



British Columbia Chicken Marketing Board Update for May 2010

1. BCCMB Financial Statements and Strategic Plan.

The BCCMB is hosting an industry meeting that will be held at the Ramada Inn in Abbotsford on May 12, 2010 beginning at 7:00 PM.

The agenda for the meeting will be as follows:

- Presentation of the BCCMB 2009 financial statements. Representatives of the Board's auditing firm Myers, Norris, Penny LLP will be present to answer questions.
- Presentation of the BCCMB 2010 operating budget.
- Dr. Neil Ambrose of Sunrise Farms will provide an update on the issue of third party animal welfare plant and farm audits.
- Ron Kilmury, BCCMB Chair and Chair of the Risk Management Steering Committee will provide an update of the committee's activities.
- Presentation of the BCCMB 2009 Strategic Plan.

An information package containing further information including copies of the 2009 BCCMB Annual Report and the 2009 BCCMB Strategic Plan were mailed to industry on April 23, 2010.

Refreshments will be provided. Please make every attempt to attend this important meeting.

BRITISH COLUMBIA CHICKEN MARKETING BOARD

101-32450 Simon Avenue, Abbotsford, BC V2T 4J2 Phone: 604-859-2868 Fax: 604-859-2811 www.bcchicken.ca

2. A-96 Production Statistics.

Primary Growers	A-96			
	# Growers	% of Total Growers	Kgs Over/(Under)	% Of Allocation
Growers Receiving Allotment	271			
Growers over 110% of allotment	17	6.27%	186,402	4.88%
Growers over 106% of allotment	67	24.72%	621,582	23.56%
Growers between 100% and 105.9% of allotment	131	48.34%	448,569	51.53%
Growers between 94% and 99.9% of allotment	57	21.03%	(154,821)	21.70%
Growers between 90% and 93.9% of allotment	7	2.58%	(37,769)	1.71%
Growers below 90% of allotment	9	3.32%	(60,661)	1.49%
Growers below 94% of allotment	16	5.90%	(98,431)	3.20%
Column Totals	271	100%		100%
BC Utilization	102.28%			

Average Live Weight Primary Growers	A-96			
	# Growers	% of Total Growers	# Kgs Produced	% Of Production
Growers Receiving Allotment	271			
1.600 kg and below	0	0.00%	-	0.00%
1.601 – 1.700 kg	4	1.48%	284,378	0.91%
1.701 – 1.780 kg	7	2.58%	542,705	1.75%
1.781 – 1.850 kg	6	2.21%	873,239	2.81%
1.851 – 1.950 kg	19	7.01%	2,044,456	6.57%
1.951 – 2.020 kg	13	4.80%	1,340,157	4.31%
2.021 – 2.100 kg	27	9.96%	3,650,794	11.74%
2.101 – 2.170 kg	32	11.81%	3,805,139	12.24%
2.171 – 2.250 kg	35	12.92%	3,679,458	11.83%
2.251 – 2.500 kg	104	38.38%	12,290,704	39.52%
2.501 – 2.730 kg	23	8.49%	2,526,550	8.12%
2.731 – 3.180 kg	1	0.37%	62,857	0.20%
3.181 kg and above	0	0.00%	0	0.00%
Column Totals	271	100.00%	31,100,437	100.00%

3. Current market conditions. (With thanks to CFC Chicken Fax)

- Up to March 31, 2010 **284.3 Mkg** of fresh chicken was available for the Canadian market, **2.0% less** than during the same period in 2009.
- Year-to-date production has reached **250.1 Mkg, 0.8% or 1.9 Mkg less** than during the same period in 2009.
- Year-to-date imports have reached **34.2 Mkg, 10.4% or 4.0 Mkg lower** than last year.
- Frozen chicken inventories on April 1, 2010 were **35.5 Mkg, 0.1 Mkg lower** than the previous month and **1.9 Mkg lower** than on April 1, 2009.
- Production in February and March of this year was **2.5 Mkg higher** and **3.2 Mkg lower**, respectively, compared to the same months in the previous year.
- Imports (as reported by AAFC) were **9.9 Mkg in February** and **12.3 Mkg in March, 1.5 Mkg and 1.2 Mkg lower** respectively than in the same months of the previous year.
- Producer prices in period **A-97 are 3.0 cents lower** than those of period A-96 in most provinces. On average, the Canadian live price in **A-97 is 5.3 cents lower** than in the corresponding weeks of the previous year.
- **Canadian Wholesale Chicken Prices. (cents/kg)**

