



September 5, 2018

To All BC Hatching Egg Producers and Other Stakeholders

STRATEGIC PLANNING

In its strategic planning for 2018, the Commission identified four priorities:

1. Management of Input Costs;
2. Spiking Males Review;
3. COP and Linkage Review
 - Includes Hatchery Margin;
4. Managing Growth and Production
 - Includes Enhanced Hatchery Reporting (web-based), Implementation of Animal Care Program, Regional Diversification Question, New Entrants.

Most of these issues are being actively pursued by the Commission in 2018 but all currently remain works in progress. Pricing remains a critical and difficult issue. The Commission has been working with the BC Chicken Marketing Board on a new COP and updated linkage, which are to be completed early in the new year. The Commission is also participating in the current pricing appeals being heard in October. Please see the Commission's July 13 letter which outlines our position on a number of pricing-related issues.

The Commission will be – and is now also required to do under the new governance and quota management performance measures directed by the BC Farm Industry Review Board (BCFIRB) – reporting out in detail on developments concerning its 2018 priorities at the end of the year.

In setting the 2018 priorities, the Commission was also very aware that it faced many other important issues. Strategies and approaches have been developed so that the Commission is positioned to be able to effectively address those issues over the longer-term. These include but are not limited to: engaging hatcheries on several issues of concern to them and to us, including managing production; supporting a framework within which to engage the Asian Breeder sector in a detailed and constructive manner; participating in the BCFIRB Quota Assessment Tools Supervisory Review; and receiving approval for its overarching Managing Growth Strategy for the BC hatching egg sector.

Government (Regulated Marketing Economic Policy) and BCFIRB continue to raise regulatory policy and governance expectations for the regulated marketing boards and commissions. The Commission is no exception. Later this month the Commission will be considering a new strategic plan, one that will look out three years, assign yearly priorities and establish potential performance measures.

That draft strategic plan – and accompanying draft work plan(s) flowing from the draft work plan published earlier as part of the Managing Growth Strategy announcement – will be then subject to consultation with stakeholders before finalization. It is critical that the Commission “get this right” as the next three years



will be time of growth and transition for the industry which will require new approaches, new policies and new quota management rules.

Having committed to further consultation after its September 20-21 strategic planning session, the Commission would also invite stakeholders to submit any initial comments they have at this time. These comments can be on any matter; however, here are some of the issues that the Commission will be examining (not in any order of priority):

- What do you see as the priorities for the Commission?
- The new defensible COP(s) and updated pricing linkage will be finalized in consultation with industry. The Commission also supports having third-party verification of the new COP – pricing impacts all stakeholders. What are the important factors in pricing (and how it is done in BC) to take into consideration?
- How do you think the Commission can best support producers and other stakeholders in terms of effective regulation?
- What improvements can be made to the Commission's relationship with producers and other stakeholders, including communication to and from the Commission?
- What do you see as the issues affecting productive relationships between the Commission, producers and hatcheries?
- What questions do you have about the Commission's role in the national system?
- Should the composition of the Commission be reviewed (e.g., in terms of succession planning, inclusion of a non-producer member such as done by the Milk Board and Cranberry Commission)?
- As the Commission must continue to address the following policy issues, what are the important factors to take into consideration:
 - Regional Diversification (e.g., supporting Interior hatcheries and broiler production);
 - Updating the New Producer Program; and,
 - Confirming what should be the appropriate regulation for Asian Breeder producers?
- What changes to the current Consolidated Order should be considered?
- How do you see the relationship of the Commission and Chicken Board going forward, including co-location in the same building?

Lots for all of us to think about and your input to the Commission now and later will be important. Please submit your questions/comments to the office by September 17. Please put in writing but informal emails, bullet form points, etc. are fine.

Yours truly,

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

Jim Collins, Chair
BC Broiler Hatching Egg Commission

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