



May 4, 2023

To: Industry Stakeholders

## **APRIL 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).**

The Board hosted a successful JWG meeting on April 18<sup>th</sup>, 2023, which was well attended by stakeholders. The purpose of this first meeting of the JWG was to confirm and reach agreement on the Terms of Reference (attached), as well as reach key agreements on the framework moving forward. The Board was encouraged to see the committee agree on a number of statements, as well as schedule weekly meetings starting May 1<sup>st</sup> to June 13<sup>th</sup>.

The JWG also met on May 1<sup>st</sup>, alongside Serecon for a “COP 101” presentation. Serecon led the committee through the Broiler COP key elements, including an overview of the process used in sampling, operating costs, labour, capital costs, and weighting averages for the province, as well as the key findings, key factors affecting price, and BC broiler demographics.

### **Meeting Updates**

As stated above, the JWG has committed to weekly meetings starting in May, until the deadline set in the JWG terms of Reference of June 15, 2023. The meetings will be followed by a meeting



of the Board, in order to make decisions or provide swift feedback to the committee. The meetings are scheduled as follows:

- First JWG (and BCCMB) meeting on April 18, 2023
- May 1, 2023 – “COP 101 with Serecon”
- May 10, 2023
- May 17, 2023
- May 24, 2023
- May 30, 2023
- June 6, 2023
- June 13, 2023

Given the current timeline, the BCCMB is prepared to support the JWG in terms of meetings, resources and other assistance as needed over the next two months.

**Data Collection and additional third-party review**

Serecon completed its data collection and initial review with the formerly named CRMC. Further review will take place with the JWG which began on May 1<sup>st</sup>. The Board is now in receipt of the additional 3<sup>rd</sup> party review done by MNP, and this will be the focus of the May 10<sup>th</sup> JWG meeting, along with a rebuttal and explanation from Serecon.

The Board remains in its goal to submit a final long-term pricing decision to the BCFIRB by June 30, 2023. We remain encouraged by recent discussions and look forward to a rigorous but fruitful next two months.

Yours truly,

Kevin Klippenstein  
Chair  
BC Chicken Marketing Board