is intended to provide a coordinated approach to improve the consistency, effectiveness and transparency of information and collection and public reporting.

Annual Public Accountability Reporting (PAR) reports will help support Boards and FIRB in:

- Publically demonstrating accountability for good governance and strategic decision making through defined performance measures;
- Having consistent baseline data for Board and FIRB decision making (sound marketing policy in the public interest); and,
- Identifying what is working well (governance and decision-making) and areas for improvement.

The BCCMB PAR report is due to FIRB on June 21, 2019 and will be made available on the Board's website shortly thereafter.

6. Elimination of Record Assessment from the Audit Cycle.

On May 28, 2019, the board accepted the recommendation of inspection staff to remove the CFC records assessment audit to be replaced it with a full audit each year.

The rationale for the change is that inspection staff are required under the BC Bio-security Program to visit on-farm every year; and this relieves the grower of the responsibility of sending the required documents to the Board office for a records assessment. The change to a full audit will add 10-20 minutes to the audit as compared to the record assessment.

7. Security Hints:

- Regularly review your security procedures, including sending notice to all family members, employees and neighbors about the potential for activist activity.
- Review your visitor procedures (including requiring verification of identity).
- Become a harder target by installing cameras, fences, locks and/or motion-sensor lighting.
- Proactively connect with local law enforcement to discuss your concerns.
- Monitor your potential to be targeted ((increase in calls for information, employment applications and/or mentions in social media conversations.)
- Report ANY suspicious activity to BCCMB and local law enforcement.

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

B:\Administration\Correspondence\Board reports to growers\2019\BCCMB UPDATE 2019 06.docx