



THE HOLM TEAM

Agriculture Economics Journalism Trade Cooperation

292 Smuggler Cove Road, Bowen Island, B.C., Canada V0N 1G1
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January 22, 2021

Dale Krahn, President,
BC Chicken Growers' Association

Dear Dale,

I am writing in response to the attached letter I received Tuesday afternoon from your solicitor Paul McLean (MathewsDinsdale). The matters raised in paragraph five of that letter relating to procedural fairness and matters involving BCFIRB are more appropriately responded to directly by BCFIRB, so I have referred the letter to Kirsten Pedersen, Executive Director, BC Farm Industry Review Board.

The balance of the Mathew Dinsdale letter relates to matters you and I have been discussing for three weeks now: how BCCGA can most effectively participate in the Round Table process. A chronology of that discussion is attached.

I believe the Statement on Stakeholder Round Tables (attached) clearly explains the purpose of the Round Tables: "...are not the place to "debate" the merits of each party's submissions. They are, instead, intended to increase understanding and perspective for all members of BC's chicken and hatching egg industry and, in particular, to provide some insight/appreciation as to why there are differences in the views of farmers and the industry partners who support them in the marketing chain." And it also explains that "the CMB and HEC will also require evidence-based information from stakeholders to inform their decisions in the form of recommendations to BCFIRB as the first instance regulators. This specific, evidence-based information may be collected through specifically identified Roundtables and/or other submission processes." This approach encourages stakeholder participation in multi-lateral discussions to facilitate the understanding and cooperation needed to address common concerns.

I'd felt we'd had a good Zoom discussion of all this on Friday. You will be pleased to know that the Chair of the BCBHEC requested that the HEC tables be open and I agreed with him. The objective of the previous Round Tables was to generate a common dialogue among Stakeholders to explore pricing options, reasonable return to growers and processor competitiveness. In contrast, the HEC tables are more technical in nature, presenting the specifications of proposed formulae which have already been released to stakeholders for review and feedback.

In the interests of transparency, this letter and its attachments will be posted to the review Website and shared with Stakeholders.

I look forward Dale to the continued strong participation of the BCCGA in this Review process.

Kind regards:

Wendy Holm, P.Ag.(Ret'd), M.M.C.C.U.
BCFIRB Liaison - Long Term Chicken Sector Pricing Review
wendyholm.com

Attachments:

Statement on Stakeholder Round Tables
BCCGA Letter to Wendy Holm of December 31, 2020
Wendy Holm Letter to BCCGA of January 2, 2021
BCCGA Letter to Wendy Holm of January 8, 2021
Wendy Holm Letter to BCCGA+PPPABC of January 11, 2021
Wendy Holm email to Dale Krahn, January 15, 2021 1:53 pm
Mathew Dinsdale (Solicitor for BCCGA) Letter to Wendy Holm January 19, 2021

cc

Harvey Sasaki, Chair, BC Chicken Marketing Board
Jim Collins, Chair, BC Broiler Hatching Egg Commission
Blair Shier, President, Primary Poultry Processors' Association of BC
Ryan Whitmore, Chair, BC Egg Hatchery Association
Bryan Brandsma, President, BC Hatching Egg Producers' Association

Bill Vanderspek, Executive Director, BC Chicken Marketing Board
Stephanie Nelson, Executive Director, BC Broiler Hatching Egg Commission
Jennifer Curtis, Manager, BC Chicken Growers Association
Craig Evans, Executive Director, Primary Poultry Processors' Association of BC
Ernie Silveri, Executive Director, BC Egg Hatchery Association
Art Deruiter, Executive Director, BC Hatching Egg Producers' Association

Kirsten Pedersen, Executive Director, BC Farm Industry Review Board

STATEMENT ON STAKEHOLDER ROUND TABLES

January 13, 2021

As we all know, the objective of this Review process is to build a long-term, sustainable pricing strategy to support a BC chicken industry that is **vibrant and resilient** in the face of increasing marketplace changes affecting the Canadian supply-managed sector. After almost three decades of regulatory, appeal-based approaches to resolving price differences, it is time to try something different.

This is why, at the outset of this process, the Round Tables were created. Their purpose is to encourage multi-stakeholder dialogues intended to build a common understanding of the challenges and issues facing each member of the value chain so they can begin to work together more effectively and cooperatively as partners in a thriving industry.

