

British Columbia Chicken Marketing Board

Public Accountability Report

2018



British Columbia Chicken Marketing Board Public Accountability Report - 2018

Table of Contents:

Table of Contents	Page 2
Introduction	Page 3
Quota Management	Page 6
2018 Performance Targets	Page 8
Governance Measures	Page 19

British Columbia Chicken Marketing Board

Public Accountability Report - 2018

Introduction:

This is the first Public Accountability Report (the “PAR”) of the British Columbia Chicken Marketing Board (the BCCMB). It is intended to provide a “state of the chicken sector” baseline. Performance reporting against strategic goals as set out in the BCCMB’s 2017-2019 Strategic Plan will be subject to modification in future reports as the BCCMB reviews and develops a new Strategic Plan in 2019 to cover the 2020 - 2023 planning horizon.

The PAR is structured in three main sections, Quota Management, Performance Targets, and Governance and will provide information and data to demonstrate the BCCMB’s actions and impacts on delivering on its mandate in accordance with BCFIRB guidelines for PAR.

Annual Compliance Statement:

The BCCMB’s General Orders, policies, procedures and decisions are in accordance with legislation, regulations, the Federal Provincial Agreement for Chicken (the FPA) and all British Columbia Farm Industry Review Board (the BCFIRB) decisions and directions. These documents are available on the BCCMB’s website at www.bcchicken.ca.

The BCCMB’s annual financial statements are presented at the British Columbia Chicken Growers Association (BCCGA) Annual General Meeting and are published as part of its Annual Report which is available on the BCCMB’s website.

Background:

The BCCMB was established in 1961 under the *Natural Products Marketing (BC) Act* (the “NPMA”) via B.C. Regulation 188/61, the *Natural Products Marketing (BC) Act Regulation* (the “Regulation”) and the *British Columbia Chicken Marketing Scheme, 1961 (the Scheme)*. The BCCMB draws its powers to administer *the Scheme* from the *Regulation* and the *NPMA*. The BCCMB is empowered “to provide for the effective promotion, control and regulation, in any and all respects and to the extent of the powers of the Province, of the production, transportation, processing, packing, storage and marketing of the regulated product within the Province, including the prohibition of such transportation, packing, storage and marketing in whole or in part.”

Key Responsibilities:

The BCCMB maintains a Register of Growers in accordance with the *Scheme* and General Orders. The BCCMB also issues the following licenses: to operate as a hatchery; to market chicken as a grower; to process chicken; to transport chicken; to operate as a chick broker and to operate as a chicken catching contractor or crew, under its authorities to manage the allocation of supply of chicken in British Columbia.

The BCCMB may also issue permits for the purpose of providing opportunity for small and niche marketers in diverse regions of the province without the barrier of acquiring quota. These permits are discretionary, may be issued to a maximum of 2000 birds per calendar year and cannot be combined with quota. Persons growing less than 200 birds per calendar year are exempt from permit and quota requirements.

The BCCMB is responsible for managing British Columbia's allocation under the FPA, specifically under Schedule B - Operating Agreement. The specifics of this responsibility are discussed in more depth in the Quota Management and Movement section of this report.

Board Structure and Governance:

The BCCMB consists of five members; a Chair, and two members appointed by the Province by Order-In-Council and two members who are registered growers. The two grower members are elected by registered growers for staggered 3 year terms. The Council of Marketing Boards (COMB) acts as the independent Election Officer in the BCCMB election process. A grower election was completed in 2018 with a further grower election to be held in February 2019. The elections were and will be conducted in accordance with the election rules approved by BCFIRB (refer to the governance section for further details). The next review of the BCCMB election rules is schedule to occur in 2020.

The BCCMB is supported by an Executive Director and an Executive Assistant who are in turn supported by a complement of BCCMB staff members.

The BCCMB has standing committees to ensure that its fiduciary and financial accountability responsibilities are upheld and to ensure professional administration of board functions. A board policy manual is maintained to outline the BCCMB's authorities; it is a living document that is updated when and as required.

BCCMB staff is responsible for inspection and audit of all quota, license and permit holders to ensure terms and conditions are being met in accordance with the General Orders and provincial programs such as the Mandatory BC Bio-Security Program and national program standards such as On Farm Food Safety Program (the OFFSP) and Animal Care program (the ACP).

The BCCMB is required through the Scheme to establish a Pricing and Production Advisory Committee. The BCCMB has also established a Specialty Market Advisory Committee to support its efforts to grow and diversify the chicken industry in BC. The BCCMB establishes and utilizes other committees as necessary to engage stakeholders and secure input into its decision making. The committees are the primary vehicle through which the Board secures broader industry advice and input on key decisions.

Stakeholders:

The BCCMB holds the view that the entire BC chicken industry value chain; from hatching egg producers to hatcheries, to growers, to primary processors, to further processors, to retail and foodservice suppliers, to end consumers, along with feed suppliers, other service suppliers and financial institutions as stakeholders with interest in the decisions and actions of the BCCMB. The Chicken Farmers of Canada (the “CFC”) along with other provincial chicken boards are also important stakeholders.

The BCCMB uses a broad range of engagement tools, including in-person meetings, web-based material, electronic communication, etc. to notify stakeholders of board activities and decisions and to seek input and advice prior to making decisions. The BCCMB attends BCCGA Lower Mainland meetings and travels at a minimum of once per year to Vancouver Island and the Interior which provides opportunities for individual growers to meet with the BCCMB in their regions and their own turf. The BCCMB members and/or staff attends Lower Mainland and other regional BCCGA meetings to provide in person updates on BCCMB activities and decisions and to gain feedback and input from stakeholders. The BCCMB also conducts quarterly meetings with both the BCCGA and the Primary Poultry Processors Association of BC (the PPPABC).

The BCCMB elect one of the BCCMB members as a director and another as alternate to represent British Columbia’s interests at CFC. The BCCMB has an internal election policy which is contained in the BCCMB Policy Manual. BCCMB designates attend CFC Board meetings which include amongst other items, production allocation. BCCMB members and staff also attend CFC meetings, Canadian Broiler Council (CBC) meetings, other provincial chicken board meetings and AGM’s, meetings of the four western chicken boards, and the National Farmer Alliance which has representatives from all ten provincial chicken boards.

The BCCMB staff is in regular contact with BCFIRB staff. The BCCMB meets with BCFIRB and Ministry of Agriculture as necessary on key issues facing the chicken industry in BC. The BCCMB also meets regularly with the British Columbia Broiler Hatching Egg Commission (the BCBHEC) as it relates to the Pricing Linkage Agreement and other matters of mutual interest and concern.

Decision Making:

The BCCMB uses a decision making process that is based on the SAFETI principles of being Strategic, Accountable, Fair, Effective, Transparent and Inclusive. SAFETI based decisions of the BCCMB are referred to as “Schedule 15” decisions and are posted on the public side of our website under the industry BCCMB Reports and Orders section (click [here](#).)

Quota Management:

The BCCMB's approach to managing and allocating quota is set out in the BCCMB's General Orders. Quota allocated by the BCCMB falls into the following categories:

- Mainstream (which includes certified organic)
- Specialty (Taiwanese and Silkie chicken)
- Market Development (export)

In addition, the BCCMB allocates quota for its New Entrant Program for Growers (the NEPG) which is covered in more detail under the Strategic Initiatives section of the PAR.

Industry Statistics

In addition to the British Columbia Chicken Marketing Board Annual Report, the BCCMB has and continues to publish regular reports on quota management consistent with the PAR measures in the BCCMB Monthly Board Reports and quarterly BC Chicken Facts and can be found in the Industry - BCCMB Reports and Orders page on our website (click [here](#).)

British Columbia is the third largest chicken producer in Canada with 13.98% of the national allocation for mainstream chicken. Ontario is the largest with 34.02% of the national allocation, followed by Quebec at 26.6%.

Three provinces in Canada grow specialty chicken under the CFC Specialty Chicken Program which is produced under a separate allocation regime at CFC. BC is the largest producer of specialty chicken in Canada at 61% of the total followed by Ontario at 34.5% and Alberta at 4.5%.

1. Distribution of Quota by type and region in kilograms live weight (Based on the standard 56 day production period which occurs 6.5 times in a calendar year)

Quota Holders as of December 2018

	Lower Mainland		Vancouver Island		Interior		Total	
	Growers	Kilograms	Growers	Kilograms	Growers	Kilograms	Growers	Kilograms
Mainstream	222	26,760,374	12	547,637	50	3,862,893	284	31,170,904
Specialty	36	600,326					36	600,326
Totals	258	27,360,700	12	547,637	50	3,862,893	320	31,771,230
Percentages	81%	86%	4%	2%	16%	12%	100%	100%

- The BCCMB has 315 registered producers as 5 producers hold both Mainstream and Specialty Quota.
- There are 4 growers holding more than 400,000 kilograms of quota
- 98% of the BC quota is mainstream quota; the remaining 2% is specialty quota
- 89% of BC chicken growers hold mainstream quota; the remaining 11% hold specialty quota

2. Distribution of New Entrant Growers by Region and Quota type

	# of Mainstream NEG	Total Quota Holdings (kgs)	# of Specialty NEG	Total Quota Holdings (kgs)
Interior	19	636,435	0	0
Vancouver Island	7	284,072	0	0
Lower Mainland	7	333,117	18	235,986
Total	33	1,253,624	18	235,986

3. Distribution of Quota by region and size (Average, largest and smallest) in kilograms live, as of December 2018. (Based on the standard 56 day production period which occurs 6.5 times in a calendar year)

	Lower Mainland		Vancouver Island	Interior
	Mainstream	Specialty		
Average Farm	106,273	16,676	46,440	75,994
Largest Farm	669,960	97,332	105,908	245,663
Smallest Farm	9,645	23	19,924	12,050

4. Distribution by Region of Small, Medium and Large farms

	Interior Region (# of Farms)	Vancouver Island Region (# of Farms)	Lower Mainland Region (# of Farms)
Small (Under 50,000 kgs)	20	8	68
Medium (50,001 to 300,000 kgs)	30	4	171
Large (300,001 kgs and Over)	0	0	14

5. Distribution of chicken processors by region and inspection designation (Federal or Provincial):

	Lower Mainland	Interior	Vancouver Island	Total
Federal	8	1	0	9
Provincial	1	10	5	16

● 9 of the Provincially Licensed plants only process small lot and permit production.

6. Distribution of chicken hatcheries by region:

Lower Mainland	Interior	Vancouver Island	Total
9	2	0	11

7. Distribution of 2000 bird maximum per year permit holders as of December 2018 by region:

Lower Mainland	21
Vancouver Island	37
Interior	74
Total	132

The BCCMB does not collect information of distribution of chicken grown under permit, but does require the submission by permit holders of chick placement and slaughter data. It is expected that much of the chicken grown under permit is self-marketed by permit holders.

2018 Performance Targets

The BCCMB is pleased to report on the following performance targets for 2018.

1. Achieve 100% utilization of BC's share of the national allocation on a continual basis.

This was identified as a performance target due to a record of underachievement in 2016 and 2017. The CFC Quota utilization report for 2016-2017 below illustrates that for these two years, the BCCMB was able to achieve 100% of our quota utilization in only three of the twelve production periods.

