Memo to Industry

To: **BC Chicken Industry** **Date: October 15, 2024**

Re: Catching Cost Increase for quota period A-192 & Prior Approval Request

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Catching Cost Increase for quota period A-192

The BCCMB (Chicken Board) has received a request to increase the price of catching included in the posted live price of chicken in BC. Changes in catching costs must be approved by the Chicken Board in advance of the period. The Chicken Board sought and received input from its Pricing and Production Advisory Committee (PPAC) prior to making their decision. The PPAC acknowledged that costs have increased in recent years across the industry, including catching, and that the catching contractors provide an important service within the BC chicken industry. The PPAC did provide a consensus recommendation on the request for a change to the catching price included in the posted live price from 4.85 cents/kg to 5.0 cents/kg. It was noted there was no consensus by the PPAC on the addition of a "surcharge" to allow catchers to recoup past costs for 6 periods, which was also part of the request.

The Chicken Board agreed to increase the catching price to 5 cents/kg (an increase of $0.0015/kg). As part of the FIRB directed transition process of the new COP, the previous interim formula is still used and at 50% of the difference between the previous interim formula and the new COP for A-192. For the previous interim formula portion of live pricing, this will move the upper and lower guardrails by $0.0015/kg resulting in the lower guardrail becoming $0.1105 and the upper guardrail becoming $0.1384 effective in quota period A-192 (commencing October 20, 2024).

The changes will be reflected in the A-192 mainstream pricing order, out later this week, which will provide further details.

Prior Approval Request – Removal of Catching from the Live Price

The Board previously supported in principle a Western province's initiative to remove the price of catching from the live price in quota period A-194 (February 9, 2025), which will occur in Manitoba, Saskatchewan, and Alberta. As the Chicken Board remains under Supervisory review, we require prior approval to make the change. After having received input from industry and the PPAC, the Board has now submitted for prior approval from BC FIRB to remove catching from the live price. The Board has provided its request 17 weeks prior to the start of A-194 for BC FIRB to make its determination and will advise industry as to any changes or updates as the quota period approaches. We thank all those that took the time to provide valuable feedback and input to the Chicken Board.