Purposely designed as a distinctly different process from appeals - where at the outset parties come to the table to argue the merits of their positions - the Stakeholder Round Tables are not the place to “debate” the merits of each party’s submissions. They are, instead, intended to increase understanding and perspective for all members of BC’s chicken and hatching egg industry and, in particular, to provide some insight/appreciation as to why there are differences in the views of farmers and the industry partners who support them in the marketing chain.

All stakeholders - producers, hatcheries, growers, processors and the Associations that represent them – are invited to participate.

An example of the important benefits of cross-sectoral discussion is the “net exporter vs. net importer” issue that arose from the Round Table on Pricing Policy. In their feedback submissions to BCCMB, BCCGA’s position was that BC is a net exporter of chicken. PPPABC stated that BC is a net importer of chicken. The point was not to argue the numbers but rather to learn more about the respective approaches/methodologies underpinning each to understand why they differ. And, in the process, to provide stakeholders and regulators with a more accurate understanding of the BC chicken sector. To accomplish this, two Working Round Tables were set up to allow the stakeholders to “dig into the numbers” and compare approaches. In the end, the difference was methodology-based. After some further discussion, both stakeholders agreed: BC is a net importer of chicken.

This discussion was important because it facilitated discovery amongst all parties and deepened their understanding of the underpinnings of the information itself. It also served to support the information submitted to the Boards that they will take into consideration when making their decisions.

Building a common understanding amongst stakeholders is only a first step. For the regulators (BCCMB and BCBHEC, into which this process feeds information to support decision-making) more than an understanding is needed. As the first instance regulators, the BCCMB and BCBHEC will also require and seek evidence-based information from stakeholders to inform their decisions, which will be put forward as recommendations to BCFIRB. This specific, evidence-based information may be collected through specifically identified Round Tables and/or other submission channels where board processes (in which information is limited in distribution and protected by processes) can ensure confidentiality if necessary.

A final Round Table will be held to try to piece all parts of the puzzle together, and there is more information to be shared before then. And of course, following the Round Tables, all stakeholders will have the opportunity to make final submissions to BCCMB/BCBHEC.

Thank you all for your participation. More Tables to come!

Wendy Holm, P.Ag.(Ret'd), M.M.C.C.U.
BCFIRB Liaison - Long Term Chicken Sector Pricing Review
wendyholm.com



BC Chicken Growers'
ASSOCIATION

December 31, 2020

DELIVERED VIA EMAIL

Wendy Holm
BC Farm Industry Review Board, Liaison

Dear Wendy,

RE: Engagement with Stakeholders

The BCCGA is very disappointed in your decision to not allow some of our team members to attend the roundtable meetings and study the information provided. The following is an excerpt from the BCFIRB Liaison's Dec 23, 2020 bi-weekly Report to FIRB and Stakeholders, for the long-term chicken sector pricing strategy.

ENGAGEMENT (Repeating this important point!)

*Engagement with stakeholders – individual producers, growers, hatcheries and processors - is a very important component of this review process. If we are to successfully build a long term, sustainable and resilient pricing strategy for the BC chicken sector, it is important not only to arrive at workable pricing formulas, but also to build an atmosphere of understanding, cooperation and support for the positions and concerns of all stakeholders. The virtual (Zoom) Round Tables are meant to facilitate this. **You are all invited to participate to share your thoughts and contribute to solutions that will enhance our common path as we go forward.***

Your decision is contradictory to the above statement in your December 23, 2020 Report to Stakeholders.

Furthermore, in your email to Jennifer Curtis dated December 30, 2020 you state:

The Round Tables are designed to move us in that direction: away from adversarial hearing-like atmosphere to one of discussion and learning through shared perspectives to both inform stakeholders and support sound marketing decisions by the regulatory bodies.

...but understand the approaches/methodologies behind each so we can understand why they differ, providing both stakeholders and regulators with a more accurate understanding of the BC chicken sector.

In order to achieve these things, both sides need to be able to discuss freely and openly with all of the input they can provide and all of the knowledge they can share. How can we do this without our people that have the most industry knowledge?

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The members of the PPPABC are processors, growers, and hatcheries while the members of the BCCGA are growers only. By not allowing our complete team to attend and fully participate you are putting the BCCGA at a disadvantage.

