



July 30, 2020

VIA EMAIL

B.C. Hatching Egg Producers

Dear Producers,

**RE: FOLLOW UP TO JUNE 1, 2020 LETTER RE COVID-19 COMPENSATION FOR EARLY FLOCK REMOVAL**

The Commission members reviewed the compensation situation at their July 23, 2020 meeting and have instructed me to update all producers on the status of COVID-19 compensation.

COVID-19 has substantively impacted the Commission financially. The Commission has already exhausted its contingency fund to facilitate dumping eggs and rendering of flocks due to the 15% set reduction for second half of period A-163 and the continued reduction in allocation for periods A-164 and A-165. 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 and/or rendering of flocks due to Superior Poultry Processors Ltd.'s plant closure. Immediate relief was sought by removing 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 has examined options about the many flocks impacted with early processing dates due to the set reductions caused by COVID-19. This review included: producers' flocks that were rendered and received no compensation for fowl; producers who received the adjusted fowl price; and flocks processed under 56 weeks.

Due to the outstanding decision on the financial relief application, AgriRecovery, currently under review at the federal government level, the Commission has decided that compensation will be dealt with in stages. The first stage is compensation for the producers whose flocks were rendered with no compensation for fowl; these producers will receive the interim \$0.20 per kilogram rate.

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**B.C. Broiler Hatching Egg Commission**

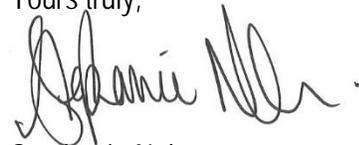
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CHEP's final revision to the allocation for 2020 resulted in the loss of production for B.C. This allocation decision impacts on current processing dates as communicated with producers on July 17, 2020, and negatively impacts remaining processing dates in 2020. With that unknown, the Commission has decided to compensate producers who were impacted with an early processing date up to 54 weeks. These producers remain eligible for the end of year processing date review that the Commission has conducted over the past two years.

The Commission will continue to manage its reserves so that it can respond to further issues arising from COVID-19. However, it will also continue to assess the status of compensation on an ongoing basis and will consider further interim compensation options if and when possible.

Please feel free to call me directly with any questions or concerns.

Yours truly,

A handwritten signature in black ink, appearing to read "Stephanie Nelson", written over a light grey rectangular background.

Stephanie Nelson  
Executive Director

cc: Commission website  
Commission newsletter