QUOTA UTILIZATION 2016 - 2017

December 12, 2017

British Columbia										Alberta										Saskatchewan									
		Allocation	Production	%	over (under) prod	avg wght		Allocation	Production	%	over (under) prod	avg wght		Allocation	Production	%	over (under) prod	avg wght											
		kg live	kg live		kg live	kg evs	live evs	kg live	kg live		kg live	kg evs	live evs	kg live	kg live		kg live	kg evs	live evs										
2016	A-135	34,769,210	34,817,447	100.1%	48,237	35,449	2.16 1.59	22,040,306	22,425,273	101.7%	384,877	283,039	2.29 1.68	9,156,437	9,466,282	103.4%	309,845	227,739	2.15 1.58	A-135									
	A-136	35,389,480	34,981,780	98.8%	-407,700	-269,619	2.19 1.61	22,493,948	22,620,703	100.6%	126,755	93,216	2.27 1.67	9,247,144	9,199,183	99.5%	-47,961	-35,251	2.12 1.56	A-136									
	A-137	35,716,187	35,170,654	98.5%	-536,533	-360,503	2.18 1.60	22,753,435	22,642,953	99.6%	-110,482	-81,248	2.24 1.65	9,200,538	9,107,634	99.0%	-92,904	-68,284	2.14 1.57	A-137									
	A-138	35,127,297	35,620,400	101.4%	493,103	362,381	2.16 1.59	22,355,103	22,034,890	98.6%	-320,213	-235,485	2.21 1.62	9,149,597	9,107,554	99.5%	-42,043	-30,902	2.15 1.58	A-138									
	A-139	35,220,090	34,792,522	98.8%	-427,568	-314,220	2.14 1.58	22,171,584	22,552,007	101.7%	380,423	278,763	2.22 1.64	9,204,644	9,172,761	99.7%	-31,883	-23,434	2.15 1.58	A-139									
2017	A-140	34,735,688	34,672,655	99.8%	-63,033	-46,749	2.13 1.57	22,979,009	22,893,936	100.4%	84,927	62,352	2.21 1.63	9,163,720	9,414,418	102.7%	250,698	194,263	2.20 1.62	A-140									
	A-141	33,924,614	33,327,504	98.2%	-597,110	-438,878	2.12 1.56	22,781,063	22,694,462	99.7%	-86,601	-49,979	2.21 1.63	9,315,551	9,320,979	100.1%	5,428	3,990	2.18 1.61	A-141									
	A-142	36,132,023	34,878,702	96.6%	-1,456,321	-1,069,661	2.12 1.56	23,934,205	23,950,612	100.1%	26,407	18,684	2.26 1.68	9,556,027	9,544,036	99.9%	-12,991	-9,475	2.16 1.58	A-142									
	A-143	37,276,250	36,548,942	98.0%	-727,308	-534,571	2.14 1.58	23,963,435	23,914,506	99.8%	-48,929	-35,982	2.23 1.64	9,476,075	9,491,579	100.2%	15,504	11,395	2.18 1.60	A-143									
	A-144	37,608,220	36,637,948	97.4%	-970,272	-713,150	2.05 1.50	24,044,563	23,678,689	98.5%	-365,874	-269,086	2.20 1.62	9,418,191	9,196,310	97.6%	-221,881	-163,083	2.12 1.56	A-144									
2017	A-145	37,105,168	36,208,196	97.6%	-896,970	-650,273	2.12 1.56	24,506,021	24,687,200	100.7%	181,179	133,239	2.26 1.66	9,562,116	9,501,596	99.1%	-60,520	-66,532	2.12 1.56	A-145									
	A-146	36,665,756	37,428,833	102.1%	763,077	560,862	2.14 1.57	24,636,026	24,642,613	100.0%	3,587	2,638	2.24 1.65	9,568,228	9,573,267	100.1%	5,039	3,704	2.14 1.58	A-146									
	A-147																												
Manitoba										Ontario										Québec									
		Allocation	Production	%	over (under) prod	avg wght		Allocation	Production	%	over (under) prod	avg wght		Allocation	Production	%	over (under) prod	avg wght											
		kg live	kg live		kg live	kg evs	live evs	kg live	kg live		kg live	kg evs	live evs	kg live	kg live		kg live	kg evs	live evs										
2016	A-135	9,092,188	10,165,581	101.7%	173,393	127,444	1.98 1.48	78,157,838	77,777,439	99.5%	-380,499	-281,341	2.31 1.71	64,375,501	64,261,794	99.8%	-113,707	-83,787	2.30 1.69	A-135									
	A-136	10,106,867	10,093,541	99.8%	-106,326	-78,150	2.03 1.49	80,140,135	79,185,965	98.8%	-954,170	-705,513	2.32 1.72	65,905,115	65,581,383	99.5%	-323,732	-238,461	2.31 1.70	A-136									
	A-137	10,218,014	10,372,913	101.5%	154,899	113,851	2.02 1.48	80,452,159	78,954,865	98.1%	-1,497,294	-1,107,009	2.29 1.70	66,100,667	65,187,219	98.6%	-922,448	-676,475	2.28 1.68	A-137									
	A-138	10,246,477	10,247,532	100.0%	-1,045	-1,430	2.03 1.49	79,889,738	78,923,075	98.8%	-966,663	-714,751	2.30 1.70	65,649,002	63,667,238	97.0%	-1,981,764	-1,459,787	2.24 1.65	A-138									
	A-139	10,091,413	10,412,524	103.2%	321,111	236,017	2.03 1.49	77,831,810	77,040,476	99.0%	-791,340	-585,119	2.33 1.72	64,481,407	65,476,741	101.5%	995,334	733,163	2.32 1.71	A-139									
2017	A-140	9,698,802	10,075,544	104.0%	386,742	295,872	2.05 1.50	78,177,779	77,016,288	98.5%	-1,161,491	-856,807	2.31 1.71	64,404,381	65,515,008	101.7%	1,110,627	818,088	2.33 1.71	A-140									
	A-141	9,803,081	9,907,317	101.1%	104,236	76,624	2.02 1.49	78,892,854	77,997,036	98.9%	-895,818	-692,010	2.33 1.72	65,695,177	66,741,489	101.6%	1,046,312	770,713	2.36 1.74	A-141									
	A-142	10,211,120	10,269,227	100.6%	58,107	42,714	2.01 1.48	82,090,508	78,182,954	95.2%	-3,907,554	-2,887,682	2.31 1.71	67,201,711	67,264,780	100.1%	63,069	46,463	2.33 1.72	A-142									
	A-143	10,556,658	10,636,477	100.8%	79,819	58,675	2.03 1.49	85,482,889	84,825,069	99.2%	-657,820	-486,129	2.35 1.74	69,116,483	69,245,046	100.2%	128,563	94,712	2.35 1.73	A-143									
	A-144	10,539,979	10,632,926	100.9%	92,947	68,325	2.03 1.49	84,884,836	83,664,225	98.6%	-1,220,611	-901,884	2.38 1.76	68,561,110	67,440,853	98.4%	-1,111,257	-818,063	2.30 1.69	A-144									
2017	A-145	10,494,077	10,851,344	103.4%	357,267	262,627	2.03 1.49	85,426,301	85,094,893	99.6%	-331,408	-247,127	2.38 1.76	69,101,407	68,277,501	98.8%	-823,946	-606,927	2.27 1.67	A-145									
	A-146	10,434,781	10,694,427	102.5%	259,646	190,866	2.05 1.50	85,973,162	87,237,067	101.5%	1,263,935	934,048	2.40 1.78	69,833,438	69,127,365	99.3%	-706,073	-372,824	2.32 1.71	A-146									
	A-147																												
New Brunswick										Nova Scotia										Prince Edward Island									
		Allocation	Production	%	over (under) prod	avg wght		Allocation	Production	%	over (under) prod	avg wght		Allocation	Production	%	over (under) prod	avg wght											
		kg live	kg live		kg live	kg evs	live evs	kg live	kg live		kg live	kg evs	live evs	kg live	kg live		kg live	kg evs	live evs										
2016	A-135	6,350,888	6,350,627	100.0%	-261	-192	2.53 1.86	7,957,490	8,052,863	101.2%	95,394	70,115	2.30 1.69	842,118	874,009	103.8%	31,891	23,506	2.35 1.73	A-135									
	A-136	6,530,109	6,880,333	105.4%	350,224	257,414	2.60 1.91	8,170,448	8,043,213	100.8%	-127,235	-347,482	2.33 1.71	846,943	849,570	100.3%	2,627	1,931	2.27 1.67	A-136									
	A-137	6,581,065	6,390,517	97.1%	-190,548	-140,053	2.50 1.84	8,266,185	8,124,616	98.4%	-131,569	-90,703	2.34 1.72	845,516	847,503	100.2%	1,987	1,460	2.30 1.69	A-137									
	A-138	6,512,871	6,698,387	102.7%	173,516	127,534	2.49 1.83	8,170,626	8,245,303	100.9%	74,674	54,885	2.29 1.69	845,476	853,765	101.0%	8,319	6,114	2.30 1.69	A-138									
	A-139	6,282,449	6,448,653	102.6%	166,204	122,160	2.75 2.02	7,978,129	8,005,480	100.4%	27,351	139,173	2.34 1.72	851,912	855,909	100.4%	3,997	2,717	2.28 1.68	A-139									
2017	A-140	6,280,746	6,659,119	106.0%	378,373	278,105	2.61 1.92	7,881,637	8,398,787	106.5%	515,150	378,635	2.35 1.72	858,259	877,670	102.3%	19,311	14,194	2.31 1.70	A-140									
	A-141	6,511,463	6,378,547	98.0%	-132,916	-97,063	2.51 1.85	8,087,763	7,955,349	98.4%	-132,414	-97,324	2.30 1.69	868,710	862,019	99.2%	-6,691	-4,918	2.27 1.67	A-141									
	A-142	6,726,392	6,837,004	101.6%	110,612	81,300	2.72 2.00	8,435,102	8,623,328	102.2%	188,226	138,346	2.11 1.55	872,205	860,868	97.6%	-21,337	-15,683	2.09 1.54	A-142									
	A-143	6,040,237	6,847,740	113.4%	807,503	587,395	2.68 1.97	8,889,566	8,452,361	95.1%	-437,205	-174,346	2.10 1.54	871,676	890,868	102.2%	19,222	14,128	2.09 1.53	A-143									
	A-144	6,768,288	6,856,487	101.3%	88,199	64,826	2.48 1.82	8,472,135	8,397,533	99.1%	-74,602	-54,832	2.13 1.57	871,653	895,937	102.8%	24,284	17,849	2.14 1.57	A-144									
2017	A-145	6,741,299	7,160,109	106.2%	418,810	307,825	2.65 1.95	8,461,626	8,947,216	105.6%	485,590	283,409	2.21 1.62	902,472	917,100	101.6%	14,628	10,752	2.21 1.62	A-145									
	A-146	6,731,280	6,880,114	102.2%	148,834	107,834	2.66 1.96	8,460,316	8,467,481	100.2%	7,165	12,616	2.37 1.74	908,230	920,163	101.3%	11,933	8,771	2.37 1.74	A-146									
	A-147																												
Newfoundland and Labrador										CANADA																			
		Allocation	Production	%	over (under) prod	avg wght		Allocation	Production	%	over (under) prod	avg wght																	
		kg live	kg live		kg live	kg evs	live evs	kg live	kg live		kg live	kg evs	live evs																
2016	A-135	3,141,147	3,190,553	101.6%	49,406	42,928	1.83 1.35	236,792,292	237,390,958	100.3%	598,666	444,928	2.26 1.66																
	A-136	3,211,370	3,437,668	107.0%	226,298	166,329	1.90 1.40	242,044,559	241,383,339	99.7%	-661,220	-490,622	2.27 1.67																
	A-137	3,212,405	3,324,107	103.5%	111,702	82,101	1.64 1.43	243,345,171		98.7%	-3,216,190	-2,371,954	2.25 1.66																
2016	A-138	3,204,676	3,166,348	98.6%	-38,328	-28,171	1.82 1.34	241,153,868	238,552,522	98.9%	-2,601,344	-1,919,589	2.23 1.65																
	A-139	3,165,969	3,328,326	105.1%	162,350	119,313	1.89 1.39	237,177,440	238,145,099	100.4%	967,659	706,535	2.26 1.67																
	A-140	3,148,595	3,341,552	106.1%	192,957	141,823	1.87 1.37	237,216,368	238,932,177	100.7%	1,715,781	1,257,808	2.27 1.67																
2016	A-141	3,072,956	2,847,210	92.7%	-225,746	-165,923	1.83 1.34	236,932,232	238,031,912	99.6%	-1,097,320	-864,396	2.27 1.67																
	A-142	3,402,897	3,251,957	95.6%	-150,940	-110,941	1.88 1.38	248,563,090	243,460,468	97.9%	-5,102,622	-3,795,934	2.28 1.68																
	A-143	3,305,624	3,544,142	104.3%	238,518	185,427	1.82 1.34	256,684,893	254,301,680	99.5%	-1,383,213	-1,019,068	2.27 1.68																
2016	A-144	3,302,469	3,477,367	105.3%	174,898	134,898	1.82 1.34	260,450,228	260,450,228	100.0%	0	0	2.28 1.68																
	A-145	3,389,794	3,504,142	103.4%	114,356	84,053	1.91 1.33	255,723,290	254																				

On May 1, 2017 the BCCMB sent the following communique to the industry:

Attention: Growers, processors and hatcheries:

The BCCMB continues to be concerned with BC's recent record of quota utilization. In period A-142 we produced 95.9% of our allocation and left almost 1.5 million kilograms live weight on the table. This represents \$2.4 million in lost farm gate revenue and several times that amount in lost sales to processors. In addition, quota utilization is a 7.5% factor in the CFC allocation formula and our continued underproduction is having a negative impact on our base allocations into the future. BC has been under produced in seven of the last nine periods. There are many reasons for underproduction, but in an effort to encourage growers to meet their allotments the Board has authorized the following steps that will be in effect beginning the first week of period A-143 and until further notice:

- ***Growers that produce up to 102% of their periodic allotment will not have their allotment reduced four periods later. Over marketing adjustments will be made on all production beyond 102%.***
- ***Monetary over marketing levies between 106% and 109.9% will be suspended. Marketing's above 109.9% will attract levies at the rate of \$0.66 per kilogram.***
- *These temporary measures will be reviewed on a period by period basis but will not in any case be changed prior to eggs sets for the first week of a new period.*

In addition, the BCCMB with its industry partners is in the process of initiating a value chain committee with the stated goal of assessing the root causes of our current under production. You will be kept apprised of our progress in this regard.

