



2021 Annual Report

BC BROILER HATCHING EGG COMMISSION

BCBHEC



established 1988

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Our Vision

It is through cooperation with industry stakeholders that our greatest successes will be derived.

Our Mission

To oversee the production activities of BC Broiler Hatching Egg producers and regulate the marketing of their product through hatcheries. To lead in dealing with participants in the value chain, all stakeholders, and the federal, provincial, and municipal governments.

Our Purpose

As a part of the chicken supply chain, provide fair and sustainable orderly marketing in the BC Hatching Egg sector.

Our Big, Hairy, Audacious Goal

BC Broiler Hatching Eggs is a leader in the chicken industry in Canada.



Message from the Chair

In February 2017, during my first visit to the office as chair, I watched Commission staff (i.e., Executive Director Stephanie Nelson) coordinate and work with producers, hatcheries, and other stakeholders in responding to two incidents: a barn fire and a barn collapse due to snow. I was impressed by how the sector responded but little did I know that this was preparation for COVID, the heat dome, and flooding crises to come. Best that I did not!



2021 was another challenging year for the hatching egg sector and other stakeholders. COVID and the resulting restrictions continued to hamper the industry. The heat dome and flooding would have been extraordinary singular events but along with COVID they were sending a strong signal about the potential for more issues to come in future. Even before the flooding underscored the fact, the Commission in its strategic planning for 2022 identified the need to diversify hatching egg production out of the increasingly vulnerable Fraser Valley. Preparing the transition plan to do that is a key priority for the Commission in 2022.

A major (cannot stress that enough) initiative for the Commission in 2021 was finalizing its restructuring of pricing for the hatching egg sector within the overarching Supervisory Review (Roundtable) process established by the BC Farm Industry Review Board (BCFIRB). Much was accomplished for our sector and while the Review process will not be finalized until 2022, I am confident that the Commission will be putting forward a compelling case in support of BC hatching egg producers and hatcheries to provide certainty and stability for the larger industry.

Another important focus in 2021 was the ongoing cooperation and coordination between the Commission and the BC Chicken Marketing Board, using co-location of the offices as a good start. The boards initially created a 'War Cabinet' to respond to COVID, but it quickly became apparent that expanding the scope of this committee, along with regular board to board meetings, to examine pricing and other issues affecting the co-regulators was in the best interest of the BC chicken industry. This cooperation will continue in 2022 and both boards hope to return to the Chicken Industry Strategic Framework initiative once the pricing review completes.

There were other accomplishments of note in 2021. The continuing integration of specialty hatching eggs into the provincial and national regulatory frameworks. The passing of Amending Order 10, updating and enhancing hatcheries regulation. After consultation with hatching egg producers and other stakeholders, the Commission prepared a proposal to restructure its funding reserves and address the long-outstanding disposition of the funds received from Ontario in exchange for an allocation change. After acceptance of the proposal by BCFIRB, those monies are now in Restricted Funds controlled by the Commission and intended for response to disease or other emergencies.

Joe Neels stepped down from the Commission in 2021 and deserves many kudos for his service and sound advice. Also deserving a lot of credit are directors Calvin Breukelman, Beata Kunze, Shane Driessen and Daniel Zylstra for serving on the board during an incredibly challenging time. The directors also join me in thanking all the excellent staff of the Commission who have supported the board, the sector, and the industry at large throughout the year; many of whom also excelled in supporting the response to the flooding crisis.

I encountered many stakeholders (too often via Zoom!) throughout the year. Differences exist, but the industry has good and decent people doing their best for the industry and this year doing so under trying circumstances. My thanks and appreciation to all.

Jim Collins
Chair

Canadian Hatching Egg Producers' 2021 Provincial Report

We saw another unpredictable year in 2021 as the impact of COVID-19 continued to wax and wane and cause additional uncertainty in the chicken market and elsewhere. Successive waves of public health restrictions relaxing and then tightening again due to COVID-19 spread and the introduction of new variants led to an unpredictable forecasting for the chicken market. We were faced a number of times with the possibility of the chicken allocation being reduced after it had been set, including so close to the period that it would have an impact on eggs that had already been set. Nonetheless we had some very strong performing flocks from many of our producers and provinces to meet the national allocation and the market needs. With expected recovery and growth in chicken consumption in Canada we need to be sure to put the capacity in place to be able to take advantage.



CHEP made a significant grant totaling \$480,000 to our member provinces to help offset some of the increased costs that provincial boards and producers faced due to the ongoing pandemic and recognizing the continued cost savings from working virtually at the national level. Further, over \$50,000 was donated to Food Banks Canada to benefit those facing food insecurity across Canada. CHEP was finally able to hold an in-person meeting in November meeting in Ottawa. However, shortly thereafter additional public health restrictions were being reimposed.

The pandemic continued to inhibit trade negotiations. This included the postponement of the 12th Ministerial Conference of the World Trade Organization (WTO) that CHEP had planned to attend. Canada continues to express interest in advancing new Free Trade Agreements and to meet virtually to further negotiations that have already been started. That being said, CHEP follows these negotiations very closely to ensure that there will be no further concessions to the domestic market. Following the results of the election, we were pleased to see some of our requests reflected in the Mandate Letters to Ministers, including the commitment to mitigate the impact of the new NAFTA for producers within the first year. CHEP has been actively reaching out to the federal government so that the groundwork on this can be laid.

A significant achievement in our sector was the finalization and implementation of a new Liquidated Damages Assessment Agreement that resulted from significant discussions. This new agreement includes a temporary allocation adjustment mechanism designed to address unexpected shortfalls in production, introduces an underproduction assessment and increased the overproduction sleeve.

The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) came into force for Canada at the end of 2018, but CHEP is pleased with the launch of an on-farm investment program in 2021 to mitigate the trade agreement's impact to our sector. This 10-year program providing \$88.6 million for hatching egg producers was launched by the federal government and I urge all our producers to register and make good use of the program. Unlike other funding programs, each eligible producer has an amount of funding proportionate to their quota set aside for them to use. Projects can also be retroactive to a certain extent offering far more flexibility than typical federal programs. This important program allows our industry to prepare for the TRQ that will eventually enter Canada as a result of the CPTPP agreement.

CHEP added a new position of Communications and Government Relations Advisor in 2021. The additional staff capacity has allowed CHEP to contribute in a more focused and meaningful way to policy development and to be strong advocates for our sector to government and other audiences. CHEP also did a soft launch of both a LinkedIn and Twitter account. These will enable CHEP to raise our profile nationally to support our government relations objectives and more broadly as being the national representatives for hatching egg producers in Ottawa.

Throughout 2021 CHEP jointly supported the social media SM5 Canadian Comfort Campaign to encourage Canadians to choose quality and sustainably produced dairy, poultry and egg products. This was the second year of the campaign, first introduced to take advantage of the strong interest from Canadians in supporting Canadian grown foods that had only grown during the pandemic.

Towards the end of 2021 there was also an unprecedented flooding disaster in the Fraser Valley in British Columbia that continued for far longer than could have been expected due to the significant rainfall events and the failure of water management infrastructure. CHEP followed the situation closely and coordinated with industry and federal partners to support the impacted producers as best was possible from a national perspective throughout the flooding event and into recovery and rebuilding. Our thoughts remain with those severely impacted.

2021 also saw CHEP become more active in following pressures that the agriculture and agri-food sector are facing regarding sustainability. Working closely with SM4 and the other national animal agriculture sector groups, CHEP closely monitored and participated in the Global Food Systems Dialogues as well as the resulting United Nations conference. Despite being producers of some of the most sustainable animal protein, CHEP is increasingly pressured at the national level to demonstrate sustainability and counter claims that animal agriculture is unsustainable.