The BCCGA will attend the January 5, 2021 roundtable meeting under protest. If there are questions raised or areas of discussion that we feel would be best answered or discussed by our team members that have been prohibited from attending we will not be able to answer these questions, thus further delaying this process and to the detriment of the goal of evidence-based decision making. Furthermore, if decisions are made or opinions accepted that our prohibited members would have been able to provide a differing opinion on, we will have no choice but to appeal the procedural fairness of this process to BCFIRB.

The terms of reference for the long-term chicken sector pricing strategy states that the roles and responsibilities of the Review Panel include working with BCFIRB staff, establish a process for collecting, managing, and exchanging potentially confidential or sensitive information to support the development of options and regulatory decision making. This is extremely important to us; it is our business and our livelihood. This process needs to move forward with all the information being discussed thoroughly and confirmed. The important regulatory decisions to be made by February 2021 will not happen unless we get the right people in the room including key members of our team. We are requesting again to allow these key members to participate in the round table meetings and suggest that you consult further with the BCCMB and BCFIRB about this situation.

Thank you for your attention to this matter.

Sincerely,

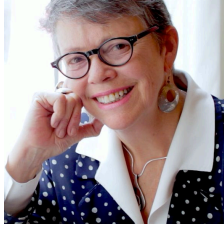


Dale Krahn, President
BC Chicken Growers' Association

cc. Harvey Sasaki, Chair, BC Chicken Marketing Board
Bill Vanderspek, Executive Director, BC Chicken Marketing Board
Ray Nickel, Member, BC Chicken Marketing Board
Peter Donkers, Chair BCFIRB
Kirsten Pedersen, Executive Director BCFIRB

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January 2, 2021

Dale Krahn, President
BC Chicken Growers' Association

Dear Dale,

Thank you for sharing your thoughts on this Dale. It has been a difficult discussion, and the decision to not invite your consultants to the January 5th Round Table was arrived at only after consultation with the chairs of the regulatory bodies - CMB and HEC - about their boards' process expectations. I want to also say at the outset that I understand where you are coming from, and after a review of the purpose of the Stakeholder Round Tables and why they are limited to direct stakeholders, propose a solution that I hope you feel both reflects and respects those concerns.

Arising from the Terms of Reference, CMB and HEC are relying on the Roundtables to help build a common understanding of the BC chicken sector among supply chain members. This common understanding is only a first step. The CMB and HEC will also require evidence-based information from stakeholders to inform their decisions in the form of recommendations to BCFIRB as the first instance regulators. This specific, evidence-based information may be collected through specifically identified Roundtables and/or other submission processes.

Historically, the BC Farm Industry Review Board has received a large number of appeals from BC chicken industry stakeholders – six in the past two years alone. For over twenty-five years, this adversarial appeal process (one side against the other) has “baked in” a set of assumptions/expectations about how pricing issues are resolved. I understand why, coming from this model, you fear you may be at a disadvantage in the current dialogue if your consultants are not invited to Stakeholder Round Tables. Please be assured that this is not the case.

The current process is based on the objective of building a long-term, sustainable pricing strategy to support a BC chicken industry that is vibrant and resilient in the face of globalization and increasing marketplace changes affecting the Canadian supply managed sector. To be successful, all parties will need to focus on building common understandings of the industry and the challenges/issues as a starting point. This is a different process from appeals, where at the outset parties come to the table to argue the merits of their positions.

The Stakeholder Round Table process is about increasing understanding and perspective for all members of BC's chicken and hatching egg industry. Here, the objective is to gain some insight/appreciation of why there are differences in the views of the processors and the growers.

In this particular case (net exporter vs. net importer) the point is not to argue the numbers but understand the approaches/methodologies behind each so we can understand why they differ, providing both stakeholders and regulators with a more accurate understanding of the BC chicken sector. The intent is not to judge which is right or wrong, but to understand the origins of these differences, particularly in basic data being put forward. This discussion and understanding of the underpinnings of the information will support the information submitted to the Boards that they will take into consideration when making their decisions.

For the regulators (CMB and HEC, into which this process feeds information to support decision-making) more than an understanding is needed - the boards will need evidence that the Stakeholder Round Tables do not. If underlying sensitive information needs to come out at some point, that is for the boards to receive, where board processes (in which information is limited in distribution and protected by processes) can ensure confidentiality.

For the above reasons, participation in the Monday January 4th 10 am Working Table is the best way for your consultants to present the methodology and numbers behind BCCGA's assertion that BC is a net exporter of chicken and allow for a full discussion.