In addition the BCCMB approved the following temporary measures:

- Growers could arrange to lease unused production space that was currently not registered with the Board in an effort to maximize production space. These facilities would be required to be approved by BCCMB staff and meet all production standards. Leases not to exceed a term of two years.
- Growers would be permitted to lease in up to the equivalent of 100% of their periodic allocation. This was an increase from the 50% permitted under the General Orders and was again designed to maximize available production space.

These measures began to bear fruit in period A-146, the last quarter of 2017. Since that time the BCCMB has met or exceeded 100% of our national allocation in nine consecutive periods (A-146 through A-154 inclusive). Please refer to the CFC quota utilization report for 2017 and 2018 below which illustrates a comparison between all Canadian provinces and Canada in aggregate for these periods.

QUOTA UTILIZATION 2017 - 2018

January 10, 2019

British Columbia										Alberta										Saskatchewan														
		Allocation		Production	%	over (under) prod		avg wght	live	live	Allocation	Production	%	over (under) prod		avg wght	live	live	Allocation	Production	%	over (under) prod		avg wght	live	live								
		kg live	kg live			kg live	kg live							kg live	kg live							kg live	kg live											
2017	A-141	33,924,914	33,327,504	98.2%		-597,110	-438,576	2.12	1.56		22,781,063	22,604,462	99.7%	-66,501	-48,978	2.21	1.83		9,315,551	9,320,979	100.1%	5,428	3,990	2.18	1.81		A-141	9,315,551	9,320,979	100.1%	5,428	3,990	2.18	1.81
	A-142	36,132,023	34,678,702	96.0%		-1,455,321	-1,069,061	2.12	1.56		23,934,205	23,959,612	100.1%	25,407	18,884	2.26	1.66		9,556,927	9,544,038	99.9%	-12,891	-9,475	2.10	1.58		A-142	9,556,927	9,544,038	99.9%	-12,891	-9,475	2.10	1.58
	A-143	37,276,250	36,550,000	98.1%		-726,250	-533,794	2.14	1.56		23,963,435	23,914,506	99.8%	-48,929	-35,982	2.23	1.64		9,476,075	9,491,579	100.2%	15,504	11,395	2.18	1.60		A-143	9,476,075	9,491,579	100.2%	15,504	11,395	2.18	1.60
	A-144	37,593,960	36,642,265	97.5%		-951,395	-699,275	2.05	1.50		24,044,593	23,678,689	98.5%	-365,904	-269,086	2.20	1.62		9,418,191	9,190,310	97.6%	-221,881	-163,083	2.12	1.56		A-144	9,418,191	9,190,310	97.6%	-221,881	-163,083	2.12	1.56
	A-145	37,105,169	36,208,196	97.6%		-896,670	-656,273	2.12	1.56		24,508,021	24,687,200	100.7%	181,179	133,239	2.26	1.66		9,562,116	9,501,596	99.1%	-60,520	-66,532	2.12	1.56		A-145	9,562,116	9,501,596	99.1%	-60,520	-66,532	2.12	1.56
2018	A-146	36,844,818	37,434,772	102.2%		790,154	580,763	2.14	1.57		24,639,026	24,646,161	100.0%	7,155	5,262	2.24	1.65		9,588,228	9,573,267	100.1%	14,961	5,036	2.14	1.58		A-146	9,588,228	9,573,267	100.1%	14,961	5,036	2.14	1.58
	A-147	35,671,735	36,330,605	101.5%		658,870	388,719	2.19	1.61		24,011,602	24,815,394	103.3%	803,792	167,223	2.26	1.66		9,509,397	9,672,685	101.7%	163,288	120,017	2.19	1.61		A-147	9,509,397	9,672,685	101.7%	163,288	120,017	2.19	1.61
	A-148	36,666,754	37,834,033	103.2%		1,167,279	850,600	2.18	1.60		24,465,872	25,074,449	102.5%	608,577	447,548	2.27	1.67		9,504,780	9,655,577	101.6%	150,797	110,836	2.19	1.61		A-148	9,504,780	9,655,577	101.6%	150,797	110,836	2.19	1.61
	A-149	38,166,915	39,232,579	102.8%		1,065,664	783,263	2.21	1.63		25,276,373	25,248,798	99.9%	-27,575	-20,279	2.27	1.67		9,652,177	9,656,316	100.0%	4,139	3,042	2.17	1.60		A-149	9,652,177	9,656,316	100.0%	4,139	3,042	2.17	1.60
	A-150	38,055,285	39,253,314	103.1%		1,198,029	880,551	2.23	1.64		25,384,169	25,396,657	100.0%	12,488	9,184	2.28	1.67		9,629,003	9,609,930	99.7%	-19,073	-161,019	2.18	1.61		A-150	9,629,003	9,609,930	99.7%	-19,073	-161,019	2.18	1.61
2019	A-151	39,514,693	39,995,139	101.2%		480,446	353,128	2.20	1.61		25,526,796	25,938,846	97.8%	-587,950	-432,378	2.24	1.64		9,664,444	9,370,745	97.0%	-293,701	-125,870	2.15	1.58		A-151	9,664,444	9,370,745	97.0%	-293,701	-125,870	2.15	1.58
	A-152	38,662,927	40,013,005	103.5%		1,350,078	962,307	2.22	1.64		25,708,005	25,953,224	101.0%	247,219	181,805	2.27	1.67		9,677,269	9,841,645	101.7%	164,346	120,794	2.19	1.61		A-152	9,677,269	9,841,645	101.7%	164,346	120,794	2.19	1.61
	A-153	38,343,905	38,953,462	101.6%		610,587	455,398	2.19	1.60		25,043,351	25,510,849	101.8%	467,498	343,769	2.29	1.69		9,554,669	9,760,241	102.2%	205,572	151,095	2.17	1.60		A-153	9,554,669	9,760,241	102.2%	205,572	151,095	2.17	1.60

Manitoba										Ontario										Québec														
		Allocation		Production	%	over (under) prod		avg wght	live	live	Allocation	Production	%	over (under) prod		avg wght	live	live	Allocation	Production	%	over (under) prod		avg wght	live	live								
		kg live	kg live			kg live	kg live							kg live	kg live							kg live	kg live											
2017	A-141	9,803,081	9,907,317	101.1%		104,236	70,624	2.02	1.49		78,892,854	77,997,038	98.9%	-895,818	-662,010	2.33	1.72		65,695,177	66,745,295	101.6%	1,050,118	773,517	2.36	1.74		A-141	65,695,177	66,745,295	101.6%	1,050,118	773,517	2.36	1.74
	A-142	10,211,120	10,269,227	100.6%		58,107	42,714	2.01	1.48		82,090,508	78,182,954	95.2%	-3,907,554	-2,887,682	2.31	1.71		67,201,711	67,268,291	100.1%	66,580	49,049	2.33	1.72		A-142	67,201,711	67,268,291	100.1%	66,580	49,049	2.33	1.72
	A-143	10,556,958	10,636,477	100.8%		79,519	58,075	2.03	1.49		85,492,889	84,820,925	99.2%	-671,964	-469,191	2.35	1.74		69,116,483	69,258,674	100.2%	142,191	104,752	2.35	1.73		A-143	69,116,483	69,258,674	100.2%	142,191	104,752	2.35	1.73
	A-144	10,539,979	10,632,925	100.9%		92,947	68,325	2.03	1.49		84,884,636	83,675,208	98.6%	-1,209,428	-893,767	2.38	1.76		68,561,110	67,473,212	98.4%	-1,087,898	-801,454	2.30	1.69		A-144	68,561,110	67,473,212	98.4%	-1,087,898	-801,454	2.30	1.69
	A-145	10,464,077	10,567,307	100.5%		363,230	267,010	2.03	1.49		85,429,301	85,114,087	99.6%	-315,214	-232,958	2.38	1.76		69,101,407	68,283,689	98.8%	-817,718	-602,413	2.27	1.67		A-145	69,101,407	68,283,689	98.8%	-817,718	-602,413	2.27	1.67
2018	A-146	10,434,781	10,694,427	102.5%		259,646	190,866	2.05	1.50		85,940,429	87,308,836	101.6%	1,368,407	1,011,253	2.40	1.78		69,633,438	69,164,543	99.3%	-468,895	-345,435	2.32	1.71		A-146	69,633,438	69,164,543	99.3%	-468,895	-345,435	2.32	1.71
	A-147	10,000,137	10,269,081	102.7%		268,944	197,701	2.07	1.52		84,457,501	86,744,293	102.7%	2,286,792	1,689,939	2.42	1.79		67,231,669	68,010,036	99.5%	-778,367	-578,367	2.35	1.73		A-147	67,231,669	68,010,036	99.5%	-778,367	-578,367	2.35	1.73
	A-148	10,400,007	10,595,248	101.9%		194,641	143,061	2.04	1.50		85,465,068	87,629,561	102.5%	2,164,493	1,599,776	2.39	1.78		69,649,784	69,352,138	99.8%	-297,646	-86,643	2.40	1.77		A-148	69,649,784	69,352,138	99.8%	-297,646	-86,643	2.40	1.77
	A-149	10,838,629	10,828,228	99.9%		-10,368	-7,643	2.02	1.49		87,173,862	86,915,899	100.2%	-257,963	-1,287,539	2.42	1.79		70,361,760	70,350,222	100.0%	-1,138	-1,133	2.41	1.78		A-149	70,361,760	70,350,222	100.0%	-1,138	-1,133	2.41	1.78
	A-150	10,739,927	10,905,536	101.5%		165,609	121,723	2.03	1.49		88,527,901	85,596,011	96.8%	-2,931,890	-2,211,306	2.40	1.77		71,381,172	70,123,684	98.2%	-1,257,488	-926,268	2.39	1.76		A-150	71,381,172	70,123,684	98.2%	-1,257,488	-926,268	2.39	1.76
2019	A-151	11,205,702	10,965,767	97.4%		-239,935	-176,352	2.01	1.48		91,512,892	89,557,468	97.9%	-1,955,424	-1,445,254	2.39	1.76		72,104,120	71,654,392	99.4%	-449,728	-331,270	2.32	1.71		A-151	72,104,120	71,654,392	99.4%	-449,728	-331,270	2.32	1.71
	A-152	10,762,961	10,465,375	97.2%		-297,586	-218,726	2.02	1.48		88,753,370	88,977,459	100.3%	224,089	165,624	2.43	1.79		70,420,167	70,037,185	99.5%	-382,982	-282,105	2.38	1.75		A-152	70,420,167	70,037,185	99.5%	-382,982	-282,105	2.38	1.75
	A-153	10,717,582	11,313,034	105.6%		595,452	437,657	2.07	1.52		90,443,155	93,772,201	103.7%	3,329,046	2,460,498	2.44	1.80		72,155,032	73,403,264	101.7%	1,248,232	919,448	2.41	1.78		A-153	72,155,032	73,403,264	101.7%	1,248,232	919,448	2.41	1.78

