



May 2, 2019

TO ALL ASIAN BREEDER SECTOR, MAINSTREAM PRODUCERS AND OTHER INDUSTRY STAKEHOLDERS

**RE: AMENDING ORDER 22
ASIAN BREEDER PRODUCTION**

As advised in a letter dated April 10, 2019, all stakeholders were previously consulted about an earlier proposed Amending Order. That Order foundered, in part, because of difficulties experienced by all stakeholders in defining the regulated product as a "specialty" production. Other questions arose, and the Commission reassessed its approach to an Amending Order that would meet the expectations outlined in the July 17, 2018 decision of the BC Farm Industry Review Board (BCFIRB).

A revised draft Amending Order was circulated with the April 10, 2019 letter. Asian Breeder Producers and other stakeholders were invited to submit comments by April 23, 2019. (None were received.) In addition, this Order was discussed at the April 15, 2019 Pricing and Production Advisory Committee meeting, and a follow up meeting with Asian breeder producers was conducted on April 17, 2019. That meeting also discussed processes through which the Commission could obtain 2019 production information and streamlined administrative measures for implementing the requirements of the revised Order.

The Commission finalized the new Amending Order at its April 25, 2019 meeting, incorporating a utilization (production sleeve) provision in response to concerns raised at the April 17, 2019 meeting.

As this Amending Order has more interface with the Commission's current Consolidated Order (i.e., is more complicated), here is an overview:

1. A breeder is a breeder, and a hatching egg is a hatching egg. In order to produce this regulated product in BC, you need the following from the Commission: quota, a permit such as the Small-Lot Innovative Self-Marketer Program, or a specific exemption. The question for the upcoming review is not whether Asian breeder production falls under the jurisdiction of the Commission; rather, it is how it should be regulated.
2. In order to provide for production controls as directed by BCFIRB, the Commission had to exercise its authority under the British Columbia Broiler Hatching Egg Scheme to issue quota. However, in order not to forestall the purpose of the review by predetermining an outcome, this quota will expire effective December 31, 2019 unless the Commission determines otherwise following the review.
3. Persons eligible for this temporary quota must have been in production in 2010 and provide flock information to the Commission for 2018.
4. This temporary quota will be based on chicks placed with licensed BC chicken producers in 2018, as verified by records of the BC Chicken Marketing Board.



5. Given its temporary nature, this quota will not be subject to LIFO and 10/10/10.
6. The Commission does not have a surplus removal program, but Asian breeder producers will be eligible for the Commission's small egg program where such eggs can be marketed through the Commission and producers receive the breaker price.
7. Asian breeder producers will pay a levy of \$0.015 per saleable chick effective the date of Amending Order 22.

It must be again stressed that Amending Order 22 is a temporary measure to provide short-term certainty without locking stakeholders into a predetermined outcome. This certainty will provide everyone with opportunity to fully engage in the review process, which must be completed before the end of this year. The Commission will be issuing a work plan so that this process can commence as soon as possible.

Asian breeder producers have been advised that compliance with Amending Order 22 and ongoing cooperation and constructive engagement with the Commission during the term of this Order is critical.

Yours truly,



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

Jim Collins, Chair
BC Broiler Hatching Egg Commission

Attach.

Cc: BC Broiler Hatching Egg Producers' Association
BC Asian Breeder Hatching Egg Producers
BC Farm Industry Review Board
BC Chicken Marketing Board
BCBHEC website