



December 15, 2017

BC Broiler Hatching Egg Producers and Other Stakeholders

RE: PRICING OF B.C. BROILER HATCHING EGGS

On November 24, 2017, the BC Broiler Hatching Egg Commission advised that it was in receipt of linkage-based pricing information for Period A-147 that presented “serious concerns” about pricing that would result in cost recovery of 93.18%. This continues a downward trend in pricing that is having a negative impact on hatching egg producers.

The Commission remains of the view that this situation is serious and continues to explore options. Various factors are involved: the current state of formula-based live pricing based on Ontario pricing; the updating of chicken and hatching egg COPs; the updating of the linkage; and, pricing pressures in the hatching egg sector related to input costs and hatchery margins.

At its December 13 meeting, the Commission determined that it did not yet have sufficient evidence to support and defend a pricing decision for Period A-147 that varied from that provided by the linkage formula. Should the current downward trend continue and the Commission’s ongoing review produce additional information to support a different conclusion, the Commission’s approach to Period A-148 pricing may be different.

As noted on November 24:

The Commission remains committed to working with all stakeholders in a comprehensive, strategic approach to pricing in the B.C. chicken sector. While doing so, however, it must ensure the interests of hatching egg producers are protected if exceptional circumstances arise.

Yours truly,

A handwritten signature in black ink that reads "J. Collins". The signature is written in a cursive style with a long, sweeping underline that extends to the left and then loops back under the name.

Jim Collins, Chair
BC Broiler Hatching Egg Commission

BC Broiler Hatching Egg Commission



**AMENDING ORDER 11
TO THE
CONSOLIDATED ORDER OF MAY 1, 2016**


**MADE BY
THE BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION
ON DECEMBER 13, 2017**

The British Columbia Broiler Hatching Egg Commission orders as follows:

1. *Subsections 1(1) and 1(2) of Schedule 2 to the Consolidated Order of May 1, 2016 are replaced by the following:*
 1. (1) For Period A147 the base price to be paid by Hatcheries to Producers for Broiler Hatching Eggs is **\$0.5396** per Saleable Chick.
 - (2) The listed price for Broiler Hatching Eggs is **\$5.1798** per dozen.
2. *Subsection 2(1) of Schedule 2 to the Consolidated Order of May 1, 2016 is replaced by the following:*
 2. (1) For Period A147 the base price to be paid by Growers to Hatcheries for day-old Saleable Chicks hatched from Broiler Hatching Eggs (exclusive of any charges that may be imposed by the Hatchery for vaccination or sexing services requested by the Grower) is **\$0.7289** per day-old Saleable Chick.
3. *Subsection 1(2) of this amending order comes into effect on November 26, 2017.*
4. *Subsections 1(1) and 2(1) of this amending order come into effect on December 17, 2017.*

DATED at Abbotsford, British Columbia on December 13, 2017

BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION


Jim Collins, Chair