



April 29, 2019

Mr. Harvey Sasaki, Chair  
British Columbia Chicken Marketing Board  
#101 – 32450 Simon Avenue  
Abbotsford, BC V2T 4J2

Dear Harvey,

This is to confirm, as outlined in the April 18, 2019 notice to stakeholders, that the BC Broiler Hatching Egg Commission is advising that it wishes to withdraw from the Pricing Linkage Agreement with the BC Chicken Marketing Board effective the beginning of Period A158 (August 4, 2019).

This is not the Commission's preference, as it fully understands why the linkage was originally put in place and overall, the Linkage Agreement has well-served hatching egg producers and chicken growers. The Commission remains hopeful that this will continue to be the case if certain issues can be resolved prior to the start of Period A158 or alternatively, at some future date when re-establishing a linkage might work for both boards within a new strategic context. It must be understood that any time the live price affects the hatching egg price through a linkage, the Commission has a direct regulatory interest in how that price is determined.

Regardless of the circumstances with respect to pricing, both the Commission and Chicken Board need to continue an effective working relationship as co-regulators of the BC Chicken sector. Nevertheless, it is prudent at this time, and in the best interests of hatching egg producers, for the Commission to have contingency plans in place with respect to pricing.

The April 18, 2019 notice to stakeholders provides a general outline of the Commission's concerns. Correspondence over the last 12 months has also communicated to stakeholders the Commission's position on issues. The linkage has been in place for almost 25 years. Pricing certainty has become increasingly rare and premiums now reflect the actual price of chicken in BC. Other circumstances have also changed as BC processors and hatcheries have expanded into western Canada. In response, both the Chicken Board and the Commission are increasingly engaged with their western counterparts about how chicken and hatching eggs are priced in other provinces, including with those same processors and hatcheries. In short, the BC chicken sector is much changed since the linkage was first determined to be sound marketing policy.

**BC Broiler Hatching Egg Commission**

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As also advised in the April 18, 2019 notice, the Commission will continue conducting a thorough SAFETI analysis prior to its final decision(s) in support of "the sustainability of the BC hatching egg sector as part of a successful BC chicken sector". That analysis will be forwarded in support of this notice prior to Period A158.

Yours truly

A handwritten signature in black ink, appearing to read "J. Collins".

Jim Collins, Chair  
BC Broiler Hatching Egg Commission

Cc: Peter Donkers, Chair, BC Farm Industry Review Board  
Bill Vanderspek, Executive Director, BC Chicken Marketing Board  
Bryan Brandsma, President, BC Broiler Hatching Egg Producers' Association  
Ryan Whitmore, President, BC Egg Hatchery Association  
Jim Byrne, Chair, Commission Pricing and Production Advisory Committee  
Dale Krahn, President, BC Chicken Growers' Association