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DELIVERED BY EMAIL, FAX OR MAIL

Ron Kilmury
Chair
British Columbia Chicken Marketing Board
101 – 32450 Simon Avenue
Abbotsford, BC V2T 4J2

Dear Mr. Kilmury:

**REVIEW OF SPECIALTY PRODUCTION AND NEW ENTRANT PROGRAMS –
IMPROVING ACCESS TO THE SUPPLY MANAGEMENT SYSTEM**

On September 1 and 2, 2005, the British Columbia Farm Industry Review Board (FIRB) issued general directions to the five supply managed commodity boards in British Columbia. These directions followed a two year review by FIRB and the Ministry of Agriculture and Lands (the Ministry) concerning how specialty production, new entrant and quota programs were to be administered by the five boards.

The boards were required to draft orders in compliance with the general directions and submit their orders to FIRB for review and prior approval before implementation. Interested persons were also provided opportunity to provide written submissions with respect to the draft orders.

On October 31, 2005, the British Columbia Chicken Board (Chicken Board) submitted its orders to FIRB. FIRB reviewed those orders and considered the submissions received from various stakeholders. This initial review led to FIRB writing to the Chicken Board requiring changes be made to certain provisions in the orders and seeking clarification with respect to other provisions. Subsequently the Chicken Board made those changes and provided the requested clarification.

At its meeting of January 12, 2006, FIRB gave further consideration to the provisions of the Chicken Board's orders relating to specialty, new entrants, small lot production and quota transfers as of December 1, 2005. FIRB determined that it would prior approve these provisions effective the date of this letter based on the following understandings.

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Farm Industry Review Board

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First and foremost, Chicken Board allocation policies and decision-making are expected to be in accordance with the Ministry's "Regulated Marketing Economic Policy" and FIRB's September 1, 2005 directions. This includes being responsive to specialty, niche and other innovative marketing opportunities.

Second, while FIRB is generally satisfied that the present orders are in compliance with the policy expectations outlined in the September 1, 2005 directions, it also recognizes that certain details will be the subject of ongoing dialogue and review, and that adjustments may still need to be made based on practical experience gained in applying and managing the orders. Recognizing the significant input and expertise that has informed the policy judgments reflected in these orders, regulatory changes of this nature necessarily require regulators to monitor, on an ongoing basis, whether and to what extent the proposed changes are achieving their policy objectives, and requires them to consider adjustments and amendments as appropriate.

FIRB requires the Chicken Board to be proactive and timely in responding to issues that emerge from the implementation of its new orders. In responding to these issues and the potentially differing points of view and interpretations of the orders, the Chicken Board must act progressively, fairly, transparently and equitably. FIRB expects the Chicken Board's Specialty Market Advisory Committee to have a key role in support of the Chicken Board and suggest that the Committee be engaged as soon as possible.

A major issue is the amount of production available to the province under the federal-provincial agreement and the resulting limits placed on all B.C. chicken growers. Provincial signatories must actively pursue the changes in allocation policy necessary to support growth for all sectors of the B.C. industry but it will take time to realize positive changes in these allocation systems.

In accordance with the September 1, 2005 directions, FIRB will continue to monitor developments as the new orders are implemented. This monitoring will include continued dialogue between FIRB and the Chicken Board respecting these Chicken Board orders and concerning issues that may arise. As an immediate step, we suggest representatives of both our boards meet in the near future to discuss some specific issues that arise from the Chicken Board's draft orders and comments provided to FIRB on December 2, 2005.

There will be performance expectations flowing from memoranda of understanding between the Minister of Agriculture and Lands, the chair of FIRB and the chairs of the five supply managed boards. FIRB will also conduct a formal review of all programs in three years time.

FIRB acknowledges and appreciates the effort and careful thought that the members and staff of the Chicken Board have put into the development of their orders. The Specialty Review has been a challenging task and FIRB appreciates the contributions you have made to the process.

Yours truly,

A handwritten signature in blue ink, appearing to read "Richard Bullock".

Richard Bullock
Chair

pc: Daphne Stancil, Assistant Deputy Minister
Strategy, Policy and Legislation
Ministry of Agriculture and Lands

Bruce Cook, Chair
British Columbia Broiler Hatching Egg Commission

David Taylor, Chair
British Columbia Egg Marketing Board

Blaine Gorrell, Chair
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