



BC Farm Industry Review Board

March 4, 2024

File: 44200-60\BHEC CMB

DELIVERED BY EMAIL

Kevin Klippenstein
Chair
BC Chicken Marketing Board

Blair Shier
President
Primary Poultry Processors Association of BC

Dale Krahn
President
BC Chicken Growers Association

John Franck
President
BC Egg Hatchery Association

Angela Groothof
President
BC Broiler Hatching Egg Producers
Association

Bill Vanderspek
Chair
BC Broiler Hatching Egg Commission

Dear All:

RE: **BC CHICKEN MARKETING BOARD LONG-TERM CHICKEN PRICING RECOMMENDATION**

Pursuant to section 7.1 of the *Natural Products Marketing (BC) Act (NPMA)*, the BC Farm Industry Review Board (BCFIRB) is undertaking a supervisory process to determine whether to approve the BC Chicken Marketing Board's (Chicken Board) October 30, 2023 recommendation on long-term chicken pricing (Recommendation).

By letter dated [November 23, 2023](#) (November Process Letter), the BCFIRB supervisory review panel (Panel) established process steps for the Panel's evaluation of the Recommendation, which included:

- Phase 1: Panel meeting with the Chicken Board on the Recommendation
- Phase 2: Written Submissions from Participants to Panel
- Phase 3: Chicken Board Reply to Written Submissions
- Phase 4: BCFIRB Panel Decision

Phase 1 was completed on November 27, 2023, when the Panel met with the Chicken Board to discuss the Recommendation.

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Phase 2 was paused in December 2023 when the Primary Poultry Processors Association of BC (PPPABC) applied for a non-disclosure order for certain information as part of their submission to BCFIRB. The Panel sought submissions from eligible participants as identified in the November Process Letter, and confirmed that Phase 2 deadlines for written submissions would need to be revised once the Panel made its decision on the application.

After reviewing the submissions received from the PPPABC, Chicken Board and BC Chicken Growers Association, the Panel issued its decision dated [January 18, 2024](#) which confirmed as follows:

- That certain customer and operations information identified in the application potentially raised confidentiality concerns due to their proprietary nature,
- That information that was available prior to the Recommendation (and not disclosed to the Chicken Board) should not be considered in this supervisory process,
- That information arising since the Recommendation should be first provided to the Chicken Board as the first instance regulator, in order for it to consider whether that information would have any impact on its Recommendation, and
- That the Chicken Board and PPPABC should determine a mutually agreeable mechanism by which PPPABC could deliver confidential information on processor competitiveness to the Chicken Board while protecting the confidentiality of any proprietary information, and
- That in the absence of an agreement being reached, the Panel would convene a supervisory review management conference to hear submissions and issue directions.

The Panel held a supervisory review management conference call on January 31, 2024, at which the parties confirmed that an agreement to manage confidentiality had been reached between the Chicken Board and the PPPABC. The Chicken Board also confirmed that once it reviewed the information shared by PPPABC, it would provide a supplemental submission on the impact of the confidential documents on the Recommendation. This agreement is confirmed in the Panel's letter of [February 2, 2024](#).

On February 14, 2024, the Panel received the [Chicken Board's supplemental submission](#), which concluded that the PPPABC information provided to the Chicken Board did not provide a basis for the Chicken Board to amend its Recommendation.

Resumption of Phase 2 – Written Submissions

As the non-disclosure order has now been addressed, the Panel is resuming Phase 2 and is once again inviting written submissions on the specific questions included in the Panel's November Process Letter to eligible participants and reiterated below under 'Submissions to Panel'.

Any response the PPPABC or any other participant has on the Chicken Board's supplemental submission should be addressed within the context of the questions previously outlined and set out below.

