

**BRITISH COLUMBIA FARM INDUSTRY REVIEW BOARD (BCFIRB)**  
**Decision Summary**

**DATE: May 16, 2019**

**TITLE: Primary Poultry Processors Association of British Columbia and BC Chicken Growers' Association v BC Chicken Marketing Board<sup>1</sup>**

- Did the Chicken Board err in its June 27, 2018 decision to implement a new pricing formula for the live pricing of mainstream broiler chicken effective for periods A-151 to A-156?

**Decision**

- Both appeals were dismissed.
- The BC Chicken Marketing Board (Chicken Board) was directed to issue its decision regarding a long term pricing formula not later than period A-161 (February 2020).

**Findings**

- The Chicken Board's decision to adjust the preliminary pricing decision from a 100% feed and chick differential to 75% is consistent with sound marketing policy.
- The Chicken Board followed a procedurally fair process based on regulatory requirements, which is appropriate to the interim nature of the decision it was making for a pricing formula for periods A-151 through A-156 (June 2018 to May 2019).
- The development of the June 27, 2018 pricing formula was based on a procedurally sound process and should remain in place until such time as the Chicken Board establishes a new pricing formula.
- While the panel supports, in principle, a chicken pricing formula based on the Ontario price and a fixed differential, there is insufficient evidence before the panel on this appeal to establish such a formula.
- The Chicken Board's finding that the BC grower returns were sufficiently low so as to require an adjustment in the Pricing Decision was based on verifiable data and as such, was reasonable.
- The panel does not accept that the Processors demonstrated, through verifiable data from independent sources, declining competitiveness.
- The interim pricing formula for periods A-151 through A-156 (July 2018 to May 2019) is consistent with sound marketing policy.

**Points**

- Compared to other provinces, it generally costs more to grow chicken in BC due to higher feed and chick costs. There are normal business tensions between chicken growers (maximize price received) and processors (minimize price paid).
- It was common ground that the live price formula must be consistent, predictable and transparent.
- BCFIRB observed that open and ongoing communication between the Chicken Board, the Primary Poultry Processors and the Chicken Growers is essential for the success of BC's chicken industry.

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<sup>1</sup> BCFIRB appeal decisions are available online here: [Appeal Decisions](#)