



April 30, 2021

**VIA EMAIL**

Mr. Harvey Sasaki  
 Chair  
 BC Chicken Marketing Board

**Re: BCCMB A-169 Exceptional Circumstances Decision**

The Primary Poultry Processors Association of BC (PPPABC) is in receipt of the BC Chicken Marketing Board (BCCMB) decision and the SAFETI analysis regarding our A-169 exceptional circumstances request. We are disappointed with the exceptional circumstances decision and believe the BCCMB needs to be doing what is right for the entire industry, instead of favoring one party. The board had an opportunity with this decision to strike a balance that would have been fair to all parties until a new long-term pricing formula can be implemented. Unfortunately, this decision was not fair to all parties and in fact, has distorted the balance between processor competitiveness and grower returns.

The following tables show the impact of the ON COPF changes on grower returns and processor competitiveness between A-168 and A-169:

<b>Grower Returns – Impact of FCR Change (1.81298 to 1.62480)</b>		
Feed Differential Increase	Processor Paid via Live Price	Grower Return Improvement
\$0.09624 <sup>1</sup>	75%	\$0.07215

<b>Processor Competitiveness – Change in ON Live Price Differential<sup>2</sup></b>		
A-168 Differential	A-169 Differential	Competitiveness Reduction
\$0.0665	\$0.0935	\$0.0270

While the full impact of the ON COPF changes was mitigated by the current guardrails, there was close to a \$0.10/kg shift in the pricing balance in the BC Live Price Formula caused by changes to the feed component and the live price differential. Growers are receiving the full benefit of the imbalance created by the ON COPF feed formula change as well as the additional \$0.05/kg reduction in annual adjustments that was not part of our exceptional circumstance request. When the benefits of the changes to the ON

Feed Conversion Analysis	A-169 New	A-169 Old	Diff
Feed Price	0.51145	0.51145	
Feed Conversion Ratio	1.62480	1.81298	
<sup>1</sup> Feed Cost	0.83100	0.92725	0.09624

<sup>2</sup> Live Price differentials are net of catching and based on the Ontario 2.15 kg – 2.45 kg live price and the BC 2.021 kg – 2.170 kg live price

COPF all flow to the growers, there is nothing that can be seen as fair about the BCCMB decision on A-169 pricing.

The PPPABC believes the intent of the FIRB directive that locked in the pricing formula was to ensure that parties to the review are neither advantaged nor disadvantaged during the process. The BCCMB had the opportunity to be proactive with the A-169 decision and do what was fair for the industry; instead, the Board chose once again to advantage the growers at the expense of the Processors.

We expect the BCCMB's decisions to be fair and balance grower returns and processor competitiveness; unfortunately, this decision did not come close to meeting these criteria.

Sincerely,

A handwritten signature in black ink, appearing to read 'B. Shier', with a stylized flourish at the end.

Blair Shier  
President  
Primary Poultry Processors Association of BC

c. Bill Vanderspek – BCCMB  
PPPABC Members  
Craig Evans – PPPABC  
Wendy Holm – BCFIRB Liaison