



May 18, 2018

Al Sakalauskas, Board Member
BC Farm Industry Review Board
PO Box 9129
Stn Prov Govt
Victoria, BC V8W 9B5

Sent via electronic e-mail to: **Kirsten.Pedersen@gov.bc.ca**

Dear Mr Sakalauskas,

Thank you for your letters of March 12, April 17, and April 25, 2018 in regards to the Public Accountability and Reporting Project. This letter is the BC Hog Marketing Commission's (BCHMC) response to the letter of April 25, 2018 where you asked for our input on the draft industry performance target framework and feedback on the draft governance and quota measures.

1. Comments on the draft industry performance target framework

The BCHMC commission proposes to use the six targets that were identified in our 2016 strategic plan:

- i. Levy income – producer
- ii. Cost of production
- iii. Market price
- iv. Age of infrastructure
- v. Number of producers
- vi. Average age

These targets were chosen by the producers that were involved in developing the strategic plan and can be used to assess the overall status of the sector. However, we would like to make several comments on the targets:

- While production remains relatively stable, the number of producers continues to fall.
- Due to the small size of the BC pork sector, our producers are price takers and cannot influence hog market prices.
- Due to the low returns, our producers have not been investing in new barns or retro-fitting their current barns. There are a couple of exceptions, one farm built loose sow housing several years ago and another will be undergoing an extensive retro-fit this summer and fall. Under the national pork program - Canadian Pork Excellence, all sows must either be exercised or be in

loose housing by 2024. All across Canada, it is anticipated that a certain number of pork producers will chose to exit the sector rather than invest in a new production system. We anticipate a number of producers in BC will make this decision.

The BCHMC looks forward to working closely with the BC Pork Producers Association, the Canadian Pork Council, the BC Ministry of Agriculture, and BC processors to develop programs to work towards the continued long term sustainability and competitiveness of the BC pork sector. The six targets could be part of any programs that might be developed. Overall, BC pork producers will continue to focus on producing high quality, local pork for niche markets.

2. Feedback on the draft governance and quota measures

As a non-quota commission, the BCHMC will only be commenting on the governance measures.

Overall, the BCHMC has very few comments on the proposed governance measures. The BCHMC already has many of the governance measures in place and part of normal operations as sound management and transparency. We have identified that there needs to be some work done on job descriptions, director orientation, performance expectations, and succession planning. We do not have any additional measures to suggest. However, we would appreciate if you could clarify the timelines around when you expect all the measures to be in place.

The BCHMC will discuss this project, the six targets, and the governance measures at our June director meeting. We may have some additional comments that arise from the meeting.

Thank you for this opportunity to provide input in the project. We look forward to meeting with you sometime in June or July to discuss our response and how the BCHMC moves forward with this project.

Regards,



Bert van Dalpsen,

Chair BCHMC