



TO: ALL BC CHICKEN GROWERS AND PROCESSORS

April 05, 2023

PRICING ORDER #173

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-182 (April 09, 2023 – June 03, 2023) shall be as follows:
- (2)

<u>Average Live Weight</u>	<u>Price per kilogram live weight</u>
1.600 kg and below	\$2.2930
1.601 – 1.700 kg	\$2.3350
1.701 – 1.780 kg	\$2.3390
1.781 – 1.850 kg	\$2.3280
1.851 – 1.950 kg	\$2.3130
1.951 – 2.020 kg	\$2.2960
2.021 – 2.100 kg	\$2.2930
2.101 – 2.170 kg	\$2.2930
2.171 – 2.250 kg	\$2.2900
2.251 – 2.500 kg	\$2.2880
2.501 – 2.730 kg	\$2.2800
2.731 – 3.180 kg	\$2.3370
3.181 kg and above	\$2.3910

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- (4) This order shall remain in effect until rescinded, varied or amended by further order of the Board.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

******Please see the next page for additional information related to the A-182 Pricing Order******



1. Change from previous period: This represents an increase 3.4 cents/kg from period A-181. This includes a correction from A-181; an error of 1 cents/kg was identified by a member of BCFIRB in week 7 arising from Ontario amending their modular loading costs from \$0.0120 in A-180 to \$0.0020 in A-181. The error was confirmed by BCCMB and Serecon. The change has been adjusted in the A-182 live price for going forward, along with a one-time adjustment of plus \$0.01 to rectify the error.

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. It should be noted that the levy will increase in A-183.

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-182 is comprised of the following components with prior approval of BCFIRB granted June 28, 2022, August 25, 2022, December 13, 2022, February 7, 2023 and April 3, 2023:

- 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**
- The addition of a trigger mechanism to determine when 50% of the current formula costs exceeding the upper guardrail is appropriate to include in the interim pricing formula to account for the wheat-corn gap. The trigger will be a cost gap of \$115.23 between Ontario and BC feed costs per tonne. If the trigger threshold is not met, no adjustment will be made to the live price. If the trigger threshold is met, provisions to cover 50% of the formula costs exceeding the upper guardrail will be made.
- If the above trigger mechanism is met, 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-181. If the resulting number is negative, no adjustment will be made to the live weight price. The upper guardrail is currently set at 12.84 cents/kg).

The numbers indicated by the formula to calculate the A-182 minimum live price:

Ontario price (2.15 - 2.45 category)	\$2.1070	
Minus CFO modular loading recovery	\$0.0020	
Minus CFO AI Insurance recovery	\$0.0015	
Minus OBHECC chick levy	\$0.0006	
Net Ontario Price (2.15 - 2.45 category)	\$2.103	= A
Plus BC catching price	\$0.0400	
Plus 75% feed and chick differential	\$0.1925	
Total differential over Ontario	\$0.2325	
BCCMB Pricing Formula - Upper Guardrail value of	\$0.1284	
Total differential over Ontario	\$0.2325	
Total differential over Ontario GREATER THAN Upper Guardrail - use Upper Guardrail	\$0.1284	= B
Differential over upper guardrail = (Total differential over Ontario - Upper Guardrail)	\$0.1041	
A-182 Floating Guardrail Mechanism Triggered (Yes or No)	Yes	
Ontario Producer Margin Period A-180	\$0.6384	
Ontario Producer Margin Period A-182	\$0.6286	
Change to Ontario's Producer Margin (If Negative not used in Formula)	-\$0.0098	
BCFIRB December 13, 2022 Prior Approval A-180 Interim Pricing Formula: = (Differential over upper guardrail)	\$0.1041	
Plus 50% of Differential over Upper Guardrail =	\$0.0521	= C
Correction for Ontario's A-181 Modular Loading Cost Recovery change	\$0.01	= D

A-182 BC Posted Price = \$2.103 + \$0.1284 + \$0.0521 + \$0.01 = \$2.293

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