



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. K. Collins". The signature is written in a cursive style with a large initial "J".

Jim Collins, Chair
BC Broiler Hatching Egg Commission

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