

Quota Review Task Force Meeting Notes – November 9, 2016

Chair: Joe Neels

Attendees: Allan Cross, Allan Mulder, Sharmain Bennie

Staff: Stephanie Nelson, Joshua Crossett

Guests: Beata Kunze

Agenda:

1. Review of Agenda
 - No changes or additions.
2. Review of notes
 - No notes reviewed.
3. Review of last meeting's Task List
 - Critical Control Points identified for Phase 2 (point 1 of the Approach) – attached.
4. Pricing Mechanism
 - Discussion on beginning the pricing mechanism and control points.
5. Update Task List

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Attachment

Critical Control Points of Phase 2

1. Pricing Mechanism: Identified Critical Control Points

Timeline: 3 month reporting deadline to the stakeholders

- Hybrid payment option development to create incentive for high hatches
- Control quality to ensure Producers are sending top quality product and keeping their hatch up.
- Is there a fertility option that could be examined?
- Is there technology elements that could be investigated?
- Incentive to bridge to underproduction lease to ensure allocation is met and Producer's protect the integrity of the Industry quality.
- Dispute mechanism development.
- Requirement of inviting third party hatchery representative in development of mechanisms.
- BCCMB representative second choice
- Review of the breeder guide fertility expectations

- Next meeting Discussion Topic:
 - Incentive rate
 - Type/ basis of the incentive
 - Where does this number come from?
 - How the hatchery partner interact with the Producer
 - How the hatchery partner interact with the Commission
 - Implications of standards at the hatchery egg room ensuring the chick quality remains high
- How the producer interacts with the Commission (incentive program)
- Staff to review options for incentive mechanism including saleable chick, fertility number, candling numbers, injectable
- Joe to review the Hybrid payment system review and discuss with staff
- Financial analysis of an incentive program and a control review using industry averages and using both bird types and both breeder manuals.

2. Egg Based Allocation Process: Identified Critical Control Points

- Identify how to transition from hens to eggs
- Create a sleeve for allocation flux

- How to transition to hens placed (chicks) within acceptable parameters when using egg based quota.
- Requirement of the staff to investigate the other provinces who use egg based quota. How are individual Producer's market share represented? How did the hens to eggs equation work? What were the "big hiccups" in the transitions and how can they be avoided?
- Establishing benchmark ranges for hatch of fertile in the pricing mechanism?- Standards discussions

3. 80/20: Identified Critical Control Points

- Is there a way to ensure all hatcheries are receiving domestic production?
- Requirement of the Commission to review the regulations and enforce Squandered Eggs to non-compliant hatcheries.

4. Lease Option: Identified Critical Control Points

- Is there a way to balance the official flock schedule when experiencing problem flocks or experiencing over/under production?
- Is there a way to release pressure (birds or eggs) via a production valve?
- Current lease program review/2 year plan max on lease

5. Problem Flocks: Identified Critical Control Points

- Is there a way for Producers to recoup loss from a problem flock?
- Is there a way to ensure that the forecasted eggs are sent to the hatchery?
- Requirement of data to determine impact to the industry for a significant, definable problem flock example (non-avian influenza)