



September 12, 2023

To: Industry Stakeholders

September 12, 2023 UPDATE ON LONG TERM CHICKEN SECTOR PRICING

The British Columbia Chicken Marketing Board (BCCMB) continues to be governed by the joint BCCMB/British Columbia Broiler Hatching Egg Commission (BCBHEC) Long Term Chicken Sector Pricing Review Process Terms of Reference (Joint TOR) issued on October 28, 2020, with the approval of the BC Farm Industry Review Board (BCFIRB).

The Joint TOR require the BCCMB and the BCBHEC to fulfill the following Goals/Outcomes:

- *A long-term pricing approach for regulated products in the mainstream chicken and broiler hatching egg sectors in BC, including a decision on the appropriateness of a price linkage agreement between the two sectors that address the policy objectives of:*
 - *Verified COP/reasonable returns-based pricing mechanisms for BC hatching egg producers and chicken growers.*
 - *BC chicken processors being competitive in the Canadian market for chicken.*
 - *BC hatcheries receiving a “reasonable” margin for hatching services.*
- *The confirmation of a breeder chick pricing formula.*
- *The confirmation of a breeder vaccination program pricing formula for hatcheries.*

Update on the Joint Working Group (JWG) Meetings

The Board will continue working with the JWG to examine the information the JWG requires to provide feedback to the Board. The JWG met twice in August, on the 2nd and the 29th. JWG members were asked to put forward in writing their positions and recommendations to the rest of the committee. These positions were reviewed and discussed at the August 29th meeting. There was little, if any, consensus recommendations out of this meeting but the discussions continue to be valuable to the Board decision making process. The Board has participated as observers in all JWG meetings and has now reviewed the submissions of the respective parties and is prepared to make its pricing proposal. The Board will present its pricing proposal to the JWG on Sept 19th for comment before broader industry consultation.

Update to the Timeline

The Board remained flexible in our timeline to ensure the process and execution is done correctly, to allow time for further analysis and response to questions and issues arising and to allow time for the JWG to evaluate and make recommendations to the Board. As described



above, the Board is preparing its pricing proposal and will present it to the JWG on September 19th. Last week, the Board met with Chicken Farmers of Ontario to inform itself of Ontario pricing policies and methodology and where possible and appropriate, compare those to BC's pricing framework. The Board will also meet again with the BC Broiler Hatching Egg Commission on September 18th to review and discuss the pricing formulas of the two commodities. The Board then intends to schedule a virtual industry meeting to present the pricing proposal the week of September 25th. Following this industry-wide meeting, the Board will give two weeks for industry to submit comments and questions, up to October 11th. The JWG will be given the opportunity to review the industry feedback following the October 11th deadline and provide any final recommendations to the Board.

The Board will submit its final decision after it considers the JWG feedback on stakeholder comments. It is important to note that the JWG will remain in place to respond to any questions about the BCCMB's submission until BCFIRB makes its final decision.

We look forward to further engagement with industry stakeholders over the next month. We understand this has been a long process and stakeholders are looking for closure to the long pricing of chicken in BC.

Yours truly,

Kevin Klippenstein
Chair
BC Chicken Marketing Board