



Memo

To: BC Chicken Growers & Industry

From: BCCMB

Date: April 11, 2025

Re: Revised Temporary changes to Under and Over marketing sleeves for A-194 through A-196

The Board acknowledges the tightness of the current chick supply caused by the 2024 HPAI outbreak and limited imports of eggs and chicks. The duration of this shortage is uncertain, and we are actively working with industry stakeholders to find solutions. The BCBHEC continues to adjust hatchery allocations based on domestic egg availability. We recognize the strain this places on chicken growers and the broader industry.

However, no compensation is available for losses due to chick shortages, if they are to occur. To provide some relief, the Board has temporarily increased the under-marketing carryforward adjustment from 6% to 10% for period A-194, A-195, and A-196. Previously, this adjustment only impacted A-195.

Additionally, overmarketing levies have been eased to help meet market demand for A-195 and A-196 exclusively (*not for A-194*).

Growers are expected to collaborate with hatcheries and processors, who are also facing a tight supply without compensation.

Period A-194 Amendment

To support growers in meeting their allotments, the Board has approved the following temporary amendments to the BCCMB General Orders for A-194. Effective for quota period A-194, beginning February 9th, the Board has adjusted under-marketing allowances as follows:

Under Marketing:

Section 26.2 will be temporarily amended for A-194 to increase the under-marketing sleeve from 6% to 10%, in the sixth quota production period following that which the under marketing occurred.

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Period A-195 & A-196 Amendment

To support growers in meeting their allotments, the Board has approved the following temporary amendments to the BCCMB General Orders for A-195 & A-196. Effective for quota period A-195, beginning April 6th, the Board has adjusted under- **and** over-marketing allowances as follows:

Under Marketing:

Section 26.2 will be temporarily amended for A-195 & A-196 to increase the under-marketing sleeve from 6% to 10%, in the sixth quota production period following that which the under marketing occurred.

Over Marketing:

The Board will implement a temporary suspension of section 27.2 and 27.6 of the General Orders for A-195 & A-196.

- Growers that produce up to 102% of their periodic allotment will not have their allotment reduced 6 periods later. Over marketing adjustments will be made on all production beyond 102%.
- Monetary over marketing levies between 106% and 109.9% will be suspended. Marketing's above 109.9% will attract levies at the rate of \$0.66 per kilogram live weight.

Further Information

While this may be a challenging message to deliver, the Board feels it's important to keep growers informed about the temporary policy regarding the under-marketing sleeve. The core issue facing the industry is the loss of opportunity due to chick shortages. Since demand and quota are fixed each period, lost production provincially cannot simply be made up later.

Although increasing the under-marketing sleeve might seem helpful to growers and ease pressure on hatcheries, the benefits may be overstated:

- A grower's ability to carry over production depends heavily on available barn space beyond their current quota and prorated allocation.
- Since the sleeve is carried forward six cycles, there's no certainty that sufficient chick supply will be available during that cycle.
- Carryforwards amounts are not an increase in overall provincial production. It's drawn from the future period's allocation—if all growers carry forward, effectively none do. The same issue arises if shortages are widespread and carryforward was spread across multiple periods.
- The under-marketing sleeve offers limited support to processors, hatcheries, or the public's chicken supply.

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The under-marketing sleeve is not designed to address an industry-wide shortage. It offers limited support and only in cases where some growers are affected while others are not. The core issue remains the chick shortage itself, which results in lost production and sales across the entire value chain—growers, hatcheries, and processors. As a province, this lost production cannot be recovered in future periods.

These temporary measures will be reviewed on a period-by-period basis as we continue to evaluate the market conditions.

<https://bcchicken.sharepoint.com/sites/CompanyShare/Shared Documents/EXECUTIVE/Woody/Industry Updates/2025/Temp Changes to Under and Over marketing Sleeves A-195 - Copy.docx>

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