New Brunswick										Nova Scotia										Prince Edward Island														
		Allocation		Production	%	over (under) prod		avg wght	live	live	Allocation	Production	%	over (under) prod		avg wght	live	live	Allocation	Production	%	over (under) prod		avg wght	live	live								
		kg live	kg live			kg live	kg live							kg live	kg live							kg live	kg live											
2017	A-141	6,511,483	6,378,547	98.0%		-132,616	-97,593	2.51	1.85		6,087,763	7,955,349	98.4%	-132,414	-97,324	2.30	1.69		68,570,196	68,570,196	100.0%	0	0	2.30	1.69		A-141	68,570,196	68,570,196	100.0%	0	0	2.30	1.69
	A-142	6,726,992	6,693,004	99.6%		-33,988	-12,982	2.72	2.00		6,590,242	6,633,328	100.6%	43,086	13,946	2.11	1.66		87,205	86,896	99.8%	-309	-313	2.58	1.94		A-142	87,205	86,896	99.8%	-309	-313	2.58	1.94
	A-143	6,940,237	6,847,740	98.6%		-92,497	-72,398	2.68	1.97		6,872,155	8,453,110	97.3%	-236,456	-173,795	2.10	1.54		87,167	86,898	102.2%	268	14,128	2.09	1.53		A-143	87,167	86,898	102.2%	268	14,128	2.09	1.53
	A-144	6,768,288	6,856,487	101.3%		88,199	64,826	2.48	1.82		6,899,336	8,401,111	99.2%	-54,224	-47,205	2.13	1.57		87,153	86,937	102.9%	216	18,284	2.14	1.57		A-144	87,153	86,937	102.9%	216	18,284	2.14	1.57
	A-145	6,741,290	7,160,110	106.2%		418,811	307,826	2.65	1.95		6,451,626	8,890,723	104.6%	408,097	269,051	2.21	1.62		90,242	91,100	101.6%	858	14,628	2.12	1.62		A-145	90,242	91,100	101.6%	858	14,628	2.12	1.62
2018	A-146	6,731,286	6,825,134	98.4%		-106,152	-78,022	2.65	1.95		6,860,316	8,537,436	101.0%	87,120	64,033	2.37	1.74		90,820	92,163	101.3%	11,933	8,771	2.37	1.74		A-146							

Mainstream Grower's Only	A-148			
	# Growers	% of Total Growers	Kgs Over/(Under)	% Of Allocation
Mainstream Growers Receiving Allotment	277			
Growers over 110% of allotment	46	16.61%	596,555	12.03%
Growers over 106% of allotment	101	36.46%	1,225,511	34.63%
Growers between 100% and 105.9% of allotment	77	27.80%	338,441	30.64%
Growers between 94% and 99.9% of allotment	59	21.30%	-238,977	23.14%
Growers below 93.9% of allotment	40	14.44%	-564,220	11.59%
Column Totals	277	100.00%	760,755	100.00%
BC Utilization	103.12%			

Mainstream Grower's Only	A-149			
	# Growers	% of Total Growers	Kgs Over/(Under)	% Of Allocation
Mainstream Growers Receiving Allotment	277			
Growers over 110% of allotment	36	13.00%	473,130	9.42%
Growers over 106% of allotment	89	32.13%	1,092,637	30.70%
Growers between 100% and 105.9% of allotment	105	37.91%	434,101	39.31%
Growers between 94% and 99.9% of allotment	52	18.77%	-193,037	18.04%
Growers below 93.9% of allotment	31	11.19%	-419,835	11.95%
Column Totals	277	100.00%	913,866	100.00%
BC Utilization	102.73%			

Mainstream Grower's Only	A-150			
	# Growers	% of Total Growers	Kgs Over/(Under)	% Of Allocation
Mainstream Growers Receiving Allotment	284			
Growers over 110% of allotment	67	23.59%	8,820,180	20.77%
Growers over 106% of allotment	120	42.25%	16,315,588	39.53%
Growers between 100% and 105.9% of allotment	100	35.21%	14,215,673	37.20%
Growers between 94% and 99.9% of allotment	50	17.61%	6,543,036	18.11%
Growers below 93.9% of allotment	14	4.93%	1,520,798	4.89%
Column Totals	284	100.00%	38,595,095	100.00%
BC Utilization	102.89%			

Mainstream Grower's Only	A-151			
	# Growers	% of Total Growers	Kgs Over/(Under)	% Of Allocation
Mainstream Growers Receiving Allotment	279			
Growers over 110% of allotment	29	10.39%	440,836	8.58%
Growers over 106% of allotment	73	26.16%	816,214	21.40%
Growers between 100% and 105.9% of allotment	101	36.20%	478,508	40.77%
Growers between 94% and 99.9% of allotment	72	25.81%	-257,765	27.98%
Growers below 93.9% of allotment	34	12.19%	-587,032	9.86%
Column Totals	280	100.36%	449,925	100.00%
BC Utilization	101.46%			

Mainstream Grower's Only	A-152			
	# Growers	% of Total Growers	Kgs Over/(Under)	% Of Allocation
Mainstream Growers Receiving Allotment	284			
Growers over 110% of allotment	53	18.66%	804,184	16.05%
Growers over 106% of allotment	119	41.90%	1,408,903	36.51%
Growers between 100% and 105.9% of allotment	98	34.51%	546,220	44.37%
Growers between 94% and 99.9% of allotment	39	13.73%	-96,386	10.72%
Growers below 93.9% of allotment	28	9.86%	-359,106	8.40%
Column Totals	284	100.00%	1,499,631	100.00%
BC Utilization	103.49%			

Mainstream Grower's Only	A-153			
	# Growers	% of Total Growers	Kgs Over/(Under)	% Of Allocation
Mainstream Growers Receiving Allotment	280	0	0	0
Growers over 110% of allotment	21	7.50%	287,683	5.65%
Growers over 106% of allotment	65	23.21%	748,131	20.57%
Growers between 100% and 105.9% of allotment	109	38.93%	401,170	38.62%
Growers between 94% and 99.9% of allotment	72	25.71%	-354,321	32.81%
Growers below 93.9% of allotment	34	12.14%	-382,264	8.00%
Column Totals	280	100.00%	412,717	100.00%
BC Utilization	101.46%			

- Mainstream Broiler Chicken Production (includes MD):
 - 2017 219,886,089 kilograms live weight
 - 2018 239,546,932 kilograms live weight

2018 production represents an increase of 8.94% over 2017

In addition to their allocation, growers can lease Market Development (MD) production from their processor. Market Development quota is a form of quota allocation under a market development policy developed by Chicken Farmers of Canada. The policy allows federally inspected processors within a province to request additional chicken from CFC to meet the domestic white meat demand. The dark meat surplus that results from both domestic and Market Development production may be exported or used to off-set imported chicken used in non-Import Control List (ICL) production. The CFC Export Policy is an umbrella policy that established the parameters under which provincial export policies must operate.

The basic principles of the Market Development Policy are:

- Market Development Quota (MDQ) allocation is limited to 16% of a province's domestic allocation.
- Federally-inspected processors agree, as part of the Market Development licence, that an amount equivalent to their Market Development allocation will be exported or used in Non-ICL (import control list) products.

Processors lease Market Development production to growers at a price set by the processors. Processors have 3 cycles (before, present, after) to export the equivalent weight out of the country. Failure results in a fine payable by the processor to CFC. Currently, the fine is \$1.00/kg live weight, which may be increased to \$1.60 if the marketing takes place in 2 or more periods following the targeted quota allocation period.

Growers who have leased Market Development production can grow more chicken than their 8 week allocation (provided they have the barn space). Growers pay a per kilogram lease fee to processors for Market Development allocation. The fee is determined by the processor. This extra chicken provides more white meat (in demand product for Canada) for processors. Under Market Development, processors export the extra dark meat.

Only federally inspected processors or "eligible" processors can apply to the BCCMB to have chicken grown for Market Development purposes. Processors must take any MDQ subsequently allocated to them.

- In 2018 BC produced 11,899,405 kg live weight of Market Development with a breakdown as follows:
 - 11,662,488 kg live weight Mainstream
 - 236,917 kg live weight Specialty (Silkies)
- This is approximately 4.69 percent of BC's total production in 2018.

CFC administers Market Development production, including issuing penalties for over and under production. As such, the BCCMB has no record of the location and types of products exported from BC, as BC Processors report their exports directly to CFC.

There is a levy on MD production that is shared equally between the grower and processor. Growers and Processors must meet CFC requirements on an ongoing basis.

More information on Market Development can be found in the BC Farm Industry Review Board -- Staff and Reference notes for the BCCMB at figure 4, and in the BCCMB General Orders at Part 28 Market Development.

2. Continued growth in the specialty and organic chicken sectors.

Following a period of intense lobbying by the BCCMB, the CFC approved a Specialty Chicken Program in 2013. At that time, BC was the only province in Canada that was growing specialty breeds such as Taiwanese and Silkie chickens for the Asian market. The demand for these products was outstripping the increases to the CFC allocation. The BCCMB was successful in making the case that specialty was growing at a rate that was impacting the mainstream allocation and that these products did not displace mainstream chicken in the marketplace. The 2005 Specialty Review required that the growth in specialty markets be fostered and encouraged. This policy change at CFC was a major win for BC that has allowed for unrestricted growth in the specialty chicken sector without impacting BC's mainstream chicken allocation.

Production statistics:

- Specialty (Taiwanese and Silkie chicken)
 - 2017 5,922,022 kilograms live weight
 - 2018 6,905,817 kilograms live weight**2018 production represents an increase of 16.6% over 2017**
- Certified Organic Chicken Production:
 - 2017 6,941,595 kilograms live weight
 - 2018 6,794,686 kilograms live weight**2018 production represents a decrease of 2.11% over 2017**

3. Quota Assessment Tools Supervisory Review - Successful integration by all BC growers of the 20% mainstream quota expansion announced for early 2020.

The BCCMB made the following orders and decisions that became effective as of July 1, 2018.

1. *Part 35, Quota Transfer Assessment of the August 26, 2011 General Orders was amended to reflect the following changes as a result of the February 2, 2018 BCFIRB Quota Assessment Tools Review Supervisory Decision (QTAR):*

- *Last In, First Out (LIFO) will be eliminated for all growers with the exception of all existing and future new entrants that have or will take advantage of offers for matching quota (buy one/get one or BOGO) from the Board. All other growers will have the option to transfer any of their quota holdings regardless of when the quota was acquired.*
- *The declining quota transfer assessment for all quotas issued by the BCCMB at no cost (incentive or growth quota) to growers will be amended from 10/10/10 to 10/10/0. This means that all incentive or growth quota issued to a grower by the board at no cost will be 100% vested to a grower after ten years from the date of issuance.*
 - *This will apply to all existing and future issuances of incentive or growth quota.*
 - *A grower wishing to transfer a portion of their quota will have the option of transferring quota acquired prior to the issuance of incentive or growth quota and retaining the quota subject to 10/10/0. As stated above, the exception to this will be existing and future new entrant growers that are issued matching quota in a buy one, get one offer. The quota matched by the board will be considered as the “last in” and would be the first quota to be transferred unless additional quota has been acquired by the grower subsequent to the issuance of the matched quota.*
 - *A grower wishing to transfer their entire quota or in the case of a full farm and quota transfer 10/10/0 will apply to the quota that is growth or incentive quota.*

Amendments to Part 35 of the August 26, 2011 BCCMB General Orders will be circulated to the industry by separate email in the near future.

2. *All holders of BCCMB mainstream quota will be eligible to be granted a 20% pro rata increase to their base quotas effective with shipments in period A-164 (marketing from July 5 to August 29, 2020).*
 - *Period A-155 will be the final period that quota transactions can take place without impacting a growers eligibility to receive an increase to their quota no earlier than period A-164.*
 - *Fully completed and signed documents for period A-155 quota transfers must be received at the Board office no later than 12:00 PM November 9, 2018.*
 - *Growers transferring quota to another grower after November 9, 2018 will be ineligible for **any** portion of the A-164 pro rata quota increase. This will affect the transferor, not the transferee. In accordance with the BCFIRB QTAR decision there will be no exceptions; any quota transfer will render a grower who is the transferor ineligible for growth quota.*
 - *Consistent with the QTAR decision, any grower has the right to decline any or all of the A-164 quota increase offer by advising the Board office in writing.*

- *Growers having sufficient space for the increase at their registered density will be eligible for allotments beginning in period A-164. Growers with insufficient space will be given until July 5, 2021 to provide the required space. Failure to meet this deadline will result in forfeiture of any portion of the growth quota that cannot be accommodated.*
- *All new production space to be measured and approved by BCCMB staff and added to the grower's profile prior to any growth quota and corresponding allotments being issued by the board.*

3. Effective with period A-164, the maximum farm size described in Part 34 Quota Limits and Quota Transactions will be increased from 750,000 to 900,000 kilograms.

