

IN THE MATTER OF THE NATURAL PRODUCTS MARKETING (BC) ACT

AND

IN THE MATTER OF THE PRELIMINARY HEARING OF INTERIM ORDER #310
LIVE BROILER PRICE

BETWEEN:

PRIMARY POULTRY PROCESSORS OF BRITISH COLUMBIA

APPELLANT

AND:

BRITISH COLUMBIA CHICKEN MARKETING BOARD

RESPONDENT

DECISION

APPEARANCES:

For the
British Columbia Marketing Board

Mr. Doug Kitson, Chair
Ms Karen Webster, Member
Mr. Dedar Sihota, Member
Ms Maggie Barrett, Panel Secretary

For the Appellant

Mr. Colin Pritchard, Secretary-
Manager

For the Respondent

Mr. Art Stafford, General Manager

**DATE AND PLACE OF PRELIMINARY
HEARING:**

March 20, 1997
Abbotsford, British Columbia

INTRODUCTION

1. The matter before the British Columbia Marketing Board (BCMB) concerns an appeal by the Primary Poultry Processors Association (Processors) of the British Columbia Chicken Marketing Board's (Chicken Board) Interim Order #310, dated March 13, 1997, setting the live broiler price at \$1.26 per kilogram, commencing March 16, 1997 (Period A-12). The Processors request a preliminary hearing to establish the live broiler price at \$ 1.25 per kilogram until the merits of the appeal are heard and a decision is rendered.

ISSUE

2. The issue is are there sufficient grounds to consider granting the Processor's request.

BACKGROUND

3. On February 26, 1997, the Pricing and Production Advisory Committee (PPAC) met and recommended to the Chicken Board, the live broiler price of \$ 1.25 per kilogram for Period A-12 (March 16, 1997- May 10, 1997).
4. On February 27, 1997, the Chicken Board held a meeting by Conference Call to discuss the PPAC recommendation.
5. As a result, the Chicken Board asked the PPAC to reassess their recommendation and consider a live broiler price of \$1.28 per kilogram for Period A-12.
6. The PPAC Chair polled the members of the PPAC with the result that neither processor or grower members wished to reopen negotiations for the recommended price for Period A-12.
7. On March 13, 1997, the Chicken Board met and issued Order No. #310 setting the live broiler price of \$1.26 per kilogram for Period A-12. This price was 1 cent per kilogram above the recommended price of the PPAC.
8. On March 19, 1997, the BCMB received notice of the appeal from the Processors.

DISCUSSION

9. There was general agreement between the Processors and the Chicken Board that the live boiler price of \$1.25 per kilogram be recommended to the BCMB as the interim price until the merits of the appeal are heard and a decision rendered.
10. It was indicated that the 1 cent per kilogram difference for Period A-12 was worth approximately \$220,000 to \$250,000.
11. The payment of 1 cent per kilogram into a trust fund held by the Counsel for the Processors would create accounting difficulties.
12. The Processors and the Chicken Board agreed that letters guaranteeing the difference of 1 cent per kilogram would be paid by the processors to growers if the decision rendered was against the Processors. These letters would be provided to the Chicken Board.
13. It was agreed between the parties that the starting date for the live broiler price of \$1.25 per kilogram should be March 16, 1997.

14. The BCMB was advised that the appeal by the Processors of the Chicken Board Interim Order #310 was general knowledge throughout the industry.
15. The BCMB was advised that Period A-12 was an isolated 8-week period and would have no effect on negotiations for Period A-13.
16. In response to a question from the BCMB concerning the possibility of a Processor declaring bankruptcy, Mr. Pritchard advised that each of the Processors was bonded.
17. In response to a question from the BCMB concerning the possibility of a Processor selling his business, Mr. Pritchard advised that the purchaser would automatically assume the liability.

FINDINGS

18. The BCMB finds, based on the information presented at the preliminary hearing, that there are sufficient grounds to grant the Appellant's request.

DECISION

19. The BCMB has decided that commencing March 16, 1997, the live broiler price for period A-12 (March 16 to May 10, 1997) shall be \$1.25 per kilogram. This price will remain in effect until the merits of this Appeal have been heard and a decision, retroactive to March 16, 1997, is rendered or until the end of period A-12, whichever comes first.

Dated at Victoria, British Columbia, this 26th day of March, 1997.

(Original signed by):

Doug Kitson, Chair
Karen Webster, Member
Dedar Sihota, Member