



January 26, 2016

File: 44200-60/CKN OA

**DELIVERED BY EMAIL**

Robin Smith  
Chair  
BC Chicken Marketing Board  
101 – 32160 Simon Av  
Abbotsford BC V2T 4J2

Dear Mr. Smith:

**SUPERVISORY REVIEW OF PROPOSED AMENDMENTS TO THE FEDERAL-PROVINCIAL AGREEMENT FOR CHICKEN – SCHEDULE “B” OPERATING AGREEMENT**

Thank you for your January 15, 2016 letter<sup>1</sup> and January 25, 2016 SAFETI analysis<sup>2</sup> providing the BC Chicken Marketing Board’s (Chicken Board) position on the proposed amendments to Schedule “B” of the 2001 Federal-Provincial Agreement for Chicken (Operating Agreement)<sup>3</sup>. The Operating Agreement sets out sets out how national chicken production is shared among the provinces.

The Chicken Board is seeking BC Farm Industry Review Board (BCFIRB) approval to sign the amended Operating Agreement once the Chicken Board’s issue related to exemption levels for unregulated production is addressed. BCFIRB will review the Chicken Board’s request under its independent statutory authority set out in the *Natural Products Marketing (BC) Act (NPMA)*.

**Legal requirements**

In British Columbia, the production and marketing of chicken is regulated under the *NPMA* and the British Columbia Chicken Marketing Board Scheme, 1961 (Scheme).

---

<sup>1</sup> Appendix A – 2015 Jan 15. CMB. Chicken Farmers of Canada Operating Agreement.

<sup>2</sup> Appendix B – 2016 Jan 26. CMB. Operating Agreement SAFETI analysis.

<sup>3</sup> Appendix C – 2015 May 6. Schedule “B” Operating Agreement w proposed amendments

---

**British Columbia  
Farm Industry Review Board**

**Mailing Address:**  
PO Box 9129 Stn Prov Govt  
Victoria BC V8W 9B5  
Telephone: 250 356-8945  
Facsimile: 250 356-5131

**Location:**  
1<sup>st</sup> Floor, 780 Blanshard Street  
Victoria BC V8W 2H1  
Email: [firb@gov.bc.ca](mailto:firb@gov.bc.ca)  
Website: [www.gov.bc.ca/BCFarmIndustryReviewBoard](http://www.gov.bc.ca/BCFarmIndustryReviewBoard)

In order to sign the Operating Agreement, the Chicken Board requires BCFIRB prior approval under s. 4.02 of the Scheme. BCFIRB, as the B.C. supervisory agency, is also a signatory to the Operating Agreement and must also determine whether it will approve the amendments.

## Background

As you are well aware there is a very long and complex history behind the currently proposed amendments to the Operating Agreement: The following summarizes some of the key drivers:

- Chicken Farmers of Canada's (CFC) responsibility to allocate national growth using the principle of comparative advantage as per s. 23(2) of the *Farm Products Agencies Act*.
- CFC's outstanding strategic plan goals related to differential growth.
- Alberta's request for additional production based on population, going back to at least 2007. Alberta withdrew from the Federal-Provincial Agreement on the basis its needs were not met.
- Ontario's subsequent request for additional production based on population.

As part of this history, an appeal was filed with BCFIRB by the Primary Poultry Processors association of BC (PPABC) in August 2014. The appeal was put aside by agreement between PPABC and the Chicken Board so that BCFIRB could address this matter in its supervisory capacity under s. 7.1 of the *NPMA*. As part of that process, the parties agreed to explore the potential of working with western counterparts in an effort to propose flexible, robust solutions to chicken allocation in Canada that would allow the industry to move forward in a manner that meets the intent of supply management.

## Review process

BCFIRB will conduct its review through a principles/outcomes-based approach using SAFETI<sup>4</sup>. As required by s. 9 of the *NPMA*, BCFIRB must find that the proposed amendments are in accord with the Scheme and with "sound marketing policy" and comply with governing legislation, regulation and agreements.

A BCFIRB panel has been assigned to this process and is establishing a written submissions schedule which will be issued shortly. If, following the written submissions process the panel determines that an oral hearing is required, the panel will so order.

All process information and supporting documents will be available on BCFIRB's web site<sup>5</sup>.

## Next steps

The Chicken Board (and all industry stakeholders) are encouraged to review BCFIRB's April 11, 2013 letter "Current National and Provincial Chicken Industry Issues"<sup>6</sup> in advance of receiving BCFIRB's instructions and questions as part of the written submission process. The letter

---

<sup>4</sup> SAFETI: [Strategic, Accountable, Fair, Effective, Transparent, Inclusive](#)

<sup>5</sup> [www.gov.bc.ca/BCFarmIndustryReviewBoard](http://www.gov.bc.ca/BCFarmIndustryReviewBoard)

<sup>6</sup> Appendix D – 2013 April 11. BCFIRB. Current National and Provincial Chicken Industry Issues.

provides BCFIRB's perspective on federal legislative requirements as well as allocation and governance issues facing the national chicken industry.

BCFIRB staff remains available to address any questions the Chicken Board and stakeholders may have going forward.

Yours truly,

A handwritten signature in black ink, appearing to read "John Les". The signature is fluid and cursive, with a large loop at the beginning and a long, sweeping tail that extends downwards and to the left.

John Les  
Chair

Attachments

cc: Laurent Pellerin, Chair  
Farm Products Council of Canada

Dave Janzen, Chair  
Chicken Farmers of Canada

James Mack, Assistant Deputy Minister  
Agriculture Science and Policy  
Ministry of Agriculture

Casey Langbroek, Chair  
BC Broiler Hatching Egg Commission

Ravi Bathe, President  
BC Chicken Growers' Association

Scott Cummings, President  
Primary Poultry Processors Association of BC

National Association of Agri-Food Supervisory Agencies

BCFIRB web site