



BC Chicken Industry Strategic Framework Update



BC Poultry Conference, Vancouver
March 5 & 6, 2020

Discussion Guide
Finley & Associates Ltd.
(20-03-03)V2

“The secret of change is to focus all of your energy, not on fighting the old, but on building the new.”

Socrates

Both Boards are committed to a strategic planning process and have accepted that doing different things and strategic repositioning includes regulatory change:



BC-BHEC:

- Jim Collins, Chair
- Joe Neels, Vice Chair
- Allan Mulder, Member
- Calvin Breukelman, Member
- Beata Kunze, Member
- Stephanie Nelson, Executive Director



BC-CMB:

- Harvey Sasaki, Chair
- Alistair Johnston, Vice Chair
- Derek Janzen, Director
- Ray Nickel, Director
- Gay Hahn, Director
- Christine Rickson, Executive Assistant
- Bill Vanderspek, Executive Director

Source: BCCMB & BCCMB Joint Summit #1 & #2, September 25, 2019 and January 13, 2020.

The develop of a strategic framework for the BC Chicken Industry is about...

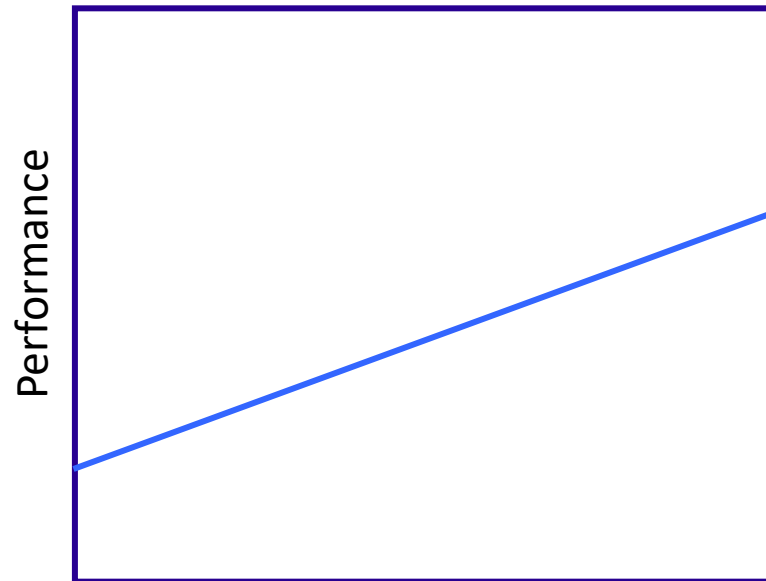
1) ... a major step change in performance and representing shifts...



2) ... engaging the sector to provide input to contribute to regulatory reform led by the two Boards

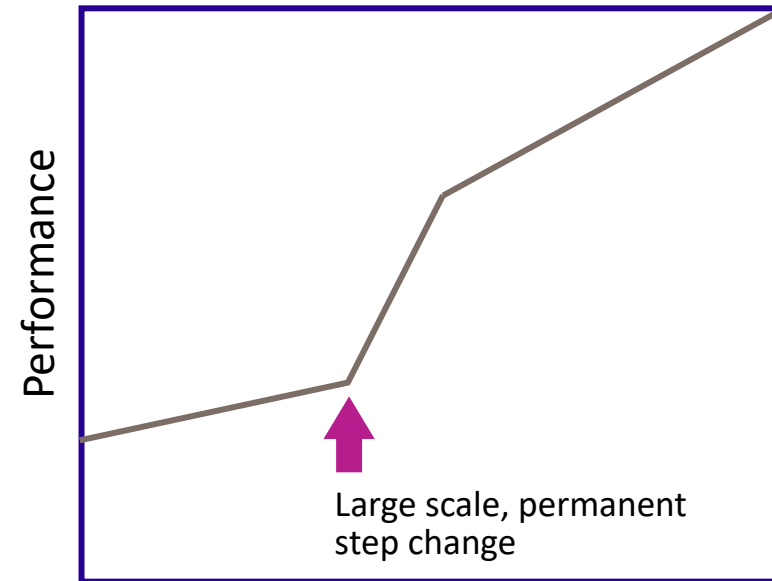
This effort is about a major step change in performance.

