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OUR FILE NO. C5084-000

July 4, 2017

VIA EMAIL

British Columbia Farm Industry Review Board
780 Blanshard Street (1st Floor)
Victoria, BC V8W 2H1

Attention: Wanda Gorsuch (wanda.gorsuch@gov.bc.ca)

Dear Sirs/Mesdames:

**Re: British Columbia Broiler Hatching Egg Commission – Supervisory Review re:
Regulation of Specialty Hatching Egg Production**

We write on behalf of Unger’s Chick Sales (1974) Ltd. dba Coastline Chicks (“Coastline”) and Robert & Patricia Donaldson dba Bradner Farms (“Bradner”) in respect of the document entitled BCBHEC recommendation to BCFIRB regarding the Asian Breeder Sector, dated June 28, 2017. Coastline and Bradner are astounded by the Commission’s failure to comprehend the risks to this sector of the industry and to the public interest inherent in a continuation of the present unregulated market for Asian chicks.

Coastline and Bradner are long-established producers of Asian breeder hatching eggs. Each has significant investment which is affected by the current uncertainty and instability in the industry. Neither Coastline nor Bradner engages in Asian chicken production or Asian chicken processing.

Over three years ago the Commission promulgated *Amending Order 11* to the *Consolidated Order of September 30, 2013*. This amending order provided for the enactment of the *Regularization of Historically Non-Compliant Silkie and Taiwanese Producers Program*. The *Program* allowed persons who had been continuously engaged in the production of Silkie or Taiwanese Broiler Hatching Eggs from January 1 2010 to December 31, 2010 without license or quota to apply for an allotment of Regularized Producer Chick Quota and/or an issuance of temporary revocable, non-transferable export permit. The amount of quota or permit would be based on the applicant’s proven chicken placements and exports between January 1, 2009 and December 31, 2012.

Each application was independently reviewed for accuracy by an independent accountant retained by the Commission. On February 27, 2015, the Commission issued its allocation decisions and said the detailed written reasons would follow. Extensive reasons were issued on April 9, 2015.

Appeals to BCFIRB were taken against the qualifying period of quota allocation. At the hearing of the appeal the Commission attempted to justify its choice of qualifying period but did not indicate any misgivings about the underlying assessment that the application of supply management principles to this sector was consistent with the public interest in sound marketing.

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During the appeal it was evident that the lack of cooperation and dialogue between the various participants in this sector was troubling to both the Commission and BCFIRB. Following the appeal, therefore, five of the six industry participants made a concerted effort to rectify this. This was done in the expectation that there would be a measure of consistency in the Commission's decision-making processes.

The Commission, however, has now effectively reversed itself. It has recommended against supply management in this sector, notwithstanding that the sector feeds other supply managed sectors. The reasons given for the recent decision the Commission display an utter lack of understanding of the dynamics and challenges of the industry. The choice of facts for recital in the decision appear to be result-oriented, i.e. oriented to a result that is a 180 degree turnaround from the Commission's previous position – a position upon which our clients in the meantime have relied.

For these reasons our clients request a hearing before BCFIRB. Fairness requires it.

Yours truly,

MACKENZIE FUJISAWA LLP

Per: 

CHRISTOPHER HARVEY, Q.C.

CWH:ao

cc: Claire E. Hunter (by email: chunter@litigationchambers.com)
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