To address your concern that your consultants be available to assist in other questions that may arise pursuant to Agenda Item #6 at Tuesday's Stakeholder Round Table (*Summary Review of Some Differences in BCCGA AND PPPABC Submissions*), I suggest we could include this in Monday's Working Table discussion (e.g. other differences between the two submissions). This will ensure your consultants can respond to any questions that arise. The summary results of both Working Tables (Dec 16 and Jan 4) can then be shared with Stakeholders at the Tuesday Round Table. If, on Tuesday, questions come up that BCCGA can't answer, there is no problem in giving you time to respond. Yes, this extends the timeline a bit, but it is more important to have a good understanding of the issues we are discussing.

The planned future final Round Table will be used to try to piece all parts of the puzzle together, and there is more information to be shared before then.

And of course, following the Round Tables, all stakeholders will have the opportunity to make final submissions to CMB/HEC who are, again, the decision-makers and should (must) have all the information they need for regulatory decision-making. At this time, BCCGA can certainly bring to the attention of CMB/HEC any points they feel would benefit from further discussion, providing sound evidence/data for their arguments. But the Stakeholder Round Tables is not the venue for this activity.

I very much appreciate the thoughtful contribution BCCGA has made to this Review process and look forward to working closely together to build a sustainable, long term pricing strategy that serves the interests of all BC chicken industry stakeholders.

Kind regards:



Wendy Holm, P.Ag.(Ret'd), M.M.C.C.U.
BCFIRB Liaison - Long Term Chicken Sector Pricing Review
wendyholm.com

cc Harvey Sasaki, Chair, BC Chicken Marketing Board
Bill Vanderspek, Executive Director, BC Chicken Marketing Board
Ray Nickel, Member, BC Chicken Marketing Board
Jim Collins, BC Hatching Egg Commission
Stephanie Nelson, Executive Director, BC Hatching Egg Commission
Peter Donkers, Chair, BCFIRB
Kirsten Pedersen, Executive Director, BCFIRB



BC Chicken Growers'
ASSOCIATION

January 8, 2021

DELIVERED VIA EMAIL

Wendy Holm
BC Farm Industry Review Board, Liaison

Dear Wendy,

RE: List of Outstanding Questions

The BC Chicken Growers' Association (BCCGA) is responding to your email on January 5, 2020 requesting answers to a list of the outstanding questions, including the following:

1. What aspects of the other's submission are you having a problem understanding and/or processing?
2. What assertions do you find difficult to believe and would like to see substantiated?
3. What additional information do you need to participate effectively in the Round Table component of this Review Process?

Unfortunately, we cannot answer the first 2 questions without dealing with the 3rd. For the BCCGA to participate effectively in the Round Table component of this review process we need our full team to be allowed full participation. That includes, but is not limited to, access to all the documents and attendance at the round tables. This is not only for the BCCGA's benefit, but also for the benefit of the decision makers and all parties involved. Both sides are requested to discuss freely and openly with all the input they can provide and all the knowledge they can share. We are unable to do this effectively without our team.

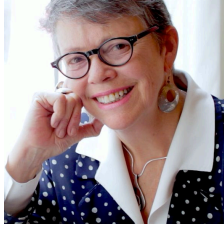
Sincerely,

Dale Krahn, President
BC Chicken Growers' Association

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

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January 11, 2021

Dale Krahn, President, BC Chicken Growers' Association
Blair Shier, President, Primary Poultry Processors' Association of BC

Dear Dale and Blair,

Thank you for your attached submissions to the questions posed at the end of the January 5th Round Table.

As you are aware, the purpose of Round Tables is to provide a forum in which all stakeholders gain a broader knowledge and understanding of industry/sector issues. Meant to inform all participants, including the Boards, it is important to note that the Round Tables are distinct and separate from the Board's decision-making process. While the information shared at the Tables will help inform those processes and aid the regulators to focus on issues/questions to be addressed, the two processes are (and must remain) separate.

As such, it is in the best interests of all to share/communicate as much information at these Round Tables as possible (short of confidential business information of course) Failure to respond to requests of the boards will impact negatively on regulatory decision-making and weaken stakeholder's cases before the boards.

I look forward to working closely together to build a sustainable, long term pricing strategy that serves the interests of all BC chicken industry stakeholders.

