



TO: ALL BC CHICKEN GROWERS AND PROCESSORS

May 8, 2020

PRICING ORDER #154

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-163 (May 10, 2020 – July 4, 2020) shall be as follows:

(2)

<u>Average Live Weight</u>	<u>Price per kilogram live weight</u>
1.600 kg and below	\$1.6970
1.601 – 1.700 kg	\$1.7390
1.701 – 1.780 kg	\$1.7430
1.781 – 1.850 kg	\$1.7320
1.851 – 1.950 kg	\$1.7170
1.951 – 2.020 kg	\$1.7000
2.021 – 2.100 kg	\$1.6970
2.101 – 2.170 kg	\$1.6970
2.171 – 2.250 kg	\$1.6940
2.251 – 2.500 kg	\$1.6920
2.501 – 2.730 kg	\$1.6840
2.731 – 3.180 kg	\$1.7410
3.181 kg and above	\$1.7950

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- (4) This order shall remain in effect until rescinded, varied or amended by further order of the Board.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

Mr. H. Sasaki, Chair

******Please see the next page for additional information related to the A-163 Pricing Order******



1. Change from previous period: This represents an increase **\$0.003** from period A-162.

2. Levies: A levy of \$0.0202 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.

BC Levy Rate Breakdown:

BCCMB portion	\$0.0145 per kilogram live weight
CFC portion	\$0.0057 per kilogram live weight
TOTAL	\$0.0202 per kilogram live weight

3. Pricing formula:

The pricing formula that has been used to establish the minimum live price for period A-163 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.

**For information purposes only: CFO did not include modular loading or AI insurance cost recoveries in their live price calculations for period A-163. This has no affect on the BC live price as these factors have been excluded from the BC live pricing formula in prior periods.

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. The interim pricing formula was appealed to BCFIRB by the BCCGA and PPPABC late in 2018. The BCCMB's position was upheld in a decision issued by BCFIRB in May, 2019. As a result, the present formula will continue to be used until the end of period A-160 unless a new formula is developed and implemented at an earlier date. BCFIRB has ordered that a long term pricing formula is to be in place no later than period A-161 which commences on January 19, 2020.

b) 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.

c) The Pricing Working Group (PWG) continues its work toward a long term pricing agreement, but was unable to have their work completed in time for period A-161. As an interim measure, the PWG has provided a recommendation to the PPAC which has been endorsed by the Board as follows: **For period A-163, the formula used for periods A-151 through A-160 will continue with the exception of removal of the 6 period rolling average from the chick and feed price differential calculation. For period A-163 the 75% chick and feed differential calculation will be based on A-163 data only.**

The actual numbers applied to the formula to calculate the A-163 price:

Ontario price	\$1.600
Catching cost	\$0.0365
Feed and chick differential	\$0.0581
Total	\$1.6970*

*This yields a difference in the live prices between Ontario and BC of \$0.0946 which falls outside of the lower guardrail of a minimum (\$0.0970) as described in note 3 (a) above. Therefore, as per the pricing formula, \$0.0970 was used as the difference between the BC and Ontario prices in calculating the BC live price for period A-163.