

**Schedule 15**  
(Part 55)  
(Section 55.4)

**Board Decision or Determination**

Form B

*attach applicable Forms A, if available*

***Organic Live Price A-129 – not set by Board***

***February 20, 2015***

**1. Date(s) of this decision:** February 20, 2015

**2. Members of Board present for decision:**

R. Smith, A. Johnston, K. Froese, G. Gauthier.

**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):

- PPAC Minutes of Feb 19, 2015
- Serecon Organic COP dated Feb 19, 2015

#### **4. What is the Board's decision?**

To not set the Organic Price for Quota period A-129 (February 22 – April 18, 2015). Pricing for organic chicken will be a matter between the grower and processor similar to the process in effect for the last three quota production periods.

#### **5. Why did the Board come to this decision?**

After receiving the advice of the PPAC and reviewing the Serecon COP for Organic chicken, the Board decided not to set a price due to current uncertainty surrounding the rapidly accelerating cost of certified organic feed ingredients. Prior to the commencement of period A-130, Serecon will be tasked with obtaining current feed pricing information. It is the expectation of the BCCMB that the issue of feed pricing will have stabilized over the next 8 weeks. An updated COP will be presented to the PPAC for its consideration and advice to the Board for period A-130.

### **RATIONALE FOR DECISION BASED ON OUTCOME BASED PRINCIPLES**

#### **Strategic**

- The Board has the authority to determine class of the regulated product under the *Natural Products Marketing (BC) Act 11(1)(b)* “to determine the manner of distribution, the quantity and quality, grade of class of a regulated product that is to be transported, produced, packed, stored or marketed by a person at any time;”
- The Board has the authority to set the price of the regulated product under the *Natural Products Marketing (BC) Act 11(1)(k)* “to set the prices, maximum prices, minimum prices or both maximum and minimum prices at which a regulated product or grade or class of it may be bought or sold in British Columbia or that must be paid for a

*regulated product by a designated agency and to set different prices for different parts of British Columbia.*

- The Board has the authority to make orders and rules considered by the marketing board necessary to control and regulate the regulated product under the *Natural Products Marketing (BC) Act 11(1)(q)* “to make orders and rules considered by the marketing board or commission necessary or advisable to promote, control and regulate effectively the production, transportation, packing, storage or marketing of a regulated product, and to amend or revoke them;”
- The Board has the power to make orders within its jurisdiction, as that jurisdiction is set out under the *British Columbia Chicken Marketing Scheme (1961)* under section 4.01 “(l) to make such orders, rules and regulations as are deemed by the board necessary or advisable to promote, control and regulate effectively the production, transportation, packing storage or marketing of the regulated product and to amend or revoke the same;”
- The Board is required to consult the PPAC before the Board makes any decision relating to pricing or production as is set out under the *British Columbia Chicken Marketing Scheme (1961)* under section 3.20(3) which states “The board must consult with the committee and consider the committee’s advice before the board makes any decision relating to pricing or production”
- The Board’s decision is consistent with sound marketing policy as it promotes a viable organic chicken supply while providing some assurance for the grower, processor and the Board that organic pricing will have a base line measurement from which pricing negotiations can occur.
- The Board reviewed the advice of the PPAC, which was to not set a price for A-129 due to the uncertainty surround the feed component for organic chicken. The PPAC did

agree that the organic price should be set every 8 weeks and that the lag timing for feed should be between 2-10 weeks.

### Accountable

- The Board is accountable for its decisions to industry members, processors, growers and BCFIRB
- Any person aggrieved by a decision of the board may appeal that decision to BCFIRB.
- The Board will continue to consult with the direct stakeholders in the organic sector and will involve the PPAC in the process of the updating the periodic live price for organic chicken when the COP has been updated for A-130.

### Fair

- All parties who will be directly impacted by the decision of the board to reinstate minimum live pricing for certified organic chicken have been consulted, considered and heard.
- While the COP will not be used to set the price for A-129, organic growers are in the same position they were in the previous period, able to negotiate a live price directly with their processor.

### Effective

- The decision promotes the objectives of the Board for the BC chicken industry and is consistent with sound marketing policy.
- The decision does not impact the original intention of the board to make certified organic chicken more readily available to the growers that wish to grow it, processors that wish to sell it, and the consumers that wish to purchase it. Holders of mainstream

quota that comprise 97% of BC's global chicken quota will have the opportunity to grow certified organic chicken as opposed to only 3% of specialty chicken quota holders that were eligible prior to the April 11, 2014 decision.

### Transparent & Inclusive

- The Board is responsible to ensure that the General Orders do not cause impediments to orderly marketing, growth opportunities or the desire of consumers to access locally produced differentiated chicken products.
- The decision of the board to delay the reinstatement of live pricing for certified organic chicken has been communicated to all affected growers, processors and BCFIRB.
- This decision will be communicated through distribution of the Monthly Board Update which is distributed to a wide cross section of the Canadian chicken industry and is available to the public via the [bcchicken.ca](http://bcchicken.ca) website.