



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".

Stephanie Nelson
Executive Director

BC Broiler Hatching Egg Commission

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cc: Bryan Brandsma, President
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Commission Website