



TO: ALL BC CHICKEN GROWERS AND PROCESSORS

December 15, 2022

**PRICING ORDER #171**

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-180 (December 18, 2022 – February 11, 2023) shall be as follows:
- (2)

<u>Average Live Weight</u>	<u>Price per kilogram live weight</u>
1.600 kg and below	\$2.2800
1.601 – 1.700 kg	\$2.3220
1.701 – 1.780 kg	\$2.3260
1.781 – 1.850 kg	\$2.3150
1.851 – 1.950 kg	\$2.3000
1.951 – 2.020 kg	\$2.2830
2.021 – 2.100 kg	\$2.2800
2.101 – 2.170 kg	\$2.2800
2.171 – 2.250 kg	\$2.2770
2.251 – 2.500 kg	\$2.2750
2.501 – 2.730 kg	\$2.2670
2.731 – 3.180 kg	\$2.3240
3.181 kg and above	\$2.3780

**Included in live price are catching costs of \$0.04 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- (4) This order shall remain in effect until rescinded, varied or amended by further order of the Board.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-180 Pricing Order\*\*\*\***



**1. Change from previous period:** This represents an **increase** of \$0.018/kg from period A-179.

**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
<b>TOTAL</b>	<b>\$0.0202 per kilogram live weight</b>

**3. Pricing formula:**

The pricing formula that has been used to establish the minimum live price for period A-180 is comprised of the following components with prior approval of BCFIRB granted June 28, 2022, August 25, 2022 and December 13, 2022:

- The Ontario live price at their 2.15 – 2.45 kilogram weight category, **Plus**,
- The current BC catching cost of \$0.04 per kilogram, **Plus**,
- 75% of the difference in the cost of feed and chicks per kilogram, **Plus**
- **\*NEW\*** A provision to cover 50% of the current formula costs exceeding the upper guardrail after adjustment for the cumulative increase or decrease in Ontario grower margins arising from changes to the Ontario Cost of Production formula (COPF) starting in A-180. If the resulting number is negative, no adjustment will be made to the live weight price.

The numbers indicated by the formula to calculate the A-180 minimum live price:

Ontario price (2.15 - 2.45 category)	\$2.1220	
<b>Minus</b> CFO modular loading recovery	\$0.0120	
<b>Minus</b> CFO AI Insurance recovery	\$0.0015	
<b>Minus</b> OBHECC chick levy	\$0.0006	
<b>Net Ontario Price (2.15 - 2.45 category)</b>	<b>\$2.108</b>	<b>= A</b>
<b>Plus</b> BC catching price	\$0.0400	
<b>Plus</b> 75% feed and chick differential	\$0.1749	
<b>Total differential over Ontario</b>	<b>\$0.2149</b>	
BCCMB Pricing Formula - Upper Guardrail value of	\$0.1284	
<b>Total differential over Ontario GREATER THAN Upper Guardrail - use Upper Guardrail</b>	<b>\$0.1284</b>	<b>= B</b>
<b>Differential over upper guardrail = (Total differential over Ontario - Upper Guardrail)</b>	\$0.0865	
<b>50% of Differential over Upper Guardrail = (\$0.0865 x 0.5) =</b>	<b>\$0.04325</b>	
Ontario Producer Margin Period A-179	\$0.6384	
Ontario Producer Margin Period A-180	\$0.6384	
Change to Ontario's Producer Margin	\$0.0000	
BCFIRB December 13, 2022 Prior Approval A-180 Interim Pricing Formula: <b>= (Differential over upper guardrail - Change to Ontario's Producer Margin)</b>	\$0.0865	
<b>Plus</b> BCFIRB December 13, 2022 Prior Approval Interim Pricing Formula (must be positive to be included in formula)	<b>\$0.04325</b>	<b>= C</b>

**A-180 BC Posted Price = \$2.108 + \$0.1284 + \$0.04325 = \$2.2800**

A                      B                      C