On behalf of all CHEP Directors and Staff we look forward to being able to meet in person again after another year of having to participate virtually in many meetings and even AGMs.



BC Broiler Hatching Egg Commission Board Members



JIM COLLINS
Chair



CALVIN BREUKELMAN
Vice-Chair



BEATA KUNZE
Member



DANIEL ZYLSTRA
Member



SHANE DRIESSEN
Member

BC Broiler Hatching Egg Commission Staff



STEPHANIE NELSON
Executive Director



JOSHUA CROSSETT
Manager, Finance & Production



NAYLENE THOMPSON
Office Administrator



KAITLYN LOEWEN
On-Farm Program Coordinator



DAVID ANTEMIR
Controller



MARIAH SCHUURMAN
Production Coordinator



EMMA LEWIS
On-Farm Program Technician

Not pictured: **Barry Harder** – Transporter and **Christopher Richard** – Quality Assurance

On-Farm Team Report

Audit Programs

The Animal Care Program™, CHEQ™ Food Safety Program and the BC Biosecurity Program continue to be implemented on-farm by the BC Hatching Egg Producers. Audit timelines are maintained, and producers are fully compliant with all programs. The On-Farm team is beginning their transition to streamlined electronic audit paperwork in the new year.

ABC Audit Producer Binder

The On-Farm team developed an easy-to-use binder that encompasses all Schedule 5 program paperwork into one place. The ABC Audit Producer Binder aids producers in maintaining organized paperwork for their audit. Ultimately, this benefits both the Producer and the Auditor by keeping up-to-date records and saving time on audits through one record location. The On-Farm team is looking to print and distribute these binders in 2022.

Salmonella Enteritidis Monitoring Update

Reactive Salmonella testing continues to be implemented on-farm for BC Hatching Egg Producers. As highlighted in the SE Testing Framework Implementation Update, the Commission launched their 'End of Lay Cycle' SE testing in September for flocks nearing the end of their cycle. This testing is being completed once for each flock in production. It is important to maintain Salmonella monitoring within the sector to manage the disease effectively.

2021 Atmospheric River

In November, the Fraser Valley and surrounding areas were greatly affected by an atmospheric river that damaged farms and homes, devastating many producers' livelihoods. The On-Farm team assisted the Poultry Emergency Operations Centre (EOC) by attending the EOC in person to run the permitting department as well as support the Poultry Lead Operations Manager.

We are grateful for another year overseeing the On-Farm department at the BC Broiler Hatching Egg Commission and look forward to more.

Respectfully submitted,

Kaitlyn Loewen, On-Farm Program Coordinator

Emma Lewis, On-Farm Program Technician

Message from the Producers' Association President

Wow! What a year it has been. Challenging is the word I would use to describe it. Between the pandemic, the fires, the heat wave, and the flood, we as people, producers, and industry have all seen challenges. Yet, we persevere as farmers, industry, Commissions and Associations. I saw farmers and industry helping each other through the hardest of these times. Whether it was cleaning barns or bringing water into those farms whose water was cut off or working behind the scenes making sure feed could be delivered to farms when routes were difficult to find. I thank each one of you in any capacity in which you helped. Your tireless efforts did not go unnoticed.

Even through all these challenges our industry keeps moving forward. We had two new directors join our association this year. Kevin DeJong and John Driesen. They have been a great asset to the Association. There is a lot of learning that goes into being a director. Both gentlemen have joined me at PPAC meetings, where we discuss pricing and production. John has become part of the BC Poultry Association and Biosecurity. Kevin has joined SPFG. I have continued to represent on the Poultry in Motion, BC Poultry Association, and EOC committees. We all work together to represent the producer body. We thank you for allowing us this opportunity to do our best in representing you.

When one of our Association members had to step down, we reached out to Bryan Brandsma to be a special advisor for the duration of the vacant term. His knowledge and experience have been a great asset. It helped keep continuity within the Association, until we can hold elections this spring. Thank you, Bryan, for your dedication to our industry. Also, a big thank you goes out to Sandra Lepp. She keeps us organized and informed. She also worked tirelessly on the new Poultry in Motion website as well as Chicken Golf committee. As she has resigned her position with us at the Association, I would like to say thank you for all your years of service and wish you well on your future endeavors. You will be missed!

As an Association, we met together about every 4-6 weeks to discuss what was happening in our industry. We discussed other reports from SPFG, PPAC, Poultry in Motion, BCAC, Biosecurity, BCPA, BCPC, EOC, Finance and Chicken Golf. We participated in important round table talks about the new COPF with both our Commission and other stakeholder groups in the chicken supply chain. We discussed new testing protocols for SE and what they mean for hatching egg farmers. We supported and some of us helped develop the new Poultry in Motion website, to teach the public how ethically and humanely the chicken they eat is raised. The public can see the life cycle from hatching egg to broiler farm. As COVID effectively shut down going to schools for the past two years, this website is a great asset.

We have started meeting more often with our ED and Chair of the Commission to be more informed or ask questions about things happening in our industry. We have started meeting with the Commission on a quarterly basis as well to keep communication lines open and healthy.

As challenging as this year was, we continue forward. Challenges are inevitable, but how we handle them is a choice. I look forward to another year in our Hatching Egg industry and hope for gentler days in the coming year.

Thank you,

Angela Groothof

President, BC Broiler Hatching Egg Producers' Association

ERT Funds Report

The BC Broiler Hatching Egg Commission (“Commission”) holds funds on behalf of the Emergency Response Team (“ERT”). The funds comprise contributions by the BC Egg Marketing Board, BC Turkey Marketing Board, BC Chicken Marketing Board, and the Commission. The funds are restricted to expenditures relating to Avian Influenza by the ERT, unless otherwise approved. In 2021, the Commission has accessed funds of \$53,650 (plus an additional \$22,500 in January 2022) to cover expenses incurred by the Poultry EOC for emergency operations required due to the BC floods. Subsequent to year end, \$34,536 has been received from government sources.

As at December 31:

	2021	2020
Cash	<u>\$ 76,977</u>	<u>\$ 130,373</u>

Year-ended December 31:

	2021	2020
Contributions	\$ -0-	\$ -0-
Interest	276	442
Expenditures	<u>(53,650)</u>	<u>-0-</u>
Net revenues (expenditures)	<u>\$ (53,374)</u>	<u>\$ 442</u>

Committee Reports

BC Poultry Association – 2021 Year in Review



The purpose of the BC Poultry Association (BCPA) is to lead the regulated BC poultry associations on common issues that strengthen and improve the well-being of regulated poultry farmers.

Current BCPA Directors

- Directors are appointed by the four member associations; each association appoints their chair and one other director. The association represented by the Chair appoints an additional representative.
- In addition, each Marketing Board/Commission appoints one producer director representative to the BCPA. These positions are ex-officio and non-voting.
- The BCAC poultry director also sits on the BCPA as an ex-officio and non-voting.

