



April 15, 2019

File: 44200-60/BHEC SPEC

DELIVERED BY EMAIL

Stephanie Nelson
Executive Director
BC Broiler Hatching Egg Commission

Dear Ms. Nelson,

BC BROILER HATCHING EGG COMMISSION IMPLEMENTATION OF SPECIALTY (ASIAN BREED) HATCHING EGG REGULATION SUPERVISORY DIRECTIONS

I am writing to follow up on two items. One is the February 27, 2019 meeting between the BC Broiler Hatching Egg Commission (Commission) and the BC Farm Industry Review Board (BCFIRB) board and staff representatives. The other is the steps the Commission is now taking, to implement BCFIRB's July 17, 2018 supervisory directions¹ regarding the regulation of specialty (Asian breed) hatching egg production.

Commission Amending Order

BCFIRB is pleased to see the Commission is planning to establish an Amending Order at its April 25, 2019 meeting that includes an interim production permit ("temporary quota") and that the Commission has referred a draft of the proposal to stakeholders and the Pricing and Production Advisory Committee for consideration, comment and recommendations. From BCFIRB's perspective it is effective and accountable that the grant of temporary quota be accompanied by the responsibility for specialty hatching egg producers to pay the levy to be established in Schedule 3 of the Commission's Consolidated Orders.

With the establishment of temporary quota, BCFIRB expects the Commission to take sound marketing policy considerations into account and conduct a principled based SAFETI² analysis with respect to any transfer or new entrant requests.

February 27 Meeting

To ensure transparency the following provides a summary of the February 27, 2019 meeting between Commission and BCFIRB representatives.

The purpose of the meeting was to discuss:

¹ 2018 July 17. BCFIRB. In the Matter of the *Natural Products Marketing (BC) Act* and the Regulation of Specialty (Asian Breed) Hatching Egg Production.

² Strategic Accountable Fair Effective Transparent Inclusive

April 15, 2019

Page 2

- The Commission's reasons for the on-going delay in issuing condition-based transferable production permits for Asian hatching egg production;
- Any questions or concerns the Commission may have related to the permit conditions established by BCFIRB; and,
- Where the Commission was planning to integrate development of an industry entry framework in its 2018/19 Specialty Regulation Work Action Plan.

Interim Production Permit

The Commission explained some of its challenges and considerations with respect to implementing interim production permits and a final regulatory solution for specialty producers, as required by December 2019. The Commission reported these to include issues around definition of specialty chicken strains and potential impacts of interim permits on producers' ability to adjust their farm operations pending the Commission's final decision on regulation.

The Commission and BCFIRB discussed the importance of not getting trapped by trying to achieve perfection at the outset of a regulatory development process. Rather, strategic, accountable outcomes require the Commission and specialty hatching egg producers to continue to work together to understand the industry, markets and the role regulation can play to make informed, considered adjustments as necessary.

New entrant framework

The Commission agreed with BCFIRB that its Specialty Regulation Work Plan did not directly include development of a new entrant framework. It reported that it will look at an effective approach to new entrants once it better understands the industry and market. The Commission agreed with BCFIRB that the principle of supporting entry into specialty hatching egg production does need to be dealt with.

In closing, thank you to you and your members for meeting with BCFIRB in February and keeping BCFIRB regularly updated as the Commission continues to develop a regulatory structure for specialty hatching egg production.

Please do not hesitate to contact me if you have any questions.

Yours truly,



Kirsten Pedersen,
Executive Director

cc: BC Hatching Egg Producers Association
BC Chicken Marketing Board
BCFIRB website