



July 29, 2019

File: 44200-20 CMB BHEC

DELIVERED BY E-MAIL

Jim Collins
Chair
BC Broiler Hatching Egg Commission

Harvey Sasaki
Chair
BC Chicken Marketing Board

Dear Sirs:

PRICING IN THE BC CHICKEN SUPPLY CHAIN

Thank you for your July 11, 2019 joint response to BC Farm Industry Review Board's (BCFIRB) June 28, 2019 letter. In its letter, BCFIRB asked the BC Chicken Marketing Board (Chicken Board) and BC Broiler Hatching Egg Commission (Commission) to:

...provide a written submission to BCFIRB outlining progress on finding a solution [to hatching egg producer price issues before A-158], including plans, timelines and steps taken to date no later than July 19, 2019.

In your July letter you indicated that the Chicken Board and Commission agree that a review of "...all pricing related matters to supplement the work already undertaken to date..." under BCFIRB's supervisory authorities is needed, and would be conducted "...through a strategic lens in support of the long-term sustainability of the BC chicken and hatching egg sectors." The objective would be to provide recommendations to BCFIRB no later than November 4, 2019.

Supervisory Review Request

As reflected in BCFIRB's June letter, the joint Chicken Board-Commission July letter and BCFIRB's May 16, 2019 pricing appeal decision¹, the chicken supply chain is facing multiple pressures, many of which are strongly tied to chicken grower and hatching egg producer pricing.

¹ 2019 May 16. BCFIRB. [Primary Poultry Processors Association of BC and BC Chicken Growers Association v BC Chicken Marketing Board.](#)

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In order to gain a better understanding of what the Chicken Board and Commission are proposing, a call was held with yourselves, myself, Al Sakalauskas, BCFIRB Vice Chair, and staff representatives from our respective organizations on July 17, 2019. On this call, it was clarified that the Chicken Board and Commission are seeking to develop an overall strategy for BC's chicken industry, in which pricing plays an integral role. I think it is fair to say that the overall view on the call was that this could be a very significant initiative.

Given the potential scope and complexity of developing an overall strategy for BC's chicken industry, including pricing and related urgent matters, such as the Commission's linkage exit notice effective August 4, 2019 and BCFIRB's May appeal direction to the Chicken Board to establish a long-term live price formula by period A-161, BCFIRB would like to meet with the Chicken Board and the Commission in the near future to get a better understanding of your proposal, including its scope, timelines and objectives. BCFIRB requires further information before it can properly assess how to effectively and strategically engage in this initiative with respect to its supervisory authorities.

BCFIRB staff will be following up with your Executive Directors shortly to schedule a meeting.

If you have any questions or would like to discuss further, please don't hesitate to contact me.

Yours truly,



Peter Donkers
Chair, BCFIRB

cc: Bill Vanderspek, Executive Director
BC Chicken Marketing Board

Stephanie Nelson, Executive Director
BC Broiler Hatching Egg Commission

BC Broiler Hatching Egg Producers Association

BC Chicken Growers Association

Primary Poultry Processors Association of BC

BC Egg Hatchery Association

BCFIRB web site