Name	Sector and position on BCPA
Steve Heppell	Turkey, Chair
Angela Groothof	Hatching Eggs, Vice-Chair – (also the IAF poultry rep, poultry rep for the Centre for Governance in Agriculture)
John Driesen	Hatching Eggs
Dale Krahn	Chicken (also on the Provincial Wood Fibre Steering Committee)
Fred Redekop	Chicken, Secretary
Mark Siemens	Eggs, Treasurer (also on the Abbotsford Ag Committee)
Dan Kampen	Eggs (also an alternate Emergency Operations Centre Director)
Steve Froese	Turkey
Stan Thiessen	Turkey (also the SPFG Chair)
Daniel Zylstra	<i>Ex-officio</i> , Hatching Eggs
Ray Nickel	<i>Ex-officio</i> , Chicken
James Krahn	<i>Ex-officio</i> , Turkey
Matt Vane	<i>Ex-officio</i> , Eggs

Other Poultry Committee Appointments

- Wayne DeJong – BC Agriculture Council (BCAC) poultry rep, biosecurity committee, Environment rep
- Hester Mulder – BCAC's public trust committee, Chair of the Biosecurity Committee
- Chris Vanrietschoten – BCAC's labour committee

Meeting Highlights

- The BCPA had four director meetings – three via Zoom, and one in person. The November meeting was cancelled due to the flood. In addition, there were three extraordinary meetings to discuss the SPCA's unannounced inspections and poultry's involvement in the feed differential program.
- Dr. Gigi Lin and Dr. Vicki Bowes attended a director meeting to discuss Reovirus, IBH ILT, and vPMV.
- Work continued on Infectious Laryngotracheitis (ILT). Several options were discussed. In consultation with Dr Bowes, a factsheet on key ILT messages was developed and circulated. A different approach may be needed.
- BCPA participated in activist round table meetings sponsored by the BC Ministry of Agriculture and participated in BCAC led animal activist meetings. Limited progress was made. The BCPA considers activists to be one of the poultry sector's top issues.
- BCPA approved a wild bird AI surveillance project and will be managing the project on behalf of the vet lab.
- The BCPA recommended that producers move to yellow biosecurity status in December due to the loss of the BC Vet lab for quick AI testing, the discovery of high path AI in Newfoundland and the widespread high path AI outbreaks in Europe and Asia.
- BCPA directors attended the BCAC, IAF, and WorkSafe AGMs, and participated in Ag Day in Victoria.

Biosecurity Committee

- The Committee met in February and March to review the manual and make recommendations for 2021.
- A significant step was taken in 2021. The four national biosecurity programs were reviewed and compared to BC's program to determine if there were still gaps between BC's and the national programs. There were still gaps, so the BC program is still needed. This review will be conducted annually. Eventually some poultry sectors will only be audited under their national program.
- The committee has four recommendations for changes to the manual:
 - The removal of standard 11 – Individual flock health records must be maintained
 - The removal of standard 14 – A management program that prevents the contamination of feed and water sources must be in place
 - Including the modified Turkey Farmers of Canada sample emergency preparedness plan as an example of an emergency preparedness plan
 - The removal of highly recommended measures from the audit tool

Emergency Operations Centre (Avian Influenza and Flood)

During January to October, section chief EOC meetings were held monthly other than during summer. The monthly calls discussed issues such as preparedness under covid and designated employer. Senior regional CFIA staff, AGRI staff and AgSafe staff are invited to participate in all the meetings. The goal of the meetings is to further communication and teamwork and to advance the poultry sector's preparedness for a possible avian influenza outbreak or other emergency.

We were fortunate to find a new EOC director and planning chief in 2021. Cathy Van-Martin joined Dan Kampen as an EOC director. Cathy has extensive EOC and ICS experience from her work with the Burnaby Fire Department. Krista Harris, also very experienced with ICS and EOC from her work with the Abbotsford Fire Department will be the lead planning chief for the poultry EOC. Allan Cross stepped off the EOC, so the EOC is looking for an additional EOC director.

In October, Cathy led an EOC/ISC training session for ten producers.

The annual flu shot reminder letter was sent out.

In November, the EOC showed that all the training and organization worked – we were ready for an emergency and when the floods hit, the poultry EOC was able to activate within hours. Daily Zoom calls were held, response goals were identified, action plans were created and implemented, crisis messaging, and communications were prioritized and executed, task forces were developed, new ICS positions were developed, daily and weekly reports were provided, and the EOC was expanded to meet daily needs of affected poultry farms. The first accomplishment was getting feed and water to farms. The poultry EOC worked with the Abbotsford EOC and provincial emergency agencies. We supplied staff for the permitting department to assist getting critical trucks to and from farms. The EOC was deactivated in early December.

Lessons learned from the food emergency will be brought back to our regular EOC meetings.

Rapid Response

Allen Knowles is the industry lead for rapid response teams. The team membership lists are almost all filled. Industry rapid response teams held virtual meetings with their CFIA counterparts, and some teams participated in socially distanced training exercises with CFIA team members. Several rapid response team members were fit tested.

AI Surveillance

The provincial vet lab continues to test high mortalities in turkeys and eggs as part of AI surveillance. Early detection of AI should help minimize the spread of AI. The flood caused serious damage to the provincial vet lab and it's not sure when it will reopen. This is great loss for rapid AI testing. Samples will now have to be sent to Winnipeg for AI testing.

Sustainable Poultry Farming Group (SPFG) – 2021 Annual Report for Associations

The Sustainable Poultry Farming Group (SPFG) is an industry-led organization that has representation from BC's four supply managed poultry sectors – hatching eggs, broilers, turkeys, and table eggs. SPFG is a committee under the BC Poultry Association (BCPA). SPFG provides the coordination and the voice for the supply managed poultry sectors to promote sustainable and environmental farming practices and the implementation of innovative management technologies. SPFG is poultry farmers and industry working together to proactively address issues that affect BC's poultry sector. The SPFG's focus is the long-term sustainability of the BC poultry sector.



Current directors are:

Name	Sector
Stan Theissen, Chair	Turkey and BCPA
Kevin DeJong	Hatching Eggs
Bev Whitta	Chicken
Hester Mulder	Eggs

SPFG held two virtual Zoom director meetings in 2021 and reviewed six applications for funding or letters of support. The current projects are listed below.

SPFG directors had a Zoom meeting with the Royal Danish Embassy and Linka Energy to discuss the possibilities of using biomass boilers on BC poultry farms. The project is still in the very early stages of research. Emissions and costs are two key factors that must be resolved before any in-depth analysis is carried out. Biomass boilers may be an option for when manure use regulations get even tighter. These systems are used extensively throughout Europe for heating.

Total approved funding for the year was \$30,100 several projects are on hold due to covid restrictions.

CURRENT PROJECTS

2021-01 – Poultry in Motion – design a new website and content

The Poultry in Motion Educational Mini Barn Program began in 2007 and has been running successfully for the past 14-years. The program's goals are to educate and improve consumer confidence of BC Chicken. Students, teachers, and consumers are educated about the actual growing practices and programs, including on-farm food safety, Biosecurity and Animal Care programs that BC Chicken Growers are required to follow.

Until recently, the program used a fully equipped poultry mini barn with live birds and provided in-person presentations and educational materials to elementary and secondary schools and to the public at fairs. The current COVID-19 pandemic restrictions have prevented this program from continuing with onsite presentations. They do not know when we will be able to resume this program.

This project is to design and develop a new website and content for Poultry in Motion with individual web pages for fairs, elementary and secondary schools, and a teacher only page where all educational materials will be accessible in digital format. Separating the content by need and age level will make it easier for teachers and others to find and access the appropriate information. Developing the website will maintain the current program, while in-person visits are postponed, and open new opportunities to extend our reach to schools and fairs that are remotely located or for other educational purposes. The digital content will also enhance information and access to the public.

- \$5,000 funding was approved.

2021-02 – Blackhead Epidemiological Data Collection and Comparison

This project is a continuation of the Histomoniasis (blackhead) project 2020-06 that was started in 2020. Blackhead is a serious and ultimately fatal protozoal disease of turkeys, chickens, peafowl, and gamebirds. The transmission cycle of *Histomonas meleagridis* is complicated by the prolonged environmental stability enabled by physically protective vectors such as the cecal worm (*Heterakis* sp) egg and common earthworms. Earthworms are mobile, can move significant distances and are attractive to gallinaceous birds, making birds raised on range especially susceptible to infection. There is currently no approved treatment for blackhead therefore there is strong reliance on prevention through biosecurity, confined rearing, and litter management.