<u>Product</u>	<u>Mar. 10</u>	<u>Mar. 09</u>	<u>Change</u>
Market composite	324.6	316.6	2.50%
Whole bird complex	324.1	319.5	1.40%
Breast complex	471.3	450.0	4.70%
Wing complex	485.7	473.8	2.50%
Leg complex	261.2	244.5	6.80%

4. Appeals Update.

South Alder Holdings Ltd:

South Alder Holdings Ltd has appealed a decision of the Board to deny its request for relief of A-89 under produced allotment beyond the 6% tolerance.

The appeal was heard on **April 20, 2010** at the Ramada Inn in Abbotsford. The Board is awaiting the decision of the panel.

Pricing Appeals

All pricing appeals have been adjourned pending the outcome of the BCFIRB Supervisory Hearing.

The appeals filed with respect to BCCMB pricing orders are as follows:

A-90 – by PPPABC
A-91 – by PPPABC
A-92 – by BCCGA
A-93 – by PPPABC & BCCGA
A-94 – by BCCGA & PPPABC
A-95 – by BCCGA & PPPABC
A-96 – by PPPABC & BCCGA
A-97 - by PPPABC & BCCGA

Jayne Rossworn, MGR Farms Ltd.

Jayne Rossworn, an applicant in the BCCMB's New Entrant Grower program in the Interior Region appealed the January 6, 2010 decision of the BCCMB denying a further extension to meet the requirements of the program. A pre-hearing conference call was held on February 15, 2010. A second pre-hearing conference call was held on March 29, 2010. The appeal is scheduled to be heard on May 26, 2010 at the Ramada Inn in Abbotsford.

Specialty pricing appeal.

Skye Hi Farms, a specialty quota holder, has appealed the Board's TC 003 pricing order for period A-97 dated March 24, 2010. A pre-hearing conference call was held on May 6, 2010 and the appeal is scheduled to be heard on July 8, 2010. Time and location to be determined at a later date.

5. CFC Director and Alternate Director Update – by Rick Thiessen

I thought it would be of interest to give you an idea of some of the things that your CFC representatives are working on for the coming year. We are not always able to share things that are in the development process until they are finalized but rest assured there is lots on the agenda.

Having been elected to the Policy Committee by the other members of CFC, I have the privilege of chairing this committee for the coming year. In order to give stakeholders a sense of what the Committee does I would like to provide you with a description of its membership, its mandate, and a list of priority objectives for 2010.

In order to plan and prioritize the work of the Committee for the year ahead, PC members have approved the following work plan based on the roles and responsibilities defined in the mandate of the Policy Committee.

Membership

The Policy Committee is an ad hoc committee comprised of 5 Directors or Alternates elected by the CFC Board of Directors. At least one member of the Policy Committee must be a non-producer member appointed by CPEPC.

Current membership consists of Rick Thiessen (BC CFC alternate director), Luc Gagnon (CPEPC CFC director), Ian Heslith (FPAC CFC director), Yvon Cyr (New Brunswick CFC director), and Martin Dufresne (Quebec CFC director and CFC 1st Vice Chair).

Mandate

The mandate of the Policy Committee is to provide policy recommendations related to production policies and procedures, in particular as they relate to the Operating Agreement, the Chicken Farmers of Canada Proclamation, the Canadian Chicken Marketing Quota Regulations, Licensing regulations and Levies Order, as well as related CFC policies for the consideration of the CFC Board of Directors. In undertaking this mandate, the committee will maintain a high level of communication with the Board of Directors by providing meeting reports as soon as practical after committee meetings.

