



BC Chicken Growers'
ASSOCIATION

June 9, 2020

BY EMAIL

Wanda Gorsuch
Manager, Issues and Planning
BC Farm Industry Review Board (BCFIRB)

Dear Wanda:

Chicken Sector Supervisory Review

Thank you for your email dated June 3, 2020. The BC Chicken Growers' Association (BCCGA) greatly appreciated the opportunity to meet with the BCFIRB Supervisory Panel on May 28, 2020. Attached is the draft May 28 Meeting Summary with one comment for a wording change to: "The BCCGA supports a COP based pricing model if both the hatching egg producers and the chicken growers move to a COP based pricing model. These must go hand in hand."

Below are the BCCGA's initial responses to the pricing consideration, views on what role the BCFIRB should take in resolving the chicken sector pricing and other matters of relevance. The BCCGA will provide more details in the following response to the Interim Pricing Submissions and Schedule that is due on June 19, 2020.

During the COVID-19 market conditions, the BCCGA requests that the current pricing formula remain functional. Additionally, we ask that the BC Broiler Hatching Egg Commission's linkage changes be immediately rescinded. This will bring BC chicken growers closer to their recovery costs.

In the longer term, the BCCGA supports a COP based pricing model if both the hatching egg producers and chicken growers move simultaneously to a COP based pricing model. A transparent COP would resolve issues with the manipulation of wholesale pricing that is based on a margin sharing type formula. The BCCGA would consider wholesale margins being used as a component of fixing a live price if processors provide independently verified data on a regular basis. However, based on historical practices, we have little faith that processors will be forthcoming with such data.

October of 2020 is a reasonable timeline for the BC Chicken Marketing Board (BCCMB) to determine the long-term pricing formula. If determined, the long-term pricing formula may need adjustment with the outcome of the Linkage Supervisory Review. If the BCCMB does not determine the long-term price, the BCCGA supports the Supervisory Review on the linkage to include the long-term pricing model, on the understanding that the BCCGA is granted standing to fully participate in the review.

Wanda Gorsuch

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The BCCGA would like the BCCMB board composition to be changed from the current appointee system to a grower elected board with an appointed Chair. This is the predominant model we see within other supply managed commodities in BC and across the country. The current composition of the Board and continued delay in making decisions have, respectfully, contributed to pricing tensions.

The BCCGA wants an implemented change to catching charges that have been discussed through all the Western provinces. This is that the processors pay for catching instead of the growers paying first and then adding that amount to the live price, artificially inflating the live price. This would follow the Ontario model where Processors pay for catching costs.

The BCCGA wants the transfer of ownership (FOB) to be clarified by defining when this happens. Chicken catchers are the agent of the processor as the grower cannot select their own catching crews. The chicken growers and processors need to be equally responsible for animal welfare.

Thank you for your attention to this matter.

Sincerely,



Dale Krahn
President
BC Chicken Growers' Association

Enc.

cc. Kirsten Pederson, Executive Director, BCFIRB