The BC Turkey industry is currently experiencing an unprecedented multi-farm outbreak of blackhead that has serious economic consequences for the growers, the processors, and the hatchery. The entire production stream, including retailers has been negatively impacted as on-farm mortality has risen to significant levels. Farm gate losses continued in 2021.

The goal of this multi-faceted collaborative study is to gain a better understanding of the epidemiology of the current blackhead outbreak, identify on-farm reservoirs and risk factors, and to formulate an effective treatment and disease prevention strategy. A second producer seminar was held in February 2022 and the SPFG provided funding for the Zoom technical support for the producer call. This was a \$50,000 project with SPFG and the BC Turkey Marketing Board each providing \$12,500 for the initial phase and the Canadian Agriculture Partnership (CAP) providing \$25,000.

- \$1,300 Funding was approved for the second producer webinar.

2021-03 – Sponsorship of the 20th annual meeting of the Canadian Animal Health Laboratorians Network to be held in Whistler May 30 – June 1, 2022

The theme of the conference is 'Partnerships in Health: Sharing Knowledge, Taking Action'. To that end, the planners are planning presentations that showcase how diagnostic laboratories can work with the poultry and dairy industries to identify health risks and to devise and execute plans to mitigate those risks. They will be focusing on Salmonella and AI on the 2nd and 3rd days of the meeting. The first day will examine Covid-19.

The BC Vet Lab is an important partner in an Avian Influenza outbreak. Timely diagnostics is a key initial step in AI outbreak management.

- \$500 sponsorship was approved.

OTHER ON-GOING PROJECTS

2018-05 – The Fermentation of Spent Hen Hydrolysate (from Thermal Hydrolysis) to Produce Pathogen Free Microbiological Rich Plant Nutrient Solutions, now includes animal feed and biogas uses.

This is a \$89,000 project. SPFG provided \$5,000. Other funding was provided by the Canadian Poultry Research Council, Egg Farmers of Alberta, and Biosphere Technologies. Alberta Agriculture and Forestry are the lead researchers and are providing in-kind funding with researchers, labs, greenhouses, and equipment. The project is nearing completion.

Entire birds are cooked at 180°C for 40 minutes resulting in hydrolysate, “*liquid chicken*”. Animals cannot digest feathers and bones but after thermal hydrolysis; they become digestible protein and calcium sources. Spent hen hydrolysate is a rich mixture of complex proteins, carbohydrates and fats; these compounds must be ‘*broken-down*’ for the nutrients to be readily plant-available. Aerobic digestion is the technology used; since the pH is controlled, fermentation best describes this “*liquid composting*” process.

Thermal hydrolysis is CFIA approved to destroy “*mad cow*” diseases. With robust engineering controls, thermal hydrolysis could destroy all bird flu disease vectors; manure, potentially contaminated feed and bedding would be hydrolyzed alongside the diseased birds. Not only ‘*safely resolving*’ a contagious outbreak, but revenue could be realized from the hydrolysate.

A significant advantage of spent hen hydrolysate for animal feed is that it comes from healthy birds thereby avoiding the stigma and cross-contamination risk of diseased biomass.

Once heated to 60°C, hydrolysate separates into three layers. Fat, the top layer, the middle protein layer (**successfully spray dried at pilot scale**) is from meat and feathers. The calcium rich bottom solids layer is from bone and connective tissue. At room temperature, an emulsion layer traps solids.

Photograph 1. Heat Stratified (left) and Room Temperature Spent Hen Hydrolysate



The project produced and trialed plant nutrient solutions from raw and fermented spent hen hydrolysate.

2016-06 – BCAC Community Engagement Initiative (formerly Public Trust)

Despite Covid restrictions, the project continued to be active in 2021 by holding a number of virtual events. This project is now part of BCAC's on-going activities as opposed to a stand-alone special project. Poultry provides about \$23,000 through SPFG funds.



2021 Poultry in Motion Annual Report



Lower Mainland Poultry in Motion Report 2021

The lower mainland trailer for the most part stayed parked indoors due to the Covid restrictions set in place. It did however appear at the Chilliwack Fair from August 6 – 8 and then at the PNE from August 21 – 29. The nine days at the PNE was the go-to attraction for both young and old alike. It was great to be there again to talk with and educate the visitors who stopped to admire the different groups of chickens in the trailer. Hopefully in 2022 restrictions will lift further and we can put this trailer into motion again.

Another great event for 2021 was that our website is finally up and running. Thanks to all those that were involved in getting the information in along with all the layouts and proof-reading. We encourage you all to look at it.

www.poultryinmotion.ca

Looking forward to a brighter and busier 2022.

Dennis Flokstra, Lower Mainland – Poultry in Motion

Vancouver Island Poultry in Motion Report for 2021

Although faced with some reduced fair hours, the Vancouver Island Poultry in Motion was appreciative and happy to greet visitors at four fairs here on the Island during our 2021 Covid year:

- Coombs – attendance 3,500
- Vancouver Island Exhibition – attendance 20,000
- Saanich – attendance 40,750
- Cowichan Exhibition – attendance 7,500

It was the welcoming, curious visitors that 'stole the show' each day. Families were obviously happy to have time being out after the long period of Covid restrictions. People were just as filled with questions and comments as in previous years, expressing, as well, how pleased they were to see the Poultry in Motion in attendance.

Also as in the past, they expressed their continued support for Island agriculture stating that they want to buy local! The Island Ag. Show which is usually held in February, was cancelled for 2021 due to Covid restrictions. The Ministry of Agriculture, Youth Development Branch workshop, which was booked for October 29, 2021, in Duncan, was unfortunately cancelled for Covid reasons as well. We do look forward to what 2022 will bring . . . hopefully, getting out and about as in the past!!

Bev Whitta, Vancouver Island – Poultry in Motion

Interior Poultry in Motion Report 2021

The Interior Poultry in Motion trailer remained parked indoors due to the Covid restrictions and the White Rock Lake wildfire. We look forward to a brighter and busier 2022.

2021 Accomplishments

FINANCE

Transitioned to a paperless environment

Finished all financial aspects of the new office space

Managed the ERT Funds during the November Floods

PRODUCTION

Managed the egg flow during the natural disasters of 2021

Navigated the satellite hatchery change re: breeder chick supply

Finalized the Regularized Producer Chick Quota

ON-FARM

Transitioned to paperless audits

Implemented Phase I of the SE Project

Approved the ABC Binders

ADMINISTRATION

Hatching Egg staff were very well represented at the EOC

Launched an extensive stakeholder engagement process re: Pricing Appeal Roundtables

Updated the New Board Member Orientation Package

BC Appeal Process

Filing A Regulated Marketing Appeal with The British Columbia Farm Industry Review Board

A person aggrieved or dissatisfied with an order, decision or determination of the following commodity marketing boards and commissions may file an appeal to the British Columbia Farm Industry Review Board (BCFIRB):

- British Columbia Broiler Hatching Egg Commission
- British Columbia Chicken Marketing Board
- British Columbia Cranberry Marketing Commission
- British Columbia Egg Marketing Board
- British Columbia Hog Marketing Commission
- British Columbia Milk Marketing Board
- British Columbia Turkey Marketing Board
- British Columbia Vegetable Marketing Commission

What is the British Columbia Farm Industry Review Board?

The British Columbia Farm Industry Review Board (BCFIRB) is an administrative tribunal that has statutory responsibility for exercising regulatory and adjudicative functions independent of government in its general supervision of BC regulated marketing boards and commissions and in hearing regulated marketing appeals and farm practices complaints.