315 growers are eligible to receive the 20% increase to their base quotas in the first quarter of 2020. It is estimated that as of December 31, 2018 that 25 growers will be short of sufficient space to accommodate the increased quota allocation. By increasing their present stocking density, most of these will qualify. The remaining few have indicated that they will be ready by the deadline by providing additional barn space. The PAR update for 2019 will provide a report on the allocation of the 20% pro-rata mainstream quota increase.

The BCCMB anticipates that quota transfers in 2019 will be minimal due to the QTAR/QATE decision that restricts growers from qualifying for issuance of growth quota if they have transferred quota in the year prior to the growth issuance. The BCCMB provided advance notice of a 20% pro rata mainstream quota increase that will be issued in November of 2019 for use beginning in period A-164 which occurs in the spring of 2020.

This would suggest that there will be little to no quota movement between November of 2018 and November of 2019 as growers will not want to be excluded from the opportunity to receive an increase to their base quotas. This is the first general quota increase since 1997 and will be offered as a 20% pro rata increase to all qualifying mainstream chicken growers who must provide sufficient space in order to qualify for the increase.

Early in 2019 it is anticipated that the BCCMB will be in a position to announce a quota expansion in the specialty sector. This will be reported in our PAR update for 2019.

4. Facilitate and manage the transfer of quota.

The timely processing of requests for quota transfer is important to maintaining chicken production in accordance with allocation and sound marketing policy. The BCCMB has not established any minimum farm size standards, but does have a maximum farm size of 900,000 kilograms live weight that will take effect July 5, 2020. The previous maximum was 750,000 kilograms; the increase to 900,000 reflects the 20% general quota increase.

The BCCMB's quota transfer assessment policy is set out in Part 35 of the General Orders. The policies adopted by the BCCMB with respect to the QATE resulted in a reduced volume of quota transfers in 2018 as grower interest in securing the 20% increase in base quota allocation took priority. The following table provides a summary of quota movement over the past 5 years.

Quota Transfers (all classes)			
YEAR	# OF TRANSFERS	# OF KGS	PERIODS
2014	86	2,924,195	A-121 TO A-127
2015	33	854,841	A-128 TO A-133
2016	57	2,291,272	A-134 TO A-140
2017	89	3,954,622	A-141 TO A-147
2018	43	1,894,539	A-148 TO A-153
TOTALS	308	11,919,469	

Quota transfers are not tracked by region due to the fact that quota movement on Vancouver Island and the Interior regions are restricted to those regions.

As part of the review process the BCCMB conducted a study into the pros and cons of a board administered quota exchange. It was determined that the current open market system for quota transactions is functioning adequately, and there is no need for an exchange at this time. This decision could be revisited at a future date if circumstances warrant.

5. Quota prices

The BCCMB does not attribute or assign value to quota allocated. Quota remains the property of the BCCMB and is to be used when allocated. Other than recording the transfer and applying any applicable transfer assessments, the BCCMB does not facilitate the transfer of quota and does not sponsor a quota exchange. The BCCMB is aware that when quota is transferred a value is attached, however, the BCCMB does not maintain a record of quota prices.

6. Industry Stability

The elimination of Assurance of Supply policies in 2010 enabled growers to move their production from one processor to another by providing written notice for the next unallocated period. This length is approximately 2 cycles (16 weeks) in most cases and the prescribed form requires the signature of the grower and the two affected processors. As the elimination of Assurance of Supply took effect, there was an initial period of adjustment and movement of production by growers, however over time movement has reduced as illustrated by the following table.

GROWER MOVEMENT - Mainstream Quota only						
PERIOD	# OF GROWERS	ANNUAL TOTAL	# OF KGS	ANNUAL TOTAL	AVG FOR YEAR	TOTAL ALLOCATION
A-134	2		59,173			33,138,603
A-135	0		0			34,223,538
A-136	6		223,134			34,605,669
A-137	4		95,484			34,778,803
A-138	1		112,326			34,148,987
A-139	1		13,503			34,132,270
A-140	3	17	26,042	529,662	31,156.59	33,772,977
A-141	2		113,244			33,040,109
A-142	1		1,929			35,252,717
A-143	9		70,614			36,345,731
A-144	5		51,034			36,596,861
A-145	4		80,378			36,170,434
A-146	3		31,798			35,715,697
A-147	3	27	110,051	459,048	17,001.78	34,659,619
A-148	1		9,645			35,640,220
A-149	4		30,991			37,141,497
A-150	1		27,141			37,003,204
A-151	0		0			38,343,879
A-152	0		0			37,513,358
A-153	3	9	65,539	133,316	14,812.89	37,134,264

Quota movement accounts of less than 0.17% each period.

The last quota transfers that would not have an impact on a grower receiving the 20% issuance in quota would occur in quota period A-155. The 20% issuance is to take place for quota period A-164 (commences July 5, 2020).

Governance Measures

General

- *Board composition and approved election rules:*
 - The BCCMB is composed of three members including the Chair that are appointed by Order in Council of the BC government and two growers that are elected by individuals that appear on the register of growers and are registered with the BCCMB as registered voters.
 - The BCCMB has election rules that are submitted to BCFIRB every three years for approval. The current version was approved by BCFIRB on October 2, 2017.
- *Board responsibilities are clearly defined with job descriptions:*
 - The BCCMB has clearly defined job descriptions for both the Chair and members. These form part of the BCCMB Policy Manual and discussed fully with all new Board members. Included in the job descriptions are the following headings:
 - BCCMB's purpose and mandate
 - Nature and scope of the position
 - Duties and responsibilities of members
 - Program linkages
 - Member qualifications
- *Director orientation is in place – legal, regulatory and public policy basis of governance; principles of accountability, transparency and independence:*
 - In addition to the very detailed job descriptions referred to in the previous bullet, each new board member is given a full introduction to the BCCMB policy manual and its contents by the BCCMB Executive Director and Executive Assistant prior to their first board meeting. Board members that are new to the industry are also provided the opportunity to visit a chicken farm, hatchery and processing plant.
 - The BCCMB has a New Board Member Orientation program which can be found in the BCCMB policy manual. This policy outlines the orientation steps and timeline that will take place during the first six months of the term of a new member.
 - CFC conducts a two day session once a year for orientation in the programs, policies and regulations of the national agency for all new CFC directors, alternates and provincial executive directors.
- *Training and professional development plans and programs in place for board and staff:*
 - All board and staff members are encouraged to participate in any and all COGA sessions that are relevant for them or that they are interesting in attending.
 - The BCCMB maintains a budget for training and courses that allows staff members to enhance their skills.
 - All BCCMB field staff members are certified as PAACO auditors which gives them the highest animal care certification available in Canada.
 - The BCCMB covers the annual professional fees for staff members such as P. Ag and CPA.

- *Training and professional development on director responsibilities, mandate and fiduciary duties, roles of officers, ethics, confidentiality, privacy conflict of interest, recusal policies and governance best practices:*
 - Many of these topics have been covered by COGA sessions which are generally very good. Board members are always encouraged to attend.
 - In the spring of 2018 the Board engaged a consultant to work with board members and the BCCGA that was designed to delineate the roles and responsibilities of the two organizations.
 - In the autumn of 2018 the Board engaged the same consultant to conduct a two day planning and board governance session.
 - The BCCMB policy manual addresses all of these topics.
- *Performance expectations and evaluations – annual board and director evaluation; board and director effectiveness:*
 - Annual board and director evaluations are conducted through the BC Council of Marketing Boards (the “COMB”)
 - The board conducts an annual stakeholder satisfaction survey, also through COMB.
 - At the conclusion of each board meeting, members and senior staff evaluate the effectiveness of the meeting, value of the agenda items and identify areas for improvement.
- *Code of Ethics/Conduct:*
 - The BCCMB has a Code of Conduct document as well as an Oath of Office. Both of these must be signed by each new board members prior to attending their first meeting. The signed versions are kept on file in the board office. These documents can both be found in the BCCMB Policy Manual. In addition, each board member is required to submit an annual conflict of interest declaration which is reviewed by the BCCMB chair. The Chair’s conflict declaration is reviewed by the BCCMB vice chair.
 - The Chair begins each meeting by asking directors if there are any conflicts to declare. This is recorded in the minutes of every meeting which are provided to BCFIRB as required.
- *Strategic Plan:*
 - The current BCCMB three year strategic plan will be completed at the end of 2019. It is expected that early in 2019 plans will be established for the next iteration of strategic planning which will take the BCCMB to the end of 2022.
- *Annual Report:*
 - The Annual Report is published and submitted annually in accordance with BCFIRB policy direction.
 - The BCCMB 2018 Annual Report has been published and is available on the public side of the BCCMB website.

- *Succession planning/plan for staff and members, as applicable or appropriate:*
 - A plan is in place for the succession of key staff members which is refreshed annually.
 - Given that three of five directors are government appointees and two are elected by 326 growers, we do not plan for the succession of directors.
- *Consolidated orders and other policies published and up to date:*
 - The BCCMB General Orders are kept up to date as required and available on the BCCMB website. Individual amendments are circulated and posted on the BCCMB website.
- *Federal-Provincial Agreement for Chicken*
 - Prior BCFIRB approval is required prior to the BCCMB entering into amendments to the FPA or CFC Operating Agreement.
 - It is expected in 2019 that an amendment to the Operating Agreement to include the Atlantic Canada Safeguard Agreement will be requested to be executed by the BCCMB.

Financial

The BCCMB has an Audit and Finance Committee which meets regularly to review the budget and finances of the BCCMB and brings forward to the board as a whole any issues, concerns and recommendations. The Audit and Finance Committee also meets on a quarterly basis with the BCCGA Executive to review their expenditure to budget performance for that quarter. The BCCMB hired a new staff accountant in 2018 who holds a CPA designation.

- *Audited annual financial statements presented in annual reports and at annual general meetings:*
 - The 2017 BCCMB audited financial statements were presented at the BCCGA annual general meeting (AGM) on March 1, 2018.
 - The BCCMB audited financial statements can be found in the BCCMB 2018 Annual Report which is available at www.bcchicken.ca
- *Auditors appointed in accordance with Scheme requirements:*
 - The BC Chicken Marketing Scheme (1961) section 3.17 *Election of Auditor*, requires that this be done at the BCCGA AGM. The BCCGA will consider a resolution to re-appoint MNP as BCCMB's auditor for 2019 at their AGM on February 28, 2019.
 - The BCCMB has a policy which requires that the board issue a request for proposals every five years for the services of its external auditor.
- *Approved commodity board member remuneration and expense policy consistent with legislation and relevant policies.*
 - The BCCMB policy manual contains a number of policy documents related to this that are updated periodically as required:
 - Board member remuneration
 - Travel and Expense policy
 - Cheque issuance and signing authority

- COMB conducts a *Directors' Compensation Survey* every few years; the latest version was provided to the members of the COMB in 2018 and reviewed by the BCCMB audit and finance committee.
- *Internal controls and policy checklist defined, in place and published.*
 - All internal financial controls are up to date and contained in our Board Policy Manual.
- *Evidence that the board engaged senior staff in annual budget an approval:*
 - In 2018 as in previous years, the draft budget was prepared initially by the Executive Director, in consultation with the staff accountant and other senior staff members, discussed and reviewed by the BCCMB audit and finance committee, and presented to the full board for approval which is noted in the BCCMB minutes that are provided to BCFIRB.
- *Accounting practices that are in accordance with legislation, regulations, published standards and stakeholder expectations of accountability and transparency.*
 - The BCCMB staff accountant holds a Certified Public Accountant (CPA) designation.
 - The BCCMB's external auditors are MNP. For the 2018 audit, MNP had no concerns, found no evidence of fraud, and provided no recommendations for improvement in the annual Management Letter which is provided at the conclusion of the year-end audit process.
- *Establishing and maintaining appropriate financial accountabilities with producer associations and other organizations that may receive funding from boards to carry out delegated responsibilities under the Natural Products Marketing Act and the schemes. This includes evidence that the Board, in its budget approval process, has satisfied itself that any producer association expenses the board funds are legally authorized and the expenditures are consistent with sound marketing policy:*
 - Section 4.01(k) of the Scheme allows the Board to *pay to the BC Chicken Growers Association any portion or all of the expenses incurred by the said organization with the authority of the board in carrying out the expenses of the Scheme.* Consistent with the BCFIRB *Rainbow* decision, the BCCMB requires that the BCCGA:
 - Submit a detailed budget request annually to the BCCMB finance committee
 - Pass a motion at the BCCGA AGM to adopt the proposed budget.
 - Publish the BCCGA budget in the BCCMB annual report in order to be available to all growers.
 - Produce a line by line Funding and Use report which is presented to the BCCMB in advance which is also published in the BCCMB Annual Report.
 - One approved by the BCCMB, the BCCGA budget becomes an expense line item in the BCCMB budget.