The mandate of the Policy Committee is to develop policy recommendations designed to profitably expand the marketing of Canadian chicken, both domestically and internationally, and to promote and reinforce a strong positive image of Canadian chicken. In undertaking this mandate, the committee will maintain a high level of communication with the Board of Directors by providing meeting reports as soon as practical after committee meetings.

Priority Issues for 2010

Market Development Policy: A review of the policy will be initiated at the February meeting. Based on the comments received, further analysis and consultations with provincial boards and member organizations will be done. A second discussion will take place at the spring meeting in order to formulate recommendations for a final presentation at the July Board of Directors meeting.

Report Card: Committee will review comments on the processor margin and discuss next steps at the February meeting. A recommendation could be presented at the March Board meeting on the option to pursue to develop an acceptable range for the processor margin.

Nielsen Retail Data: Preliminary analysis to be presented at the February meeting. Based on feedback, more detailed analysis to be presented during spring meeting and recommendation on the decision of the purchasing of on-going data.

Medium and Long Term Growth Target: Prior to setting a target, the merits of developing a target, a clear definition of what such a target constitutes and how it would be used, and the indicators to be used in the setting of the target should be discussed by the Committee and recommended to the Board of Directors. Consultations of provincial boards and member organizations will probably be required before proceeding to the Board of Directors. This will be initiated at the February meeting but will require further discussion at the spring meeting as well.

Annual Review of Operating Agreement: As per the agreement, an annual review has to be performed. The annual review is focused on implementation and operational issues rather than on modifying the intent of the agreement. At the spring meeting, technical details and issues identified with the use of the agreement will be discussed and if necessary, recommendations will be presented to the Board.

Base Setting: PPC will establish a recommendation on base allocations for periods A-103 to A-108

Differential Growth: Since this issue is currently dealt with at the Board level, there is no current work being done at the Committee level.

Under and Over-production: Present analysis on the recent performance and assess if further action is required. This will be discussed at the fall meeting.

Contingency Supply Protocols: Present an outline of a contingency supply protocol for discussion at the spring meeting. Based on the feedback received, consult with provincial boards and member organizations to complete the protocols.

As you can see there are a wide range of issues for this committee to deal with. The committee will be working on these and whatever other issues the CFC Board of Directors pass on to us during the year. We will be working diligently throughout that time in order to meet the targets and timelines set out for us.

If I can be of help answering questions you might have about any of the above, please do not hesitate to contact me.

6. ILT Update:

From March 17 to May 10, 2010 there have been a total of 11 confirmed cases of ILT in the Fraser Valley, primarily in the east Chilliwack area.

- 6 broiler chicken flocks
- 4 layer flocks (3 pullet and 1 in lay flock)
- 2 Taiwanese chicken flocks.

The following bulletin, provided by BC MAL appeared in last month's Board report, but given the recent rash of ILT cases, it is timely and important information that bears repeating.

We know that the most likely route by which the virus moves is on the wind from contaminated manure or infected flocks being moved. But there are many other potential contributing factors. Every producer will want to do everything possible to prevent the ILT virus from infecting their flock. And equally importantly, there are many things that can be done to prevent the spread to a neighbor's flock.

Things to do to prevent ILT in your flock:

- *Maximize your bio security practices.*
- *Restrict visitors.*
- *Make sure any essential visitors follow your bio security procedures.*
- *Make sure any equipment or vehicles entering your farm are thoroughly cleaned and decontaminated.*
- *Make sure any equipment entering the barn is thoroughly cleaned and disinfected.*
- *Heighten and follow proper entry procedures every time you, your staff, and visitors enter the barn.*
- *Consider heat treating the barn before removing manure (40°C for 3 days).*
- *Thoroughly clean and disinfect your barn between flocks.*

Things to do to minimize the risk for your neighbours:

