

August 17, 2021

VIA EMAIL

BC Hatching Egg Producers and Stakeholders,

COMMISSION FINANCIAL POSITION AND AMENDING ORDER 6 TO CONSOLIDATED ORDER

At the Winter Producers' meeting on February 9, 2021, the Commission briefed on its negative financial situation following the impact of COVID-19 and outlined its proposals to re-establish and repurpose its reserves. That outline was followed by a February 22, 2021, letter to stakeholders which provided further details of the proposals, including its continuing resolve to provide funding in support of addressing AI and SE issues.

These proposals included the repurposing of the Ontario Fund, the receipt of a grant from Canadian Hatching Egg Producers and the upfront repayment by the BC Chicken Marketing Board of the monies owed to the Commission for tenant improvements to the new building.

Producers supported the proposals. On April 6, 2021, the Commission wrote to the BC Farm Industry Review Board (BCFIRB) requesting approval for this restructuring and repurposing of the Commission's financial reserves. On May 5, 2021, that approval was given, following which the Chicken Board also assisted by reimbursing the tenant improvement funds.

Earlier in 2021, due to the financial impact of COVID-19, the Commission increased via Amending Order 1 the levy from \$0.019 to \$0.021 per Saleable Chick. Part of its commitment to producers was to "reconsider the latest levy increase" should its proposals be accepted by BCFIRB and the Chicken Board.

Although the outcome of COVID-19 remains to be seen, the Commission has conducted an initial reconsideration of the levy increase and by the attached Amending Order 6 is reducing the levy to \$0.020 per Saleable Chick effective August 22, 2021.

It is useful to note that this decision is also made in the context of the larger Pricing Review being conducted by BCFIRB. As the Commission noted in its April 6, 2021, letter to BCFIRB:

...there are many pricing factors in the current BCFIRB Supervisory Review that remain in play, including a transition to a standalone cost of production formula for BC hatching egg producers and addressing a hatchery margin and breeder chick/vaccine pricing. The outcome of that Review will reflect the financial status and capability of the BC hatching egg sector more generally, but of course that outcome remains to be determined.

The Commission continues to support BC hatching egg stakeholders in that Review.

Yours truly,


Jim Collins
Chair

Attachment

cc: BC Farm Industry Review Board
BC Broiler Hatching Egg Producers' Association
BC Egg Hatchery Association
BC Chicken Marketing Board
Commission Website

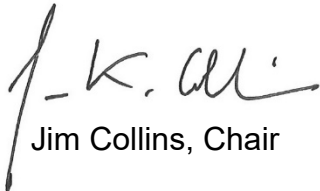
**AMENDING ORDER 6
TO THE
CONSOLIDATED ORDER OF JANUARY 1, 2021**

The British Columbia Broiler Hatching Egg Commission orders as follows:

1. *Subsection 1(1) of Schedule 3 is replaced by the following:*
 1. (1) Subject to subsections (2) and (3), levies are fixed and imposed upon each Producer at a rate of \$0.020 per Saleable Chick.
2. *This amending order comes into effect on August 22, 2021.*

DATED at Abbotsford, British Columbia on July 22, 2021.

BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION


Jim Collins, Chair