



October 13, 2022

Mr. Peter Donkers
Chair, BC Farm Industry Review Board
firb@gov.bc.ca

Dear Mr. Donkers:

Re: BC Chicken Marketing Board Long-Term Pricing Process

The Primary Poultry Processors Association of BC (PPPABC) is following up on its September 7, 2022 correspondence and the BC Farm Industry Review Board's (BCFIRB) intent to issue its final written expectations and directions regarding the BC Chicken Marketing Board's (Chicken Board) March 4, 2022 long-term pricing development plan in October 2022. We continue to have significant concerns with the Chicken Board's pricing process and its failure to appoint an independent third-party to act as project manager and chair of the Cost Recovery Model Committee in the pricing development process.

The PPPABC has repeatedly stated to the BCFIRB (both in correspondence and during meetings) that it has lost confidence in the Chicken Board's ability to manage a fair, principled, and objective pricing process that equally recognizes the legitimate interests of both BC processors and growers. The PPPABC on numerous occasions has explicitly requested independent oversight of the pricing process going forward, however the approach now being taken by the Chicken Board effectively eliminates any independence in the pricing review process.

The recent appointment of Mr. Harvey Sasaki as the "Independent Chair and Project Manager" for the Cost Recovery Model (CRM) Committee further demonstrates the Chicken Board's inability to effectively and objectively structure and manage the pricing process. No matter how the Chicken Board structures his roles, Mr. Sasaki is not independent of the Chicken Board, and he cannot faithfully fulfill the mandate of "Independent Chair and Project Manager" for the CRM committee. His appointment to this role is inconsistent with principles of good governance, as it creates both a perceived and actual conflict of interest and creates a reasonable apprehension of bias. For instance, as BCFIRB has pointed out, the Chicken Board has yet to fulfill the Terms of Reference for the Supervisory Review. It is not clear to the PPPABC how accountability to these terms will be restored when the Chicken Board's chair has been appointed as "Independent Chair" of the CRM Committee.

The PPPABC reiterates its request for an independent third-party pricing process that not only ensures a fair, objective, and balanced outcome, but now one that also maintains the integrity of the pricing review process. The PPPABC's request, as previously articulated in correspondence to the BCFIRB dated September 7, 2022, is as follows:

Step 1 - The Chicken Board must return to the original terms of reference and establish the definitions and metrics by which "reasonable returns for growers" and "processor competitiveness" will be established.

Step 2 - Develop long-term pricing formula options that can be assessed against the definitions and metrics

Step 3 - Analyze the long-term pricing formula options against the definitions that have been established using the metrics that have been identified.

Step 4 - Recommend the long-term pricing formula based on the assessment of the options against the criteria.

The PPPABC believes the appointment of Mr. Sasaki as the Independent Chair and Project Manager of the CRM Committee is not the “reset” needed to bring the Supervisory Review process to a successful conclusion. In its decision dated August 8, 2022 the BCFIRB indicated that, “The Panel will determine if any further interventions by BCFIRB are required in the future, taking into consideration the level of genuine effort from all parties... to develop a long-term pricing formula reflective of the Terms of Reference.” It is the PPPABC position that the Chicken Board’s structure and process to the pricing review will not fulfil the Terms of Reference. Now is the time for BCFIRB to engage in the process and order clearly defined independent oversight that will satisfy the Terms of Reference and maintain the integrity of the pricing review.

The PPPABC has always demonstrated good faith in its participation in this important industry process and as mentioned in previous correspondence will continue to work to bring value to the pricing process, but to do this there must be:

- Clearly defined outcomes;
- Adherence to a structured process;
- Independent and meaningful oversight; and
- Strict milestones.

The Chicken Board is now moving forward in a biased manner that has moved progressively further away from principles of good governance, making unjustifiable decisions under the guise of “expediency”. The Chicken Board has been unable to deliver required results after almost three years and we have no confidence the current process will be any more successful.

We will avail ourselves to discuss this matter and our further participation at your convenience.

Sincerely,

A handwritten signature in black ink that reads "Craig Evans". The signature is written in a cursive style with a long vertical line extending downwards from the end of the name.

Craig Evans
Executive Director
Primary Poultry Processors Association of BC

- c. Harvey Sasaki – Chair BCCMB
- Jim Collins – Chair – BCBHEC
- Wendy Holm – BCFIRB Liaison