Originally known as the British Columbia Marketing Board (“BCMB”), BCFIRB was created in 1934 under the NPMA to supervise the commodity boards. Over the years, the role has been expanded and its authority redefined to address changes in the regulated marketing sector. BCFIRB is composed of up to ten members appointed by Lieutenant Governor-in-Council (LGIC). Board members backgrounds vary, with experience in production, marketing, law and education related to agricultural issues.

How long do I have to appeal?

BCFIRB must receive your written notice of appeal not more than thirty (30) days after the order, decision or determination of the commodity board or commission is made.

If an appeal is filed more than 30 days after the marketing board’s decision, the person filing the notice of appeal must explain what special circumstances exist that warrant BCFIRB accepting a late special appeal (see ATA s.24).

Do I need legal counsel?

Only if you want or think you need it. It is your decision to make, and you will be responsible for paying your own lawyer.

Where do I send the appeal?

Either by mail, courier, fax or email as follows:

Mail: Attention: Executive Director
British Columbia Farm Industry Review Board
PO Box 9129 Stn Prov Govt
Victoria BC V8W 9B5

Courier: Attention: Executive Director
British Columbia Farm Industry Review Board
780 Blanshard Street
Victoria BC V8W 2H1

Email: firb@gov.bc.ca

Fax: 250-356-5131

What should be included in the notice of appeal?

The notice of appeal must be accompanied by a non-refundable \$100.00 filing fee. Cheque or money orders should be made out to the "Minister of Finance".

The notice of appeal must include the following:

- be in writing and signed
- identify the decision being appealed
- state why the decision should be changed
- state the outcome requested from BCFIRB
- include your name, address, telephone number, email (or the contact information of the person handling the appeal for you)
- include an address for delivery of any notices related to the appeal

BCFIRB's notice of appeal form can be used to file an appeal.

What happens when the British Columbia Farm Industry Review Board receives the appeal?

BCFIRB will send you a letter acknowledging the receipt of your appeal. This letter will also contain information which explains the appeal process in greater detail. At the same time, BCFIRB will notify the commodity board or commission concerned that an appeal has been filed and instruct them of their responsibilities as outlined in the Rules of Practice and Procedures.

BCFIRB will also ensure that the commodity board or commission has received a copy of your notice of appeal.

BCFIRB will issue notice to the parties requiring them to attend a pre-hearing conference call. The purpose of the pre-hearing conference will be to clarify the issue on appeal and determine the position of each party as well as the

remedies sought by the appellant. The pre-hearing conference call will also be used to confirm hearing dates and directions for the appeal hearing.

BCFIRB encourages parties to consider Alternative Dispute Resolution (ADR) to facilitate settlements of the matter under appeal and will assist the parties in establishing an ADR process. Parties can apply to BCFIRB requesting ADR. Discussions about possible ADR alternatives will also be an agenda item for the pre-hearing conference.

The hearing of your appeal will normally be held not more than 60 days after BCFIRB first receives your notice of appeal; however, these timelines will be dependent upon the circumstances of all the parties to the appeal.

What is the most important thing for me to remember?

BCFIRB must receive your written notice of appeal within 30 days of an order, decision or determination of the commodity board or commission. Failure to meet this deadline may result in BCFIRB not hearing your appeal.

How can I get more information?

For further information please refer to the Rules and Practice and Procedures. Section 8 of the Natural Products Marketing (BC) Act (NPMA), and the Administrative Tribunals Act (ATA).

More information on the appeal process is available on BCFIRB's website at:

www.gov.bc.ca/BCFarmIndustryReviewBoard

The standing orders of the commodity board or commission involved may also contain information.

Should you have any further questions please feel free to contact BCFIRB directly at:

Phone: 250-356-8945

Fax: 250-356-5131

Email: firb@gov.bc.ca

Statistics & Quota Management

This Statistics & Quota Management has been prepared with respect to BCFIRB's letter dated August 15, 2018 regarding the Public Accountability and Reporting Project (PARP). Following the first PARP submission for the 2018 reporting period, the Guide and Templates have been updated annually. The tables presented incorporate the data reported to BCFIRB plus supplemental information. For BCFIRB's most current summary PARP report, see <https://www2.gov.bc.ca/gov/content/governments/organizational-structure/ministries-organizations/boards-commissions-tribunals/bc-farm-industry-review-board/public-accountability-and-reporting-project/parp-summary-reports>.

Strategic Planning and Sustainable Industry Development

Sound quota management supports the Commission's vision and goals for the industry. These are outlined in the Commission's current Strategic Plan under the overarching priority of developing a comprehensive marketing model.

Sustainable industry development must be made within the context of the Natural Products Marketing (BC) Act and its regulations, the BC Broiler Hatching Egg Commission Scheme, the Regulated Marketing Economic Policy (2004), BCFIRB direction and the Commission's Consolidated Orders.

The Strategic Plan identifies Quota Management as a key initiative which includes: review of other quota systems; Specialty/Asian Breeder long-term plan development and national allocation division; new entrant program review and regional diversification; review quota management policies with respect to the Quota Assessment Tools Review; development of an online reporting portal for producers; and hatchery throughput (80/20).

The Commission's current quota management policies remain in place until such time that a comprehensive review with appropriate stakeholder input is commenced.

Industry Structure

The mainstream broiler hatching egg industry quota system is a hen-based quota system. There is a total of 1,766,182 quota units, spread over a two-year cycle. One quota unit is equal to one placeable broiler breeder hen. Producers are told how much of this quota they are to produce (place as hens), on an annual basis; this is utilization and is expressed as a percentage. Utilization can move up and down and may exceed 100% at times. Utilization matches domestic allocation – demand – issued by Canadian Hatching Egg Producers (CHEP) with a supply of domestic hatching eggs for British Columbia.

On January 21, 2021, Regularized Producer Chick Quota was issued to five specialty producers (cancelling the Temporarily Regularized Producer Chick Quota previously issued). This was in response to the Supervisory Review. The specialty broiler hatching egg industry quota system is a hatched chick-based quota system. There is a total of 4,373,922 quota units over a one-year cycle. One quota unit is equal to one hatched chick. Specialty producers are permitted to place hens, in consultation with their hatcheries (all are integrated at this time), in numbers and breed type to meet the hatcheries requirements; further, they are permitted to schedule placement dates and length of lay cycles.

Definitions

Reporting Time Period	
Date	Date
Start	January 1, 2021
End	December 31, 2021

Table 1

Production Measurement Definitions		
Unit	Mainstream	Specialty
Quota	Broiler breeder hens placed (cycle = 2 years)	Hatched broiler chicks (per year)
Production	Hatching eggs	Hatching eggs

Table 2

Regulated Product
Definition
Per the British Columbia Broiler Hatching Egg Scheme: <i>“regulated product” means a broiler hatching egg, a saleable chick or a broiler breeder.</i>
No production volume for personal exemption.
Small Lot Innovative Self-Marketer Program for atypical strains of broiler breeders. As defined in Schedule 7 to the Consolidated Order: <i>“Atypical Strain of Broiler Breeder” means a strain of Broiler Breeder that produces a day-old Chick that cannot be made available through a licensed Hatchery on an economically viable basis.</i>

Table 3

Production Type Definitions	
Type	Definition
Mainstream	White Plymouth Rock
Specialty	Silkie, Taiwanese (as identified in Canadian Chicken Licensing Regulations (SOR/2002-22), Schedule 4)

Table 4

Producer Size Definitions			
Type	Size		
			
	Small	Medium	Large
Mainstream	< 25,000 quota units	25,000 – 49,999 quota units	50,000+ quota units
Specialty	< 500,000 quota units	500,000 – 999,999 quota units	1,000,000+ quota units

Table 5

For Mainstream, minimum farm size is 12,000 quota hens per cycle. A medium-sized farm is considered to start approximately double that size at 25,000. Note that the New Producer Program Rules (BCBHEC Consolidated Order, Schedule 1) permit new entrants through this Program to receive 5,000 quota hens; such new entrants are permitted to operate at 5,000 quota hens until an additional 7,000 (at minimum) can be secured.

