



BY EMAIL

November 29, 2016

Daphne Stancil, Chair
Supervisory Panel on Broiler Hatching Egg Specialty Production
BC Farm Industry Review Board
780 Blanshard Street
Victoria, BC V8W 9B5

RE: Update on the BC Broiler Hatching Egg Commission Process Development regarding the Supervisory Review of Asian Breeder Producers

Dear Ms. Stancil,

As a follow-up to my letter dated October 31, 2016, please find attached the process that the Commission proposes to follow to support its Prior Approval Request.

We believe the process is appropriate and transparent, and it will ensure all necessary information for sound decision making is identified and explored. We have estimated timelines that we believe are realistic considering the degree of consultation, research and analysis required, as well as the time of year.

We look forward to the Supervisory Panel's approval of the attached process and are available for further discussion or clarification.

Sincerely,

Greg Gauthier, Chair
BC Broiler Hatching Egg Commission

Encl. Asian Breeder Hatching Egg Producers: Work Action Plan

cc: Ms. Kirsten Pedersen, Executive Director, BCFIRB
Ms. Stephanie Nelson, Executive Director, BCBHEC

Asian Breeder Hatching Egg Producers: Work Action Plan

Stakeholders:

- BC Asian Breeder Hatching Egg Producers
- BC Broiler Hatching Egg Producers' Association (BCBHEPA)
- BC Chicken Growers' Association (BCCGA)
- BC Chicken Marketing Board (BCCMB)
- BC Processors
- Canadian Hatching Egg Producers (CHEP)
- BC Farm Industry Review Board (BCFIRB)

Purpose:

- To identify the level of regulation that is required to promote innovation, industry stability and diversification in the Asian Breeder sector, and to meet marketplace expectations.

Outcomes:

- To determine the extent to which, if at all, the Asian Breeder Hatching Egg Producers ought to be subject to the existing regulations or to alternative regulations (other than Biosecurity, Food Safety and Premise ID).

Scope:

1. Consider the full scope of potential regulation,
2. Develop regulatory options (including consideration of production controls and chick pricing),
3. Whether further regulation is needed to achieve sound marketing objectives including industry, stability, innovation and diversification,
4. If production controls are necessary, and
5. Whether or not the Commission should be setting chick price.

Background:

The BC Broiler Hatching Egg Commission ("the Commission") is currently under direction of a BC Farm Industry Review Board ("BCFIRB") Supervisory Panel that is assessing the Commission's Prior Approval request of August 19, 2016 to exempt Asian Breeder Producers from regulation, except for Biosecurity, Food Safety and Premise Identification programs.

In September 2015, the Commission was the respondent in an appeal process regarding the Commission's Amending Order 11. In March 2016, a decision was made by BCFIRB and the Commission was given a list of orders and a timeline for completion. On completion-August 19, 2016, the Commission submitted a Prior Approval request to BCFIRB for an "*Exclusion Permit Program for Asian Breeder Producers.*" Subsequently, BCFIRB received several appeals from Asian Breeder Producers challenging the Commission's Prior Approval request.

On September 15, 2016, BCFIRB issued a decision to the Commission that "BCFIRB will conduct its review of BCHEC's Prior Approval request through a principles/outcomes-based approach using SAFETI." A BCFIRB Supervisory Panel was assigned to this process.

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On September 16, 2016, a separate BCFIRB Panel held a pre-hearing conference call to address the appeals of the Commission's Prior Approval request. The decision of the BCFIRB Panel was to defer considering the appeals until the conclusion of the supervisory process established in BCFIRB's letter dated September 15, 2016.

The Supervisory Panel convened a meeting with the Commission October 19, 2016 to further discuss the Commission's Prior Approval request. The Supervisory Panel identified several areas of the Commission request that required further clarification to ensure it had the necessary information for sound decision making. The Commission has committed that by November 30, 2016 it would develop a work plan that the Commission would follow to further clarify and explain its position. This work plan would be submitted to the Supervisory Panel by November 30, 2016 for review and confirmation that the work plan would support sound decision making.

Phase 1:

Consultation and Research Phase

Approach:

- Review of prior consultation and process.
- Development of list of questions necessary to fill gaps in information, these questions to be developed and posted to the Commission's website and emailed to listed stakeholders with a 14 day window for their review—**To be completed by December 15, 2016.**
- Face to face meetings to discuss all submissions and the developed questions with each of the listed stakeholders- Date set at the board level- additionally, an opportunity for any other interested parties to meet with the Commission. The invitation to other interested parties would be posted to the website.
- Review of the other provinces and their interaction with the Asian Breeder Sector.

Expected Outcome:

- Transparent engagement with Industry Stakeholders.
- A fully developed understanding of the stakeholders' expectations in relation to regulations.

Deliverables:

- A documented review of each of the stakeholders' engagement and submissions posted to the Commission's website—**To be completed and sent to BCFIRB for review by February 15, 2017**

Phase 2:

Options Development Phase

Approach:

- Review developed list of considerations made in conjunction with stakeholder engagement and historical review of the Commission's considerations through the SAFETI lens of good governance, with all stakeholders input considered.

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- Strategically evaluate the considerations list against the Commission's strategic plan and strategic initiatives to ensure alignment with the Commission's identified purpose of providing fair and orderly marketing in the BC Hatching Egg Sector.

Expected Outcome:

- A comparison report of the pros and cons of the developed options.
- An evaluation of the options considered against the strategic plan and the alignment of the options.

Deliverables:

- An update report to BCFIRB outlining the work to date of the Commission highlighting any new information—To be completed and sent to BCFIRB for review by February 28, 2017

Phase 3:

Prior Approval Assessment Phase

Approach:

- Prepare a report to the Supervisory Panel with the Commission's final position on the request for Prior Approval. This report will be supported by any new information gleaned through the phases of the work plan.

Expected Outcome:

- Develop supported final decision with the additional information requested by BCFIRB.

Deliverables:

- Submit the Prior Approval Update to the BCFIRB Supervisory Panel—To be completed and sent to BCFIRB for review by March 31, 2017