



January 15, 2020

Mr. P. Donkers, Chair
British Columbia Farm Industry Review Board
By email: peterdonkers@gmail.com

Dear Peter:

Re: May 16, 2019 Chicken Pricing Appeal Decision Update

The British Columbia Farm Industry Review Board (the “BCFIRB”) in its May 16, 2019 decision on the appeals of the Primary Poultry Processors of British Columbia (the “PPPABC”) and the British Columbia Chicken Growers Association (the “BCCGA”) found that “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. ...the panel dismisses the processors request for a further interim pricing formula established through alternate dispute resolution such as mediation, in favour of extending “the June 27, 2018 pricing formula to establish pricing for period A-160, to allow the Chicken Board to continue its work on a long term formula. The long term pricing formula must be in place for period A-161.”

The British Columbia Chicken Marketing Board (the “Chicken Board”) is writing at this time to provide BCFIRB with an update on progress towards a long-term pricing formula for period A-161. In January 2019, the Chicken Board put plans and process for a long term pricing formula in abeyance after consulting with the PPPABC and BCCGA, pending the outcome of the appeals. Between January and May 2019, the Board had assessed different approaches to establish long term pricing based on the potential range of outcomes of the appeal.

Following the receipt of the appeal decision and directions from BCFIRB, the Board made a decision to establish a Pricing Working Group (the “PWG”) consisting of the Chicken Board’s Pricing and Production Advisory Committee (the “PPAC”) PPPABC and BCCGA representatives, the PPAC Chair and a third-party facilitator. Terms of reference (attached) for the PWG were established and agreed to by the parties. The purpose of the PWG is to provide a forum whereby the growers and processors are able to objectively and collectively research, examine and analyze the policy objectives of a live price formula for BC chicken and meet and work to develop and attempt to recommend a long term agreement for the pricing of live mainstream chicken (regular broilers) in the province of British Columbia to the PPAC.



The PWG held its initial meeting on July 10, 2019 and subsequently met 7 times. The PWG acknowledged the direction for a long term pricing formula to be in place for period A-161 and have been working diligently to achieve the deadline.

The PWG has made progress but is not yet in a position to make a recommendation on a long term pricing formula and have scheduled 3 further meetings to enable a recommendation in time for consideration for period A-162. At its most recent meeting on January 7, 2020, the PWG made a recommendation to the PPAC for an adjustment to the current interim pricing formula to take effect for period A-161 as a bridge to a long term agreement that the PWG was still working to finalize.

The Chicken Board PPAC met on January 10, 2020 to consider the recommendation and have in turn recommended that the Chicken Board adopt the proposed adjustment to the interim pricing formula. The Chicken Board has referred the PPAC recommendation to the British Columbia Broiler Hatching Egg Commission (the “Commission”) for review and comment. The Chicken Board will set the live price for period A-161 on Friday, January 17, 2020 applying the recommended changes to the interim pricing formula.

The PWG continues to be a work in progress towards a long term pricing formula and until it has completed its work with a recommendation to the PPAC, the amended interim pricing formula will remain in place. It is likely that the adoption of a long term pricing formula may not be in place for period A-162 as the Chicken Board will need to complete its full assessment and consultation regarding any proposed recommendation from the PWG and provide stakeholders sufficient time to assess and comment on any proposed recommendation.

Per your request on our call of January 15, 2020, the Board did not anticipate the need to request BCFIRB to modify its direction to the Board regarding timeline for having in place a long term pricing formula. We are of the view that the Board is meeting the spirit and intent of the BCFIRB Order that “The Chicken Board is directed to issue its decision regarding a long term pricing formula not later than period A-161”. As previously stated the key industry stakeholders are fully engaged in the process and were the sponsors of the bridging agreement. In the Board’s view, the risk of appeal of the period A-161 mainstream pricing decision is minimal to nil.

We do not believe it necessary for the Board to seek legal advice at this time on the matter. The Board contends that it is up to BCFIRB to determine the extent to which, if at all, the Board is in breach of the BCFIRB direction with the actions it is taking with respect to setting the mainstream live price for period A-161.



The Chicken Board is working to achieve the direction of BCFIRB as outlined in the May 16, 2019 decision. Pricing is a complex issue as acknowledged by BCFIRB and securing the support of the key stakeholders is critical to the success of a long term pricing formula. The process that the Board has adopted is in keeping with the BCFIRB direction.

Unless otherwise advised by noon, January 19, 2020, the Board will proceed with the proposed bridging agreement on pricing for period A-161.

Yours truly,

Harvey Sasaki
Chair

c.c. Kirsten Pedersen, BCFIRB
Jim Collins, BCBHEC
Dale Krahn, BCCGA
Blair Shier, PPPABC

