



BC Farm Industry Review Board

July 8, 2021

File: 44200-60\BHEC CMB

Delivered by email

Blair Shier
President
Primary Poultry Processors' Association of British Columbia

Dear Mr. Shier:

INDUSTRY STABILITY AND CURRENT PRICING STRUCTURES

On July 6, 2021, a BC Farm Industry Review Board (BCFIRB) appeal panel deferred a June 24, 2021 appeal from the Primary Poultry Processors' Association of BC (PPPABC), pending the current Chicken Sector Pricing supervisory review.

In its July 2, 2021 submission to the appeal panel, the PPPABC stated its two appeals¹ "...raise significant concerns about the stability of current pricing structures in the British Columbia chicken sector."

The BCFIRB Chicken Sector Pricing Review supervisory panel had issued an Interim Order on July 3, 2020² with respect to chicken sector pricing. The goal was to ensure industry stability and orderly marketing while longer-term pricing solution discussions were underway. The panel ordered that:

44. The Chicken Board and the Commission are directed not to change any aspect of the current pricing structures as defined in this decision, unless by the way of BCFIRB prior approval or until such time as BCFIRB determines otherwise.
45. The Commission and the Chicken Board are directed not to exit the price linkage agreement without BCFIRB prior approval.

The panel finds it is sound marketing policy to review its Interim Order given: the passage of time; a long-term pricing outcome will not be reached until fall 2021; the changes to the Ontario Cost of Production Formula; and the PPPABC concerns about the stability of current pricing structures.

¹ Appeal 1: Filed May 7, 2021, deferred on May 18, 2021 pending the current supervisory process;

Appeal 2: Filed June 24, 2021, deferred on July 6, 2021 pending the current supervisory process

² 2020 Jul 3. BCFIRB. In the Matter of the Natural Products Marketing (BC) Act and Interim Pricing in the BC Chicken Sector.

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PPPABC is invited to make a submission on the following:

1. Are one or more of the current pricing structures resulting in industry instability?

If yes, please provide a SAFETI³-based rationale that clearly demonstrates how one or more of the current pricing structures are resulting in industry instability. This rationale must include a definition of industry instability together with measurable or substantiated objective evidence and/or data on how this instability is being experienced by the processors.

As orderly marketing in the BC chicken sector depends on all supply chain members, the BC Chicken Growers' Association, BC Hatching Egg Producers' Association, and BC Egg Hatchery Association are also invited to make their own submissions.

Please send submissions to Kirsten.Pedersen@gov.bc.ca, copied to the BC Hatching Egg Commission and the BC Chicken Marketing Board by 4:30pm on July 15, 2021.

The BC Chicken Marketing Board and the BC Broiler Hatching Egg Commission will be given the opportunity to respond to any submissions received by BCFIRB.

Parties are responsible in the first instance for informing BCFIRB if, in their view, the information they are providing is confidential. The panel will assess the information and reasons for confidentiality before determining if or how the information should be disclosed.

Regards,



Kirsten Pedersen
Executive Director

cc: Harvey Sasaki
Chair
BC Chicken Marketing Board

Jim Collins
Chair
BC Broiler Hatching Egg Commission

cc's con't

³ Strategic Accountable Fair Effective Transparent Inclusive

Bill Vanderspek
Executive Director and Pricing Liaison
BC Chicken Marketing Board

Stephanie Nelson
Executive Director and Pricing Liaison
BC Broiler Hatching Egg Commission

Craig Evans
Executive Director and Pricing Liaison
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Jennifer Curtis
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BC Chicken Growers' Association

Art Deruiter
Executive Director and Pricing Liaison
BC Broiler Hatching Egg Producers' Association

Ernie Silveri
President and Pricing Liaison
BC Egg Hatchery Association

Wendy Holm
BCFIRB Pricing Liaison

BCFIRB web site