



July 30, 2020

VIA EMAIL

Bryan Brandsma, President
BC Broiler Hatching Egg Producers' Association
P.O. Box 191
Abbotsford, BC V4X 3R2

Dear Bryan,

FOLLOW UP TO JULY 10, 2020 CORRESPONDENCE

The Commission members reviewed the BCBHEPA's correspondence at their July 23, 2020 meeting and have instructed me to respond to you with the following update.

The Commission requested evidence to support the processors' request to reduce the fowl price in January 2020. To date, the Commission has not received that requested information and, unless compelling information is provided, the interim COVID-19-related price for fowl will revert to \$0.40 kgs for period A-165. A letter of reminder to the processors is attached for your reference. It should be noted that any future change to the fowl price will be again referred to the Pricing and Production Advisory Committee before any decision by the Commission is made.

The Commission notes your concerns regarding the requested hatchery margin. As you know from other correspondence related to the pricing supervisory review, the hatchery margin is but one component of a comprehensive look at pricing in the BC chicken industry. It has been some time in coming but this review represents an important opportunity to affect a new approach to pricing in BC. It is critical that all hatching egg sector pricing and pricing-related concerns are identified and included in this review. The Commission will be working with the BCBHEPA and the BC Egg Hatchery Association to ensure the interests of both producers and hatcheries are addressed.

More specifically, and as discussed during our June 23 meeting, the Commission believes the BCBHEPA can assist in matters such as supporting the timely collection of information from producers in the upcoming COP survey.

Yours truly,

A handwritten signature in black ink, appearing to read "Stephanie Nelson".

Stephanie Nelson
Executive Director

BC Broiler Hatching Egg Commission

#210 – 1848 McCallum Road, Abbotsford, BC V2S 0H9 • www.bcbhec.com

Enclosure

cc: Commission website
Commission newsletter



July 30, 2020

VIA EMAIL

To: All BC Hatcheries and BC Processors

PRICING OF SPENT FOWL DEADLINE FOR SUBMISSION

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.

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. To date, insufficient substantiating information has been provided to the Commission.

As a result of COVID-19 and the subsequent negative impact on chicken pricing, Processors 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 determined initially that the price of fowl (hens) should be amended to \$0.20 per kilogram live weight on a temporary basis, until the end of Period A-163.

At the request of processors, the Commission extended the interim pricing for a second period as market conditions had not yet improved.

The interim reduced price will remain in effect only until the end of Period A164 (August 29, 2020), at which time it will revert to \$0.40 per kilogram live weight as previously communicated. A further interim extension will only be considered by the Commission if substantive, evidence-based rationale is provided by the processors by August 13, 2020 so that the Pricing and Production Advisory Committee and the Commission can consider it prior to the end of the Period. Please be advised also that due to the connection between the \$0.40 kg fowl price and the current hatchery margin, the Commission is now including the issue of longer-term fowl pricing in the upcoming supervisory review of pricing in the BC chicken industry.

Regards,

A handwritten signature in black ink, appearing to read "Stephanie Nelson", is written over a light yellow circular graphic element.

Stephanie Nelson
Executive Director

BC Broiler Hatching Egg Commission

#210 – 1848 McCallum Road, Abbotsford, BC V2S 0H9 • www.bcbhec.com

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