



THE HOLM TEAM *Agriculture Economics Journalism Trade Cooperation*

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REPORT TO STAKEHOLDERS¹ (Producers, Hatcheries, Growers and Processors)

As you are aware, the BCBHEC and the BCCMB finalized and submitted their proposed pricing models to BCFIRB on March 4th. Based on these submissions and intended to provide a framework for discussion during face-to-face meetings with each board in Abbotsford on April 12th, the Panel posed written questions to the BCBHEC and the BCCMB on March 21, copies of which are posted to the Review website.

The Panel held separate meetings with each Board on April 12 to review respective their long-term pricing proposals. The Broiler Hatching Egg Commission reported that they were prepared to implement their cost of production formula pricing commencing with period A-178 (August 29 – October 22, 2022). The Chicken Marketing Board said it planned to develop a verified, cost-based pricing formula over the next 12 months that would include grower efficiency and processor competitiveness factors.

In its [April 28th letter to the Commission and the Board](#), copied to stakeholders and posted to the Review website, the Panel said it is prepared to consider approval of the Commission's phased-in implementation of its cost-of-production pricing formula - as summarized in its March 4th submission - prior to the Chicken Board completing its long-term pricing formula. Before making its decision, the Panel invited written submissions from stakeholders on what, if any, outstanding sound marketing policy considerations the Panel should take into account before making its decision. Submissions, to include a full SAFETI-base rationale, were requested by May 10 2022. The Commission was invited to make a closing submission by May 13, 2022.

With respect to the Chicken Board's March 4th submission, the Panel will be meeting face to face with Stakeholders in June and July to discuss the Board's proposed workplan. The Panel wants to ensure that the Chicken Board's process over the next 12 months is clearly articulated and benchmarked from the outset and that all stakeholders are actively and meaningfully engaged to deliver a) an interim liveweight pricing formula that reflects sound marketing policy and b) a long term, cost-based pricing approach that reflects reasonable returns to efficient growers and processor competitiveness. At the conclusion of these discussions, the Panel will again meet with the Chicken Board and Commission prior to making a final decision about the Chicken Board's March 4th submission.

Fortunately, the gap in wheat and corn prices that began last fall and resulted in unprecedented increases in BC feed costs over those in Ontario has finally narrowed, reducing pressure on BC liveweight prices.

Going forward, keeping "peace in the valley" while a long-term cost based formula is developed will remain a challenge. Understanding the needs of fellow Stakeholders and bringing the capacity demonstrated in other fronts - Covid, heat dome, flooding and avian influenza – to the chicken pricing table is what is now needed.

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

Kind regards and keep safe and well...

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BCFIRB Liaison - Long Term Chicken Sector Pricing Review

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