



April 17, 2020

To: All BC Hatcheries and BC Processors

PRICING OF SPENT FOWL

Under the British Columbia Broiler Hatching Egg Scheme, regulated product “means a broiler hatching egg, a saleable chick or a broiler breeder”. Section 26 of the BC Broiler Hatching Egg Commission Consolidated Order governs the marketing of broiler breeder (fowl) flocks. Section 30 states that payment for fowl will be at the base price set out in Schedule 2 of the Consolidated Order.

Currently that price is \$0.40 per kilogram live weight for broiler breeder hens and \$0.00 per kilogram live weight for broiler breeder stags.

On March 12, 2020, the Commission wrote in response to February 20, 2020 and February 28, 2020 letters from Pollon Express Ltd. and Sofina Foods Inc. respectively about fowl pricing. In that letter, the Commission requested further information regarding the issues raised by Pollon and Sofina in their correspondence. That information has yet to be provided.

As a result of COVID-19 and the subsequent negative impact on chicken pricing, Pollon requested a short-term adjustment of the fowl (hen) price from \$0.40 per kilogram live weight to \$0.20 per kilogram live weight.

The Commission has reviewed the BC Chicken Marketing Board’s Market Composite Update for the week ending April 12, 2020. The Commission recognizes that marketing issues arising from COVID-19 have had a significant, negative impact on chicken pricing.

This request was raised at an April 16, 2020 meeting of the Commission’s Pricing and Production Advisory Committee (PPAC). PPAC was advised that the Commission was considering a short-term change in fowl (hen) pricing to \$0.20 per kilogram live weight. No concerns specific to the fowl pricing issue were raised by PPAC members.

The Commission met following the PPAC meeting and has determined, subject to the expectations outlined below, that the price of fowl (hens) will be amended to \$0.20 per kilogram live weight on a temporary basis, effective immediately. Subject also to the Commission’s discretion, this price will remain in effect until the end of Period A163 (July 4, 2020), at which time it will revert to \$0.40 per kilogram live weight.



At an April 14, 2020 meeting with the BC Egg Hatchery Association, there was agreement that there should be cooperative management of both domestic and import production. This included timely, proactive forecasting and efforts to secure shackles for fowl to assist the sector in adjusting domestic production.

Given the ongoing fluidity of the situation, the Commission is of the view that this cooperation – as exemplified by this reduction in fowl pricing – is essential. The Commission notes the agreement in Ontario whereby allocation cutbacks are shared equally by domestic and import production and there are daily reports from the hatcheries with respect to upcoming processing requirements. This province should also expect this level of cooperation and management of the COVID-19 crisis by BC chicken sector stakeholders.

Yours truly,

A handwritten signature in black ink that reads "J. Collins".

Jim Collins
Chair

cc: Bryan Brandsma, President
BC Broiler Hatching Egg Producers' Association

Ryan Whitmore, President
BC Egg Hatchery Association

Harvey Sasaki, Chair
BC Chicken Marketing Board

Blair Shier, President
Primary Poultry Processors Association of BC

Commission Website