Stakeholder/Producer Consultation and Involvement:

- *Stakeholder experience with board operations, processes, policies and communications:*
 - A comprehensive annual satisfaction survey is sent to growers, hatcheries, processors and other stakeholders to determine the level of satisfaction with board operations, processes, policies and communications. This is done each year through services provided by COMB. In 2018 we experienced a low response rate and will try a different time of year in 2019.
- *Stakeholder feedback actioned where appropriate:*
 - The feedback from the above noted survey was limited in 2018 but gave the Board some direction in areas where could be some improvement. The primary comment of growers was general unhappiness with the live price situation.
 - The stakeholder feedback survey results were discussed with BCCGA directors who indicated that there may have been grower confusion given that the BCCGA also had a survey before the growers at virtually the same time.
 - The BCCGA directors indicated their general satisfaction with the BCCMB.
 - Given the tensions created in 2018 through establishment of the interim pricing formula and appeals, the BCCMB appointed two of its members as processor liaison that would meet with the PPPABC to discuss items of interest and concern prior to presentation to the Board.
- *Consultation with stakeholders (e.g., producers, other supply chain members, BCFIRB, national agencies, other provincial agencies, Ministry of Agriculture), as deemed appropriate and meaningful by the boards, to address sound marketing and public interest expectations including emerging social, environmental, production and demand issues in BC.*
 - Quarterly scheduled meetings were with the Primary Poultry Processors Association of BC. Additional ad hoc meetings were as required.
 - Quarterly scheduled meetings were held with the BC Chicken Growers Association. Additional ad hoc meetings were held as required.
 - Board and staff members attended regional BCCGA meetings in the Lower Mainland, Interior and Vancouver Island.
 - The Board held a full board meeting once the Interior and Island regions in order to provide growers in the outlying regions access to the board members.
 - Board and staff attended meetings with BCFIRB as required.
 - The Board maintains and supports its Price and Production Advisory Committee (PPAC)
 - The Board maintains and supports its Specialty Markets Advisory Committee (SMAC)
 - Two board members and the Executive Director attended all CFC directors meetings.
 - The Executive Director attended three meetings of ten provincial BCCMB managers. These meetings were also attended by senior CFC staff members.

Sound Decision Making/Sound Marketing Policy

The goal of the BCCMB is to minimize the number of appeals to BCFIRB by making sound principle based decisions. It is not always possible to avoid going to appeal, but where possible the BCCMB

will engage in mediation in an attempt to settle the matter without the necessity of BCFIRB involvement.

When matters proceed to appeal, the BCCMB has an excellent record in having their decisions upheld by BCFIRB appeal panels.

The Board has made a conscious decision to commit the necessary professional and financial resources to obtain a successful outcome in defending their decisions at appeal. SAFETI's are written and posted on the BCCMB website as Schedule 15 decisions at www.bcchicken.ca Legal counsel is used in all cases to defend the BCCMB's position.

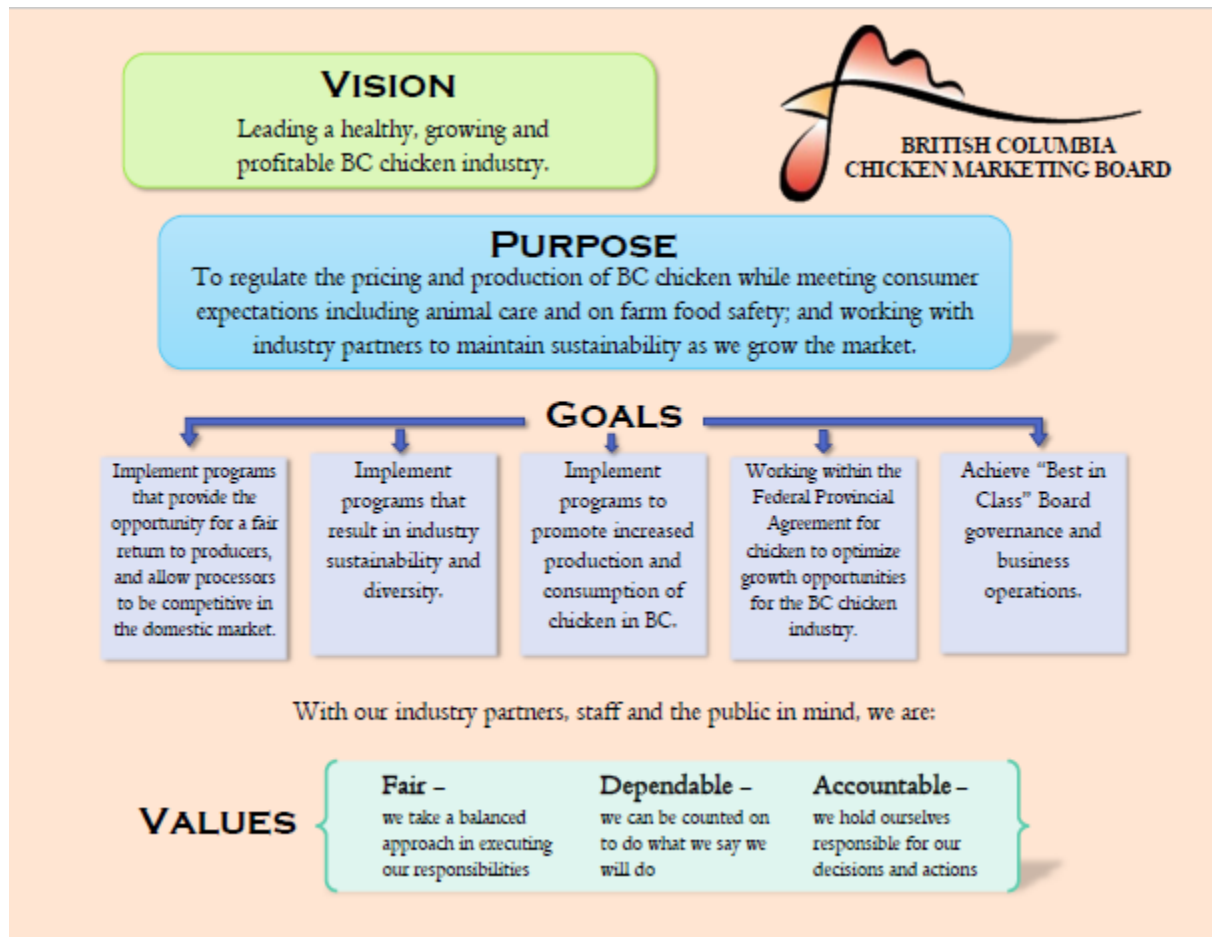
- *Type and outcome of appeals to BCFIRB*

In 2018 the following appeals were filed with BCFIRB:

- **K&M Farms – appealed denial of annualization of mainstream quota.** Appeal heard June 15, 2018. No decision received from FIRB in 2018.
- **K&M Farms – appealed denial of direction of product and continuation of services.** Appeal heard June 15 & June 19, 2018. Appeal withdrawn the day after written closing submissions were due.
- **PPPABC – appealed mediated pricing agreement for quota periods A-146 to A-150 inclusive.** BCCMB applied to have appeal dismissed. On August 27, 2018, FIRB found that no special circumstances exist for extending the time limit for filing an appeal and granted a summary dismissal.
- **PPPABC – appealed pricing for quota periods A-151 to A-156.** Hearing completed November 2018. No decision received from FIRB in 2018.
 - Requested a stay. On July 13, 2018, FIRB ruled to dismiss stay application.
- **BCCGA – appealed pricing for quota periods A-151 to A-156.** Appeal was combined with PPPABC pricing appeal of same quota periods. Hearing completed November 2018. No decision received from FIRB in 2018.
- **BCCGA – appealed denial of funding for feasibility study for a hatchery and processing plant.** On November 8, 2018 BCCGA withdrew their appeal.
- **Jaedel Enterprises – filed two appeals for sanctions for non-compliance related to land and quota ownership.** Grower withdrew appeal on October 3, 2018. Order of dismissal issued by FIRB on October 23, 2018.
- **Outlander Poultry Farm Ltd. – appealed decision respecting over allotments in excess of registered space for periods A-151 and A-152.** Appeal withdrawn on December 21, 2018. Order of dismissal issued by FIRB on January 2, 2019.

- *Demonstrated transparency on significant or major commodity board decisions (e.g., pricing or quota allocation), including process and rationale for decisions or reasons for change. This includes: clear objectives, goals and outcomes, demonstration of market understanding and articulation of the principles for evidence based decision making application of SAFETI principles.*
 - SAFETI principles are used in all decisions of the BCCMB and has become part of the culture of the Board and staff at the BC Chicken Marketing board as evidenced in the 2018 pricing formula appears.
 - SAFETI analyses are referred to by the BCCMB as *Schedule 15 decisions* and are posted on the public side of the BCCMB website.
- *Meeting quorum and other decision-making governance requirements, including management, documentation and disclosure of conflicts of interest and recusals.*
 - At the beginning of each board meeting the chair asks the members if there are any conflicts to declare with regard to the agenda for the day.
 - When recusals occur, the minutes will reflect that a member declared a conflict, which item it referred to as well as the actual times that the member left and rejoined the meeting.
 - The rules for quorum are included in the BCCMB policy manual and referred to if required.
- *Prompt timing, delivery and disclosure of commodity board decisions.*
 - Decisions and rationales for Board decisions are communicated as soon as possible after each board meeting. Only in rare occasions where a decision is tabled to the next meeting a decision could be delayed, but never more than 30 days. If a delay is encountered, notification is communicated in writing.
- *Copies of all minutes, orders, reports, rules and regulation of every commodity board shall be forwarded as they are made or amended, to BCFIRB (as required by regulation).*
 - Minutes of all board meetings are submitted to BCFIRB within three business days after being approved by the board. Without exception.

Through its Strategic Plan, the BCCMB establishes specific program goals and targets which are detailed below.



As part of its good governance responsibilities, the BCCMB established the following goals as part of its current strategic plan. One of the critical roles that the BCCMB performs is setting the live price of chicken in BC. In addition, the BCCMB works with the British Columbia Broiler Hatching Egg Commission through a Linkage Agreement that normalizes the price of chicks with the live price of chicken.

2018 Goals

1. Maintain 100% certification in Mandatory Programs for all growers.

The BCCMB requires under Part 32 of the General Orders that all quota holders be certified in three mandatory programs:

- Chicken Farmers of Canada On Farm Safety Assurance Program
 - Made mandatory by the BCCMB for all growers in December, 2003
- Chicken Farmers of Canada Animal Care Program
 - Made mandatory by the BCCMB for all growers in December, 2012

- BC Biosecurity Program
 - Made mandatory by the BCCMB for all growers in March, 2007

The first two programs are standard across Canada and were developed as part of CFC's continuing quest to enhance performance and maintain social license. The Biosecurity Program is unique to British Columbia and was developed in response to the 2004 Avian Influenza outbreak.

All three of these programs are mandatory and verified by annual on-farm audits performed by trained and certified BCCMB staff members. Sanctions for noncompliance are specified in Part 32 of the BCCMB General Orders.

