



December 23, 2014

File: 0416-0151

DELIVERED BY EMAIL

Mike Dungate
Executive Director
Chicken Farmers of Canada
350 Sparks St, Suite 1007
Ottawa ON K1R 7S8

Dear Mr. Dungate:

**MEMORANDUM OF UNDERSTANDING, RE-ENTRY OF ALBERTA INTO THE
FEDERAL-PROVINCIAL AGREEMENT FOR CHICKEN (FPAC) AND PROPOSED
AMENDMENTS TO SCHEDULE “B” OPERATING AGREEMENT**

In light of the current processes being coordinated by Chicken Farmers of Canada (CFC) in relation to the captioned matters, the purpose of this letter is to inform CFC and others, on behalf of the BC Farm Industry Review Board (BCFIRB), regarding the status of these matters in British Columbia. In particular, I think it is important, given the collaborative nature of federal-provincial agreements, to clarify BCFIRB’s roles and responsibilities in relation to any amendments proposed to the FPAC.

BCFIRB Roles and Responsibilities

Overall, BCFIRB is responsible under the *Natural Products Marketing (BC) Act (NPMA)* to provide general supervision of marketing boards and commissions in BC. Under s. 9 of the *NPMA*, BCFIRB has broad powers to ensure boards and commissions are in compliance with governing legislation, regulations and agreements and to ensure that their orders, decisions and determinations are in accord with “sound marketing policy”.

Appeal Role

Under s. 8 of the *NPMA*, a person aggrieved by or dissatisfied with an order, decision or determination of a marketing board or commission may appeal the order, decision or determination to BCFIRB. In this regard, I can advise that the Primary Poultry Processors Association of BC has filed an appeal of the decision of the BC Chicken Marketing Board (BCCMB) to sign the memorandum of understanding (MOU) with respect to long term allocation. The appeal process is being initiated.

British Columbia
Farm Industry Review Board

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Supervisory Role

Under s. 7.1 of the *NPMA*, BCFIRB has general supervision over the BCCMB. Further, under s. 4.02(3) of the *British Columbia Chicken Marketing Scheme, 1961*, the BCCMB must obtain BCFIRB prior approval to "...enter into or amend an agreement with the federal board".

Signatory Role

Provincial supervisory boards, including BCFIRB, are signatories to both the FPAC and the Operating Agreement. At a minimum, changes to the Operating Agreement are required to execute the allocation proposal in the MOU. BCFIRB recommends, therefore, that CFC give consideration to immediately including the provincial supervisory boards in its current consultations in that regard. The implications of this issue are significant for all provinces and in our view, the supervisory signatories should be kept fully and directly advised of all developments so they can properly assess those developments on a timely and informed basis.

Questions Arising

As BCFIRB works through its appeal, supervisory and signatory processes, we anticipate these are two of the questions that may arise:

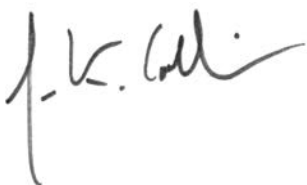
1. Whether or not there are there existing provisions and mechanisms in the FPAC (including the Operating Agreement) that could also provide for differential growth in the Canadian chicken industry?
2. What is the appropriate process for the exit from and re-entry of a province into the FPAC?

Current National and Provincial Issues

In closing, I again draw attention to [BCFIRB's letter of April 11, 2013](#) concerning "Current National and Provincial Chicken Industry Issues". BCFIRB acknowledges CFC's Strategic Plan Priorities October 2014 to December 2015. However, this board remains of the view, as expressed in the April 2013 letter, that long-term, sustainable solutions still require fundamental pricing and allocation issues be addressed by the regulated Canadian chicken industry.

CFC and other stakeholders will be advised as appropriate as BCFIRB proceeds with its processes.

Yours truly,



Jim Collins
Executive Director

cc: BC Minister of Agriculture
BC Chicken Marketing Board
Primary Poultry Processors Association of BC

National Association of Agri-food
Supervisory Agencies
BCFIRB web site