

## **Policy Directions for Public Feedback**

September 2025

### Introduction

The BC Chicken Marketing Board (BCCMB) is committed to considering public interest and the maintenance of orderly marketing when making policy decisions. We value the diverse perspectives across BC's chicken-growing industry—from farmer to processor to retailer to consumer to government—and work to achieve a balanced outcome.

We are grateful to everyone who participated in the surveys and submitted comments and recommendations, and to participants in one or more of our chicken-growing industry stakeholder committees. The thoughtful feedback is useful and much appreciated.

As outlined in the BCCMB's policy consultation process, the Board committed to publishing a Policy Directions document—a timely update on the BCCMB's priorities and development of new or updated policies and procedures, which is open for further feedback.

Four Priorities were identified (further explained in this document):

- 1. Communicate the rules better.
- 2. Give growers more flexibility with their production.
- 3. Increase transparency, accountability, and accessibility for quota transfers.
- 4. Understand and sustain the Vancouver Island chicken-growing industry, for all stakeholders, in collaboration with the Vancouver Island processor.

An **Update on the New Entrant Grower (NEG)** program was also needed.

The Board invites written comments on these directions by email to info@bcchicken.ca until 4:00pm (pacific) on October 1, 2025.

## **Background**

The BCCMB conducted two public consultations with industry stakeholders during 2024 and into 2025. The first was to review and renew its expired New Entrant Grower (NEG) program. Following stakeholder feedback, it launched a second, broader consultation on Quota Use and Access (QUAC) in BC's chicken-growing industry. Input was compiled from BC chicken growers, small-lot chicken growers, trades, processors, hatcheries, government representatives, and those seeking to start chicken growing.

Please refer to <u>bcchicken.ca</u> for more information, including discussion papers, the consultation processes, and a summary of feedback in the What We Heard Report. <u>bcchicken.ca/quota-use-and-access-consultation</u>

The feedback was very informative and reinforced the Board's expectation that consultation on its existing policies was overdue. Nevertheless, the Board received (mostly) positive and constructive feedback. As a result of the wide range of feedback and the extensive recommendations received from the survey, stakeholder committees, and BCCMB staff, the Board deliberated several policy options.

The Board acknowledges that not all stakeholders will be satisfied with the directions outlined in this document. The BCCMB is a regulatory authority responsible to *all* industry stakeholders, including the public, and navigates conflicting interests while making balanced principles-based decisions based on sound marketing policy.

The BCCMB is also required to make all its decisions within the SAFETI framework, as outlined by the BC Farm Industry Review Board (BC FIRB). SAFETI collectively refers to six conditional principles:

- Strategic Policies consider short and long-term risks and opportunities
- Accountable Policies are consistent with the NPMA, NPMA Regulations, the Board's General Orders, and other relevant legislation
- Fair Procedural fairness in processes and decision-making
- Effective Clearly defined outcomes with appropriate processes and measures
- Transparent Processes, practices, procedures are open, accessible, and informed
- Inclusive All appropriate interests, including the public interest, are considered

The hope is to make informed policy decisions that allow freedom for stakeholders within the regulated market, while providing a fair and transparent regulatory landscape for business decisions. Thus, the Board welcomes feedback from industry stakeholders prior to implementing new or updated policies.

#### **Four Priorities**

Following the two consultations and additional staff research, the Board identified four key areas that it has directed staff to develop for review and implementation.

The identified priorities will not be implemented at the same time. They may not roll out exactly as outlined in this document and are subject to change. Updates, adjustments, and announcements of implementation will be communicated via bcchicken.ca or email. All identified priorities are open for feedback until October 1, 2025.

The first three priorities are being developed now. A fourth priority is underway and requires long-term planning.

#### 1. Communicate the rules better.

The consultation process revealed misunderstanding and confusion with respect to the following topics and respective rules under the BCCMB's General Orders:

- Self-marketing: what permissions are required and under what limitations a grower may self-market chicken (General Orders, various Parts)
- Interior Quota: what quota conditions apply (and how specifically they apply) in the Interior region (General Orders, Parts 40, 41)
- Please refer to the General Orders for details: <u>bcchicken.ca/general-orders</u>

Therefore, the Board plans to publish and circulate short, user-friendly guides that more clearly explain relevant information from the General Orders. Furthermore, the Board will explore proactively providing plain language "sheets" on additional portions of the General Orders, to help established growers and newcomers to the industry. Also, the Board has slated a full review and update to the General Orders for 2027.

