



November 10, 2022

Primary Poultry Processors Association of BC
Mr. Blair Shier
BY EMAIL: bshier@jdsweid.com

RE: Re-Invitation to participate in the Cost Recovery Model Committee Process

Dear Mr. Shier,

The British Columbia Chicken Marketing Board (the “Chicken Board”) is in receipt of the November 1, 2022 decision from the BC FIRB on the Chicken Board Long Term Formula Development Plan. We trust that the PPPABC has received and done an initial review of BC FIRB’s decision.

As per BC FIRB’s decision that “The Panel is not prepared to direct the Chicken Board to re-examine its pricing approach” (para 34) the Chicken Board is continuing with the process outlined to achieve a Grower Cost Recovery Model for the pricing of BC Chicken. The BC FIRB decision also indicates “The CRMC is tasked with “providing input, feedback and recommendations to the [Chicken] Board on benchmarks that measures processor competitiveness (i.e. market share) and measures reasonable return to growers (i.e. an efficient grower defined as an average or median farm). The Panel expects the Chicken Board to direct the CRMC to proceed immediately with this assigned task” (para 40).

In carrying out the direction provided in the BC FIRB November 1, 2022 Decision, the Chicken Board is again extending an invitation to the PPPABC, as well as non-PPPABC processors, to engage in the formula development process through the Cost Recovery Model Committee (CRMC) meetings going forward. As stated in the BC FIRB decision, “The Panel once again encourages the PPPABC to fully participate to ensure its interests are included in the CRMC recommendations to the Chicken Board. The Chicken Board, and in turn, BCFIRB will be unable to fully and properly consider processor interests in the absence of PPPABC input” (para 41).

Irrespective of PPPABC’s stated opposition to the process, the Chicken Board is moving forward with the formula development process, and request processors to engage in the CRMC as a full participant as opposed to the current observer role. The next scheduled CRMC meeting is on November 17th at 1:00 PM at the Chicken Board office. Should PPPABC accept the invitation, please provide up to 3 names to fill the processor positions on the CRMC by November 16th. As a matter of transparency, the Chicken Board will also share this letter and inquire with non-PPPABC members to re-evaluate their decision to participate in the CRMC.

The Chicken Board appreciates and values the input that our processing industry can provide to this process and abstaining from the committee removes your opportunity for input and consultation.

As part of the November 1, 2022 BC FIRB Decision, the Chicken Board is instructed to further discuss the definition of processor competitiveness. Subsequently, it is our understanding the PPPABC does not align with the roundtable summary definition around “maintaining or enhancing market share”. BC processors have an opportunity to provide a definition, or input towards a definition, through the CRMC. However, the Chicken Board maintains that a “fixed differential over Ontario pricing” is not the sole



measure of processor competitiveness. This position is supported by the BC FIRB decision where they have determined “Re-development and examination of pricing options is not effective, strategic nor accountable” (Nov. 1 BC FIRB decision, para. 34).

We hope that the BC FIRB decision of November 1, 2022 helps illustrate the path forward and that processors will reconsider their decision to not participate in the CRMC. We look forward to a healthy and constructive dialogue moving forward.

BRITISH COLUMBIA CHICKEN MARKETING BOARD

Harvey Sasaki
Chair

Cc: Wendy Holm

