



BC Farm Industry Review Board

August 15, 2022

REPORT TO STAKEHOLDERS - LONG TERM CHICKEN SECTOR PRICING REVIEW¹ (Producers, Hatcheries, Growers and Processors)

Hope you are all enjoying the summer weather, and that our late August temperatures remain moderate this year! Below is a quick update of where we are in the Review process since my last Report.

In a Decision of June 3, 2022, BCFIRB gave approval to the BC Broiler Hatching Egg Commission to implement its cost of production pricing and affirmed its "...support in principle for the Chicken Board's proposed cost-based approach to long-term pricing as it aligns with the Terms of Reference..." Specifically, the Decision states:

59. The Panel gives approval to the Commission to implement its long-term pricing recommendations on the following conditions:
 - a) The Commission give one production period implementation notice to the Chicken Board, stakeholders, and BCFIRB; and,
 - b) The Commission follow the graduated process for implementation established in the March 4, 2022 submission.
60. The Commission will provide an implementation progress report to BCFIRB by December 16, 2022.
61. On an on-going basis, the Commission will monitor implementation impacts on hatching egg producers and hatcheries; and, through the Chicken Board, implementation impacts on chicken growers and processors.
62. The Commission and Chicken Board are to collaborate as necessary to ensure any significant implementation impacts are duly considered and mitigated as appropriate.
63. The Panel will be closely monitoring the Chicken Board's development of a long-term pricing formula over the coming year. The importance of continued work and collaboration between all parties on an interim pricing formula cannot be over-stated. Significant leadership, transparency and inclusion will be required from the Chicken Board to ensure stakeholder consultation is both ongoing and meaningful, providing sufficient opportunities for input.

Both the Commission and the Chicken Board are moving forward – the Commission on the phased implementation of its pricing formula beginning in A-179 as well as Stakeholder review of its vaccine recommendations and the Board on development of their long-term pricing model. The Chicken Board's pricing model working committee – comprised of representatives from the Board and Commission (2), broiler growers (3), processors (3 spots; currently 1 attending as observer), hatcheries (1) and hatching egg producers (1) and chaired by a Project Manager (recently-resigned, we await news of his replacement) – held its first meeting last week.

From my seat at the table as a non-voting Member, I am encouraged. Serecon led a productive discussion of how they propose to collect and measure the various cost components, and hope – with good grower cooperation - to have surveying completed by November 1 and a report submitted by the end of December. Finding common ground with respect to grower returns and processor competitiveness lies ahead. Providing all stakeholders actively participate, I feel this Committee can make an important contribution to the development of a long-term and stable live weight pricing formula for mainstream broiler chicken that delivers reasonable returns to efficient growers while supporting a competitive local processing sector. But active participation is key. It would be a mistake to view my presence on this Committee as a channel to the Panel. Now is the time for all stakeholders to put their issues on the table and fully engage to provide the Chicken Board, as first-instance regulator, with the best information on which to make an informed decision that can, after all is said and done, be supported by both the industry and the BCFIRB. I will keep you posted!

Kind regards and keep safe...

Wendy Holm, BCFIRB Liaison

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