Kind regards:

Wendy Holm, P.Ag.(Ret'd), M.M.C.C.U.
BCFIRB Liaison - Long Term Chicken Sector Pricing Review
wendyholm.com

Attachments:

- PPPABC letter of January 6th
- BCCGA letter of January 8th
- Statement on Stakeholder Round Tables for posting to Review website

cc Jennifer Curtis, BC Chicken Growers Association
Craig Evans, Poultry Processors' Association of BC
Harvey Sasaki, Chair, BC Chicken Marketing Board
Jim Collins, BC Broiler Hatching Egg Commission
Bill Vanderspek, Executive Director, BC Chicken Marketing Board
Stephanie Nelson, Executive Director, BC Broiler Hatching Egg Commission

So again, thanks Dale for the chat.

Subject: So again, thanks Dale for the chat.
From: Wendy Holm <wendy@wendyholm.com>
Date: 2021-01-15, 1:53 p.m.
To: Dale Krahn <dekrahn@gmail.com>

Hi Dale

Thanks so much for taking the time to chat with me today... I found it a very useful conversation because it let me understand much better where you are coming from. And I take responsibility for the misunderstanding in that I agree the "ask" could have been phrased differently. When asking you for questions regarding the submission of the processors, I perhaps should have instead asked "what questions do you as growers feel the processors still need to answer?" Coming directly from your presentation, a number of high level questions present themselves that should be flagged at this point in the discussions for CMB and BHEC to focus on. Some of the answers may be confidential, and this is where the regulators have the ability to shelter these responses. But the questions themselves are so important - not just to CGA but to the entire value chain - and although you may have asked them in the past, your submission spoke to many that remain unanswered. This is the point in this Review process to put those important questions on the table.

Please know all stakeholders are held in high regard in this process... My goal is to try to bring us to some common ground that will better prepare industry participants to work more closely together to address other (non-price) issues awaiting resolution.

So again, thanks Dale for the chat.

Kind regards - stay safe and keep well...

w

Wendy Holm, P.Ag.(Ret'd), M.M.C.C.U.
BCFIRB Liaison - Long Term Chicken Sector Pricing Review
wendyholm.com

January 19, 2021

Paul D. McLean *

Via E-mail : firb@gov.bc.ca

pmclean@mathewsdinsdale.com

T 604.638.2044

*** Denotes Law Corporation**

Vancouver Office

Wendy Holm
Liaison
BC Farm Industry Review Board
PO Box 9129 Stn Prov Govt
Victoria, BC V8W 9B5

Attention: Wendy Holm

Dear Sirs/Mesdames:

Re: List of Outstanding Questions

We act as legal counsel to the British Columbia Chicken Growers Association (the "Association") and write with respect to ongoing concerns on the part of the Association to fully participate in the ongoing Roundtable Review process.

As you are aware, the Association has, for a number of weeks, been raising serious concerns about the constraints you have placed on it with respect to the Association's ability to rely on experts it has retained to assist the Association and its members in fully participating in the Roundtable Review process.

The Association is comprised of chicken farmers. It does not include in its membership accountants, economists or other independent experts who, by virtue of their education and experience, have understanding and insight which my client believes are of benefit to the Association in order to fully understand and participate in the Roundtable Review process.

Presently, we understand that you have, for reasons which candidly are unclear to us, refused the Association permission to have its independent experts participate in the Roundtable Process and, even more damaging, even reviewing certain documentation provided to the Association as part of that process.

This position is untenable – first, it is a denial of my client's right to procedural fairness; second, it runs counter to the numerous cautions expressed by BCFIRB about the need for industry transparency in the review process and how blanket assertions of confidentiality by an industry stakeholder should no longer be accepted at face value; and, third, more importantly, it is eroding my client's belief that the Roundtable Review process will afford them a fair opportunity to make fulsome submissions.

Accordingly, with this letter we ask that the Association be permitted to utilize its experts as it sees fit. If there are confidentiality obligations which need to be memorialized in writing, the various experts (who have unblemished decades' long reputations in the Canadian agricultural sector) are more than

capable of adhering to such agreements without jeopardizing the confidentiality of the information or, more importantly, their professional reputations.

We look forward to your favourable reply.

Sincerely,
Mathews, Dinsdale & Clark LLP



Paul D. McLean

cc: Harvey Sakaki, Chair, BC Chicken Marketing Board
Jim Collins, Chair, BC Broiler Hatching Egg Commission
office@bcchickengrowers.ca