



June 30, 2020

BBCHEPA and Producers

Dear Producers,

FOLLOW UP TO June 1, 2020 letter re COVID-19 compensation for early flock removal

The Commission members reviewed the BCBHEPA's correspondence at their June 25, 2020 meeting and have instructed me to update all producers on the status of the COVID-19 compensation for early flock removal.

COVID-19 has financially substantively impacted the Commission. The Commission has already exhausted its contingency fund to facilitate dumping eggs and rendering of flocks due to the 15% set reduction for period A-163 and the continued reduction in allocation for periods A-164 and A-165. There is no anticipated relief until possibly period A-166 when recovery may begin; but no one can be sure at this time. Concerns of a second wave have also weighed heavily on the Commission's consideration of compensation. COVID-19 is not yet finished with us.

Operationally and financially, the Commission is stretched for resources, commencing with the removal of flocks due to the closure of the Superior plant. Immediate relief was sought through the removal of eggs from production to ensure that orderly marketing prevailed, and that the industry could be sustained pending recovery, which remains the priority.

The decreases in allocation required an immediate reduction in sets. The downturn in the processed egg market and restriction placed on those processors limited the number of eggs to the breakers. Processing plant issues created shortages in shackle space (when available at all). Consequently, the Commission recognized that operational decisions had to be made in an expedited timeframe resulting in producers being processed early.

The Commission is currently examining options pertaining to the many flocks impacted with early processing dates due to the set reductions caused by COVID-19. This review will include the producers who endured rendering and received no compensation for fowl, producers who were processed under 56 weeks and producers who received the adjusted fowl price.

A financial relief application has been prepared by Commission staff and is currently in the review process at the government level. Once the Commission understands what current programs are available for both individual producer funding and Commission funding, which we are expecting to be soon, a formal decision will be made on compensation.



Yours truly,

A handwritten signature in black ink that reads "Stephanie Nelson".

Stephanie Nelson
Executive Director

Cc:
Commission website
Commission newsletter