There are 372 registered farm locations to audit in BC which includes the Interior and Vancouver Island. All locations had completed or were scheduled for their audits by the end of 2018.

The corrective action requests (CAR's) were completed in the appropriate timeframe after issuance. The number of farms with CAR's for water tests and incomplete Standard Operating Procedures (SOP's) has decreased since 2017, however CAR's for stocking density, rodent control and barn exterior maintenance increased in 2018. The rise in the rodent control/barn maintenance is concerning and will receive additional attention by BCCMB auditors in 2019. Stocking densities are recorded for all farms with additional requirements and documentation required for the maximum density of 38 kilograms per square meter permitted under the BCCMB General Orders and CFC Animal Care Program.

The BCCMB issued 5 warning letters for overdue CAR's and 3 penalty letters. All farms that received these letters completed their corrective actions. There were 7 complaints made to the BCCMB in regards to poultry producers in 2018.

Some were unfounded and were normal farm practices, others had trigger audits completed on them with CAR's being issued and completed. One farm received a penalty for noncompliance under the CFC Animal Care program. As a result of BCCMB staff working with the producer and the complainants there were no follow up occurrences on these farms.

The 4 most common corrective action requests for On Farm Food Safety Program, Animal Care Program and the BC Biosecurity program were:

- 1) 73 corrective actions for not submitting the required annual water test
- 2) 70 corrective actions Density calculations/high density monitoring requirements
- 3) 65 corrective actions Barn and Surrounding area maintenance/rodent control
- 4) 28 corrective actions for Medications in feed/cross contamination

100% compliance has been achieved in 2018.

2. Ensure that opportunities continue for growers and processors to create and market niche chicken products to meet changing consumer demands.

Since 2005, the BCCMB has maintained a robust new entrant grower program that allows new entrants an opportunity to participate in the BC chicken industry without the financial barrier of acquiring their initial quota from another grower. The intention of this program is that over time, new entrants will acquire additional quota from other growers to grow their operations.

The BCCMB New Entrant Program for Growers is funded through a deemed assessment of 5% on ALL quota transfers with **no exceptions or exemptions** for family transfers, estate planning, or business reorganization. This policy has been in place since 2005, and was enshrined in the BCCMB's QATE submission.

A New Entrant Grower is deemed to be a new entrant until such time as their latest issuance of incentive quota has reached its maturity date under *Part 35 Quota Transfer Assessment* of the BCCMB General Orders. Upon reaching maturity date, the grower is no longer considered to be a new entrant grower.

The BCCMB continues to use its New Entrant Program for Growers as a means to support regional processors and to provide opportunities for new entrant growers in all regions of the province.

In 2005 the initial quota offered to new entrant growers was 7,746 kilograms live weight per period. This was increased to 11,189 kilograms live weight per period in 2013.

After extensive consultation with existing new entrant growers and niche processors in 2016, the BCCMB undertook a full review of the viability of the new entrant grower program and approved a number of amendments as follows:

- The new entrant program for growers was amended to provide increases to base quota from 11,189 kilograms to 20,000 kilograms per cycle and a further opportunity for new entrants to acquire an additional 10,000 kilograms from another grower and receive a matching 10,000 kilograms from the Board. (Total 40,000 kilograms/cycle.)
- Announced a 20% pro rata quota increase to all mainstream growers to take effect in the spring of 2020. This included existing new entrants that by taking advantage of the entire growth package could grow to 48,000 kilograms per period.

The following is a review of the activities related the BCCMB's New Entrant Program for Growers in 2018:

- Under the methodology contained in Schedule 9 (Part 49) (Section 49.21) and retracted under *Part 35 Quota Transfer Assessment* the Board deemed a total of **113,088** kilograms of quota to be available for distribution to qualifying new and deemed new entrant growers in 2018.

- In November of 2016 the BCCMB voted to increase the entry level for mainstream new entrant growers from 11,189 kilograms per period to 20,000. Existing new entrant growers were provided with the opportunity to apply for increases to their quotas from their present levels to the new entry level of 20,000. A number of growers that had extra space were able to take advantage of this opportunity in the next unallocated period. Those that did not have space were provided with 365 days to do so. By the end of 2017 all growers that were eligible for the increase applied and provided the required barn space to qualify. In 2018, a number of these growers took advantage of the “buy one, get one” provisions of the amended new entrant grower program during the second year of the three year offer which will expire on January 1, 2020.

The following mainstream quotas were issue to new entrant growers in 2018.

<u>Region</u>	<u>Type</u>	<u># of kilograms</u>
Vancouver Island	Mainstream	20,000

Incentive (matching) quotas issued under the “buy one, get one” program to existing qualifying new entrant growers in 2018:

<u>Region</u>	<u>Type</u>	<u># of kilograms</u>
All	Mainstream	52,038
Available for distribution in 2018		113,088 kilograms
Total incentive quotas issued in 2018		<u>72,038 kilograms</u>
Balance		41,050 kilograms

Due to over allocation of new entrant quotas in 2017 resulting from the entry level being increased from 11,189 to 20,000 kilograms, the BCCMB carried a deficit of **134,037** kilograms into 2018. Applying the **41,050** kilograms that were under allocated in 2018 reduces the deficit to be carried forward to 2019 to **92,987** kilograms.

Looking ahead to 2019.

Using the methodology contained in Part 49 *New Entrant Program for Growers* of the General Orders the BCCMB has determined the available kilograms of quota available for distribution to qualifying new entrant and deemed new entrant growers in 2019 to be:

- **120,842** kilograms available for distribution in 2019.

In addition, and as part of the general mainstream quota expansion the BCCMB will make provision for four prospective new entrant growers in the Interior region and five in the lower mainland to begin production at an initial level of 20,000 kilograms per period. These growers will be provided with the “buy on get one” option to purchase a further 10,000 kilograms which will be matched by the BCCMB.

These new entrants will be approved to begin production no earlier than period A-165, the first period following the general quota increase.

In 2019 the BCCMB will address the needs of the specialty sector. The conversion of specialty quotas that had been used for the production of certified organic chicken to mainstream quota was completed in 2018.

The agreement reached with the three growers involved will allow the BCCMB to concentrate on determining the increase in the specialty quota pool that is required to meet the needs of the specialty sector going forward. This work was completed in the first quarter of 2019; the results will be reported in the 2019 PAR update.

In conjunction with the 20% general mainstream quota expansion, the BCCMB determined that there should be consideration given to starting several mainstream new entrants in the Lower Mainland region. As a result of the needs of the Vancouver Island and Interior regions and the specialty sector in the Lower Mainland, it had been a number of years since any mainstream new entrants were approved in the Lower Mainland.

On August 10, 2018 the BCCMB invited processors to apply for one or more of five new entrant growers in the lower mainland region as follows:

To the attention of all BC Lower Mainland Chicken Processors.

Re: BCCMB New Entrant Program for Growers.

As part of the general quota expansion plan announced in June 2018, the Board has approved five of the mainstream new entrant candidates that have been on the lower mainland waiting list since 2012.

These prospective new growers will be offered the opportunity to proceed and to be in production no earlier than quota period A-165. The terms will reflect those in the recent NEG initiative introduced by the Board.

- *Initial production of 20,000 kilograms per 8-week cycle of mainstream chicken.*
- *Option to acquire up to an additional 10,000 kilograms of mainstream quota from another grower.*
- *Matching of up to 10,000 kilograms by the Board from January 1, 2021 to December 31, 2023 in accordance with the buy one, get one (BOGO) provision of the revised NEG initiative. 40,000 kilograms is the maximum quota available under this program. Quota acquired beyond this level will not be eligible for matching quota from the board.*

The successful applicants will be given up to six quota periods beyond A-165 to have completed their facilities; failure to be ready to grow chicken by period A-171 will result in the offer to proceed being withdrawn by the Board.

The quota required for this program will be funded by retaining the deemed quota transfer assessment of 5% on all quota transfers that has been in effect since 2005.

The Board plans to direct these new growers to specific lower mainland processors for a period of up to ten years and is seeking expressions of interest from processors interested in working with one or more them. We invite you to submit your interest in writing to the Board outlining your request to include (but not limited to):

- *Reference to any new, value added or diversified marketing opportunities that you intend to address with this additional production.*
- *Assurance that your plant has the capacity, beyond current volumes, to process (in a timely manner) up to 40,000 kilograms more per period for each new grower that you are requesting.*
- *The level and type of practical support you will provide to assist the new grower in both:*
 - *Planning for his/her new operation such areas as: site planning, construction and driveway requirements, loading doors and pads etc.*
 - *Education, training and mentoring that will ensure your new growers develop into high performing and quality focused operators.*

The deadline for submissions October 1, 2018 at 4:00 PM. The Board will then review the submissions and inform the successful processors of the NEG growers contact information.

At the deadline, submissions were received from five processors. Following a full review by the BCCMB, only one was deemed to have met the criteria as outlined in the August 10, 2018 letter. Two of the five prospective new entrants were awarded to Fraser Valley Specialty Poultry. The remaining three were put on hold pending further review and next steps to be determined by the BCCMB.

3. Implement programs that provide the opportunity for a fair return to producers, and allow processors to be competitive in the domestic market.

- In 2018, the BCCMB initiated the annual review of the new pricing formula that was established in May 2017 which included a process to engage stakeholders.
- The new pricing formula was implemented after full consultation with industry. The new formula is presently under appeal awaiting a decision from BCFIRB. It can be found in the General Orders at Schedule 19 – Pricing Model.

The BCCMB also undertook the following actions in accordance with this goal:

- Stocking density amended to reflect the national standard allowing growers to use barn space more efficiently, which can be found at Schedule 5 of the General Orders.
- Value chain committee formed and led by the BCCMB. Membership includes BCCMB, BCBHEC, hatcheries, processors and BCCGA. Seven meetings were held in 2018.

- Cost of production for Taiwanese and Silkie chicken updated and implemented every 5 years. The last update occurred June 2016.
 - Reviewed and updated the Linkage Agreement and Cost of Production model as per the schedule contained in the MOU between the BCCMB and BCBHEC.
 - Working with the BCBHEC, initiated the updates and revisions to the Cost of Production models for broilers and breeders.
 - Made in BC cost of production formula scheduled for completion in 2019 that can contribute to the dual goals of a fair return to growers and a competitive environment for processors.
- 4. Implement programs to promote increased production and consumption of chicken in BC**
- Engaged services of a professional marketing agency to raise the profile of grown in BC chicken and challenge myths (hormones/steroids/cages etc.)
 - Engaged services of bloggers for the same purpose.
 - Refurbished BC Chicken website to make it more user friendly and informative. The website can be found at www.bcchicken.ca.
 - Annual review of marketing strategy.
 - Developed, funded and implemented specialty Asian chicken marketing campaign in the spring of 2017 and winter of 2018.
- 5. Working within the Federal Provincial Agreement for chicken to optimize growth opportunities for the BC chicken industry.**
- Invited western processors to a meeting of the western BCCMBs to discuss issues of mutual interest/concern.
 - Worked with 7/11 stores in sign on nationally with the “raised by a Canadian Farmer” brand late in 2017.
 - Continue to work with the new national allocation agreement that is now approximately half way through its 66 period life.
- 6. Achieve “Best in Class” Board governance and business operations.**
- Implemented an online tool and phone app for growers referred to as the “grower dashboard”
 - Conducted a review of the roles and responsibilities of the BCCMB versus the BCCGA with a view to establish authorities and eliminate overlap.
 - Conducted a Board governance review session in September, 2018.
 - Went to digital communications only with growers. Eliminated fax line as of December 31, 2018

- Updated staff succession plan; this is done annually.
- Continued schedule of quarterly meetings separately with processors and BCCGA.
- Continued to pursue the concept of joint office space with BCBHEC.
- Conduct an annual stakeholder satisfaction survey through COMB. Due to a low response rate in 2018 the board will review the content and timing for 2019.
- Conduct a review of the Board Policy Manual on an “as needed” basis, with a full review conducted by the Finance Committee every second year. Next review due in 2020.

This concludes the British Columbia Chicken Marketing Board 2018 Public Accountability Report.

