

BC Hatching Eggs

2016- 2017 Strategic Plan

Our Vision

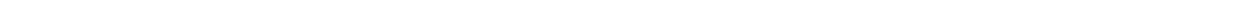
It is through co-operation with industry stakeholders that our greatest successes will be derived.

Our Mission

The Mission of the British Columbia Broiler Hatching Egg Commission is to oversee the production activities of BC broiler hatching egg producers and regulate the marketing of their product and to act as a leader for the BC broiler hatching egg producers in dealings with other participants in the chicken meat industry, with stakeholders in the national marketing scheme, and with provincial and municipal government bodies.

Our Big, Hairy, Audacious Goal

BC Broiler Hatching Eggs is the leader of the chicken industry in Canada.

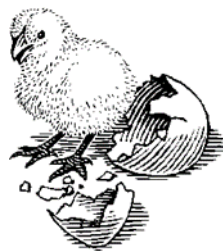


Our Values

Passion and exceeding expectations
Support of families and family farms/businesses
Self-improvement
Smart work with a dose of fun
Integrity
Results oriented
Striving for excellence by thinking proactively
Act stewardly

Our Purpose

To provide fair and orderly marketing in the BC Hatching Egg sector



3 to 5 Year Priorities

National or Provincial Chicken campaign

Minimize relation dependency for efficient transactions

Research, Development and Innovation

Develop effective Government relations

Develop effective Joint Marketing Board relations

Develop a comprehensive marketing model

3 to 5 Year Goals

Levy is \$0.02

Allocation is 100%

Cost recovery is 100%

Saleable chick average hatch is 85%



Key Initiatives

Quota System Review

Input Cost Analysis

Product Quality

Tell Our Story

Emergency Preparedness

Annual Targets

Levy is \$0.02

Allocation is 100%

Cost recovery is 100%

Saleable chick average hatch is 84%

October 1, 2015 - September 30, 2016

Strengths

Culture and Credibility
Willingness to take action
Board on the same page
Financial Accountability
Producer Support

Weaknesses

Lack of people, resources and utilization of their strengths
Reliance on relationships for efficient transactions
The Production system
The Payment system
Vulnerability and financial impact of disease outbreak

Opportunities

Social Media

Animal Care

Antibiotic Free

Trade and Supply management

Rapid changes to market impacts

Threats

Canadian hatching egg influences

80/20 and imports

De commoditization of regulated product

Governmental Pressures

Infiltration from animal activists

Key Initiative #1 - Quota System Review

Purpose: To undertake the requisite due diligence incumbent on the Commission to ensure fair and orderly marketing.

Phase 1 – Review of the Systems of Quota

Develop a pros and cons list for each selected methodology of quota. Highlight the critical control points within each system. Meetings and consultation in line with the SAFETI principles to ensure stakeholder feedback and sound market policy decision making. From this a clear, concise direction will be developed to use in the next phase and to instruct staff.

Phase 2 – Development of the mechanisms within the system

Identify and review the critical control points – pricing mechanism, lease value, problem flocks, 80/20 and premiums. Balance these with verification and accountability. Engage in industry consultation to ensure all stakeholders' interests are included. This will provide accountable and verifiable information between hatchery and producer and create operational driven transactions, not dependent on relationships.

Phase 3 – Implementation

The system will be presented to industry stakeholders in its entirety. Commission staff and Hatching Egg Producers will be trained and a review of all quota policies will be made to ensure consistency.

This will provide industry stakeholder engagement and will address stakeholder concerns. Consistent pricing for all hatching egg producers will be achieved.

Outcome: A fair and orderly way to market hatching Eggs that serves the stakeholders equitably that is operationally functional and not relationship dependent

Key Initiative #2 - Input Cost Analysis

Purpose: To undertake the requisite due diligence incumbent on the Commission to ensure fair and orderly marketing by establishing the lateral fairness of input costs to BC hatching egg Producers.

Phase 1 – Identify costs

Identify the cost differences of breeder stock either flown in or hatched local, research the context and develop a vaccine index for BC hatching egg Producers.

Phase 2 – Develop indexes

Through industry consultation, vaccines programs and breeders stock services will be identified to create an internal cost of production to be used in defending the linkage with the BC Chicken Marketing board.

