



Memo

To: Specialty Market Industry

cc: BC chicken growers and industry

From: BCCMB

Date: August 19, 2024

Re: Specialty Market (SM) Pilot Project Update, SM Quota Opportunity & Future Land Leasing amendment for SM growers

Since early 2024, the BCCMB has been developing a pilot project that will address the ongoing inequitable quota allocation among specialty quota holders. The pilot project will allocate specialty quota on a 48-week, 6-cycle (annualized basis). The Board has consulted with industry and specifically sought feedback from specialty processors, growers and hatcheries regarding the proposed pilot. The SMAC committee was also consulted and recommended the Board pursue the pilot project. For more information on the pilot project and the consultation, please see:

[SM Pilot Project and Consultation](#)

Strong Support for the Pilot Project with some concerns raised

Most of the Specialty Market industry stakeholders expressed strong support for the project. A few expressed concerns about the originally proposed start date (period A-194); and some were concerned about the inequality of “hard” quota distribution over the growth period of the market (the past 20 years, approximately). The inequality of the processor driven allocation has resulted in several small growers having become reliant on the regularly allocated “large” percentage of quota per growing cycle. And although one could argue that this has simply been a “bonus” that is now being scaled back, the reality is that this unequal market was allowed to continue for a long time and reasonable business decisions have been made, in order to sustain and grow the market.

Specialty chicken is an innovative market and historically has relied on growers to be flexible and many invested in barn space to grow the needed production. Thus, although the project will address the inequality of distribution among *all growers*, the new distribution will undoubtedly have a more negative impact on several growers with smaller quota holdings. Moreover, there has been no opportunity to buy specialty quota in the market, since 2019, even if those smaller growers had wanted to buy it.

Based on the overall industry feedback we heard and further staff analysis, at its August 13th Board meeting, the Board made three important decisions regarding the Specialty Market.

- 1) **The pilot project is approved, but with a NEW (postponed) START DATE: it will now begin with Period A-198 (Sept. 21, 2025).**
- 2) **The Board has approved the plan to amend the General Orders to allow Specialty quota holders to participate in Part 45 Leasehold Agreement, effective with the start of the Special Market Allocation Pilot Project with Period A-198 (Sept. 21, 2025). This means specialty quota holders will be permitted to lease land and barns on the same terms as mainstream growers as of the start of A-198.**
- 3) **The Board has approved a new Buy One, Get One (BOGO) opportunity for existing small Specialty quota holders (with holdings of less than < 24,000 kgs) effective the date of this memo.**

Specialty quota holders who are holding less than 24,000 kgs of specialty quota, may buy *mainstream* quota or convert existing mainstream quota holdings at a ratio of 1:1. In other words, if a small specialty quota holder purchases 100 kgs of mainstream quota, the Board will convert that mainstream quota to specialty quota and *grant an additional matching 100 kgs of specialty quota.*

This opportunity is subject to the following conditions, and where not otherwise stated, the rules of the General Orders will also continue to apply.

- a. The granting of the conversion and matching of specialty quota is subject to the grower having available barn space to accommodate the quota.
- b. The offer can only be utilized to a maximum holding of 24,000 kgs for any individual specialty quota holder.
- c. The incentive (BOGO) quota granted by the Board will be subject to transfer assessments of 10/10/0. Please refer to Part 35 of the General Orders.
- d. The incentive (BOGO) quota granted by the Board will also be subject to Last In, First Out (LIFO) restrictions.
- e. All Specialty quota holders who want to take advantage of this offer must sign an "Undertaking" with the BCCMB.

- f. The offer is effective immediately, but only for quota transfers approved by the Board up to and including March 31, 2025.

If you have any questions about this memo, or require an “Undertaking” form, please email karlieerickson@bcchicken.ca

Please note that more information on the SM Pilot Project will be made available well in advance of the start date of the pilot, including a specific timeline for all industry stakeholders and opportunities for additional feedback as the pilot rolls out.

All future updates will also be posted to the BCCMB website under “Consultations” tab.