For Specialty, no minimum farm size is set, and specialty production is currently not part of the New Producer Program. The New Producer Program Rules are to be reviewed in the context of the Quota Assessment Tools Review, regional diversification, 80/20, and the Asian Breeder Supervisory Review.

Region Definitions

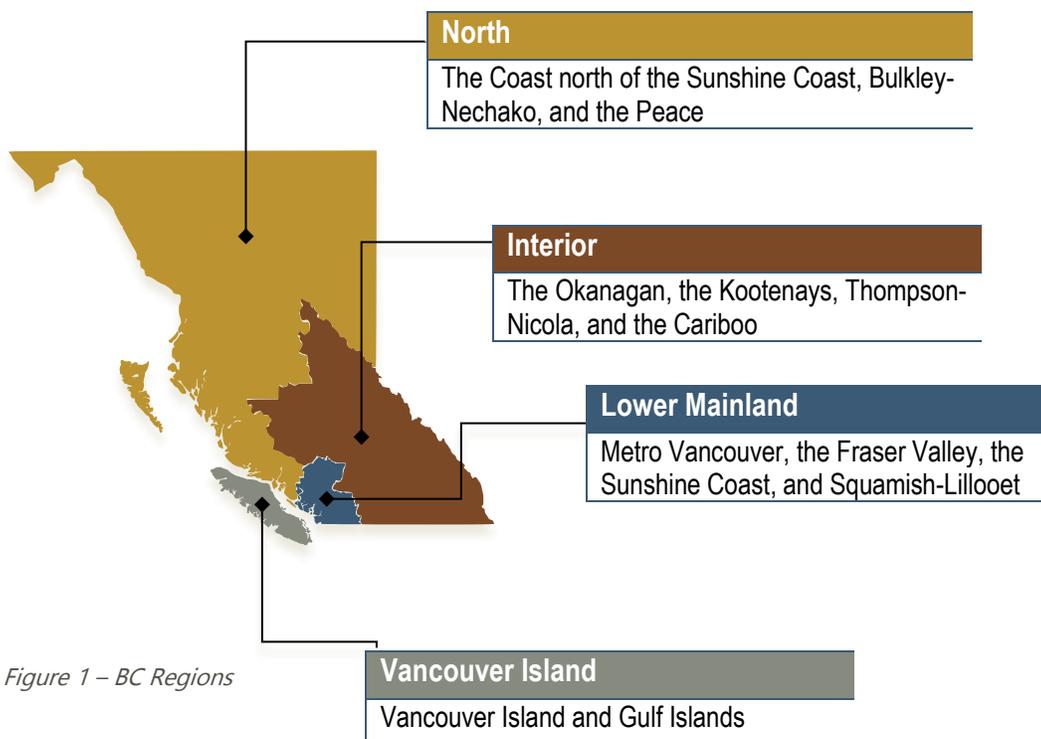


Figure 1 – BC Regions

All producers, mainstream and specialty, are currently located in the Lower Mainland. While there is limited broiler production on Vancouver Island, there is no local hatching egg production or hatchery. There are two hatcheries located in the Interior. Regional diversification is identified within the Strategic Plan.

Small Lot Producers per Region	
Region	Small Lot Innovative Self-Marketer Program
Lower Mainland	-0-
Vancouver Island	-0-
Interior	-0-
North	-0-

Table 6

Estimated Farm Cash Receipts & Prices

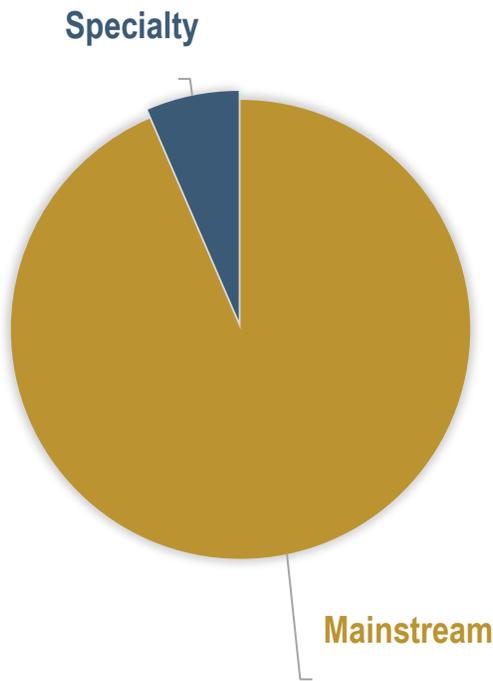


Figure 2 - Farm Cash Receipts

Estimated Cash Receipts (Farm Gate Sales)	
Type	Sales Estimate
Mainstream	\$ 65,500,000
Specialty*	\$ 4,540,000
Total	\$ 70,040,000

Table 7 - *Specialty estimated at \$0.9417 per saleable chick

Saleable Chick Price	
Period	Mainstream, per saleable chick
A166	\$0.6431
A167	\$0.6633
A168	\$0.6845
A169	\$0.7127
A170	\$0.7090
A171	\$0.6915
A172	\$0.6709
A173	\$0.6681

Table 8

Total Producer Numbers

Total Producers by Producer Type and Region					
Producer Type	Lower Mainland	Vancouver Island	Interior	North	Total
Established	52	-	-	-	52
New Entrant*	6	-	-	-	6
Total	58	-	-	-	58

Table 9 - * New Entrants through New Producer Program, succession planning or purchased quota. See New Entrants section for further breakdown

Total Producers by Producer Size and Region					
Producer Size	Lower Mainland	Vancouver Island	Interior	North	Total
Small	22	-	-	-	22
Medium	28	-	-	-	28
Large	8	-	-	-	8
Total	58	-	-	-	58

Table 10

Total Producers by Production Type and Region					
Production Type	Lower Mainland	Vancouver Island	Interior	North	Total
Mainstream	53	-	-	-	53
Specialty	5	-	-	-	5
Total	58	-	-	-	58

