



May 1, 2019

Mr. Jim Byrne, Chair
Pricing and Production Advisory Committee

Dear Mr. Byrne,

Thank you for your enclosed letter dated March 5, 2019 providing recommendations from the Pricing and Production Advisory Committee ("PPAC") resulting from their February 25, 2019 meeting.

At its regularly scheduled April 2019 meeting, the BC Broiler Hatching Egg Commission ("the Commission") further considered the PPAC's advice and has instructed me to reply to you as follows:

- 1. The PPAC recommends the Commission compensate producers who were materially disadvantaged by the early kill date of 56 weeks initiated in 2018 and extending into 2019.**

The Commission believes there is further analysis to conduct before deciding on this matter. Commission staff have been instructed to complete an analysis and to report back to the Commission at its May 2019 meeting. There will be further correspondence when that analysis is completed.

- 2. The PPAC recommends the Commission establish a fixed kill date of 59 weeks and concurrently approves a surplus removal program.**

The Commission has instructed staff to adjust utilization to 100% as part of a transition process and to forecast and plan on a 59 week kill age for the 2020 production year. This decision was made in response to the advice of both the PPAC and from a separate meeting with the BC Broiler Hatching Egg Producers' Association ("BCBHEPA"). BCBHEPA received their update placement sheets on May 1, 2019 and the hatcheries adjusted their placement orders.

The Commission cannot guarantee a minimum kill age of 59 weeks. Allocation decisions made at the national level and provincially rely on market demand, outside factors such as trade agreements, and operational decisions made on an ongoing basis. The Commission must be responsive to such factors and retain its discretion with respect to the management of the Official Flock Plan; however, the Commission believes that this is a step in the direction of a more efficient industry with less upfront costs to Producers.

Additionally, Commission staff have been instructed to review whether some form of Surplus Removal Program is warranted and to present their findings at upcoming Commission meetings.

BC Broiler Hatching Egg Commission



3. The PPAC recommends the Commission revive the Quota Task Force (QTF) no later than July 2019 and the PPAC members are invited to participate in the makeup of the QTF, the parameters under which it will operate, the scope and limits of deliberation and the expectations and final reporting of the QTF.

The Commission has the revival of the QTF in the latter half of its 2019 Strategic Plan. It intends at its July 2019 meeting to review terms of reference and membership structure for the QTF in light of pricing developments and the implementation of the Hatching Egg Reporting System (software). The Commission will be consulting further with PPAC with the aim of reactivating the QTF in early fall.

The Commission thanks the PPAC for their time, effort and participation in their industry and encourages them to continue their good work in support of the BC hatching egg sector.

Regards,

A handwritten signature in black ink, appearing to read "Stephanie Nelson".

Stephanie Nelson, Executive Director
BC Broiler Hatching Egg Commission

SN:ts

Encl.

Cc: Bryan Brandsma, BC Broiler Hatching Egg Producers' Association
Ryan Whitmore, BC Egg Hatchery Association
BC Broiler Hatching Egg Producers' monthly newsletter
BCBHEC website

BC Broiler Hatching Egg Commission
#180-32160 South Fraser Way
Abbotsford, BC V2T 1W5

Attention: Jim Collins

Dear Mr. Collins

Subject: PPAC Recommendations from February 25, 2019 Meeting

The PPAC met on February 25, 2019 for a duly scheduled meeting to address Agenda items which included a discussion on producer compensation for losses directly resulting from an early kill date of 56 weeks vs the normal life of 58 to 59 weeks. As you can appreciate the production loss in the final weeks is a severe hardship for producers who are reliant on a full and productive life cycle of the breeder birds. After a robust discussion in which both hatchery representatives and producers made contributions the Chair of the PPAC was instructed to make the following recommendation.

- 1. The Production, Pricing Advisory Committee recommends the Commission compensate producers who were materially disadvantaged by the early kill date of 56 weeks initiated in 2018 and extending into 2019.**

The PPAC members are adamant that producers need assurance that their flocks can produce for a full cycle as established by the Commission and that there be established a minimum 59 week kill date. Members present acknowledge that a 'surplus removal' program is necessary if a fixed kill date is agreed upon and would like to have input in the parameters for the creation of such a program. The Hatchery representatives have some reservations with a fixed kill date; however, they could agree to 58 weeks with a sleeve if required. The Hatchery representatives are not offering to participate in the cost of surplus removal and indicated they would not object if the Commission proceeds with the following recommendation.

- 2. The Production, Pricing Advisory Committee recommends the Commission establish a fixed kill date of 59 weeks and concurrently approves a surplus removal program.**

The Members do not see any easy resolution to the problems of matching production with demand and would like to see the Commission revive the Quota Task Force to evaluate the current Official Flock Schedule and all manner of flock management to increase productivity while serving the needs of hatcheries and producers in the most efficient manner possible.

- 3. The Production, Pricing Advisory Committee recommends the Commission revive the Quota Task Force (QTF) no later than July 2019 and that the PPAC Members are invited to participate in the make-up of the QTF, the parameters under which it will operate, the scope and limits of deliberation and the expectations and final reporting of the QTF.**

The PPAC Members are grateful for the opportunity to make recommendations to the Commission and respectfully request the Commission act with the utmost expediency and diligence to forestall a repeat of the aforementioned issues. Although not all Members will ever agree with any particular course of action it was agreed that some action needs to be taken for the health of the industry. We thank the Commission in advance for your attention to these matters.

Yours truly

Jim Byrne
Chair, PPAC

Copied to:

Bryan Brandsma - BC Broiler Hatching Egg Producers' Association
Ernie Silveri - BC Egg Hatchery Association