



January 19, 2016

File: 44200-60 EMB QUOTA

DELIVERED BY E-MAIL

Dwight Yochim
Executive Director
BC Egg Marketing Board
250 – 32160 South Fraser Way
Abbotsford BC V2T 1W5

Dear Mr. Yochim:

PRIOR APPROVAL REQUEST -- QUOTA DISTRIBUTION POLICY

On November 18, 2015, Farm Products Council of Canada (FPCC) approved an increase to the national egg allocation requested by Egg Farmers of Canada (EFC). EFC subsequently issued BC's share of the national allocation to the BC Egg Marketing Board (Egg Board). The new BC allocation increase triggered the Egg Board's December 23, 2015 request to the BC Farm Industry Review Board (BCFIRB) for prior approval of its quota distribution policy.

In its submission, the Egg Board recommends *pro rata* distribution of the new allocation. It also requests BCFIRB prior approve distribution of an anticipated allocation in 2016. The Egg Board did not specify how it recommends the yet-to-be-received allocation be distributed.

BCFIRB met and reviewed the Egg Board submission on January 13, 2016. The members instructed me to provide the following on their behalf pending the scheduled meeting between the two boards on February 11, 2016.

In summary, and despite stated expectations from BCFIRB provided in advance, our board determined that the submission does not sufficiently demonstrate a SAFETI-based decision-making process nor does it provide a sound, complete rationale for the Egg Board's recommendations. As such, BCFIRB is left in the position of not having adequate information to determine whether the Egg Board recommendation is in accord with sound marketing policy as required under s. 9 of the *Natural Products Marketing (BC) Act*.

**British Columbia
Farm Industry Review Board**

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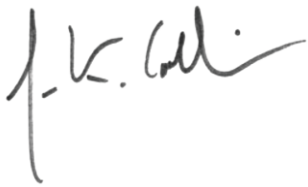
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BCFIRB recognizes timely prior approval is important in supporting producer planning; especially given the current market shortages and the need to allow time for production planning (e.g. production type, barn space, chick orders). However, BCFIRB is also aware that the actual utilization of layers approved in previous allocations is lagging significantly, with some not scheduled to be in production until 2017. It is also BCFIRB's understanding that some producers who were allocated increased quota on a *pro rata* basis have yet to advise the Egg Board whether they intend to produce that quota. Given the value and importance of this quota – not only to individual producers but to the BC industry in terms of serving a shorted market – such circumstances are also of concern to BCFIRB.

In light of the foregoing, BCFIRB will provide a list of outstanding questions prior to February 11, 2016 so that the Egg Board can provide answers and further substantiate its prior approval request at the board to board meeting.

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

Yours truly,

A handwritten signature in black ink, appearing to read "J. K. Collins". The signature is fluid and cursive, with a long vertical stroke extending downwards from the end.

Jim Collins
Executive Director

cc: BCFIRB web site