Memo

To: **BC Chicken Industry** **Date:** **August 6, 2026**

Re: **Embracing Growth in BC's Chicken Industry — Barn Space is Needed**

Summary and Decision

Demand for BC chicken is at an all-time high and increasing. Our industry is growing. This is good news for our industry, the agricultural sector, and our province.

Thanks to Supply Management, responding to that demand through the quota system means that each chicken grower will participate in that growth. The BCCMB employs a proportional allocation method — Pro Rata — that delivers every grower the opportunity to grow. Your base quota gives you a percentage of the provincial allocation every period.

We see positive opportunities ahead, and we have work to do to keep up with this growth. BC's chicken industry is currently struggling to respond to current demand and meet allocation.

An attempted solution was the High Density program, to increase barn capacity and grow more birds. Another suggested solution is to issue more base quota holdings. The Board has found that the High Density program is not increasing production as expected and that issuing more base quota will not lead to the sustainable results we need.

Therefore, the Board will continue with its proportional allocation system (Pro Rata), which is sustainable and adapts well to impacts and markets. The Board does not intend to issue base quota holdings. The Board is reevaluating the High Density program.

The Board encourages — in fact, urges — growers to build. The province needs more broiler barns. It is up to growers to build barn space, meet their allocation, and prepare for growth. If BC does not increase its capacity, we leave allocation on the table; in fact, BC risks losing that opportunity to other provinces.

> **Please read through the entirety of this memo for details about the Board's findings on market research, background on allocation and growth, and rationale for its decision,** including a helpful addendum *For Example: Old MacDonald's Farm*.

Findings

Demand for Your BC Chicken is Up

The Board monitors market numbers and opinion polls. The signals clearly indicate that British Columbians and Canadians are buying more chicken, and want quality and locally-grown chicken:

- **Consumption is increasing.** The amount of chicken “disappearing” (used, consumed) into the Canadian market is up ~**22%** since 2020, and per-person consumption is up ~**11%** over the same period — this is not just population growth; individuals are eating more chicken.
- **Chicken is served, a lot.** In BC, nearly **4 meals per week** feature chicken, and it remains the leading meat protein. Specifically, the young adult demographic (ie. our future consumers) and even households that consider themselves “low-meat” consumers are eating more chicken than only a few years ago.
- **Preference for other meats is down.** Consumption of beef no longer reflects the demand for beef, affected by higher prices. Pork demand is soft. Consumers are choosing chicken.
- **Consumers want local.** British Columbians prefer chicken grown at home — in BC or in Canada. If supply lags and prices rise, they may hesitate to buy and spend elsewhere.

Meanwhile, production has repeatedly fallen short of the allocation designated to BC growers.

- **We keep missing allocation.** In the past 9 Periods, BC’s utilization met allocation only *once*.
- **There are challenges**. Average mortality ran about **9%** in 2025, and a running list of complications (chick shortages, flooding, disease) has made meeting allocation difficult.

The demand and the allocation are there. The constraint is our ability to grow the birds.

Background

How Growth Reaches Your Farm Today: Period Allocation

Some growers have asked, “*When will the Board give out more quota so I can grow more?*” In effect, it already does — every single Period — through the national allocation process and proportional distribution. Here’s how:

The National Process: Chicken Farmers of Canada (CFC) sets each province's allocation through a three-step process, six A-Periods at a time:

1. Set the initial base — based on the final allocation set in the same week of the year prior.
2. Adjust the base — each province may shift allocated kilograms between periods (eg. into high-demand summer periods), up to 5% per period and with a net effect of zero.
3. Finalize the allocation — each province submits a period-by-period request to arrive at a national number, where allocation is adapted to real market signals.

Because the base builds on final allocation the prior year, growth compounds forward into next year's base. Growth is not a one-time gift — it accumulates.

Proportional Distribution: When BC's provincial allocation increases, that growth is distributed proportionally across existing quota holders according to a grower's base quota, but limited to their available barn capacity.

So, if you hold 1% of provincial quota today, you automatically receive 1% of every kilogram of growth — without applying for it and without waiting for the Board to "release" it.

Growers already own their share of the growth. The National process accounts for market growth, and proportional distribution means growth is equitably allocated. The quota to grow your operation is already being allocated to your farm — provided you have the barn space to accommodate it — and as demand rises, so will your allotment of that quota, in real time.

Rationale

Issuing Quota vs. Proportional Allocation

Some growers hope that the Board will issue more quota holdings to increase their base allocation (ie. "rebase" or "give quota") to help meet provincial allocation and consumer demand. **The Board does not intend to issue base quota at this time.**

It is important to understand why this is not a withholding of growth. Rather doing so would be an investment in the wrong strategy, making our industry less adaptive to impacts and markets.

