

January 21, 2020

File: 44200-20 CMB

DELIVERED BY E-MAIL

Harvey Sasaki
Chair
BC Chicken Marketing Board

Jim Collins
Chair
BC Broiler Hatching Egg Commission

Blair Shier
President
Primary Poultry Processors Association of BC

Dale Krahn
President
BC Chicken Growers Association

Dear All:

AMENDED ORDER -- LONG-TERM CHICKEN PRICING FORMULA

On January 15, 2020 the BC Chicken Marketing Board (Chicken Board) reported to the BC Farm Industry Review Board (BCFIRB), the BC Chicken Growers Association (BCCGA), the Primary Poultry Processors Association of BC (PPPABC) and the BC Broiler Hatching Egg Commission (Commission) that development of a long-term pricing formula was delayed. In turn, the Chicken Board set pricing for A-161 based on an adjustment to the current interim pricing formula (also called the “bridging agreement”).

In its May 16, 2019 *PPPABC and BCCGA v BC Chicken Marketing Board* appeal decision,¹ BCFIRB made the following direction regarding the chicken pricing formula:

118. The appeals are dismissed. The Chicken Board is directed to issue its decision regarding a long-term pricing formula not later than period A-161.

In light of the Chicken Board’s January 15 letter, an amendment to BCFIRB’s appeal order needs to be made.

¹ 2019 May 16. BCFIRB. [In the Matter of the *Natural Products Marketing \(BC\) Act* and Two Appeals from a Decision Concerning Chicken Pricing.](#)

On January 17, 2020 the appeal panel requested written submissions from the BCCGA, PPPABC and the Commission on the question of extending the deadline for a long-term pricing formula to the start of A-164. Submissions were received from BCCGA and PPPABC by January 20, 2020 (closing date). The Commission submission was received on January 21, 2020.

In summary:

- BCCGA supports a deadline extension to the start of A-164;
- PPPABC does not support extending the newly proposed formula for A-161 for multiple periods until a longer-term formula can be reached, citing several reasons which, from the PPPABC's perspective, act together to weaken the competitive position of processors; and,
- BHEC has no objection to a deadline extension to the start of A-164, citing need for a longer-term formula to be reached quickly.

Given the need for timely resolution and the Price Working Group progress reported to date by the Chicken Board, the panel amends its appeal order as follows:

The Chicken Board is directed to issue its decision regarding a long-term pricing formula not later than the start of period A-163.

The panel observes parties seem to be in general agreement that a timely longer-term formula is essential for the stability of BC's chicken supply chain. The PPPABC is strongly encouraged to find a means, if it has not done so already, to ensure the Price Working Group has any competitiveness data needed to help make a strategic and effective formula recommendation.

In closing, the panel strongly encourages all parties to build on open communication between themselves and continue the productive work done to date.

Regards,



Al Sakalauskas,
Vice Chair

cc: Bill Vanderspek, Executive Director
BC Chicken Marketing Board

Stephanie Nelson, Executive Director
BC Broiler Hatching Egg Commission

BC Broiler Hatching Egg Producers Association

BCFIRB website