



May 25, 2018

Mr. Al Sakalauskas
BC Farm Industry Review Board
780 Blanshard Street
Victoria, BC V8W 2H1

Dear Mr. Sakalauskas,

BCFIRB Expectations Update

The following is provided as requested in your correspondence of April 25, 2018.

I think it would be extremely useful for representatives of the BC Farm Industry Review Board (BCFIRB) and the eight commodity boards to meet in the near future. We need to ensure we all have a complete, mutual understanding of what are the key expectations and how those expectations can be incorporated as best as possible into the existing strategic planning and reporting activities of the boards. To be clear, the Commission fully supports the overarching objective here of ensuring accountability on the part of it and the other boards. The issue is how to manage this effectively.

To illustrate, attached are the four key initiatives that the Commission identified in the fall of 2018 as being priorities for 2019. To an extent, these were “holding” priorities while the Commission began an in-depth assessment of its strategic vision and objectives for the hatching egg sector going forward. This necessarily includes considering BCFIRB’s February 2, 2018 Quota Assessment Tools Supervisory Review decision (QATSR). The Commission is in the process of developing a short-term transitional plan to ensure our provincial hatching egg allocation (exceeding 100% in 2019) is met while respecting BCFIRB’s QATSR objectives. At the same time, the Commission is identifying a range of policy initiatives (e.g., quota management, regional and specialty diversification, new entrants, governance, etc.) which will inform an updated strategic vision for the BC hatching egg sector.

As the new quota year starts July 1, there is a time pressure on the Commission to finalize its transitional plan, including consultation with industry. The Commission will also be able to communicate a general work plan outlining its intended policy and governance initiatives with an expected timeline. However, the latter will be subject to consultation with industry in support of the Commission’s strategic planning session scheduled for September at which those objectives and specific performance measures will be confirmed.

To reiterate, the Commission fully supports BCFIRB’s objectives in regard to this initiative. Our concern is simply how to do this in the best possible way.

BC Broiler Hatching Egg Commission



Yours truly,

A handwritten signature in black ink that reads "J. Collins".

Jim Collins, Chair
BC Broiler Hatching Egg Commission

Attachment

Cc: Gunta Vintins, Benjamin Janzen, Robin Smith, Kevin Klippenstein, Jack Brown, Debbie Etsel, Bert van Daltsen

Appendix

As a part of the BC Hatching Egg Commission's 2018 Strategic Plan¹, 4 Key Initiatives were developed and set out to accomplish this year.

Those four Key Initiatives are:

Industry Performance Targets:

1. Management of Input Costs:²

Purpose: to ensure fair and orderly marketing by establishing later fairness of input costs to BC Hatching Egg Producers.

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

2. Spiking Male Review:³

Purpose: Consider the long-term plan to eliminate the disease transfer by the movement of spiking males.

Anticipated Outcome: Consider the interim strategy while: ensuring the industry risk is mitigated through a criteria and registration process.

Orderly marketing and sound marketing principles are upheld

Hatching Egg Producers have an efficient transition time to work through the long term initiated of no movement of spiking males by 2020

3. COP and Linkage Update:⁴

Purpose: To ensure a transparent, equitable, contemporary review of both the Cost of Production model and Linkage agreement.

To explore the opportunity for a new pricing relationship with the BC Egg Hatchery Association

Anticipated Outcome: A transparent updated cost of production model and a review of the linkage agreement.

¹ BC Hatching Egg Commission's 2018 Strategic Plan - <https://bcbhec.com/wp-content/uploads/2018/02/BC-Hatching-Eggs-2-18-Strategic-Plan.pdf>

² Management of Input Costs Work Action Plan - <https://bcbhec.com/wp-content/uploads/2017/10/2017-10-26-Input-Cost-Analysis-Work-Action-Plan.pdf>

³ Spiking Male Review Work Action Plan - <https://bcbhec.com/wp-content/uploads/2017/10/2017-10-20-Spiking-Male-Review-Work-Action-Plan.pdf>

⁴ COP and Linkage Update Work Action Plan (in progress)

A transparent, efficient pricing relationship that accurately captured the costs of the chicken supply chain in the linkage agreement
A full and clear understanding of the Ontario pricing model.

4. Managing Growth and Production Challenges: ⁵

Purpose: To establish policies regarding administration of quota management when utilization exceeds 100%

Anticipated Outcome: one quota cycle of transition into new quota tool policies, currently in progress.

The BC Hatching Egg Commission also set 4 Key Performance Measurement tools which are:

1. Levy remains at 2 cents- this ensures that the financial policies and obligations of the Commission continue to be met.
2. Allocation is at 100%- The obligation to produce and meet national targets are met.
3. COP recovery is at 100% - A fair recovery for all Hatching Egg Producers
4. Saleable Chick hatch average is at 84%- Efficiency and quality to our stakeholders through quality product.

The Commission would also like to take the opportunity to report on the governance tools that are in progress:

Governance Tools:

In Progress:

- Board responsibilities are clearly defined with job descriptions
- Director orientation in place
- Training and professional development plans and programs in place for board and staff
- Succession planning for members and staff.
- Communication strategies.
- Stakeholder satisfaction with board operations, performance and communications.
- Improving Stakeholder feedback opportunities in support of effective two-way communication.
- Revising the Commission's conflict of interest policies and processes.

⁵ 2018-2023 Growth Allocation Strategy (in progress)