If you have suggestions for parts of the General Orders that could use a plain language "sheet", please reach out at any time. The BCCMB welcomes clarifying questions on the General Orders at any time. Contact us at <a href="mailto:info@bcchicken.ca">info@bcchicken.ca</a> or 604-859-2868.

<sup>&</sup>lt;sup>1</sup> BCCMB's Strategic Plan 2024-27 found at <u>bcchicken.ca/news/bccmb-strategic-plan</u>

#### 2. Give growers more flexibility with their production.

#### **After-the-fact Leasing**

Prior to the Quota consultation, the Board heard repeatedly from some growers requesting consideration for "after-the-fact leasing." That being, growers could submit leases after shipping chicken; thus, a grower could make production adjustments to balance their over or under-production after-the-fact.

A specific question in the online quota survey gauged support for "after-the-fact leasing." The response was mixed, with only 30% expressing support. Upon further consideration, since the impetus for this policy is tied to Over-Marketing Levies (OMLs), rather than pursuing an after-the-fact leasing model, the Board is now developing an updated model for the application of OMLs on growers who over-produce their allocations.

#### **Update to Over-Marketing Levies**

Starting in **Period A-200** (January 11, 2026), the Board proposes to only apply OMLs to growers who over-produce in the following situations:

- it is determined by the Board that the chicken-growing industry in BC is in a penalty position within the national system
- anytime an individual farm exceeds over 110% utilization

National penalties (i.e. BC is in a penalty position within the national systems) are incurred when provincial cumulative production over two consecutive allocation periods (i.e. even + odd periods, e.g. A-201 + A-202) are exceeded, with penalties triggered at two thresholds:

- 1) Provincial production exceeds 102% utilization, penalized at a rate of \$0.44/kg over the limit
- 2) Provincial production exceeds 104% utilization, penalized at an additional rate of \$0.44/kg over the limit (i.e. a total of \$0.88/kg beyond this second threshold)

Please note the following:

a) Growers will be notified by email notification once the Board has determined that BC is in a penalty position with respect to the national allocation system.

b) The Board will monitor production closely and will apply penalties to growers who overproduce, as early as possible following shipping in the odd-numbered cycle.

<sup>&</sup>lt;sup>2</sup> What We Heard Report, Survey Question #18, document found on the QUAC webpage.

- c) OMLs will be calculated in the following way, when in a national penalty position:
  - An individual grower's overproduction will be looked at over the same two periods as the national system (even + odd).
  - All growers that exceed 102% over the two periods will be charged an OML based on the amount of kilograms over the 102% utilization. (Note: this is a departure from the provincial penalties that trigger at over 106%).
  - Based on the national penalty system, the penalties will range from \$0.44/kg to a maximum of \$0.88/kg.
  - The OML charge to a grower will be proportional to the amount over produced, further related to the provincial penalty position within the national system.
  - The Board is proposing to keep a provincial penalty at utilization that exceeds 110% in place, regardless of the national penalty which will remain the same \$0.66/kg that exists today.
- d) Because it is based on two periods, a grower has an opportunity to 'self-correct' (in the odd period) to avoid penalties
- e) There is no change to the under or over carry forward amounts.
- f) Payment will be due to the Board by 30 days after the penalty notification is *sent* to growers.
- g) Late payments will incur additional penalties as per Part 14.5 of the General Orders: Interest on late payment of charges and levies shall be calculated at bank prime plus 5% calculated daily and charged to the processor or the grower.

This change to the OML policy should reduce the number of provincial OML charges and collections; however, if a national penalty is triggered, all growers with utilization above 102% will be charged an OML that would be higher than the current provincial penalties.

# 3. Increase transparency, accountability, and accessibility for quota transfers.

The QUAC consultations showed mixed results<sup>3</sup> for nearly all questions about ease, transparency, and fairness of chicken quota access in BC.

