

LONG TERM CHICKEN SECTOR PRICING REVIEW STAKEHOLDER FEEDBACK TO DRAFT TERMS OF REFERENCE - OCT 28, 2020		
SUBMITTED BY	CONTENT	
BC Broiler Hatching Egg Producers Association	1	<i>"...in BC the hatcheries are owned by the processors. When the Commission and BCCMB review of factors include "reasonable margin" for hatcheries this cannot be done without looking at current processor market share, margins and competitiveness as a whole..."</i>
Primary Poultry Processors Association	2	<i>Would like to have included in TOR intro: "...changes to BC live price differential with Ontario have resulted in BC processors disproportionately absorbing the annual adjustments and has reduced processor competitiveness in the market. The continued increase in the live price differential has led to several price appeals and when coupled with further price actions taken by the BCBHEC, have now culminated in a supervisory review of live pricing in BC...."</i>
	3	<i>"...important to keep discussion relevant by containing and focusing discussions..."</i>
	4	<i>"...Producer cost of production factors must be expanded beyond "feed and chick" and include operating costs to provide transparency on operating income. Operating income is a better measure of return and cash flow and is what lenders would use to evaluate equipment and farm purchases..."</i>
	5	<i>"...'Understanding the markets (supply and demand) for BC regulated products and the flow of regulated product into and out of the province', should be replaced with, 'Understanding current market dynamics the effects of customer concentration and how markets have evolved'. This is more relevant and consistent with, "... defining: processor competitiveness in the Canadian market for chicken..."</i>
	6	<i>"...We believe that the issue of "transfer of ownership" must be outside the scope of the project..."</i>
	7	<i>"...We would suggest including a point on the need for a meaningful dialogue on the benefits and risks associated with the "structure" of any formula as it relates to current and past formulas..."</i>
	8	<i>"...This review will require that all stakeholders work cooperatively with assurances that requests for information and data are focused on relevant needs and issues only. In the draft Terms of Reference, there is some discussion about managing confidential or sensitive information, but to date it remains unclear what information that the boards seek. This makes it difficult to engage in meaningful discussion on this topic at this point..."</i>
	9	<i>"...There is a significant communications component in the Terms of Reference that needs to be managed through multiple avenues. There should be assurances that communications will be done jointly between all stakeholders..."</i>
Elite Services	10	<i>"...needs to be a mechanism in the system where the catching contractors have the ability to present the case for rate increases to the board..."</i>

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BC Chicken Growers Association	11	<i>“...Currently BC chicken growers and breeder farmers are evaluated on their efficiencies on costs, but processors on their competitiveness. The BCCGA recommends that all supply chain members: chicken growers, hatching egg producers, hatcheries and processors be assessed on their efficiencies...”</i>
	12	<i>“...requests clarification on the reference to Assurance of Supply on Page 2, paragraph 1. Specifically, the BCCGA is concerned with how this information will be used to determine the long term chicken sector pricing. In accordance with the Canadian supply management system, Chicken Farmers of Canada determines the national and provincial chicken production allocations based on consumer demand. The BC processors, as a whole, receive an assured supply of chicken through this regulated system...”</i>
	13	<i>“...recommends that a policy objective regarding the quality of product from the hatching egg producers and hatcheries be included in this review. Chick quality - health and weight - should be addressed in the pricing structure...”</i>
BC Hatchery Association	14	<i>“...some mention in the Introduction that the BC hatcheries have not had a margin increase to offset cost increases in 8 years, and margins have fallen significantly behind those of hatcheries in other Provinces...”</i>
	15	<i>“... Scope section needs to outline that Ontario hatchery margin increases currently are included in the BC live price and flow directly to the broiler and hatching egg producers and to be fair should be removed from the BC price linkage formula...”</i>
	16	<i>“...In the Goals/Outcomes section, it makes note of, '... the appropriateness of a price linkage agreement between the two sectors that address the policy objectives of: ...BC hatcheries receiving a 'reasonable' margin for hatching services.' It is not clear which policy objectives are being referred to here...”</i>
	17	<i>“In the Goals/Outcome section as well, the last two bullets should be amended as follows, “The confirmation of a breeder chick pricing formula by the hatcheries” and “The confirmation of a breeder vaccination program pricing formula by the hatcheries.” The hatcheries will retain control over breeder chick and vaccination program selection; however, agree overall pricing formulas are required for these programs...”</i>
Primary Poultry Processors Association (addendum)	18	<i>“...one key component that is missing is a thorough review of chicken and breeder feed pricing and margins, against commodity prices. Feed is a key component and determinant of the live price and the only factor in the formula that is not under scrutiny. Given the importance of the feed in determining live price it is our position that the Chicken Sector Pricing Review Process would be remiss by not including this in the terms of reference...”</i>