



Canadian
Federation of
Independent
Grocers

Fédération
Canadienne
des Épiciers
Indépendants



December 21, 2023

Mr. Peter Donkers, Chair
BC Farm Industry Review Board
1st Floor 2975 Jutland Road
Victoria, BC V8T 5J9

Dear Mr. Donkers,

We are writing to you regarding the new Cost of Production based Live Price Formula that is being discussed in BC. It is our understanding that the BC FIRB will make a decision shortly on the proposal put forward by the BC Chicken Marketing Board.

One of the purposes of the 2001 Federal-Provincial Agreement (FPA) for Chicken is to “provide for an orderly marketing system for chicken coordinated in a flexible and market responsive manner having appropriate safeguards so as to provide consistency, predictability and stability”. Among the agreement’s objectives is to work in the “balanced interest of producers, industry stakeholders and consumers”. We strongly believe that the proposed COP model will not provide consistency and stability, in large part because it does not adequately balance the interests of industry stakeholders and consumers.

Figure H (page 26) of the BCCMB document regarding the new COP, dated October 30, 2023, demonstrates that if the chicken live price in BC for the quota periods A-177 to A-184 would have been set using the proposed COP model, the BC Chicken live price would have increased and the spread between BC and Ontario would have more than doubled, increasing from roughly 15 cents to 35 cents. If the new COP were to be approved as proposed, the doubling of the price spread would significantly change the economics of the entire supply chain.

If approved, such a drastic change in the price of BC live chicken relative to Ontario (and indirectly to several other provinces that use the Ontario live price to set the live price in their province) will have significant impacts:

- A significant increase to the chicken live price will result in an increase to the price of chicken products.
- BC chicken products will be more expensive than products from other provinces which will drive down demand for BC chicken creating negative long-term impacts for the BC chicken industry retailers, restaurants and the provincial economy;
- Supply chains will change dramatically as buyers look to source product from outside of BC.
- Businesses that are unable to source reasonably priced chicken from outside of BC will be at risk as they will be a competitive disadvantage.
- A change of this magnitude in the price of BC live chicken will be even more acutely felt in the province’s rural and remote communities. Independent grocers are often the only grocery stores in those communities and are an important element in maintaining food security.

- The National Allocation system will come under significant pressure as supply chains alter their sourcing strategies.

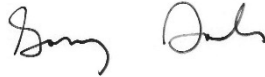
Higher transportation costs and other issues impacting the supply chain have had a negative impact on food affordability, particularly in non-urban areas. The proposal by the BC Chicken Marketing Board, if approved, will only compound affordability challenges and is important context in assessing the proposal.

Food affordability is a critical issue for British Columbians and Canadians more broadly and it is important that policies adopted within the food supply chain reflect this reality. It is imperative that all industry stakeholders are consulted before implementing changes as significant as what has been proposed by BC Chicken Marketing Board. The perspectives of industry stakeholders must be adequately addressed and the impact on the entire supply chain and consumers must be considered. This unilateral proposal of the BC Chicken Marketing Board does not meet these criteria. We urge you not to approve the proposal in its current form and that you ask the chicken industry stakeholders to work collaboratively with relevant parties to reach a consensus.

Sincerely,



Mark Hubert
President and CEO
CPEP



Gary Sands
Senior Vice President, Public
Policy and Advocacy
CFIG



Mark von Schellwitz
Vice President Western Canada
Restaurants Canada

c.c. Kevin Klippenstein, Chair, BC Chicken Marketing Board
Brian Douglas, Chair, FPCC
Tim Klompmaker, Chair, CFC