



## **THE HOLM TEAM** *Agriculture Economics Journalism Trade Cooperation*

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### REPORT TO STAKEHOLDERS<sup>1</sup> (Producers, Hatcheries, Growers and Processors)

Just a quick update to let you know where we are in the Review process.

Over 50 stakeholders attended the Zoom-based January 28<sup>th</sup> Stakeholder Roundtable to discuss the draft final pricing models tabled by BCBHEC and BCCMB. After taking into consideration feedback submitted by Stakeholders in response to that session, the BCBHEC and the BCCMB finalized and submitted their proposed pricing models to BCFIRB on March 4<sup>th</sup>.

The BCFIRB Panel will travel to Abbotsford to meet face to face with each board on April 12<sup>th</sup>. On March 21, the Panel sent questions to both BCCMB and BCBHEC intended to inform these discussions. Both letters are posted to the BCFIRB website. The Panel will also reach out to Stakeholders with specific questions in writing in the near future. It is hoped that a decision can be handed down by the Panel by the end of June, 2022.

In the meantime, the widening gap between BC and Ontario feed prices have challenged the current pricing formula to deliver fair returns to BC growers. In the beginning of A-174, the BCCMB applied to BCFIRB for prior approval for a change to the Live Weight (LW) pricing formula that would return half the over-guardrail loss (formula price less posted price) to BC growers as a “top-up” to the LW price. For reasons explained in their February 4, 2022 Decision (posted to the BCFIRB website), the Panel did not approve this request but invited CMB to reapply in A-175.

The modification to the interim pricing formula requested by the CMB was approved by the Panel for A-175 and A-176 with one modification: any increase in the COPF Ontario grower margin – which would then flow through to the BC price and serve to reduce that portion of the BC formula price lost to the upper guardrail - is first deducted from over-guardrail losses before adding half of the remaining loss back to the BC LW price. In A-175, the Ontario margin increased by 1.12 cents/kg, which was deducted from the 10.68¢/kg over guardrail loss, reducing that loss to 9.56 ¢/kg, half of which (4.78¢) was then added back to BC LW price.

I will keep you posted as we move forward in the final days of this review process.

Kind regards and keep safe and well...

Wendy Holm, P.Ag.(Ret'd), M.M.C.C.U.  
BCFIRB Liaison - Long Term Chicken Sector Pricing Review

<sup>1</sup> This is the fourteenth in a series of reports to Stakeholders to keep you informed/engaged as we move through the Review process.

**Stakeholder Feedback + FIRB Approval of Terms of Reference: Long-Term Chicken Sector Pricing Review (Oct 6 – 28<sup>th</sup> 2020)**

Call for Stakeholder feedback CMB Oct 30-Nov 2

Call for Stakeholder feedback HEC Dec 10- Jan 4

**STAKEHOLDER ROUND TABLES**

Nov 5<sup>th</sup> Introduction

Dec 14<sup>th</sup> Pricing Policy Objectives  
Reasonable Returns + Proc Competitiveness

Jan 5<sup>th</sup> Pricing Policy Objectives II + Ontario Price

Jan 12<sup>th</sup> Some Liveweight Pricing Options (Table)

Jan 28<sup>th</sup> Hatching Egg Cost of Production (Serecon Report) (2 links)

Feb 3<sup>rd</sup> Hatchery Margins, Breeder chick and Vaccine formula

**BCCGA**  
Feb 1 – High Level Questions Regarding BC Processor Submission

**PPPABC**  
Jan 6 – Comments on CGA Submission Costs/Returns BC Chicken Market  
Feb 12 – Comments on CGA Submission *Live Chicken Pricing in BC*

**BCCGA**  
Feb 22 meeting with CMB  
Mar 10 presentation to CMB + Mar 12 letter and follow up documents  
Mar 23 Meeting with CMB

**CMB Request for Questions and Concerns re Submissions**

**CMB Request for Metrics on Reasonable Return + Competitiveness**

**BCCMB**  
Feb 10 letter to PPPABC re Jan 6 Submission  
Feb 12 [letter fm PPPABC](#) requesting further on: Processor Competitiveness, Reasonable Returns to Growers, Pricing Formula, Markets, Processing Structure, Health of Chicken Industry in BC  
Feb 12 [letter to BCCGA](#) requesting further on: Reasonable Returns to Growers, Processor Competitiveness, Pricing Formula, Health of Chicken Industry in BC and Markets

**BCCGA**  
Feb 2 – Return on Investment (attaching Serecon ROE fm HECOP)

**PPPABC**  
Jan 28<sup>th</sup> **CONFIDENTIAL** Submission to CMB on advantages/ disadvantages for Ontario based on second-tier processor structure

**PPPABC**  
Feb 18 and Mar 9<sup>th</sup> **CONFIDENTIAL** Presentations to CMB on Processor Competitiveness  
Mar 25 Meeting with CMB

**SAFETI Analysis**

**Third Party Review**

**BCBHEC**  
Final Hatching Egg Pricing formula sent to Stakeholders for feedback on draft SAFETI, pricing options and linkage considerations

**BCBHEPA**  
Mar 29 meeting with BCBHEC

April/May HEC + CMB DEVELOP PRICING MODEL

June 2 – Stakeholder Roundtable to Present HEC+CMB Pricing models  
June-July receive feedback from stakeholders

July 27<sup>th</sup> and Aug 6<sup>th</sup> - Clarification Meetings with Stakeholders

Aug - Sept: HEC+CMB consider stakeholder feedback  
Oct-Dec CMB calls Without Prejudice meetings with BCCGA and PPPABC  
January 28 Stakeholder Roundtable to Discuss Draft Final Pricing Models/Feedback

**March 4 2022 BCCMB and BCBHEC RECOMMENDATIONS SUBMITTED TO BCFIRB**

 WE ARE HERE