Eligible Participants – Submission Process

The Panel acknowledges that BCFIRB has been copied on further communications and press releases from organizations representing processor customers which allege detrimental impacts related to the proposed Recommendation and lack of transparency in the Chicken Board and/or BCFIRB process. The November Process Letter at page 4 expressly responded to these concerns as follows:

- In the absence of proper context, it will be difficult for the Review Panel to address individual letters which predict or express concern about potential negative outcomes should the long-term pricing recommendation be accepted.
- The **submissions of the respective associations**, as listed under “Eligible Participants” ... are in **the best position to solicit, evaluate and present ... information in a proper context** so that the Review Panel can consider the potential impact of the Chicken Board's Recommendation on the business and competitiveness of the industry as a whole.
- In the specific case of processor customers or organizations representing those customers, their views should be forwarded to the PPPABC to form part of their submission.

The Panel remains of the view that the appropriate way to receive feedback from these customers and organizations is through the PPPABC as impacts should form part of PPPABC's responses to the questions posed in this review process.

More broadly, the Panel's expectation is that **all 'eligible participants' in the submission process** should receive input from individual growers, members, or customers as it is the respective association that is in the best position to evaluate and present this information within the appropriate context to respond to the Panel's questions in their written submissions.

The November Process Letter asked for responses to the following questions:

Questions to be Addressed through Submissions to Panel

All Participants identified below

1. What, if any, concerns should BCFIRB be aware of with regards to the process followed by the Chicken Board in developing the long-term pricing recommendation?
2. Are there any outstanding sound marketing policy concerns with the Chicken Board's long-term pricing recommendation BCFIRB should be aware of? If yes, provide a rationale for those concerns.

Primary Poultry Processors Association of British Columbia

3. What are the anticipated impacts of the long-term pricing recommendation on processors' gross margins in British Columbia? Any submission needs to be supported with examples of impacts on customers and/or contracts with customers and other verifiable data.
4. What are the anticipated impacts of the long-term pricing recommendation on processor competitiveness in British Columbia over the next five years? Any submission needs to be supported with examples of impacts on customers and/or contracts with customers and other verifiable data.

British Columbia Chicken Growers' Association

5. What are the anticipated impacts of the long-term pricing recommendation on producer's gross margins in British Columbia? Any submission needs to be supported with examples and/or verifiable data.
6. What are the anticipated impacts of the long-term pricing recommendation on reasonable returns to growers in British Columbia over the next five years? Any submission needs to be supported with examples and/or verifiable data.

The Panel confirms that as it proceeds with its deliberations, more questions may arise which will be addressed through a similar submission process.

Revised Submission Schedule

Submissions must conform to the requirements set out in the November Process Letter and must be sent by email to firb@gov.bc.ca and be received **no later than 4pm PST on March 18, 2024**.

Please be advised that all written submissions will be posted to the BCFIRB website unless they are subject to a non-disclosure order.

Next Steps

As previously conveyed, the Panel will undertake additional steps as part of the Supervisory Review process including but not necessarily limited to previously communicated phases 3 and 4:

Phase 3: Chicken Board Reply to Submissions

The Chicken Board will have an opportunity to respond to the submissions received from eligible participants by no later than **4pm PST on April 1, 2024**.

Phase 4: BCFIRB Panel Decision

After reviewing written submissions and the Chicken Board's reply to submissions, the Panel will determine whether further process steps are required to support the Panel in making its decision on the Recommendation. Once those steps are concluded, the Panel will issue its decision.

Conclusion

The Panel notes that a timely process is in the best interests of the sector as a whole and has established timelines to assist with this.

If you have any questions or require further clarification on the written submission process established by the Panel, please contact Martha Anslow, BCFIRB Executive Director by email at Martha.Anslow@gov.bc.ca.

Regards,

A handwritten signature in black ink, appearing to read "Peter Donkers". The signature is written in a cursive style with a large, sweeping initial "P".

Peter Donkers Chair
BC Farm Industry Review Board

cc: Woody Siemens, Executive Director, BC Chicken Marketing Board
Craig Evans, Executive Director, Primary Poultry Processors' Association of BC
Stephanie Nelson, Executive Director, BC Broiler Hatching Egg Commission
BC Chicken Growers' Association
Ernie Silveri, Executive Director, BC Egg Hatchery Association
BCFIRB website
Olivia Mattan, BCFIRB Senior Manager