Phase 3 – Implementation

With the assistance of a third party consultant, a parameter paradigm will be developed from surveys. Processes will be reviewed with hatchery management and the BC Chicken Marketing board.

This will result in lateral input costs for all BC hatching egg Producers regardless of receiving hatchery. A strong index will provide efficient and accountable methods for updating the linkage agreement with the BC Chicken Marketing board.

Outcome: A lateral, transparent and effective way to ensure that costs associated with producing hatching eggs are kept within acceptable parameters.

Key Initiative #3 – Product Quality

Purpose: To undertake the requisite due diligence incumbent on the Commission to ensure fair and orderly marketing.

Phase 1 – SE Work Action Plan

To work with the supply chain to ensure all stakeholders are effectively monitoring, ensuring proper strategies are in place to limit cross contamination, and limit cross contamination and practicing effective post SE positive cleaning and disinfection.

Phase 2 – AMU Work Action Plan

Collect a full year of data on the effects of the Class 1 preventative being used and develop reporting strategies ensuring the supply chain has ample chicks by working with the BC Chicken Marketing board.

Phase 3 – Hatchery Accountability

Develop a real time reporting mechanism with a verification process to ensure accurate reporting leading to handling issues quickly and efficiently. Inspection staff will attend hatcheries, the software program will be implemented and current hatch reporting will be available for each producer.

This will result in a system that relies less on relationships and more on the mechanical transaction of setting and hatching a chick.

Outcome: Fair and orderly marketing of Hatching Eggs that require mitigating strategies.

Key Initiative #4 – Tell Our Story

Purpose: To undertake the requisite due diligence incumbent on the Commission to ensure fair and orderly marketing by providing education and information to stakeholders, industry, government and the public.

Phase 1 – Stakeholder Engagement

Tour with biosecurity experts on farm, inform other commodities and government with presentations and maintain representation on industry committees so hatching eggs will be respected.

Phase 2 – Public Outreach

Support the Poultry in Motion trailer, the BC Poultry conference in March 2016 and work with the BC Chicken Marketing board on various projects.

This is the beginning of networking with groups to assist in poultry farming advocacy and build a public understanding of the Hatching Egg Industry and its role in Canada's food supply.

Outcome: Further education and information sharing for stakeholders, industry, government and the public.

Key Initiative #5 – Emergency Preparedness

Purpose: To undertake the requisite due diligence incumbent on the Commission to ensure fair and orderly marketing by ensuring the preparedness of the industry when faced with an emergency event.

Phase 1 – AI Steering Committee Work Action Plan

Identify and have on hand, the equipment and agreements with government and key suppliers. Develop and ensure necessary processes and protocols are in place. Identify key industry and government representatives, assign roles and have them prepared to step in.

Phase 2 - Emergency Response Team Work Action Plan

Develop an industry resource list, on farm destruction, disposal, cleaning and disinfection plans and emergency kits. Review on-farm biosecurity and small flock protocols. Liaison with the Ministry of Agriculture Business Risk Management Branch. IAF and CFIA.

Phase 3 - AI Insurance for the Poultry Industry

The BC Poultry Association will work with the poultry boards and commission to explore mechanisms to mitigate the financial losses through an insurance-based product. Once the boards and commission have secured the required information and analyzed each independently, will then consider whether or not to require registered producers to maintain NAI insurance as a condition of licence.

The result will be a provincial poultry active team and plan, ready to respond and assist producers and agencies in the event of an emergency situation that threatens the poultry industry.

Outcome: A fair and orderly way to market Hatching Eggs that serves stakeholders in the event of an emergency and efficiently transitions back to pre-event status.

Key Performance Indicators

The quantifiable measures that the BC Hatching Egg Commission use to gauge their performance in meeting their strategic and operational goals are:

- ★ Domestic Supply remaining at 100%
- ★ Producer Levy remaining at \$0.02
- ★ Accountability sessions held for Producers held every quarter
- ★ Hatchery by Hatchery weekly throughput number remain at 80%

Benchmarks of Success

- ✓ An accountable, transparent way to increase costs to Producers laterally
 - ✓ A fair and effective monitoring program that is inclusive of the entire chicken supply chain
 - ✓ A fair and effective hatch data tracking system
 - ✓ Develop several "Tell Our Story" projects that can be sustained into the future
 - ✓ A prepared, documented and practiced plan in response to an industry event
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