

## BC Farm Industry Review Board

April 14, 2020 File: 44200-60\LINK

## **DELIVERED BY EMAIL**

Jim Collins, Chair BC Broiler Hatching Egg Commission 180 – 32160 South Fraser Way Abbotsford BC V2T 1W5 Harvey Sasaki, Chair BC Chicken Marketing Board 101 – 32450 Simon Av Abbotsford BC V2T 4J2

Dear Sirs:

## PRICE LINKAGE SUPERVISORY REVIEW APRIL MEETING PLANNING

Thank you for your April 8, 2020 letter acknowledging the BC Farm Industry Review Board (BCFIRB) supervisory panel's request to meet separately and jointly in early April. The purpose of the meetings is to establish a consistent, transparent process to manage any future changes to the respective pricing tools until such time that the outstanding linkage exit question and chicken pricing formula questions are resolved.

The panel acknowledges that there is now a high degree of uncertainty in the chicken supply chain due to the COVID-19 pandemic. And that the national allocation issues regarding period A-163 are an immediate priority for the BC Broiler Hatching Egg Commission (Commission) and the BC Chicken Marketing Board (Chicken Board) given the significant potential impacts on the sectors.

As such, the panel agrees with the Commission and Chicken Board proposal for a joint meeting to start, and that the meeting be delayed to the last week of April or the first week of May 2020.

The panel reviewed the additional meeting topics proposed by the Commission and Chicken Board. An update on COVID-19 impacts, measures, processes and communications is relevant and important. However, the panel wants to ensure that the majority of the discussion focuses on pricing stability. The panel very much appreciates the Commission and the Chicken Board inviting Bob Burden to be present for part of the meeting to explain the technical aspects of the live price and linkage formulas.

While the panel agrees to the change in meeting sequence and delay, it notes that the Chicken Board remains under BCFIRB direction to complete a long-term pricing formula before the start of period A-163 (May 10, 2020). As such, BCFIRB anticipates hearing from the Chicken Board very shortly on whether this deadline will be met to allow a reasonable amount of time for whatever due process BCFIRB determines necessary to be taken.

The panel also remains aware of the two appeals filed against the Commission by the Primary Poultry Processors Association of BC (PPPABC) and the BC Chicken Growers Association (BCGA) in December 2019. The appeals are of a Commission decision to remove revenues from the sale of spent fowl and salvage eggs from the Cost of Production calculations used in the price linkage formula. These appeals are currently deferred pending the completion of a supervisory process<sup>1</sup>.

Both of the above noted issues demand timely work by the supervisory panel, the Commission and the Chicken Board so as not to add further disruption to an already challenged supply chain.

BCFIRB staff will be contacting your respective Executive Directors to set a meeting date and will work in cooperation with the panel and your boards to finalize an agenda.

If you have any questions, please contact me or Kirsten Pedersen, BCFIRB Executive Director.

Best Regards,

Peter Donkers Panel Chair

cc: BC Chicken Growers' Association

BC Egg Hatchery Association

BC Broiler Hatching Egg Producers' Association Primary Poultry Processors' Association of BC

BCFIRB web site

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<sup>&</sup>lt;sup>1</sup> 2020 February 25. BCFIRB. RE: Primary Poultry Processors Association of British Columbia v BC Broiler Hatching Egg Commission BC Chicken Growers Association v BC Broiler Hatching Egg Commission.