Table 11

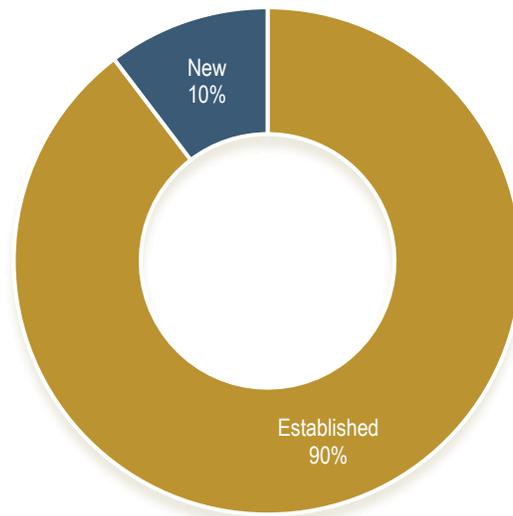


Figure 3 - Total Producer Numbers

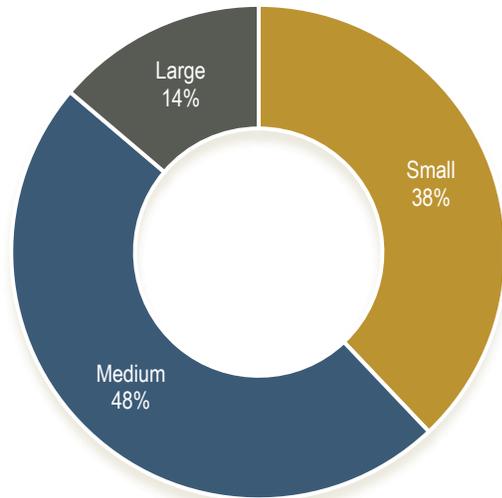


Figure 4 - Total Producer Numbers

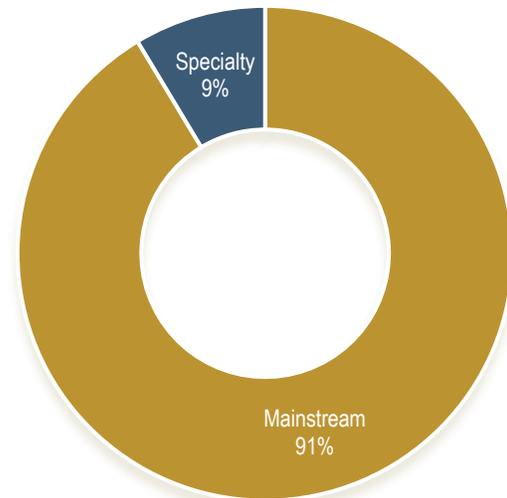


Figure 5 - Total Producer Numbers

Total Production Volume (Hatching Eggs)

Mainstream and Specialty volume is based on hatching egg pickups from the farm. All specialty producers were considered established producers as of September 19, 2020, as all have owned quota (temporary and permanent) for one year and were not allotted quota through the New Producer Program. Production for any producers no longer considered new entrants is divided accordingly.

Total Production by Producer Type and Region					
Producer Type	Lower Mainland	Vancouver Island	Interior	North	Total
Established	118,688,051	-	-	-	118,688,051
New	4,517,499	-	-	-	4,517,499
Total	123,205,550	-	-	-	123,205,550

Table 12

Total Production by Producer Size and Region					
Producer Size	Lower Mainland	Vancouver Island	Interior	North	Total
Small	22,311,059	-	-	-	22,311,059
Medium	66,052,010	-	-	-	66,052,010
Large	34,842,481	-	-	-	34,842,481
Total	123,205,550	-	-	-	123,205,550

Table 13

Total Production by Production Type and Region					
Production Type	Lower Mainland	Vancouver Island	Interior	North	Total
Mainstream	116,233,316	-	-	-	116,233,316
Specialty	6,972,234	-	-	-	6,972,234
Total	123,205,550	-	-	-	123,205,550

Table 14

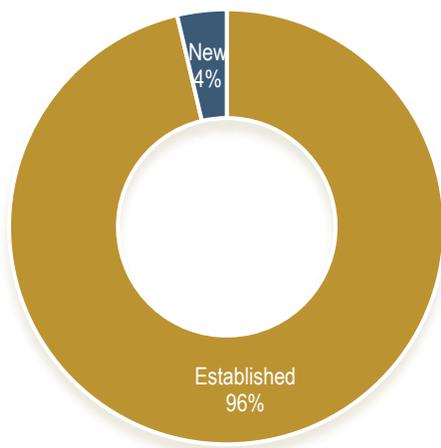


Figure 6 - Total Production

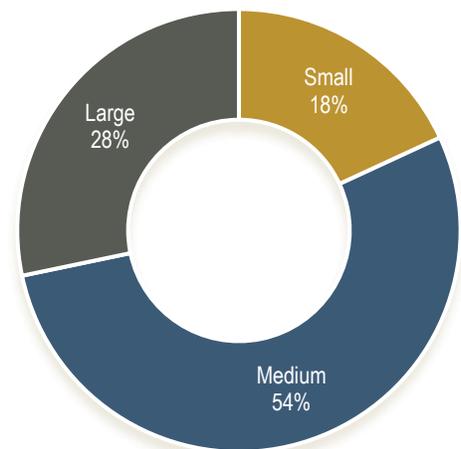


Figure 7 - Total Production

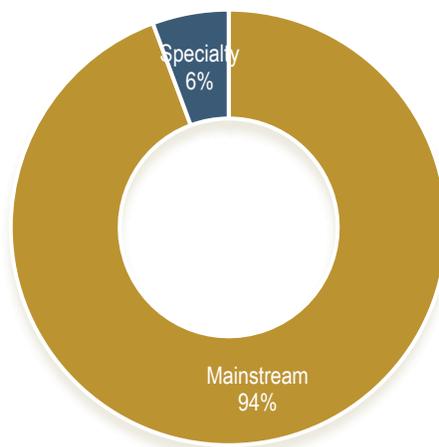


Figure 8 - Total Production

Quota Utilization

96.0% Average Quota Utilized for Mainstream Producers (Hens Placed)

Average Quota Utilization for Specialty Producers (Chicks Hatched)

109.4%

UTILIZATION SET TO ACHIEVE ALLOCATION IN FOLLOWING YEAR

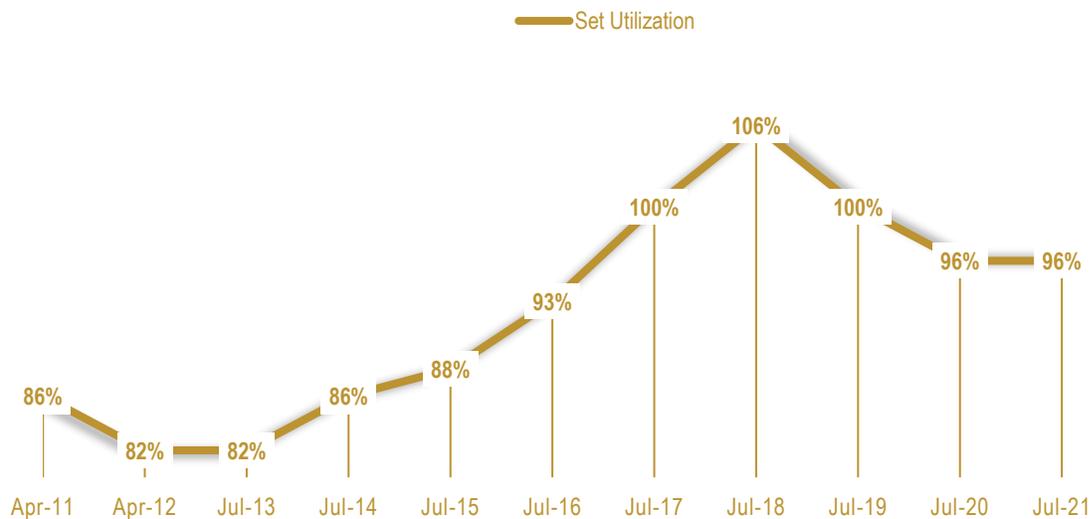


Figure 9 – Set utilization

Note: First pickups of hatching eggs from placements are at about week 26, six months after placement. Effective utilization, a blended rate of all flocks in lay for the calendar year (egg flow), was 97.1%.

New Entrances

New Entrances to All Sectors				
	Lower Mainland		Vancouver Island	
	# Producers	Quota	# Producers	Quota
New Entrant Program entrances	-	-	-	- ...
Other Entrance means	2	39,380 hens	-	- ...
Total	2	39,380 hens	-	- ...

