



December 16, 2016

File: 44200-60/BHEC SPEC

**DELIVERED BY EMAIL**

Greg Gauthier  
Chair  
BC Broiler Hatching Egg Commission  
180 – 32160 Simon Avenue  
Abbotsford BC V2T 1W5

Dear Mr. Gauthier:

**SPECIALTY REGULATION SUPERVISORY REVIEW-- WORK PLAN**

Thank you for the draft Specialty Regulation Work Plan (Work Plan), submitted to the BC Farm Industry Review Board (BCFIRB) for supervisory panel approval on November 30, 2016. It demonstrates a strong understanding of the steps required to achieve an effective outcome.

At our October 19, 2016 meeting the BCFIRB supervisory panel and the Broiler Hatching Egg Commission (BHEC) members agreed that BHEC would take the lead on addressing outstanding process and information gaps in relation to determining the strategic degree of specialty hatching production regulation. These gaps would be addressed through a BCFIRB approved, SAFETI<sup>1</sup>-based process.

The panel reviewed the draft Work Plan. The panel identified two key gaps and one minor point to improve clarity.

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<sup>1</sup> Strategic, Accountable, Fair, Effective, Transparent, Inclusive

The two key gaps and one point for clarity include:

1. *Background Information.* As discussed at our October meeting, effective consultation and decision making requires sufficient background information for stakeholders and boards to work from. This includes, but is not limited to, industry context (e.g. current and forecast demand, current and future industry challenges/risks and BHEC strategic objectives). Although it may be your intention to provide the background document to begin the process, the draft Work Plan does not specifically refer to the collection and documentation of this important background material, or how you plan to provide it to stakeholders to support consultation.
2. *Full scope of potential regulation.* The draft Work Plan does not clearly set out BHEC's specific plans to develop and consider the full scope of potential regulation. This is a key component of the review to support determination of the appropriate level of regulation and was a gap in the original process as we discussed on October 19, 2016.
3. *Clarity.* The draft Work Plan does not reflect in Step 3 that BHEC will be making a decision that includes two regulatory considerations: price and production controls.

The panel has decided to approve the draft Work Plan on the basis it be amended to reflect the requirements set out in Appendix A, before the BHEC starts its review process.

If amendments to the Work Plan and related process require adjustment to the review timeline please advise.

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

Yours truly,



Daphne Stancil  
Chair, Supervisory Panel on Broiler Hatching Egg  
Specialty Production

Attachment

cc: BCFIRB website

## Appendix A – BCFIRB Requirements

Work Plan Components and Related Actions	BCFIRB supervisory analysis and requirements
<p>1. Develop supporting information for consultation and decision-making processes.</p>	<p><u>Draft Work Plan Status:</u> Appears to be a gap.</p> <p><u>Work Plan Requirement:</u> BHEC is to prepare a discussion document to support consultation and decision making processes. The document is to contain at minimum:</p> <ul style="list-style-type: none"> <li>• Industry context, both present and future;</li> <li>• BHEC’s strategic objectives; and,</li> <li>• Initial suite of regulatory options.</li> </ul>
<p>2. Develop and consider the full scope of potential regulation (including consideration of production controls and chick pricing).</p>	<p><u>Draft Work Plan Status:</u> Not clear.</p> <p>It is not clear where in the Work Plan BHEC will develop and consider the full scope of potential regulation although this requirement is listed under “Scope”.</p> <p><u>Work Plan Requirement:</u> As note in #1 above, BHEC is to develop an initial suite of regulatory options to support response to its consultation questions. A part of Phase 2 (Regulatory Options) BHEC is to further refine the regulatory options as appropriate based on the consultation and any other relevant considerations.</p> <p><u>Work Plan Requirement:</u> In developing and reviewing regulatory options BHEC is to include consideration of:</p> <ul style="list-style-type: none"> <li>• Whether further regulation (beyond food safety, biosecurity and premises ID) is needed to achieve sound marketing objectives including industry stability, innovation and diversification; and</li> <li>• Whether to directly regulate the amount of specialty production and price or whether the Chicken Board indirect “regulation” through its regulation of specialty chicken production and price is adequate.</li> </ul> <p><u>Comment:</u> It will be important for BHEC to clearly reflect in its final rationale that it did consider the full scope of potential regulation and its role.</p>
<p>3. Determine if production controls are necessary and whether or not setting chick price should be set.</p>	<p><u>Draft Work Plan Status:</u> Partially met, not clear.</p> <p><u>Work Plan Requirement:</u> Reflect these two decision points in Phase 3 for clarity.</p>