

Quota System Review: Work Action Plan

Stakeholders:

- BC Broiler Hatching Egg Producers Association (BCBHEPA)
- BC Chicken Growers Association (BCCGA)
- BC Chicken Marketing Board (BCCMB)
- BC Egg Hatchery Association (BCEHA)
- All licensed BC Hatcheries
- All licensed BC Hatching Egg Producers
- Canadian Hatching Egg Producers (CHEP)

Purpose:

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

Outcomes:

- A fair and orderly way to market Hatching Eggs that serves the stakeholders equitably that is operationally functional and not relationship dependent.

Scope:

- This undertaking will identify and assess the current “Hen Based” quota allocation system.
- This undertaking will identify and assess options other than “Hen Based” quota allocation system.
- This undertaking will identify and assess product payment methodology.
- This undertaking will identify and assess the ability to address “problem flocks”.
- This undertaking will identify and assess production lease options.
- This undertaking will ensure that the 80/20 system is upheld in all registered BC hatcheries.

Background

- Concerns have been raised regarding the current quota system and areas of issue have been identified by Industry Stakeholders.
- Industry stakeholders have suggested that changes would be beneficial to the current quota system.
- Several committees were put in place to research and develop outcomes toward the development and/or revision of the Quota System.
- The review was put on hold after determining that historical data was insufficient and would not lend itself well to addressing quota and production concerns.
- More pressing issues of higher priority such as data capture (software program) were developed.
- A software system is in the implementation phase to offer that data capture, staff is confident on the timing for the quota review in the current strategic planning year.
- Verification protocols were developed by the Hatchery Inspection team.

Process:

Phase 1 – Review of Systems of Quota

The key questions to be addressed in this Phase include:

- Does the system quota system need to change or do individual components of the system need to change?
- Can a system be developed that serves the stakeholders equitably that is operationally functional and not relationship dependant?
- What are the critical control points within the system?
- What areas are in need of verification and accountability?
- Where are the deficits in the system?
- What are the benefits to the system?

Approach:

- The Quota Task Force will develop a pros and cons list for each selected methodology of quota. Highlighting 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.

Expected Outcome:

- A clear concise direction that the Commission board will use to develop the next phases and instruct staff on.

Deliverables:

- A Decision on which Quota methodology ensures orderly marketing in BC.
- The foundation on which to build the mechanisms.

Phase 2 – Further development of the mechanisms within the optimal system

The Key Questions that will be addressed in this Phase include:

- What are the narrowed critical control points within the system?
- What areas are in need of finer verification and accountability?
- Where are the deficits in the system?
- What are the benefits to the system?

Approach:

- Identify and review the critical control points (pricing mechanism, lease value, problem flocks, 80/20, premiums).
- Balance the critical control points with verification and accountability.
- Engagement in Industry consultation to ensure all stakeholder interests are reviewed.
- Model and Pilot optimal system alongside current system to ensure accuracy and ease of implementation.

Expected Outcome:

- Accountable and verifiable information flow between hatchery and producer.
- Operationally driven transactions that are not dependant on relationships.

Deliverables:

- Components of a Quota System that identify critical control points and counterbalance with verification and accountability.

Key Initiative #1: Quota System Review 2015-2016

- Built onto the foundation of a Quota methodology that ensures orderly marketing in BC.
- A program that can be implemented with ease.
- An Operational driven transaction based system that is not dependant on relationships.

Phase 3 – Implementation

The Key Questions to be addressed in this Phase include:

- What are the alignment concerns with the software program?
- What are the impacts to the Hatcheries workload?
- What are the impacts to the Producer's workload?
- What are the impacts to the Commission's staff and resources?

Approach:

- Present the system to the Industry Stakeholders in its entirety.
- Train Commission staff
- Train Hatching Egg Producers
- Review all Quota Policies to ensure consistency

Expected Outcomes:

- Industry stakeholder engagement
- Address stakeholder concerns

Deliverables:

- A fair and orderly way to market Hatching Eggs that serves the stakeholders equitably that is operationally functional and not relationship dependent.