

January 25, 2022

VIA EMAIL

Peter Donkers, Chair
BC Farm Industry Review Board
2975 Jutland Road, 1st Floor
Victoria, BC V8T 5J9

Dear Mr. Donkers,

RE: BC CHICKEN MARKETING BOARD REQUEST ON PRICING CHANGE

This letter is in response to the request of the BC Farm Industry Review Board (BCFIRB) for feedback from stakeholders regarding the prior approval request of the BC Chicken Marketing Board (BCCMB) to change the current pricing structure in light of increasing feed costs.

The BC Broiler Hatching Egg Commission (the Commission) agrees that chicken growers and hatching egg producers are experiencing feed cost increases. Addressing these increases while accounting for the competitive needs of the processors is a difficult and ongoing balancing act for the BCCMB. Here, the BCCMB has made a SAFETI-determined decision with respect to the live price based on the evidence available to it as the first instance regulator.

The lack of certainty in the live price for a period that has already commenced impacts the entire supply chain through the current linkage.

It remains the Commission's view that moving to a more certain and stable cost-based pricing framework that incorporates a systemic approach to efficiencies is in the best long-term interests of the BC industry. The Commission's proposal for hatching egg producers and hatcheries can provide that certainty and stability in the near term. With the same due diligence and focus on transparency and efficiencies, so does the BCCMB's proposal for a cost-based approach to the live price represent this sound marketing policy. Pricing issues will always present challenges but a common, BC industry-wide pricing framework focusing on all stakeholder costs would enable the first instance regulators to have a transparent, evidence-based, stable, and certain platform from which to address pricing matters.

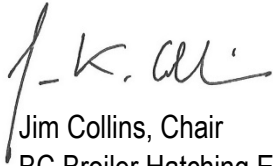
A current and critical issue for the Commission is working with the hatcheries to finalize a production recovery plan for 2022 and 2023 arising from heat dome and flooding issues. Emerging US breeder chick and import supply issues are also factors in these urgent discussions. There are pricing implications involved (e.g., an extended processing age).

Given all the circumstances, it is the Commission's view that the pricing priority for the industry remains the establishment of a framework that provides certainty and stability in the longer-term. The Commission can offer that certainty and stability for the hatching egg sector in the short-term and supports the BCCMB's proposal to transition to the same for the chicken sector.

The Commission's Pricing and Production Advisory Committee was provided with a draft of this letter so that the BC Broiler Hatching Egg Producers' Association and the BC Egg Hatchery Association members of the committee would be aware of the Commission's views prior to the deadline for making submissions to BCFIRB.

The Commission respectfully takes no other position regarding this latest dispute.

Yours truly,



Jim Collins, Chair
BC Broiler Hatching Egg Commission

cc: BC Chicken Marketing Board
BC Broiler Hatching Egg Producers' Association
BC Egg Hatchery Association
Primary Poultry Processors' Association of BC
BC Chicken Growers' Association