ADDENDUM



September 20, 2019

Mr. Al Sakalauskas
Vice-Chair
British Columbia Farm Industry Review Board

Sent via email

**PUBLIC ACCOUNTABILITY AND REPORTING PROJECT (PARP) – CONFIDENTIAL DRAFT
PUBLIC SUMMARY PARP REPORT**

This is to acknowledge receipt of your letter of August 30, 2019 providing a copy of the draft Public Summary PARP Report for review. With respect to your request, we have reviewed the information specific to the chicken sector in the main body and appendices and we would like to address some of the perceived gaps in our reporting as well as the consistency of the information presented:

Sector Performance Targets:

It is not clear from the report as to what constitutes a “performance target”. Time and effort was taken in identifying and reporting those achieved by the Chicken Board, however, BCFIRB has been selective in which of those to include in the Summary Report. In reviewing those listed for other sectors, there does not appear to be any common theme for the targets chosen to be included in the report.

While it is appreciated that this is the initial report and the project is a “work in progress” and the boards had input in the development of the PARP “guide”; the expectations regarding performance targets were vague at best. After seeing how BC FIRB intends to “report”, it would seem that a clearer statement of key performance target themes should have been articulated or at least stated in the selection of performance targets to report. To elaborate on the performance “theme” concepts such as federal/provincial agreement or increased share of national allocation could be a theme. Another theme consistent with the overall intent of the reporting exercise would be to demonstrate boards addressing and responding to market demand, which for chicken would be the securing of discrete specialty quota and year over year increase in supplying the specialty market. Further themes could include public health/disease management/food safety; animal care; industry growth/sustainability.

BRITISH COLUMBIA CHICKEN MARKETING BOARD

101-32450 Simon Avenue, Abbotsford, BC V2T 4J2 Phone: 604-859-2868 Fax: 604-859-2811 www.bcchicken.ca

If these were to be the types stated expectations of boards in meeting BCFIRB/public reporting expectations, it would provide valuable direction to the boards to complete their reports as opposed to leaving it open ended with BCFIRB being selective without providing any criteria for the performance targets reported.

While the above may be out of scope for the current PARP, it is our expectation that this is one of the main items of review when we collectively meet in December.

With respect to the specific ones selected for the Chicken Board, we do not see “No assignment of quota value” as a performance target given the clarity of intent of legislation on this matter. We would prefer to see reporting our performance with respect to audit compliance with respect to national food safety, animal care and biosecurity programming to illustrate the board’s commitment to ensuring the safety and care of chicken and chicken products. “Track and approve the transfer of quota” is addressed in the Quota Management section. The efforts of the Board to increase public/consumer awareness of BC/Canadian grown chicken through partnership with 7-Eleven stores is an example of a target that is in progress and is yielding positive results.

Governance:

In table 1, the footnotes refer to those that are required by legislation/regulation; these should be separated in the table and clearly labelled. If there are boards that are not providing the required data is an important flag which is clearly in a different category than the remainder which are part of generally accepted good governance practices.

With respect to the N/R under Quorum and management of conflict of interest via documentation; it is not clear as to what was expected. We included commentary on Chicken Board practice in our PAR (see attached Revised PAR).

Quota Management and Movement:

The Chicken Board described in detail what was happening in 2018 with respect to our New Entrant Grower Program. It was not identified in the interim response to our submission that New Entrant Grower data was required. BCFIRB has our data on New Entrant Growers by way of our annual reports on the program provided to BCFIRB. The data has now been compiled and added to our PAR under Industry Statistics.

Quota Movement in BC – 2018

The “#of all transfers listed as 308 is incorrect. The 308 is the total of all transfers from 2014 to 2018. The # for 2018 is 43. The “Total volume of transfers is correct. Please note that under “exempt from assessment”, the number should be 0. Under “subject to assessment”, the number should be 43 or simply ALL.

With respect to the “Note”, it is not clear to as to why regional movement is so important for inclusion in the report. The Chicken Board does have policies in place that restrict the movement of quota off of Vancouver Island and out the Interior Region that would be a more interesting Note to be included.

The BCCMB General Orders specify the three regions for chicken production as 1) lower mainland, 2) Vancouver Island, and 3) the Interior, which is basically the rest of the province. For reference, we have two new entrant growers in “the North” with a total of 27,434 kilograms of quota. These two growers are located in the area of Ft. St. John BC; their combined quotas of 27,434 kilograms are currently included in our Interior region statistics.

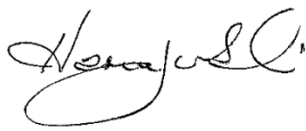
Appendix 2 – Production and Statistics – Producer Size

The Chicken Board does not normally categorize quota holdings as large, medium or small. The Board provided Average, Largest and Smallest, which would seem fair to report rather than “n/r” being applied to arbitrary categories of large, medium and small set by BCFIRB. For the purposes of the 2018 PAR, we have added a table that shows arbitrary numbers that were selected for categories of small, medium and large. These categories may be reviewed for future iterations of the PAR.

Appendices 6 – 8 provide a Sector Overview. Why has this format and context piece not been included for the Supply Managed sectors? This data was provided in the Chicken Board PAR.

The Chicken Board would appreciate a response to our comments and how BCFIRB intends to address them prior to the Public Summary PARP Report being published.

Thank you for the opportunity to review and comment.



Harvey Sasaki
Chair
British Columbia Chicken Marketing Board

B:\Administration\FIRB & MAFF\FIRB\Public Accountability Performance Project\2019-09-19 HS response to DRAFT FIRB PARP.docx



October 11, 2019

Al Sakalauskas
Vice-Chair
BC Farm Industry Review Board

Re: Public Accountability and Reporting Project (PARP) – Confidential Revisions to Draft Public Summary PARP Report

In response to your letter of October 4, 2019 regarding the revised sections of the draft Public Summary PARP that pertains to Chicken Board, we have reviewed the revisions. In general, the revised list of sector performance targets better reflects the work and accomplishments for 2018. We offer some further revisions below to what you had provided. With respect to data gaps we have attempted to further address the gaps with the attached tables. We have also corrected some factual errors in the reporting as well.

BC Chicken Marketing Board 2018 Performance Targets

We appreciated the additional effort to revise the summary of the performance targets for the Chicken Board. There are two specific Targets that we would propose amended wording to better reflect the actions and results.

Ensure a fair return to growers and competitiveness of processors

The Chicken Board initiated the annual review of the pricing formula established in May 2017. A revised formula was implemented in quota period A-151 (commencing July 3, 2018 which was appealed by processors and growers. The BC FIRB held appeal hearings in the fall of 2018 and a decision was expected in early 2019.

The Chicken Board and the Hatching Egg Commission initiated review and update the Pricing Linkage Formula and Agreement through updates and revisions to the Cost of Production models for both broiler growers and hatching egg producers. The objective is to ensure that broiler growers and hatching egg producers are receiving an equitable and reasonable return. The work on the Linkage Formula and Agreement will continue into 2019.

Ensure niche production and marketing opportunities in the chicken sector

As a result of the 2013 success of the Chicken Board in establishing a separate national allocation for specialty production, the Chicken Board has continued to support a 16.6% growth in production over 2017.

The Chicken Board supports regional production and marketing opportunities through its New Entrant Grower (NEG) Program. Changes to the program were made to enhance the base level of production for a NEG by providing quota to match purchases of quota by the NEG.

In conjunction with the quota expansion decision of the Board for mainstream growers, the Board amended the mediated agreement from 2015 (scheduled to run until the end of 2020) with the three specialty growers currently growing certified organic chicken using 268,921 kg of specialty quota. The agreement, accelerated the mediated agreement by almost 2 ½ years and provided a clear picture of the amount of quota remaining in the specialty quota pool. This will allow the Board to provide a quota expansion for the specialty sector early in 2019.

BC Chicken Marketing Board 2018 Governance

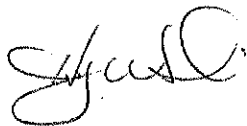
The Chicken Board is satisfied that the changes made are reflective of our self-assessment of the measures.

BC Chicken Marketing Board 2018 Data Reported

The Chicken Board has noted some errors in reporting and have attached a revised set of tables.

Thank you for the revisions to the Summary PARP to better reflect the performance of the Chicken Board in addressing its public accountabilities. We look forward to the meeting in December to review and revise as necessary the guidelines and requirements for the 2020 report.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Harvey Sasaki', with a stylized flourish at the end.

Harvey Sasaki
Chair

BCCMB PARP

PAGE #20:Licensed Producers

NORTH	2
INTERIOR	48
VI	12
LM	253
TOTAL	315

PAGE #21:Supply Managed Producers**NORTH**

Small Lot	0
NE	2
Established	0

INTERIOR

Small Lot	74
NE	17
Established	31

V.I.

Small Lot	37
NE	7
Established	5

L.M.

Small Lot	21
NE	25
Established	228

PAGE #22:

QUOTA Holdings

NORTH

NE	24,334 kg	100%
Established	0	

INTERIOR

NE	612,101 kg	16%
Established	3,226,458 kg	84%

VI

NE	284,072 kg	52%
Established	263,565 kg	48%

LM

NE	566,026 kg	2%
Established	26,794,674 kg	98%

PAGE #23:

QUOTA Production

NORTH

Specialty	0	0%
Conventional	192,310 kg	100%

INTERIOR

Specialty	0	0%
Conventional	30,335,881 kg	100%

VI

Specialty	0	0%
Conventional	4,327,939 kg	100%

LM

Specialty	7,142,788 kg	3%
Conventional	211,485,488 kg	97%

PAGE #25:

Quota Movement in BC (2018)

Add bullet:

- BCCMB calculates a “General Tax” or “Deemed Assessment” on all quota transfers (with no exceptions) which is put towards funding the NEG program. All other commodities use a 5% actual “clawback” on quota transferees with exceptions.

PAGE #26:

2018 SECTOR OVERVIEW

NORTH

Total Quota Producers	2	
NE	2	100%
Established	0	
Total Quota Holdings	24,334 kg	
NE	24,334kg	
Established	0	
Provincial Processors =	2	
Small Lot producers	n/a	

INTERIOR

Total Quota Producers	48	
NE	17	35%
Established	31	65%
Total Quota Holdings	3,838,559 kg	
NE	612,101 kg	16%
Established	3,226,458 kg	84%
Provincial Processors =	8	
Federal Processors =	1	
Hatcheries =	2	
Small Lot producers =	74	

VI

Total Quota Producers	12	
NE	7	58%
Established	5	42%
Total Quota Holdings	547,637 kg	
NE	284,072 kg	52%
Established	263,565 kg	48%
Provincial Processors =	5	
Small Lot producers =	37	

LM

Total Quota Producers	253	
NE (TOTAL)	25	11%
NE (MQ)	7	
NE (SQ)	18	
Established	228	89%
Total Quota Holdings	27,360,736 kg	
Mainstream Total	26,760,374 kg	
MQ NE	333,117 kg	1%
MQ Established	26,427,257 kg	99%
Specialty Total	600,326 kg	
SQ NE	232,909 kg	39%
SQ Established	367,417 kg	61%
Provincial Processors	= 1	
Federal Processors	= 8	
Hatcheries	= 9	
Small Lot producers	= 21	

Note:

MQ = Mainstream quota (regular broilers and organic)

SQ = Specialty quota (Taiwanese chicken and Silkie chicken)

PAGE #27:

Production & Statistics

Producer Size

Small	97	31%
Medium	204	65%
Large	14	4%
TOTAL	315	

Producer Type

	<u># of Producers</u>		<u>Quota Held</u>	
Established	264	84%	30,309,031 kg	95%
NE	51	16%	1,462,199 kg	5%
TOTAL	315		31,771,230 kg	100%

Region

	<u># of Producers</u>		<u>Quota Held</u>	
LM	253	80%	27,360,700 kg	86%
VI	12	4%	547,637 kg	2%
I	48	15%	3,838,559 kg	12%
North	2	15	24,334 kg	0%
TOTAL	315		31,771,230 kg	100%

Production Type

	<u># of Producers</u>		<u>Quota Held</u>		<u>Production (kg)</u>	
Mainstream	279	89%	31,170,904 kg	98%	246,341,618 kg	97%
Specialty	36	11%	600,326 kg	2%	7,142,788 kg	3%
TOTAL	315		31,771,230 kg		253,484,406 kg	100%