Remember, one's quota holdings and responding allocation is both what you are allowed to grow and what you are expected to grow for British Columbia and for Canada.

Issuing an increase to base allocation does not create more chicken or generate kilograms to meet allocation. A "rebase" is typically based on previous production and essentially updates quota holdings and allocations calculated by past utilization. Rebasing can be a helpful tool to *force* barn construction, but it takes the planning and decision away from individual farm operations. It also does not help meet expectations. This simply changes the *perceived* quota holding volume of a farm when in reality nothing has changed.

The "equity" in quota, that farmers often reference, too remains relatively unchanged. Because proportional allocation in each period is calculated as a percent of a farm's base quota holdings, a proportional rebase moves allocation entitlement together, leaving each farm's relative share — and the market value that share commands — exactly where it was.

Proportional allocation, however, allows allocation to be adjusted more easily, period by period. Growers are given allocation as it comes, often under situations that are more favourable to the grower and responsive to other impacts (disease, chick shortages, etc). This preserves your base and compounds growth on top of it — provided you have the capacity to use it.

High Density Program Under Evaluation

High Density exists to help growers increase barn capacity to meet their allocation and thereby meet provincial allocation efficiently.

If the Board adds up barn space across the province and assume birds are grown at High Density for those who are approved, it appears as if BC has enough capacity to meet its allocation. But this is a misleading assumption.

The reality on the ground is different. Many growers are not growing at high-density — particularly during the summer periods, when consumer demand annually peaks. This creates a false sense of capacity; the square footage exists, but the willingness to use it at the registered density “on paper” does not. When summer’s higher demand arrives but birds are grown at lower density, the output of each barn drops, and BC falls short of its allocation.

Of course, growers must prioritize their usual high standards of animal care; the Board is not suggesting High Density in facilities that compromise bird welfare or CFC compliance.

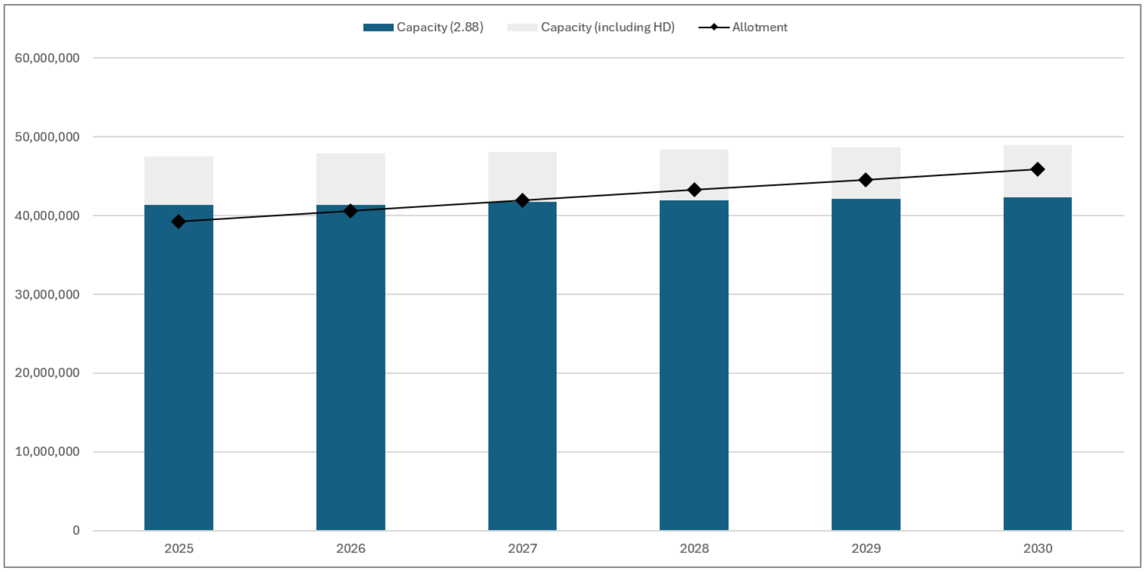
However, the Board is aware that some growers are using High Density allowance as a way to obtain more allocation, but without the willingness to always actually grow it. **This approach does not build a sustainable future for BC’s chicken industry and could hurt us long term.**

The Board is considering how it may update the High Density policy in the future.

Barn Capacity and Growth Projection

The chart below illustrates BC’s allocation against our collective barn capacity from 2025 forecast into 2030:

- **Black line: allocation**, the kgs growers are actually receiving, rising ~3% per year (a conservative projection)
- **Blue bars: standard capacity** (2.88 kg/sqft), current space we can genuinely count on
- **Grey bands: *additional* capacity** (high-density), if every High Density-approved barn is filled to registered density



According to these projections, at standard density, capacity has already been reached. By 2030, the gap between what we are allocated and what we can reliably grow is substantial.

