



January 26, 2022

Ms. Wendy Holm  
Chicken Pricing Review Liaison  
BC Farm Industry Review Board

Dear Wendy:

**Re: January 28, 2022 Final Stakeholder Round Table**

The Primary Poultry Processors Association of BC (PPPABC) writes, in advance of the Long Term B.C. Chicken Pricing Review – Final Stakeholder Round Table meeting scheduled for January 28, 2022, to reiterate our key concerns with the process followed to date by the British Columbia Chicken Marketing Board (BCCMB) in reaching its Pricing Review Decision (the Decision) and to highlight how the final Stakeholder Round Table meeting may be impacted as a result of this process.

On numerous occasions, we have expressed our concerns, both to the BCCMB and the British Columbia Farm Industry Review Board (BCFIRB), with the process followed in reaching the Decision. In correspondence to the BCCMB and the British Columbia Broiler Hatching Egg Commission (BCBHEC) dated January 14, 2022, BCFIRB also expressed concerns regarding the process followed to date. In particular, BCFIRB notes that “the draft Chicken Marketing Board Pricing Review Decision fails to fulfill the goals and outcomes in the October 2020 Review Terms of Reference developed and agreed to by both parties.” It is not clear to us how the BCCMB proposes to address the concerns we and BCFIRB have raised, in addition to the following concerns:

- As stated by BCFIRB in its January 14, 2022 letter, “...the draft Chicken Marketing Board Pricing Review Decision... does not contain a long-term pricing approach for broiler chicken, beyond an aspirational concept...” Without a substantive long-term pricing formula proposal having been put forward, we fail to understand what will be discussed at the Round Table meeting.
- The Decision has not concluded on the core issues of defining and quantifying “what is a reasonable return for growers” and “what levels of prices allows BC Processors to be competitive”, issues that we have been repeatedly bringing to the BCCMB’s attention throughout the entire review process. It is unreasonable to be expected to enter live price formula discussions in front of the entire industry, when the parameters upon which to build the formula have not been defined and the BCCMB has a pre-determined outcome.
- The PPPABC is gravely concerned that the extensive information it provided was not objectively and thoroughly considered and adjudicated by the Board. As importantly, no discussions have taken place in attempt to bridge gaps where they exist. In the previous pricing review, Processors were criticized for not providing enough information. In response, Processors went to great lengths to provide 3<sup>rd</sup> party industry specific information. Unfortunately the BCCMB chose an outcome (cost-based formula) and then sought information to support that position. In doing so, they have discarded significant portions of information provided by Processors and reached erroneous conclusions on other parts of the information to support their desired outcome. Had the BCCMB entered into discussions to understand the information submitted by the Processors, as was requested numerous times by the Processors, this information could have been objectively reviewed, and appropriate and objective, conclusions reached. It is discouraging for Processors to be expected to enter into

live price formula discussions when the information they provided has not been objectively reviewed and BCCMB conclusions based on the information are, in some case, erroneous.

As stated by BCFIRB in its January 14, 2022 letter, "The panel expects the Chicken Board to critically evaluate its long-term pricing formula development process to date and clearly reflect in its final submission how any process deficiencies will be remedied to enable it to reach a long-term pricing formula." The PPPABC supports this position. By not addressing these process issues the BCCMB is affirming that they are satisfied to pursue a pricing formula that fails to meet the original Terms of Reference.

It has also come to the attention of the PPPABC, that the upcoming Stakeholder Round Table is open to all growers and that the BC Chicken Growers Association has been encouraging growers to attend. This would be laudable if we were presenting the results of the supervisory review and the pricing formula, however given many attendees are not likely to understand the details or be aware of the background discussions it is more likely to create misinformation in the industry. The approach also puts processors in a difficult position: the growers are suppliers to the processors, the issues being discussed are significant, and have the potential to severely impact processor grower relationships. Widespread grower attendance is likely to constraint what members of the PPPABC will be prepared to discuss.

The PPPABC has been an active participant in the supervisory process for over two years and have provided more analysis and input than other participants. It is also well known that we have had concerns with the BCCMB's process, and we have identified these throughout the process. In spite of this, we have remained actively engaged given the necessity to have a BC live price that will allow BC Processors to be competitive within the Canadian market. We firmly believe that the Stakeholder Round Table would be better served after the process concerns brought forward by the PPPABC and now the BCFIRB have been adequately addressed.

Sincerely,

A handwritten signature in black ink, appearing to read 'B Shier', written in a cursive style.

Blair Shier  
President  
Primary Poultry Processors Association of BC

c. Mr. Harvey Sasaki – BCCMB  
Mr. Jim Collins – BCBHEC