



March 15, 2022

Peter Donkers
Chair
British Columbia Farm Industry Review Board

Dear Peter:

Re: BC Chicken Marketing Board Interim Pricing Formula A-175 Prior Approval

The BC Chicken Marketing Board (the “Chicken Board”) appreciates the timely prior-approval of the proposed amendment to the mainstream pricing formula to take effect in quota period A-175. The Chicken Board engaged in discussions with stakeholders with respect to our interpretation of the “after adjustment for the cumulative increase or decrease in Ontario grower margins arising from changes to the Ontario Cost of Production formula (COPF) starting in A-175” using the example provided in the Prior Approval Decision prior to finalizing the mainstream live price for quota period A-175. The Chicken Board has also extended an invitation to stakeholders to convene a meeting of the Pricing and Production Advisory Committee (the “PPAC”) to walk through the formula and calculations.

The Decision in paragraph 35 states “the Panel finds the Chicken Board has not adequately accounted for the impact on the BC live price due to the anticipated Ontario margin increase in A-175”. Despite the Primary Poultry Processors Association of British Columbia position that the changes in the Ontario Farm Gate Minimum Live Price formula should be “shared” or in the current situation “growers will have realized over 10 cents of margin improvement by A-175 through changes in the ONCOPF”, the Board is concerned that there is a basic misunderstanding and misrepresentation of the Ontario Producer Margin. There is no direct correlation between the Ontario Farm Gate Minimum Live Price Producer Margin and BC grower margin (BC live price minus (feed + chick + catching costs)). The Chicken Board regrets that this was not clearly addressed in its submission. The Chicken Board will provide a follow-up submission regarding this matter with the intent of having this “condition” of the pricing formula amendment rescinded for quota period A-176. As per the submission for quota period A-175, the Chicken Board will provide the follow-up submission to the PPAC for review and comment prior to forwarding the BCFIRB.

Yours truly,

Chair