Today in 2026, allocation is slightly below what BC's barns can produce at the standard 2.88 kg/sqft. But, even at 3%, it's climbing faster than our current increase in capacity, where allocation's line exceeds our standard density capacity in 2027. From there on, BC cannot meet its allocation on conventional grow-out (2.88 kg/sqft) alone. (Note: the blue bars are generous; they assume 2.88 kg/sqft, which is a max allowance, but our province today grows at 2.70–2.80 kg/sqft. Our real capacity (ie. capacity for growth) is even less than the chart suggests).

Currently, high-density capacity (grey bands) is our only way to close the gap. But as mentioned, growers are not fully using their high-density space; much of that capacity is registered rather than real (particularly in peak periods). And so, a false sense of capacity, at a provincial scale.

Set the high-density assumption aside, and **BC is effectively out of space by next year.**

This is why the call to build barns is urgent, not eventual**.** The demand is here, the allocation is ours, and the trend line is not flattening.

So, the question for every broiler operation is: *at your density, can your barns grow what your allocation will be in three to five years?* For the province as a whole past 2027, the answer is no — unless we build.

Conclusion

What's At Stake & What to Do Now

Demand in BC for locally-grown chicken is high — and rising. The allocation is already ours and already growing. The only missing piece is our ability to convert that allocation into birds.

Allocation is set at the national level and is not guaranteed to stay in BC. The national system responds to those provinces which produce. If BC repeatedly does not grow the chicken its allocation provides for, that unfilled volume is tracked, and over time BC risks losing both the market and a share of growth allocation to other provinces.

Therefore, the Board is asking growers to do the following 3 actions:

1. **Don't wait for changes to base quota.** Your growth is already arriving through proportional allocation, period over period. Plan around the allocation you are receiving, you are already receiving the growth and expansion signal.

2. **Build real barn capacity now.** The single biggest constraint on your future is usable space and the systems to grow birds at the density and volume the market demands — especially for peak periods. You are expected to have the capacity you need to grow the volume you are allocated year-round, including peak demand seasons.

3. **Run your own numbers.** Take your current base, your barn's square footage, and a realistic growth assumption, and ask: *"At my density, can I grow what my allocation will be in 3–5 years?"* If not, that gap is what you need to plan to build for. Historically, the Chicken industry has continued to grow at 2-3% per year, with the market signaling there is potential for more, and not likely to stop anytime soon.

> The Board recognizes this information may be a lot to take in. The Board and staff intend to attend regional meetings to further speak to these topics and be available to walk through your allocation trajectory and capacity planning. Contact the BCCMB office with questions or to book time to talk at **1-604-859-2868** or **info@bcchicken.ca**.

ADDENDUM

For Example: "Old MacDonald's Farm"

> *The figures below are illustrative and are used only to demonstrate the mechanics. Swap in your own base quota and barn dimensions to see how the same logic applies to you.*

Old MacDonald's Farm:

- **Quota base:** 100,000 kg live weight per A-Period.
- **Barn:** 3,500 m² (~37,673 sq ft) of usable floor space
- **Density choice:** Standard Density ~31 kg/m² (2.88 kg/sq ft), or High Density ~38 kg/m² (3.53 kg/sq ft)
- **Market growth:** assume BC allocation grows ~4% per year

What does Proportional Distribution give Old MacDonald?

Base allocation grows with the province, period over period. In this example, at 4% per year, Old MacDonald's allocation has increased 21,665kg (22%) in five years:

Today	Year 1	Year 2	Year 3	Year 4	Year 5
100,000 kg	104,000 kg	108,160 kg	112,486 kg	116,986 kg	121,665 kg

But wouldn't issuing quota to Old Mac Donald do more?

No. It would leave things the same. Suppose base quota was issued. Each grower's new base would be dependent on the province's production. Under the same scenario as above:

	Base Quota	Proportional Allocation
Current System (with proportional allocation)	100,000 kg	+21,665 kg
Issuing Quota (no proportional allocation)	100,000 kg + 21,665 kg = 121,655kg	+0 kg
At Year 5	121,655 kg	121,655 kg

In either scenario, production quota remains the same. This relates back to the market value of quota holdings as well — every kg of quotas' worth *carries* the period allocation (as long as there is available barn space).

So, can the barn actually grow the required kilograms?

Density decides. The barn and allocation are the same, but density changes the outcome:

Density choice	Barn Capacity Max (3,500 m²)	Can it grow the 121,665 kg Year 5?
Standard density (~31 kg/m²)	108,500 kg/period	No — short by 13,165 kg
Higher density (~38 kg/m²)	133,000 kg/period	Yes — with room to spare