



August 29, 2017

File: 44200-20 BHEC

DELIVERED BY EMAIL

Jim Collins, Chair
BC Broiler Hatching Egg Commission
180 – 32160 South Fraser Way
Abbotsford BC V2T 1W5

Dear Mr. Collins:

**PRIOR APPROVAL REQUEST -- TEMPORARY USE OF RESTRICTED
("ONTARIO") FUND – ADDITIONAL INFORMATION REQUIRED**

The BC Broiler Hatching Egg Commission (BHEC) filed a prior approval request with the BC Farm Industry Review Board (BCFIRB) on July 19, 2017 to temporarily use the monies in its Restricted Fund to backstop Avian Influenza (AI) surveillance and support response funding. The approval is requested for the 2017/18 AI season.

Background

The Reserve Fund (Fund) of \$1.183 million arises from the historical transfer (in 2000) of hatching egg production from BC to Ontario. BCFIRB prior approved the transfer with the following conditions:

1. The Fund is to be used for the overall improvement of the hatching egg industry.
2. The Fund distribution plan must be prior approved by BCFIRB before any expenditure. BCFIRB previously approved the Commission plan to use an Industry Advisory Committee (IAC) as a screening and recommendation body in relation to applications made by producers and industry stakeholders for fund expenditures.
3. The Commission is to use good accounting procedures and reporting.

On June 22, 2016 BCFIRB approved the use of the Fund for the purchase of an office building and necessary improvements based on the condition that the purchase results in co-location with the BC Chicken Marketing Board (Chicken Board)¹. To date no building has been purchased.

¹ 2016 June 22. BCFIRB. [BC Farm Industry Review board Prior Approval Decision – Reserve Fund](#).

Request for further information

BCFIRB is prepared to consider BHEC's proposed temporary use of the Fund; however before it does so it is requesting the following additional information:

1. A brief overview of the Avian Influenza surveillance program, including a summary of its goals, timeframe for establishing, and why producer participation is important to its success.
2. An explanation as to why providing assurance to hatching egg producers that funding to cover initial AI response is key to establishing and supporting an effective surveillance program. For example, will the surveillance program be mandatory? If it is, why do producers require assurance that BHEC has additional monies available beyond its "Fund for the Unforeseen" of \$624,574? What does the BHEC estimate these response costs could potentially be given that \$624,574 is reported as "insufficient"?
3. Given the Fund may have generated a return in terms of interest, is use of this interest an option to cover an initial AI response in 2017/18? Please explain.
4. BCFIRB appreciates that successfully managing AI risk poses a much greater industry benefit at this time than purchasing a building with the Chicken Board. What are BHEC's plans if a suitable building becomes available for purchase during the 2017/18 AI season? What is the Chicken Board's position on the potential delay in a joint building purchase?
5. If the Fund is used for AI compensation, and given Canadian Food Inspection Agency (CFIA) and other measures and processes in place or contemplated that you reference, does BHEC intend to repopulate the Fund? If so, how and in what timeframe would the fund be repopulated?
6. Finally, it would be helpful if BHEC could provide some brief context on how the proposed use of the Fund fits together with the AI surveillance program, the poultry sector work on insurance, and the forthcoming authority to apply administrative penalties.

If you have any questions, please feel free to contact me.

Regards,



John Les
Chair

cc: Bryan Brandsma, President, BC Broiler Hatching Egg Producers Association
Bill Vanderspek, Executive Director, BC Chicken Marketing Board
Stephanie Nelson, Executive Director, BC Broiler Hatching Egg Commission
BCFIRB website