Continuous Improvement



Doing the Same Things Better

Strategic Repositioning



Doing Different Things

Objectives of our strategic planning process:



1. Evolve a 3-5 year strategic direction for the chicken industry in BC.
2. Engage stakeholders on the proposed priorities for the industry.
3. Strengthen relationships across the industry's Value Chain.
4. Provide the basis for developing a 3-year Strategic Plan for each of BCCMB and BCBHEC.

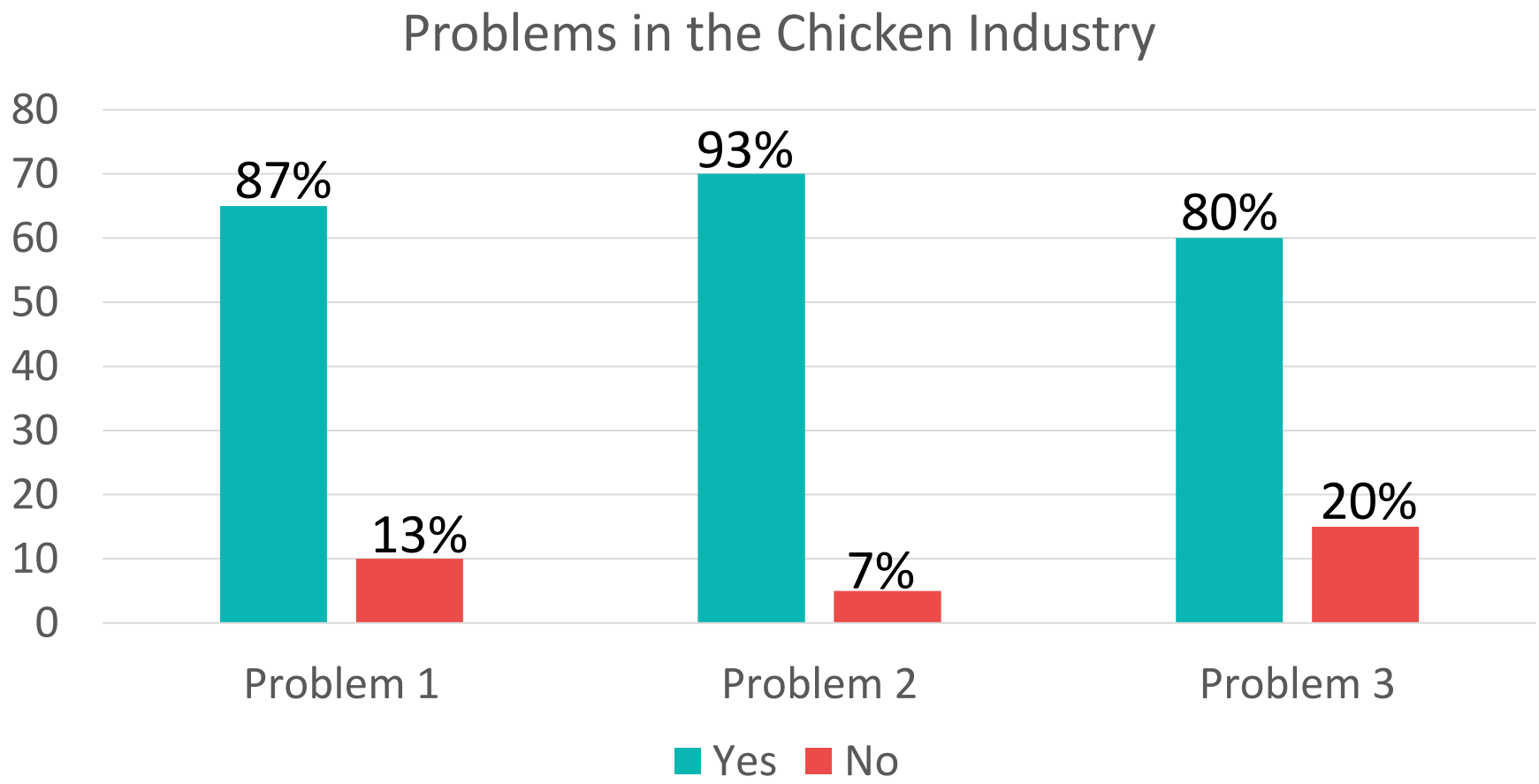
The imperative for change: *Why now?*
Dysfunction in the BC industry is compounding the following problems:

