



Schedule 15
(Part 55)
(Section 55.4)

Board Decision or Determination

Form B

attach applicable Forms A, if available

COVID-19 Pandemic – Humane slaughter of chicken due to Plant Closures

1. Date(s) of this decision:

- **May 5, 2020**

2. Members of Board present for decision (s):

May 5, 2020: H. Sasaki, DA Janzen, A. Johnston, R. Nickel and G. Hahn.

3. What sources of information did the Board consider in coming to its decision?

- Form A - Application for Decision or Determination
- Board Staff's Briefing Note
- Applicant's oral submissions
- Board's Orders (give reference numbers, if applicable):
- Other (explain):
 - Telephone call from PPPABC (B. Shier) May 4, 2020
 - BCCMB Decision Note entitled "Superior/United Plant Closures".
 - Natural Product Marketing (BC) Act 11(o)(iv)
 - BCCMB August 26, 2011 General Orders – Part 15 Distribution of Board Operating Surplus (15.1)



4. What is the Board's decision?

On May 5, 2020 the Board made a decision to use its Contingency Fund to cover the costs of up to a maximum of 70,000 birds destined for humane slaughter for the week of May 4, 2020 as a result of the COVID-19 public health ordered plant closures. The costs are to include payment to growers based on the minimum live price for period A-162 minus \$0.0365 per kilogram for catching. Payments to growers will not include any "loyalty bonuses" that are paid to growers by processor in addition to the minimum live price. Processors will be reimbursed \$0.0365 per kilogram for the cost of catching and transportation by the BCCMB from funds deducted from the affected growers payments. The Board will support the processors application to the province to recover the extraordinary costs incurred in the mercy kill process under Agri-Recovery or any other available programs. Should no avenue be available to the processors to recover these costs, the Board will re-enter discussions with the processors to discuss possible financial assistance for the extraordinary costs related to the mercy kill and rendering of birds that were not able to be salvaged for human consumption.

5. Why did the Board come to this decision?

A prime objective of the Board is to work to ensure that all market age birds are processed in a timely manner. Despite best efforts of BC Processors, a shortfall has been realized. Given the problem was a result of public health, not an animal health concern. The Board adopted a policy to avoid on farm euthanasia by having the product humanely euthanized at the processing plant and sent to rendering.

Following numerous conversations with the BC Processors and a review of the General Orders, it was determined that a policy based decision was required in this case. Due to Public Health (Vancouver Coastal and Fraser Health) orders for mandatory 14-day closures of two processing plants, there was insufficient remaining capacity to process all the contracted broiler chicken for the week of May 4, 2020. All BC processors worked together in the prior week to ensure all birds were slaughtered; however, for the week of May 4th approximately 60 -70,000 may not be processed due to ongoing plant closures, labour shortage, and need for plant maintenance. Processors have indicated the birds can be humanely processed for rendering purposes, but at a cost to the processor(s).

This rendering of product will not cause a market shortage to BC consumers, as there is excess chicken in the Province due to the shutdown of the food service industry excluding take out services. Processors have indicated that available cold storage is nearing capacity; processing and freezing the up to 60,000 excess birds during the week of May 4 is not an economically viable option.



RATIONALE FOR DECISION BASED ON OUTCOME BASED PRINCIPLES

Strategic:

Identifying key opportunities and systemic challenges, and plan for actions to effectively manage risks and take advantage of future opportunities.

The BCCMB has the authority and jurisdiction to make this decision under authority vested under the Natural Products Marketing (BC) Act and the British Columbia Chicken Marketing Board Scheme (1961).

This decision will maintain the system of orderly marketing and is consistent with sound marketing policy and outcome based decision making.

The Board's decision respects the public health emergency orders for the COVID-19 Pandemic in BC.

It will minimize the impact of supply chain disruptions during the period of provincial state of emergency for the COVID-19 Pandemic for growers and processors.

Arising from the Highly Pathogenic Avian Influenza (HPAI) outbreak in 2004, the BCCMB has, through producer levies, established and maintained a contingency fund which was designed and intended to be used for these type of emergency situations.

Accountable

Maintaining legitimacy and integrity through understanding and discharging responsibilities and reporting performance.

The Board is accountable to industry members, processors and growers in the value chain including consumers of our products.

This decision will utilize the broad range of powers available and afforded under the Natural Products Marketing (BC) Act and British Columbia Chicken Marketing Scheme and the August 26, 2011 BCCMB General Orders.

It identifies, analyzes and adopts policy options to address the problem consistent with support of sound marketing policy in a timely fashion.

Any person aggrieved by a decision of the Board may appeal that decision to BCFIRB.



Fair

Ensuring procedural fairness in processes and decision making.

This decision balances the interests of stakeholders along the value chain.

It provides payment to the grower for the regulated product at the minimum BCCMB ordered posted price, even though the final product may not be able to be processed and packaged for human consumption.

It provides recognition of the limits that have been placed on the collective provincial poultry processing capacities caused by an extraordinary event that has affected not only the poultry industry, but virtually every facet of daily life.

Effective:

Ensuring clearly defined outcomes with appropriate processes and measures.

The decision minimizes the need for euthanizing flocks on farm. The BC Poultry Associations Emergency Operations Center (EOC) has indicated there are issues with procurement of CO2 plus a myriad of logistical and liability issues that can be avoided by the destruction of these flocks at the processing plant.

It optimizes the opportunity to salvage the maximum amount of saleable product, as decisions can be made to process some or all of the birds right up to the point of slaughter based on rapidly evolving market conditions. Conversely, a decision to resort to on farm euthanasia would result in a total loss of the regulated product and additional costs for composting and disposal.

It accounts for market factors that have negatively affected demand that include a sharp and sudden decrease in the Quick Serve Restaurants (QSR) and food service sectors while ensuring that the supply of chicken products to consumers is maintained.



Transparent and Inclusive:

Ensuring that processes, practices, procedures and report on how the mandate is exercised are open, accessible and fully informed. Ensuring that appropriate interests, including the public interest, are considered.

The Board has engaged and consulted with value chain stakeholders as appropriate in the assessment of the policy options while respecting the need for timely decision making.

The BCCMB PPAC, BCFIRB and the BC Ministry of Agriculture have been kept apprised of the options that were considered and the decisions made by the BCCMB during this process.

The Board worked with the BC Food Banks Association and identified possible options and costs for the donations of some or all of surplus product.

