

BRITISH COLUMBIA FARM INDUSTRY REVIEW BOARD

**Supervisory Review Re:
Chicken Operating Agreement Amendments**

**SUBMISSIONS OF THE
BRITISH COLUMBIA CHICKEN MARKETING BOARD
in response to
FURTHER SUBMISSIONS OF THE
PRIMARY POULTRY PROCESSORS ASSOCIATION OF BC**

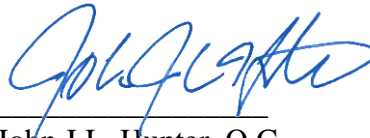
1. In the Further Submissions of the Primary Poultry Association of B.C. (“PPPABC”), the suggestion is made that the allocations made by the CFC for periods A-139 and A-140 demonstrate a “significant negative impact” of the formula used in the proposed amendments to the Operating Agreement. The Chicken Board does not agree.
2. The allocations made by the CFC for these periods were, like all CFC allocations, the subject of negotiation and give and take. The CFC decision provides to British Columbia roughly what was sought after consultation with industry stakeholders.
3. That consultation consisted of:
 - (a) a PPAC meeting on May 24, 2016 where the processor representatives again requested reductions in the proposed allocations for B.C.;
 - (b) a meeting the next day with the PPPABC in which a wide range of issues were discussed including a review of the B.C. allocation process; and
 - (c) the development of a submission with industry input which was sent to the CFC and which resulted in an allocation broadly in line with what the processors indicated they wanted.
4. An example of the alignment between what the processors were requesting and the eventual allocation, the Western Processors apparently¹ submitted a request of 1.5% over base to the CPEPC for A-139, and that was precisely the number allocated by CFC.
5. The PPPABC continues to focus its attention on the relationship between B.C. and Ontario, whereas the better measure of the success of the formula approach is whether B.C. is being allocated the product it needs for its markets. There is no suggestion that B.C. will be short chicken as a result of the allocation in these periods, nor could there be, as the B.C. processors to continue to request reductions in the allocation requested.

¹ The B.C. processors continue to refuse to provide their allocation requests directly to the Board, but at the PPAC meeting, the statement was made that the submission to PPPABC was for an allocation 1.5% over base: see Affidavit #2 of William Vanderspek, paras. 4 and 7

6. The B.C. processors continue to be conservative in their allocation requests even though there has been significant quota underutilization in British Columbia over the past ten periods.²
7. The allocations in A-139 and A-140 do not alter the conclusions in the Chicken Board's earlier submission that:
 - (a) the continued participation of the Chicken Board in the national operating agreement is in the interests of British Columbia's chicken industry;
 - (b) the Chicken Board has continued to consult the industry, including the PPPABC, broadly and transparently before presenting the position of British Columbia to CFC; and
 - (c) the allocations made to British Columbia under the formula proposed to be included in the amended Operating Agreement continue to meet the requirements of the B.C. industry, demonstrating that the proposed amendments are in the interests of British Columbia.

ALL OF WHICH IS RESPECTFULLY SUBMITTED

Dated: June 24, 2016



John J.L. Hunter, Q.C.

Counsel for the B.C. Chicken Marketing Board

² Affidavit#2 of William Vanderspek, para. 8