Problem Statements

1	Costs throughout the chain continue to escalate, including the implementation of national policies and strategies to address consumer trust and confidence are adding costs at all levels of the value chain that are not being passed on to consumers.
2	Returns are diminishing due to the linkage of the live price to Ontario, which has taken in excess of 10 cents/kg out of the live price across the country and have adversely affected the BC industry.
3	Lack of effective processes and practices to promote collaboration and communication within the value chain and promote innovation.

Source: BCCMB & BCBHEC – Stakeholder Survey Summary March 2020; Finley & Associates Ltd.

Survey respondents overwhelmingly agree with the problem statement.



Source: BCCMB & BCBHEC – Stakeholder Survey Summary March 2020; Finley & Associates Ltd.

BCCMB and BCBHEC's Boards identified the following strengths and weaknesses for the BC Chicken Industry.

BC Chicken Industry Strengths	BC Chicken Industry Weaknesses
<ul style="list-style-type: none"> • Very close proximity (from farm to fork) • Regulated system's ability to embrace and sponsor change • More progressive (innovative) • Weather/climate • Traditionally aggressive processors • Consumers (Chicken eating people) • Production • Consistently supply high quality chicken to the market • Emerging disease response • Industry can work together (relationships between Boards) • Infrastructure • Efficiency 	<ul style="list-style-type: none"> • Close in proximity (e.g., disease); density • Unwillingness / lack of regulatory authority to create a united collaboration • High cost of production (feed deficiencies) • "Alone" in West • Resistance to change (desire to maintain status quo) • PPACs (practices) • Collaboration / Communication across Value Chain • Emergency response to animal activism • Lack of performance measures • Poor investment climate • Disjointed approaches to things • Don't understand dynamics of each others' industries • Availability of labour • Lack of leadership (sense of ownership to things that will make impact; lack of critical thinkers) • Execution

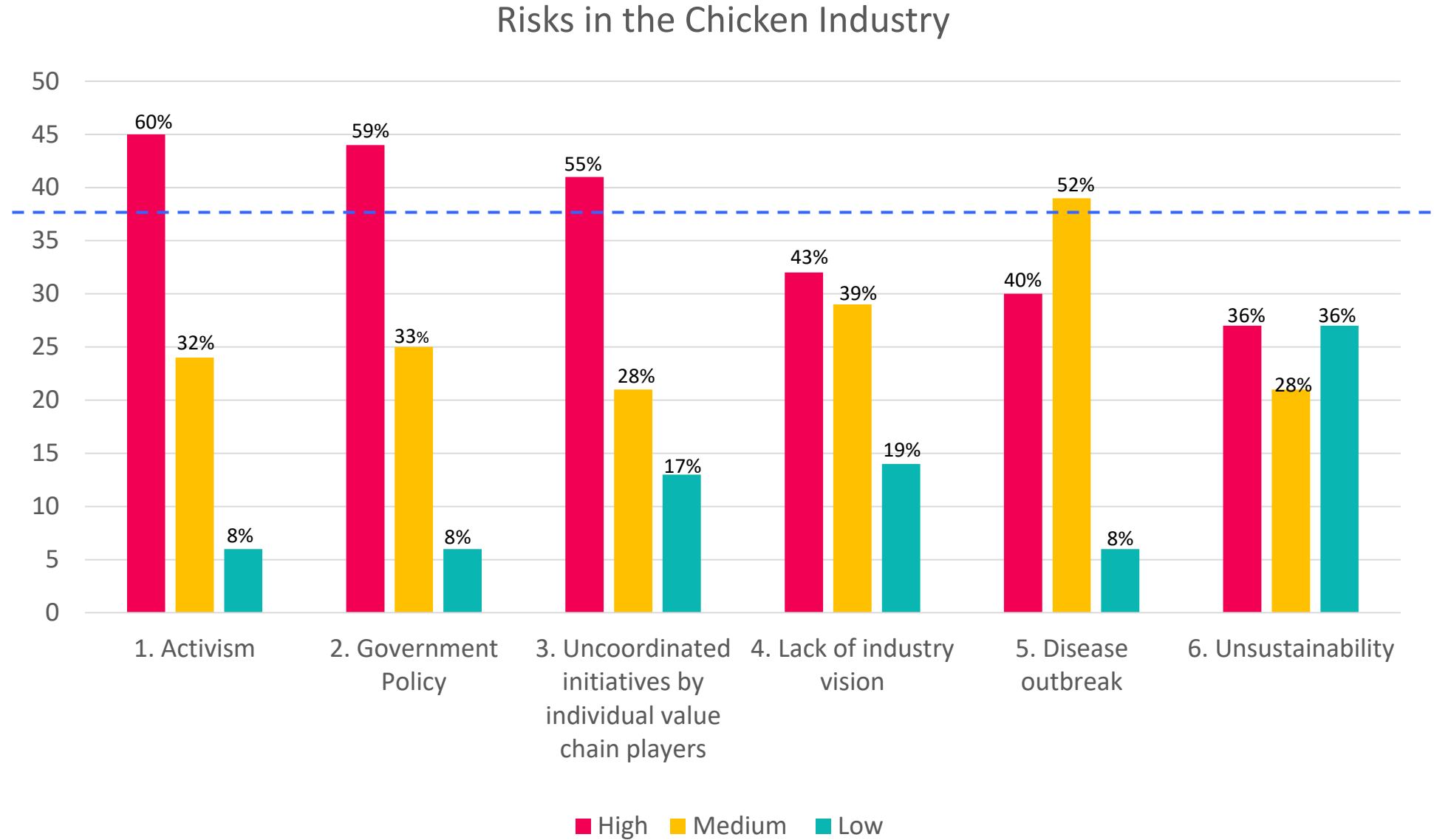
Source: BCCMB & BCCMB Joint Summit, September 25, 2019; Finley & Associates Ltd.

