

May 16, 2024

VIA EMAIL

Peter Donkers, Chair
BC Farm Industry Review Board
PO Box 9129 Stn Prov Govt
Victoria, BC V8W 9B5

Dear Mr. Donkers,

**RE: BC BROILER HATCHING EGG COMMISSION REQUEST FOR RELEASE FROM CHICKEN
SECTOR PRICING SUPERVISORY REVIEW**

On April 5, 2024, the BC Broiler Hatching Egg Commission (the Commission) circulated correspondence to the hatching egg stakeholders outlining the completion of the implementation phase of the Hatching Egg Cost of Production (COP), attached for your convenience.

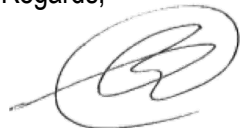
At this time, the Commission requests release from the Chicken Sector Pricing Supervisory Review process as criteria for both the Terms of Reference pertaining to the Commission and the June 3, 2022, decision have been met.

As the COP requires updates and contemplated component adjustments, e.g., labour tracking timesheets, it is prudent for the Commission to resume our first instance regulator status and move through our process without the potential confinement of the Supervisory Review process.

The Commission steadfastly upholds the cornerstone principles of SAFETI, ensuring that any further changes are derived from robust data-supported evidence and rigorous reporting practices, thereby instilling confidence in our decision-making process.

The Commission appreciates your consideration of our request and looks forward to receiving confirmation and the steps that will be required to complete this process.

Regards,



Bill Vanderspek, Chair
BC Broiler Hatching Egg Commission

Attachment

April 5, 2024

VIA EMAIL

BC Hatching Egg Industry

Dear Stakeholders,

RE: IMPLEMENTATION PLAN COMPLETION & FINAL UPDATE

On March 4, 2022, the BC Broiler Hatching Egg Commission (Commission) submitted its Pricing Proposal jointly with the BC Chicken Marketing Board (BCCMB). On June 3, 2022, the British Columbia Farm Industry Review Board (BCFIRB) issued its decision on the Commission's Proposed Pricing Package¹.

Approval was granted to implement the long-term pricing recommendations on the following conditions (paras. 1-4; 59-62):

The Commission give one production period implementation notice to the BC Chicken Marketing Board (Chicken Board), stakeholders, and BCFIRB; and

The Commission follow the graduated process established in its March 4, 2022 submission.

Further,

The Commission will provide an implementation progress report to BCFIRB by December 16, 2022.

On an on-going basis, the Commission will monitor implementation impacts on hatching egg producers and hatcheries; and, through the Chicken Board, implementation impacts on chicken growers and processors.

The Commission and Chicken Board are to collaborate as necessary to ensure any significant implementation impacts are duly considered and mitigated as appropriate.

To ensure all the conditions of the approval were met with continued stakeholder engagement, an implementation plan was prepared. It was considered a living document and was updated as work progressed through the implementation.

Within that Proposed Pricing Package was a phase-in schedule (p.106) with (maximum) new COP pricing beginning at 95.0% and increasing by 0.5% to 99.5%, a duration of 10 pricing periods. The first period was A179, making the recently issued pricing for A188 the tenth and final pricing period of the phase-in schedule. The Commission is, therefore, pleased to issue this final Implementation Plan update.

¹ BC Farm Industry Review Board. (June 3, 2022). [In the Matter of the Natural Products Marketing \(BC\) Act and BC Broiler Hatching Egg Commission Final Pricing Recommendations.](#)

This letter will also outline the continuing work of the Commission in ensuring ongoing monitoring of hatching egg sector pricing and collaboration with hatching egg producers, hatcheries, BCCMB, and other value chain participants, as follows:

Implementation Plan Schedule

The phase-in schedule has been completed, with pricing now permitted to be set at full price with efficiencies applied (production trimming). The Commission will continue to monitor pricing and its impacts upon producers, hatcheries and, through the BCCMB, impacts on chicken growers and processors.

Formula Finalizations

The Breeder Chick Pricing formula was completed and is being used successfully.

The vaccine pricing sleeve amount and process to update was completed; it is anticipated that a submission from the Veterinarian Technical Committee to the Commission regarding updating the cost sleeve amount will be made in near future. The Commission is also continuing its investigation into vaccine charges by hatcheries and/or third-party veterinarians in excess of the sleeve.

Hatchery COP

The BC Egg Hatchery Association (BCEHA) notified the Commission in 2023 that it had begun working on a survey of its members on four significant hatchery costs. Since then, BCEHA informed the Commission in March 2024 that it is moving forward with a more fulsome COP. The Commission is encouraged to hear of this progress in hopes that it is a full-fledged COP, consistent with its recommendations in the Pricing Proposal Package; BCFIRB noted as such that "...plans have been established to build a cost-based hatchery pricing model by 2023 based on reasonable returns" (para. 30).

A timeline for the hatchery COP report, and review of it and reasonable returns, has not been provided by the BCEHA.

Producer COP

A timeline for the producer surveys for the next iteration of the hatching egg producer COP is being developed, potentially commencing in late spring 2024. The surveys were last completed in 2020.

Labour Costs – Timesheets

The Commission is finalizing a timesheet to be used by producers daily. This is a recommendation that came forward from the third-party COP review. It is anticipated that these will be available to begin documenting hours prior to the next round of COP surveys, noted above.

Hatching Egg Reporting System

The development of this system whereby hatcheries can report pickup and hatch data, weekly, on a flock-by-flock basis is integral to the improvement of orderly marketing and efficiencies. The Commission has mandated the reporting of this data since January 1, 2024 and is working with the BCEHA to bring its membership into full compliance.

Pricing Report to Pricing and Production Advisory Committee

The Pricing and Production Advisory Committee (PPAC) will continue receiving pricing reports in order to provide its recommendation(s) to the Commission. The report will be similar to the ones provided within the Implementation Plan.

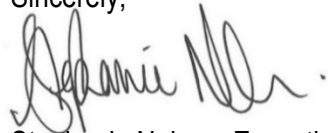
Collaboration with BCCMB

BCCMB will continue to receive a copy of the pricing report to PPAC in advance of any price setting decision made by the Commission. The joint board meetings, held quarterly, will continue to provide the opportunity for both boards to discuss pricing matters in greater detail and length.

In addition, the Commission will continue to monitor the progress of BCCMB's pricing submission to BCFIRB and related correspondence, and will contribute, as necessary.

With closing out the implementation phase, the Commission wants to thank all participants in the BC hatching egg industry for having contributed to this pricing process.

Sincerely,



Stephanie Nelson, Executive Director
BC Broiler Hatching Egg Commission

Attachment

cc: Peter Donkers – Chair, Chicken Sector Pricing Review Panel, BCFIRB