



TO: ALL BC CHICKEN GROWERS AND PROCESSORS

April 12, 2019

PRICING ORDER #147

The British Columbia Chicken Marketing Board orders as follows:

- (1) The minimum prices to be paid by Processors to Growers for chicken marketed in the Province of British Columbia on all product contracted for or otherwise designated by the Board to be shipped in the Period A-156 (April 12 – June 8, 2019) shall be as follows:

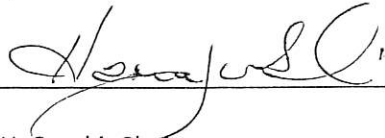
(2)

<u>Average Live Weight</u>	<u>Price per kilogram live weight</u>
1.600 kg and below	\$1.6450
1.601 – 1.700 kg	\$1.6870
1.701 – 1.780 kg	\$1.6910
1.781 – 1.850 kg	\$1.6800
1.851 – 1.950 kg	\$1.6650
1.951 – 2.020 kg	\$1.6480
2.021 – 2.100 kg	\$1.6450
2.101 – 2.170 kg	\$1.6450
2.171 – 2.250 kg	\$1.6420
2.251 – 2.500 kg	\$1.6400
2.501 – 2.730 kg	\$1.6320
2.731 – 3.180 kg	\$1.6890
3.181 kg and above	\$1.7430

Included in live price are catching costs of \$0.0365 per kilogram, which are charged back to producer by the processor.

- (3) All prices are f.o.b. farm.
- (4) This order shall remain in effect until rescinded, varied or amended by further order of the Board.
- (5) The targeted weight shall be as specified on the contract.
- (6) Tolerance on a flock is plus or minus 6% from targeted weight.
- (7) If flock average weight falls within targeted weight tolerances (i.e. weight range plus or minus 6%) but the average weight is in a different category, the price payable will be determined by the average weight delivered.

BRITISH COLUMBIA CHICKEN MARKETING BOARD

Per 

Mr. H. Sasaki, Chair

****Please see the next page for additional Information related to the A-156 Pricing Order****

1. **Change from previous period:** This represents an **decrease** of \$0.006/kg from period A-155.

2. **Levies:** A levy of \$0.020 on all payable weight is to be deducted from the grower by the processor and remitted to the BCCMB as per Part 14 *Fees and Levies* of the BCCMB General Orders. The levy has been increased in A-155 from \$0.019 to \$0.020/kg due to increases in the CFC levy and BCCMB operating costs.

BC Levy Rate Breakdown:

BCCMB portion	\$0.0145 per kilogram live weight
CFC portion	\$0.0055 per kilogram live weight
<u>TOTAL</u>	<u>\$0.0200 per kilogram live weight</u>

3. Pricing formula:

The pricing formula that has been used to establish the minimum live price for period A-156 is comprised of the following components:

The Ontario live price at their 2.45 – 2.65 weight category,

Plus

The current BC catching cost of \$0.0365 per kilogram,

Plus

75% of the difference in the cost of feed and chicks per kilogram based on a 6 period rolling average.

The Ontario (CFO) live price used in these calculations does **NOT** include:

- 1) The CFO \$0.012 per kilogram modular loading cost recovery.
- 2) The CFO \$0.0015 per kilogram Avian Influenza Insurance cost recovery.

a) This formula was developed as an interim measure to be used for periods A-151 through A-156 and contain minimum (\$0.0970) and maximum (\$0.1249) differentials per kilogram between the Ontario and BC live price.

b) The interim pricing formula will be reviewed upon the completion/implementation of the updated Ontario COPF and/or completion of BC initiatives respecting Pricing Linkage and update to costs for BC chicken production which may occur prior to the completion of quota period A-156.

c) The catching price of \$0.0365 per kilogram is included in the live price, but is deducted from the grower's net proceeds in order to reimburse the processor for the cost of catching the birds.

d) As per the memorandum of understanding between the BCCMB and BCBHEC, the A-156 price reflects the scheduled update to the pricing linkage formula.

The actual numbers applied to the formula to calculate the A-155 price:

Ontario price	\$1.5390
Catching cost	\$0.0365
Feed and chick differential	\$0.0695
Total	\$1.6450*

This yields a difference in the live prices between Ontario and BC of \$0.106 which falls between the minimum (\$0.0970) and maximum (\$0.1249) differentials described in Note 1 above.