



BC Chicken Growers'  
ASSOCIATION

August 05, 2020

BY EMAIL

Kirsten Pedersen,  
Executive Director  
BC Farm Industry Review Board (BCFIRB)

Dear Kirsten,

**RE: JOINT BC CHICKEN MARKETING BOARD – BC BROILER HATCHING EGG COMMISSION PRICING REVIEW PROCESS PROPOSAL**

We write in response to your July 30, 2020 letter regarding the BC Chicken Marketing Board's (BCCMB) and the BC Broiler Hatching Egg Commission's (BCBHEC) July 17<sup>th</sup> and July 28<sup>th</sup>, 2020 joint letters. In these letters the BCCMB and BCBHEC propose an alternative approach to engaging a third party, i.e. "Project Leader" as outlined by BCFIRB. This approach defers the appointment of a third-party Project Leader and re-examines the role at a later stage in the process. The joint BCCMB/BCBHEC submission also suggests that BCFIRB assign a staff or member liaison. Below are our comments:

**1. The role and/or timing of an independent, third party project leader and/or liaison.**

The BCCGA supports BCFIRB's description of the Project Leader as a key liaison between the two boards and the BCFIRB panel, to ensure transparent communication between the boards and stakeholders and to facilitate the production of essential and appropriate information in support of the boards' evidence-based decision-making process while protecting business confidentiality.

The BCCGA accepts the proposed timeline laid out on page 3 in the BCCMB's and BCBHEC's joint letter dated July 28, 2020. We also agree that a Project Leader can be appointed at a later stage in the process. We recognize much work has already commenced as per the BCCMB's and BCBHEC's joint letter of July 17, 2020. Reflecting on this, the BCCGA is satisfied with the proposed procedures and timeline subject to the following:

- The timelines are achieved.
- The stakeholders are provided with draft pricing positions before the boards finalize their position on November 2, 2020.
- The order of points e. and f. on page 3, in the joint BCCMB/BCBHEC letter of July 28, 2020, are reversed, to read:

e. at this time, BCFIRB would engage a third-party to facilitate the exchange of information and ensure protection of business confidentiality.

f. the boards finalize their pricing positions by November 2, 2020 and distribute to stakeholders for response.

By following this order, the third-party Project Leader can review and verify the information gathered before it is distributed to stakeholders.

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Additionally, the BCCGA would appreciate knowing a date in early January 2021 that BCFIRB will review and make the final ruling.

The BCFIRB has stated that *"...the notion of a reasonable return to growers and maintaining processor competitiveness must be supported by transparent and verifiable data ..."*

Currently, the BCCMB is using a third-party consultant to collect data that is intended to assist in defining the concept of "a reasonable return to growers." This is essential because BC chicken growers have been and are continuing to be challenged with unsustainable rising input costs and low net returns. The BCCGA supports the BCCMB investigating the causes of these unsustainable returns.

However, the BCCMB faces a major challenge with understanding the various revenue streams, not to mention the margins and input costs, which both the hatcheries and processors have. Some sources of information are known, such as the sale of breeder chicks, sale of vaccines, revenue from spent hen/breeder processing, and the savings received by importing lower priced eggs and chicks from the United States. Other revenue sources need to be identified and quantified.

Additionally, to compare BC processors' competitiveness to Ontario, one must consider the BC processors' hatching, processing, further processing, TRQ and quota holdings across the country as they have expanded operations into several other provinces. The amount of fresh chicken entering BC from Ontario is unsubstantiated and should be studied further.

The BCCGA believes the "Project Leader" could play a critical role in facilitating the production of the essential and appropriate information needed from the hatcheries and processors.

## **2. How and when the boards may consult/engage with stakeholders.**

The BCCGA recommends that the boards gather the required information and engage with stakeholders when necessary, before making their decision. Producers, processors, and hatcheries should be involved but should not have a seat at the decision-making table in hopes of all parties reaching an agreement. We agree with the boards' statement in their July 28, 2020 letter, that *"the reality of past experience is that a 'negotiated' pricing agreement is highly unlikely."* This has been tried before, on several occasions without much success, and would only delay the process.

To ensure transparency, all parties should be notified when a request for information is sent to any stakeholder. The BCCGA requests that sufficient time (e.g. one month) be given to prepare the information requested. As the timelines are critical, an update on the process and timelines should be provided bi-weekly by the boards.

Thank you for your attention to this matter.

Sincerely,



Dale Krahn  
President, BC Chicken Growers' Association

cc. Peter Donkers, Chair, BCFIRB  
Harvey Sasaki, Chair, BC Chicken Marketing Board  
Jim Collins, Chair, BC Broiler Hatching Egg Commission

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