



January 20, 2020

Al Sakalauskas
Vice Chair
BC Farm Industry Review Board
PO Box 9129 Stn Prov Govt
Victoria BC V8W 9B5

Dear Mr. Sakalauskas:

LONG -TERM CHICKEN PRICING FORMULA DEADLINE EXTENSION

The following is the response of the BC Broiler Hatching Egg Commission to your letter of January 17, 2020, concerning the subject.

A director of the Commission attended the January 10, 2020 meeting of the BC Chicken Marketing Board's Pricing and Production Advisory Committee at which the interim "bridging agreement" was discussed. Subsequently, and subject to a final review at the January 21, 2020 meeting of the Commission (needed due to the short turnaround), the Chicken Board was advised that the Commission had no initial objection to the adjustment as it did not appear to impact on the current linkage pricing for hatching egg stakeholders. Although still subject to that final review, the Commission's Pricing Order for Period A161 has been issued.

Although acknowledging the Pricing Working Group's activities to date, the Commission notes that this is a committee of the Chicken Board on which there is no hatching egg sector representation. It is the Commission's view that, in the present circumstances, an extension to the BC Farm Industry Review Board (BCFIRB) deadline is a necessity. However, the Commission notes that the existing approach to pricing has imposed a disproportionate hardship on hatching egg producers, given the nature of the hatching egg sector. Until recently, this hardship was significantly compounded by the Chicken Board not reflecting non-value premiums in the linkage calculation. In an effort to return to an approximation of the original intent of the linkage agreement, the Commission has recently removed revenues from spent fowl and salvage eggs from the linkage calculation (which action is now the subject of two appeals before BCFIRB). However, a longer-term resolution to pricing in the BC chicken industry, within or without a linkage, remains a priority issue that must be resolved quickly.

The Commission has no objection to the extension of the BCFIRB's deadline to Period A164 for the purposes of a new live price formula. At the same time, the Commission will continue to examine pricing with respect to the linkage and with respect the interests of the hatching egg sector.

Yours truly,

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

Jim Collins
Chair

cc: Harvey Sasaki, Chair
BC Chicken Marketing Board

Blair Shier, President
Primary Poultry Processors Association of BC

Dale Krahn, Chair
BC Chicken Growers' Association

Bryan Brandsma, President
BC Broiler Hatching Egg Producers' Association

Ryan Whitmore, President
BC Egg Hatchery Association

Commission website