- *Heat treat manure (as above) before removing from the barn or store the manure for at least 3 weeks before moving it from the farm.*
- *Don't move manure out of the barn on a windy day.*
- *Make sure loads of manure, whether in a truck or wagon, are covered for transport, even if you think it is safe from ILT virus.*
- *Avoid spreading manure during windy conditions.*
- *If you are spreading or moving manure, notify your neighbouring poultry producers.*
- *Minimize the use of CEO vaccine.*
- *If using CEO vaccine, apply preferably by eye drop; don't spray.*
- *If you are moving pullets vaccinated against ILT (especially CEO vaccine) from another location, plan a route that minimizes the number of poultry farms passed.*
- *Talk to your veterinarian about your vaccination program, especially if you are in the so-called "hot zone" between Abbotsford and Chilliwack.*

If you suspect ILT in your flock:

- *Immediately activate self-quarantine.*
- *Contact your veterinarian and confirm the diagnosis.*
- *Advise your suppliers and service people.*
- *Contact your Board office.*

- *Advise your live haul company and processor; advise a route that minimizes the number of poultry farms passed by the trucks (for broiler chickens, the BCCMB will assist with this).*
- *Heat treat manure before removing it from the barn. ILT is a nasty disease that can have a significant welfare impact and cause economic loss, especially among broiler flocks. With the approach of the warm, dry, windy spring and summer days that seem to be so conducive to the spread of this disease, it is up to all of us to do everything we can to keep our flocks healthy and prevent ILT from moving from one flock to another.*

7. Risk Management Steering Committee update.

The Risk Mitigation Steering Committee (RMSC) is tasked with guiding implementation of a strategy to prevent and control Avian Influenza (AI) and to buffer the financial impacts of an outbreak on BC poultry producers. A key objective is to bring to industry, for their consideration, an acceptable insurance product that reflects the risk mitigation efforts made by our industry. BMS Group (an insurance consultant and broker) and CMI (risk assessment specialists) were contracted to develop the insurance product. This shared risk management program is designed to provide more extensive compensation to producers, in a timely manner, and in a more transparent fashion than the programs that are in existence today. Shared risk management will supplement the current Health of Animals compensation. The Federal/Provincial Business Risk Management suite of programs will remain in place.

Data collection to run the disease spread model is complete. The output from this model will be used to run an actuarial analysis which will provide the draft insurance premiums for discussion with the poultry industry. A report will be sent to those producers who participated in providing whole farm risk data on their farms. This allows these producers to benchmark their farm risk level against other participants, using a completely confidential process. A producers' farm identification will not be shown to other producers. BMS is currently completing a draft policy document based on experience from similar work done in Ontario for industry discussions. Input from the four poultry Boards has been incorporated.

Thanks for the support from producers and collective efforts of Board inspection staff. Poultry Association and producer input into the process have been valuable to the process.

As an industry, it is important that we all continue to work together to minimize disease risk.

Producer meetings are anticipated for summer of 2010 to provide information on the risk assessment process, insurance policy and delivery options and to discuss the next steps in the process.

The RMSC wishes to thank the industry for its continued support to the project.

8. Broiler Cost of Production Update.

The Board has signed a contract with Serecon Consulting to perform a full update on the broiler COP model that is used to calculate the linkage between the live price of BC grown chicken and the hatching egg price each period.

It is anticipated that the grower survey process will begin in May or June and the work should be complete late in the summer. This update is being done in conjunction with a full update on the hatching egg COP that has been commissioned by the BC Broiler Hatching Egg Commission.

If you are contacted by Bob Burden or another member of the Serecon staff, the Board would request that you provide your full cooperation.

Should you have any questions regarding this process, please call Bill Vanderspek at the Board office.

9. Market Development.

The Market Development lease price for period A-100 (September 12 to November 6, 2010, has been set at \$0.28 per kilogram. This represents no change from the previous period.

REMINDER: The new bcchicken.ca website is now up and running. If you require a user name to access the growers only side of the site, please contact Katie Lowe at 604-859-2868 or by e-mail at katielowe@bcchicken.ca

The British Columbia Chicken Marketing Board monthly update is published by BCCMB staff and forwarded by e-mail and fax to all growers and a number of industry stakeholders on our contact list. Should you have any questions or suggestions regarding the content of any monthly update, please contact me directly at:

Phone 604-859-2868 or E-mail billvanderspek@bcchicken.ca

Bill Vanderspek
General Manager
British Columbia Chicken Marketing Board

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