

Schedule 15
(Part 55)
(Section 55.4)

Board Decision or Determination

Form B

attach applicable Forms A, if available

Signing the Atlantic Canada Safeguard Agreement (ACSA)

1. Date(s) of this decision: January 14, 2020

2. Members of Board present for decision:

H. Sasaki, DA Janzen, A. Johnston, R. Nickel and G. Hahn.

3. What sources of information did the Board consider in coming to its decision?

Form A - Application for Decision or Determination

Board Staff's Briefing Note

Applicant's oral submissions

Board's Orders (give reference numbers, if applicable):

Other (explain):

- Review of the Background and Options concerning the ACSA
- Appendix 1 – CFC analysis of ACSA – October 2019
- March 15, 2019 letter from CFC re: request for approval of amendments to CFC's Operating Agreement
- July 18, 2019 letter from FIRB re: Chicken Operating Agreement Signatory request - process
- Sept 10, 2019 letter from CFC re: July 19/19 email from B. Vanderspek
- Draft PPAC minutes of January 10, 2020

4. What is the Board's decision?

On January 14, 2020 the Board made a motion to request permission from FIRB to sign the ACSA so that it could be incorporated into the Chicken Farmers of Canada (CFC) Operating Agreement.

5. Why did the Board come to this decision?

The Board signed the original ACSA in November 2014 based on the information supplied by CFC. Based on a growth rate of allocation of 1.5% CFC estimated that the impact of the ACSA on the six contributing provinces would be insignificant and the agreement would not be triggered until late in the 66 period life of the Operating Agreement.

Due to significant growth in allocation the ACSA was triggered in period A-147 much earlier than anticipated at signing in 2014. The total amount transferred to the Atlantic Provinces from British Columbia during A-147 to A-162 has been 89,086 kgs or 00.019% of BC's domestic allocation. This amounts to 15.5 kg of live chicken worth \$26.00 per grower per period.

In order to ensure that the ACSA, which BC has complied with since A-127, is included in the Operating Agreement as requested by Farm Products Council of Canada the Board requests permission from FIRB to resign the ACSA. The Board has taken into consideration the feedback received from industry stakeholders and believes that the small amount of allocation that will be transferred to the Atlantic Provinces through the ACSA will be insignificant to the BC chicken industry. The minor economic loss to the BC industry is outweighed by the benefits of maintaining the national supply management system and will enhance national unity among provinces. Including the ACSA in the Operating Agreement will alleviate concerns that FPCC might not approve allocations.

RATIONALE FOR DECISION BASED ON OUTCOME BASED PRINCIPLES

Strategic:

Identifying key opportunities and systemic challenges, and plan for actions to effectively manage risks and take advantage of future opportunities.

The BCCMB has the authority and jurisdiction to make this decision under the Natural Products Marketing (BC) Act and the British Columbia Chicken Marketing Board Scheme (1961) subject to BCFIRB's concurrence.

Signing the ACSA to bring it into the Operating Agreement will satisfy FPCC and better ensure that allocations will be approved.

The ACSA has been operating outside of the Operating Agreement since A-127. All provinces have complied with its provisions without complaint.

Accountable

Maintaining legitimacy and integrity through understanding and discharging responsibilities and reporting performance.

The Board is accountable to industry members, processors and growers in the value chain including consumers of our products.

The Board has considered the interests of these stakeholders in its consideration of signing the ACSA into the Operating Agreement and has concluded that this decision is in the interests of the BC chicken industry. While the decision has minor economic impact on BC growers and processors, the benefits of maintaining a national supply management system outweigh relatively minor economic and allocation considerations.

Any person aggrieved by a decision of the Board may appeal that decision to BCFIRB.

Fair

Ensuring procedural fairness in processes and decision making.

Supply management is supported by both Federal and provincial legislation. Its orderly marketing system is built on three pillars: a production planning pillar; an import control pillar and a producer pricing pillar.

It is sound marketing policy and in the interests of orderly marketing to have a long term, predictable and accountable allocation system that will give industry stakeholders the information required to make sound business decisions.

The continuation of the ACSA will result in a small amount of kilograms of chicken allocation being transferred from BC to the Atlantic Provinces. This will have an insignificant impact on the BC chicken industry while maintaining the benefits of a strong national supply management system.

Effective:

Ensuring clearly defined outcomes with appropriate processes and measures.

Signing the agreement will promote stability in the allocation process as the ACSA will then be within the Operating Agreement.

Transparent:

Ensuring that processes, practices, procedures and report on how the mandate is exercised are open, accessible and fully informed.

The Board has communicated its progress on this decision to all stakeholders through the Pricing and Production Advisory Committee. The Board has taken into consideration the opinions of the BC Chicken Growers Association and the Primary Poultry Processors Association of BC expressed in their respective letters.

The decision to request permission from BCFIRB to sign the ACSA will be communicated to growers and the industry in the BCCMB monthly report and at all regional BCCGA meetings

Inclusive

Ensuring that appropriate interests, including the public interest, are considered.

The kilograms of chicken transferred from BC's allocation to Atlantic Provinces will affect all BC Chicken growers and processors equally.

All industry stakeholders including, BCCGA, PPPABC, PPAC and BCFIRB were consulted and kept apprised during the process of making this decision and their feedback was taken into account by the Board.

B:\Users\Daphne\rationales -- Sched 15\ACSA signing 2020 v1.docx

DRAFT