Industry risks were identified and prioritized.

Industry Risk	
1. Unsustainability	High Risk
2. Lack of industry vision	
3. Uncoordinated initiatives by individual value chain players	
4. Disease Outbreak	
5. Flock Health Management	
6. Lack of information	
7. Succession Planning	Medium Risk
8. Activism	
9. Loss in consumer confidence	
10. Concentration of Fraser Valley	
11. Government Policy	
12. Inability to supply market (e.g., due to disease outbreak; activism)	
13. Loss of market share of protein market	Low Risk

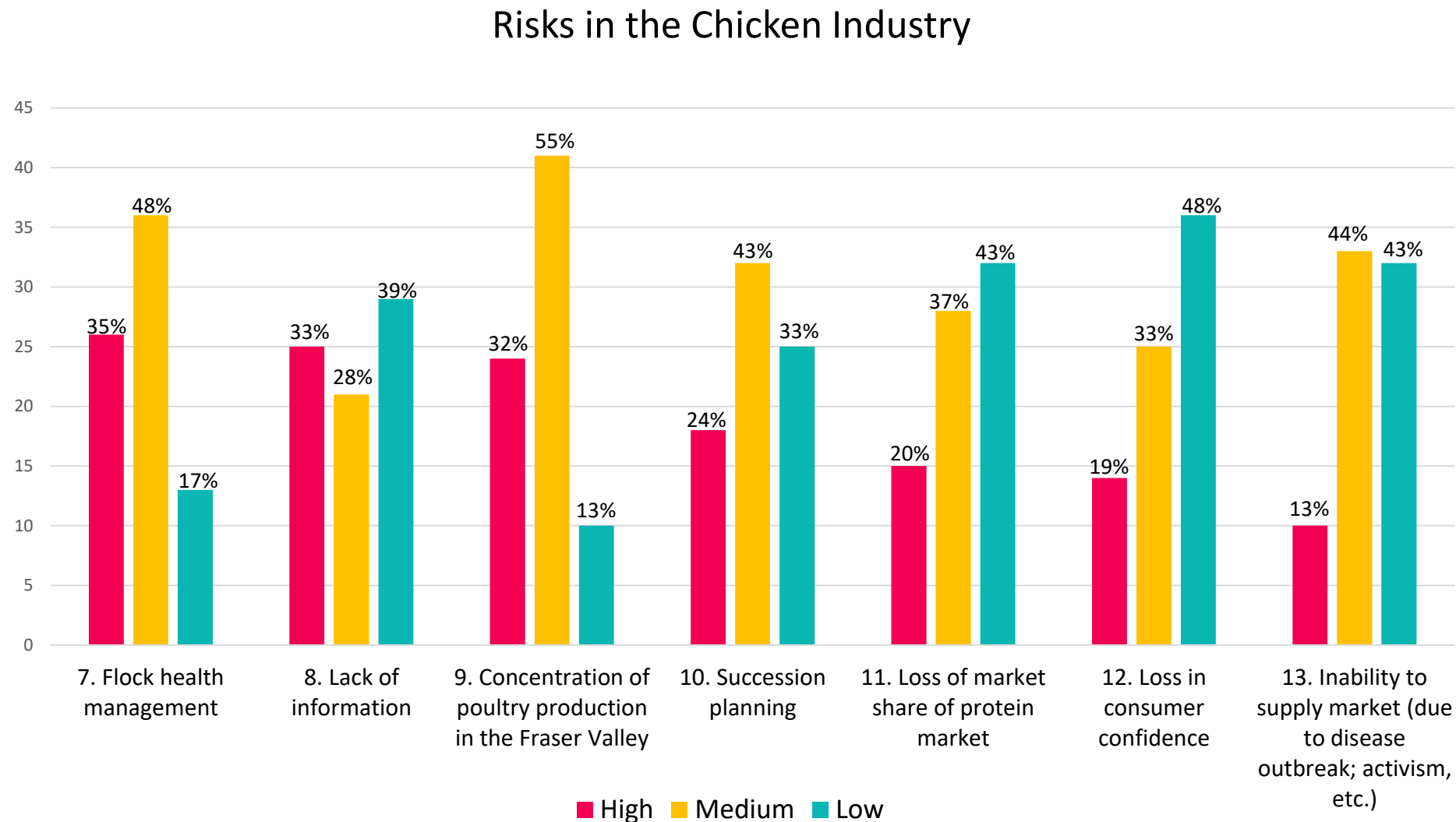
Source: BCCMB & BCCMB Joint Summit, September 26, 2019.

Over half of Survey respondents identified “Activism”, “Government Policy”, and “Uncoordinated initiatives” as the top risks facing the Chicken Industry (1/2).



Source: BCCMB & BCBHEC – Stakeholder Survey Summary March 2020; Finley & Associates Ltd.

