



July 13, 2018

Robin Smith, Chair
BC Chicken Marketing Board
32450 Simon Avenue
Abbotsford, BC V2T 4J2

Dear Mr. Smith,

RE: LIVE PRICE FORMULA REVIEW

The BC Broiler Hatching Egg Commission has reviewed the BC Chicken Marketing Board's live pricing formula decision of June 27, 2018. The Commission is also aware of concerns expressed by other stakeholders in response to the decision.

1. The Commission currently has no specific comments regarding the revised pricing formula. Subject to any special circumstances arising, it intends to price off that formula – or as potentially amended by the BC Farm Industry Review Board – through the linkage. The Commission prefers not to introduce further uncertainty into the current situation.
2. This commitment expires at the end of Period A-154, following the completion of the Commission's and Chicken Board's review of the pricing linkage (which includes addressing premiums and the hatchery margin) and our respective costs of production. The Commission will assess the overall pricing situation at that time, including whether hatching egg producers are receiving a sustainable return that will also enable the industry to expand and address issues such as spiking barns.
3. The Commission remains concerned that the current overall approach to pricing in the Canadian chicken industry may be broken and is undermining orderly marketing. The outcome of the Ontario cost of production formula review is important for all BC stakeholders.
4. The Commission continues to rely on its earlier submissions in this process, and again points to the issues it identified in its April 18, 2018 position paper. A stable and transparent pricing system that is fair for all BC stakeholders is important in and of itself but also as part of an overall BC chicken sector strategy aimed at promoting and supporting a sustainable BC industry in the longer term. A unified BC approach will also support ongoing efforts to develop a western strategy.

BC Broiler Hatching Egg Commission



The Commission remains committed to engaging with other stakeholders in finding solutions that support our industry and allow it to move forward.

Yours truly,

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

Jim Collins, Chair

Enclosures

cc: BC Broiler Hatching Egg Producers' Association
BC Egg Hatchery Association
Primary Poultry Processors Association of BC
BC Chicken Growers' Association
BC Broiler Hatching Egg Commission website