



August 10, 2023

To: Industry Stakeholders

## **August 10, 2023 UPDATE ON LONG TERM CHICKEN SECTOR PRICING**

The British Columbia Chicken Marketing Board (BCCMB) continues to be governed by the joint BCCMB/British Columbia Broiler Hatching Egg Commission (BCBHEC) Long Term Chicken Sector Pricing Review Process Terms of Reference (Joint TOR) issued on October 28, 2020, with the approval of the BC Farm Industry Review Board (BCFIRB).

The Joint TOR require the BCCMB and the BCBHEC to fulfill the following Goals/Outcomes:

- *A long-term pricing approach for regulated products in the mainstream chicken and broiler hatching egg sectors in BC, including a decision on the appropriateness of a price linkage agreement between the two sectors that address the policy objectives of:*
  - *Verified COP/reasonable returns-based pricing mechanisms for BC hatching egg producers and chicken growers.*
  - *BC chicken processors being competitive in the Canadian market for chicken.*
  - *BC hatcheries receiving a “reasonable” margin for hatching services.*
- *The confirmation of a breeder chick pricing formula.*
- *The confirmation of a breeder vaccination program pricing formula for hatcheries.*

### **Update on the Joint Working Group (JWG) Meetings**

The Board will continue working with the JWG to examine the information the JWG requires to provide feedback to the Board. The JWG met again on August 2<sup>nd</sup> for a full day meeting and will meet again on August 29<sup>th</sup> prior to the Board entering a consultation phase with all industry stakeholders. JWG members have been asked to put forward in writing their positions and recommendations to the rest of the JWG, one week prior to the August 29<sup>th</sup> meeting. The Board will seek at this meeting recommendations and consensus between the JWG members that could go forward to the Board.

### **Board Deliberations**

The Board scheduled Board meetings on July 10<sup>th</sup>, 11<sup>th</sup> and 27<sup>th</sup>. The focus for the Board in July was to take what the Board heard in the JWG so far and draft a preliminary framework on a BC COP based live price formula, recognizing the ongoing process of the JWG. The Board met with the BCBHEC on August 1 to discuss the current status of discussions around the COP based live price, and to discuss the relationship between the two pricing formulas. The Board provided to the JWG on August 2<sup>nd</sup> a presentation on ‘what we’ve heard’ so far and directionally where the



board is leaning. However, it was noted in both meetings that further recommendations from JWG are still forthcoming, as well as broader industry consultation afterwards.

### **Updated Timeline**

Work of the JWG has been extended from the original timeline. The Board remains flexible in our timeline to ensure the process and execution is done correctly while also understanding all stakeholders are seeking resolution to long-term pricing of chicken in BC. Our updated timeline is the expectation that the current phase of JWG deliberations will wrap up by the end of August prior to the Board consulting with the broader industry in early September. A final decision would then be planned for submission to the BC FIRB in October following further consultation with the JWG.

We remain encouraged by recent discussions and look forward to a conclusion and stable and sustainable pricing framework in the BC chicken industry. Stakeholders can expect to have the opportunity for feedback in early to mid-September.

Yours truly,

Kevin Klippenstein  
Chair  
BC Chicken Marketing Board