Continuation of survey respondent rankings of risks facing the Chicken Industry (2/2).

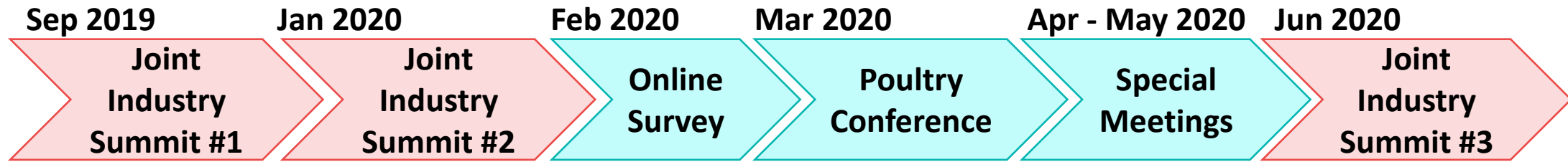


Source: BCCMB & BCBHEC – Stakeholder Survey Summary March 2020; Finley & Associates Ltd.

The Board and the Commission prepared a preliminary vision for the BC Chicken industry:

Redesign the environment to deliver sustainability and performance of the entire chicken sector.

This is only a start and this process needs your engagement:



- **AGMs** (Mar 5 – BCCMB, Mar 6 – BCBHEC)

Source: BCCMB & BCBHEC – Summit #2, January 13, 2020; Finley & Associates Ltd.

Your input is essential.

Stay tuned, the Board and Commission will be contacting you to:

- ✓ Present and discuss the key elements developed to date.
- ✓ Review the survey results.
- ✓ Seek input and views on key strategic priorities to move the industry forward.