- 59% (a majority) stated they were "aware" of the cost of quota
- 33% found it either "difficult" or "very difficult" to access quota
- 38% said it was "easy" or "very easy" to access quota
- 53% said they would like to see a centralized chicken quota marketplace where they could view availability/cost of quota

The QUAC committee examined several options for potentially opening quota access and increasing transparency. Ultimately, the committee recommends a chicken quota exchange be developed and that the Board should stay out of quota pricing.<sup>4</sup>

#### **Chicken Quota Exchange**

Staff will develop a BC Chicken Quota Exchange Platform (QEX), following guidelines:

- 1. The platform will be accessible online but require secure login for approved participants (licensed chicken growers and approved aspiring chicken growers).
- 2. The Board will not set or influence the price of quota; sellers will post price that is acceptable for them to sell.
- 3. Buyers and Sellers will be anonymous to viewers.
- 4. The exchange of funds will be administered by the Board.
- 5. The Board will annually review the QEX's effectiveness and provide recommendations to the QEX on quota use and production in BC.
- 6. Target a launch date, including testing and Board approvals, for April 2026.

<sup>&</sup>lt;sup>3</sup> What We Heard Report, QEX survey response, pgs 8-10, document found on the QUAC webpage.

<sup>&</sup>lt;sup>4</sup> What We Heard Report, Recommendation #6, pg. 13, document found on the QUAC webpage.

# 4. Understand and sustain the Vancouver Island chicken-growing industry, for all stakeholders, in collaboration with the Vancouver Island processor.

Work on this fourth priority has already begun, but it requires an ongoing approach including deferring a decision on a strict launch date.

The Board heard from several growers—new entrants and established growers—on Vancouver Island about the challenges inherent to growing chicken in their region. Nevertheless, the Island is home to a small, dedicated group of growers; some of BC's most successful chicken farmers thrive there despite losing a large-scale commercial processing plant in 1999. Moreover, Vancouver Island maintains a strong, growing consumer base that supports locally-grown agricultural products, including chicken.

Today, there is only one processor in the Vancouver Island region: Island Farmhouse Poultry. (Some chicken is shipped off-Island to other processors). Island Farmhouse Poultry was established in 2005 with a mission "to support and promote small-scale Island farms by providing a fully compliant processing facility."<sup>5</sup>

Vancouver Island industry stakeholders expressed that the complex quota rules for their region require clarification and possibly updating. It has a complicated history, where quota rules have been adapted over time to maintain orderly marketing and ensure supply, with mixed results. Future changes will require considerations of the current market and all industry stakeholders, including the public.

Furthermore, the Board has a responsibility as regulator to support the current chicken-growing industry in the region and potential growth if possible. The Board began discussions with Island Farmhouse Poultry to better understand how to support its existing market and add supply to match potential growth over the next two to five years. These discussions have been encouraging; the Board looks forward to positive collaboration to help ensure sustainability for the Vancouver Island chicken-growing industry.

The Board understands that Island Farmhouse Poultry is reviewing its two to five year market outlook. The Board is undergoing a review of all its Vancouver Island quota policies, which will necessarily include input from Island Farmhouse Poultry. Any resulting policy changes will be communicated to industry well in advance of their implementation.

<sup>&</sup>lt;sup>5</sup> Island Farmhouse Poultry

# Update on the New Entrant Grower (NEG) Program (coming in 2026):

In 2024, the Board exhausted the previous new entrant program waitlists. All remaining candidates, where processor demand allowed, were invited to participate and if qualified, start placements with a new grower license and quota assistance. Three new growers (of three candidates) have successfully started under the NEG program, with the last of these "waitlisted" new entrants placing chicks for the A-197 production cycle (August 2025). The "old" program was thus retired with those final NEG invitations.

A consultation process was launched to start considering a revised NEG program for the future. The conclusion of that consultation led to the second, broader quota consultation on Quota Use and Access (QUAC).

After review of extensive feedback from both consultations, recommendations from the NEG committee, and consideration of policy directions, the Board has directed staff to develop a new program that will be merit-based, accountable and sustainable. This includes:

- the elimination of waitlists and "windfall gains"
- at least one policy that uses a "non-transferable" quota option, thus allowing quota to be retained by the Board and "held" by new entrants as a means of production only, for their career as chicken growers. It would not be a tradeable asset.
- approval and implementation in 2026

The full details of that program will be communicated and open for written feedback in Spring 2026, following the launch of a Quota Exchange. It is expected that the new entrant program will be announced and new entrant applications open by Fall 2026 for potential new growers to start in 2027-2028.