



July 11, 2019

VIA EMAIL

Peter Donkers, Chair
BC Farm Industry Review Board
PO Box 9129 Stn Prov Govt
Victoria BC V8W 9B5

Dear Mr. Donkers:

RE: PRICE LINKAGE AND PRICING IN BC CHICKEN SECTOR

We write in response to your letter of June 28, 2019.

The BC Broiler Hatching Egg Commission ("Commission") and BC Chicken Marketing Board ("Chicken Board") acknowledge that prior approval from the BC Farm Industry Review Board ("BCFIRB") is required in order to withdraw from the pricing linkage between the two boards. Both boards also acknowledge that without this prior approval from BCFIRB, pricing must continue as per the current linkage formula. Having provided these acknowledgements, whether the linkage prevails as a sound marketing policy today remains a significant question, as BCFIRB itself acknowledged in its letter.

As requested, representatives of the Commission and the Chicken Board met on July 4, 2019 to discuss the BCFIRB letter, the current status of the premiums issue, and pricing in the BC chicken sector in general. The Chicken Board confirmed that the BC Chicken Growers' Association and the Primary Poultry Processors Association of BC are opposed to the inclusion of premiums in the pricing linkage.

The status of the premiums issue and other linkage-related matters such as the hatchery margin, breeder chick and vaccine pricing are all inter-related within national and provincial pricing structures pressuring all BC stakeholders. In view of these circumstances, the Commission and Chicken Board have decided that they will further review all pricing-related matters to supplement the work already undertaken to date. This review will be conducted through a strategic lens in support of the long-term sustainability of the BC chicken and hatching egg sectors. The outcome of this review will establish factors, including pricing in the hatching egg sector, that must be considered in the long-term live price formula that BCFIRB has directed to be finalized by Period A161 commencing January 6, 2020. We agree that this review should be conducted under the auspices of BCFIRB's supervisory authority announced in the June 28, 2019 letter in the interests of timeliness and in keeping with BCFIRB's own goal of avoiding "multiple appeals". Our objective, therefore, is to provide comprehensive recommendations by no later than November 4, 2019 for BCFIRB's own review prior to Period A161.



Further updates will be provided to BCFIRB and other stakeholders as this review proceeds. Please contact us if you have any questions or comments.

Yours truly,

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

Jim Collins, Chair
BC Broiler Hatching Egg Commission

Yours truly,

A handwritten signature in black ink, appearing to read "Harvey Sasaki".

Harvey Sasaki, Chair
BC Chicken Marketing Board

cc: Kirsten Pedersen, Executive Director
BC Farm Industry Review Board

Bill Vanderspek, Executive Director
BC Chicken Marketing Board

Stephanie Nelson, Executive Director
BC Broiler Hatching Egg Commission

Bryan Brandsma, President
BC Broiler Hatching Egg Producers' Association

Ryan Whitmore, President
BC Egg Hatchery Association

Dale Krahn, President
BC Chicken Growers' Association

Blair Shier, President
Primary Poultry Processors Association of BC

Commission and Chicken Board websites