



December 13, 2022

Peter Donkers
Chair
BC Farm Industry Review Board

RE: Nov 1 BC FIRB decision – Long term Chicken Pricing

The BC Chicken Marketing Board (Chicken Board) is in receipt of the November 1, 2022 BC FIRB decision on the process for developing a long term chicken pricing mechanism, specifically through the Grower Cost Recovery Model. The Chicken Board has considered the decision at its regularly scheduled November 8, 2022 Board meeting. We thank the BC FIRB for the decision and appreciate the endorsement of the Chicken Board’s position and plan moving forward.

The Chicken Board understands that the decision acknowledges that the plan to develop and adopt a Grower Cost Recovery Model will, in principle, meet the Terms of Reference goals. The Panel’s approval of the Chicken Board’s overall approach is set out clearly at paragraph 34; *“The Panel remains satisfied the Chicken Board’s proposed pricing model reflects, in principle, the Terms of Reference goals.”*

The Chicken Board provides the following comments regarding certain aspects of the process contemplated to implement the decision:

1. Meeting with Chair and Vice Chair

In the opening paragraph under the heading “Decision Summary”, it is indicated that the Panel *“will meet with the Chair and Vice-Chair of the Chicken Board, once a new Chair has been confirmed ... The Panel’s concerns with the current adversarial situation will be discussed, along with options for moving forward, which may result in further direction from the Panel.”*

The Chicken Board is conscious of the concerns raised with respect to the lengthy process that has ensued and is prepared to meet with the Review Panel as soon as possible so as to address concerns and plan ahead.

Additionally, it seems inconsistent with the second paragraph under the “Decision Summary” heading, which provides that the *“Chicken Board is expected to direct the Cost Recovery Model Committee (CRMC) to immediately proceed with developing and providing recommendations to the Chicken Board ...”* The Chicken Board’s specific concern relates to how stakeholders may interpret *“which may result in further direction from the Panel”* as an opening to delay participation in the process. This appears to be an open invitation to different interest groups to directly lobby BCFIRB thereby bypassing the CRMC.

A further concern is the limitation of the Review Panel meeting only the Chair and Vice-Chair. The Chicken Board does not agree with meetings between the Chicken Board Chair and Vice Chair only and insists that meetings with the Panel will occur with all five directors of the Chicken Board in the future. While we appreciate the intent, we feel there is significantly more value in participation of all Chicken Board directors.



2. Direction to CRMC

Paragraph 2 provides that *"The Chicken Board is expected to direct the CRMC to immediately proceed with developing and providing recommendations to the Chicken Board with developing and providing recommendations to the Chicken Board on definitions and benchmarks for processor competitiveness and reasonable returns for efficient growers."*

The CRMC has met on November 17th, and again on December 7, 2022, and is in process of scheduling additional meetings in January and February. The January meeting is being targeted for addressing the specific question of processor competitiveness while work on reasonable returns for efficient growers have already begun at the December 7 CRMC meeting. The Chicken Board remains concerned with the November 16, 2022 PPPABC response to "conditionally" participate in the CRMC. The Chicken Board will make every effort to reasonably address the PPPABC's conditions and secure their participation.

3. Written Progress Reports

"The Chicken Board is to provide a monthly written progress report against the Plan to the Panel, BCFIRB and stakeholders."

The Chicken Board remains committed to continue to file written progress reports. FIRB is in receipt of the November report, which was sent November 29th, with the next report to be filed on or before December 31, 2022.

4. Pricing Liaison

"The Chicken Board is to work with the Pricing Liaison to schedule a progress report meeting with the Panel every two months going forward".

The Chicken Board will work with the Pricing Liaison to schedule a meeting for early January.

Once again, we thank the Panel for the decision and support moving forward with a Grower Cost Recovery Model. The Chicken Board looks forward to conclusion of consultations and an implementation of a new long term cost formula for the pricing of BC Chicken in the new year.

BRITISH COLUMBIA CHICKEN MARKETING BOARD

Chair, BC Chicken Marketing Board

cc: Wendy Holm

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