



TO: ALL BC CHICKEN GROWERS AND PROCESSORS

November 27, 2019

PRICING ORDER #151

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-160 (November 24, 2019 – January 18, 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- (4) This order shall remain in effect until rescinded, varied or amended by further order of the Board.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-160 Pricing Order******

1. Change from previous period: This represents an **decrease** of \$0.01/kg from period A-159.

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.

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-160 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. 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.

The actual numbers applied to the formula to calculate the A-160 price:

| | |
|-----------------------------|------------------|
| Ontario price | \$1.5900 |
| Catching cost | \$0.0365 |
| Feed and chick differential | \$0.0704 |
| Total | \$1.6970* |

*This yields a difference in the live prices between Ontario and BC of \$0.107 which falls between the minimum (\$0.0970) and maximum (\$0.1249) differentials described in Note 1 above.