Table 15

New Entrances to All Sectors (Continued)						
	Interior		North		Total	
	# Producers	Quota	# Producers	Quota	# Producers	Quota
...	-	-	-	-	-	-
...	-	-	-	-	2	39,380 hens
...	-	-	-	-	2	39,380 hens

Table 16

New Entrants – Detailed Change – Mainstream (Hens)		
Pathways	# Producers	Quota
Entry:		
New Producer Program entrant	-	-
Succession planning	1	16,700
Purchased quota	1	22,680
Graduation / Reclassification:		
Length of experience – New Producer Program (10 yrs)	-	-
Length of experience – succession planning / purchased quota	(3)	(46,208)
Exit:		
Quota sale – transfer assessment exempt	-	-
Quota sale – with transfer assessment	-	-
Net change	(1)	(6,828)

Table 17



Figure 10 - Net Producer Change

New Entrants – Detailed Change – Specialty (Chicks)		
Pathways	# Producers	Quota
Entry:		
New Producer Program entrant	-	-
Succession planning	-	-
Purchased quota	-	-
Graduation / Reclassification:		
Length of experience – New Producer Program (10 yrs)	-	-
Length of experience – succession planning / purchased quota	-	-
Length of experience – allotted quota	-	-
Exit:		
Quota sale – transfer assessment exempt	-	-
Quota sale – with transfer assessment	-	-
Net change	-	-

Table 18

Producer Exits

Producer Exits by Region				
	Lower Mainland		Vancouver Island	
	# Producers	Quota	# Producers	Quota
New Entrant < 5 Years	-	-	-	- ...
New Entrant 5 – 10 Years	-	-	-	- ...
Other < 5 Years	-	-	-	- ...
Other 5 – 10 Years	-	-	-	- ...
Any Producer 10 Years +	2	39,380 hens	-	- ...
Total	2	39,380 hens	-	- ...

Table 19

Producer Exits by Region						
	Interior		North		Total	
	# Producers	Quota	# Producers	Quota	# Producers	Quota
...	-	-	-	-	-	-
...	-	-	-	-	-	-
...	-	-	-	-	-	-
...	-	-	-	-	-	-
...	-	-	-	-	2	39,380 hens
...	-	-	-	-	2	39,380 hens

Table 20

Hatching Facilities

There are currently 11 hatcheries licensed in British Columbia. A hatchery must be provincially licensed in order to have a CHEP license (federal). The CHEP license is for a buyer's and/or seller's license for the interprovincial and export movement of broiler hatching eggs and chicks. Applications for license(s) are on an annual basis.

Licensed Hatcheries by Region					
Type	Lower Mainland	Vancouver Island	Interior	North	Total
Federal (CHEP) & Provincial	8	-	2	-	10
Provincial-only	1	-	-	-	1
Total	9	-	2	-	11

Table 21

Licensed Hatcheries by Size					
Type	Lower Mainland	Vancouver Island	Interior	North	Total
< 12.50% of market	6	-	2	-	8
12.50% - 24.99% of market	1	-	-	-	1
> 25.00% of market	2	-	-	-	2
Total	9	-	2	-	11

Table 22

Licensed Hatcheries by Throughput					
Type	Lower Mainland	Vancouver Island	Interior	North	Total
Mainstream only	5	-	2	-	7
Specialty only	1	-	-	-	1
Mainstream & Specialty	3	-	-	-	3
Total	9	-	2	-	11

Table 23

Quota Price

The Commission does not run a quota exchange, but a Quota Billboard. The Quota Billboard and related FAQ are posted on our website and available to the public. The Billboard includes: contact details, amount of quota, timing of current placement, type of transaction (e.g., sale) and posting date. Price and related particulars are negotiated between the parties to the transaction and are not known to the Commission.

Quota Holdings on December 31, 2021

Quota Holdings by Producer Type and Region – Mainstream (Hens)					
Producer Type	Lower Mainland	Vancouver Island	Interior	North	Total
Established	1,694,202	-	-	-	1,694,202
New	59,380	-	-	-	59,380
Total	1,753,582	-	-	-	1,753,582

Table 24

Quota Holdings by Producer Type and Region – Specialty (Chicks)					
Producer Type	Lower Mainland	Vancouver Island	Interior	North	Total
Established	4,373,922	-	-	-	4,373,922
New	-	-	-	-	-
Total	4,373,922	-	-	-	4,373,922

Table 25

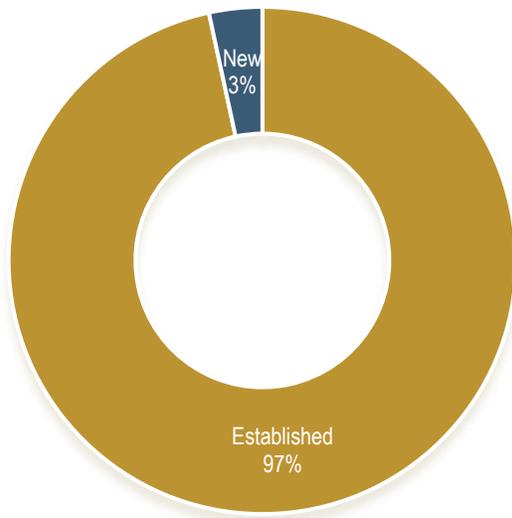


Figure 11 - Quota Holdings by Producer Type - Mainstream

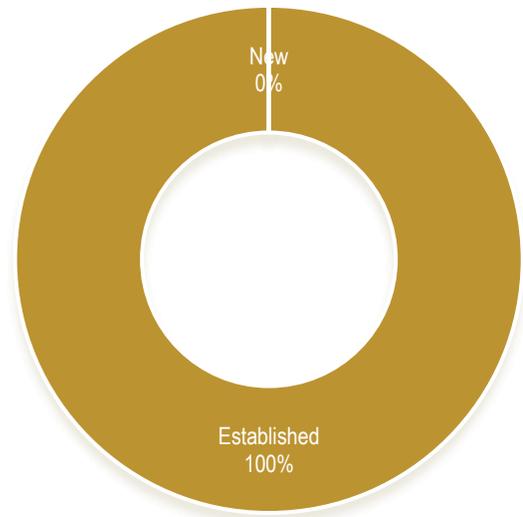


Figure 12 - Quota Holdings by Producer Type - Specialty

Quota Holdings by Producer Size and Region – Mainstream (Hens)					
Producer Size	Lower Mainland	Vancouver Island	Interior	North	Total
Small	313,452	-	-	-	313,452
Medium	956,616	-	-	-	956,616
Large	483,514	-	-	-	483,514
Total	1,753,582	-	-	-	1,753,582

Table 26

Quota Holdings by Producer Size and Region – Specialty (Chicks)					
Producer Size	Lower Mainland	Vancouver Island	Interior	North	Total
Small	726,366	-	-	-	726,366
Medium	1,794,878	-	-	-	1,794,878
Large	1,852,678	-	-	-	1,852,678
Total	4,373,922	-	-	-	4,373,922

Table 27

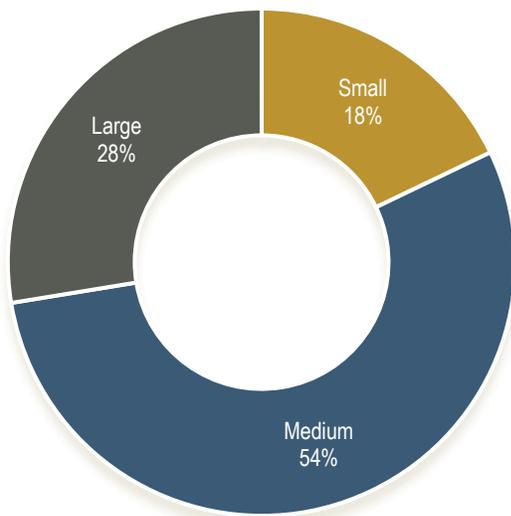


Figure 13 - Quota Holdings by Producer Size - Mainstream

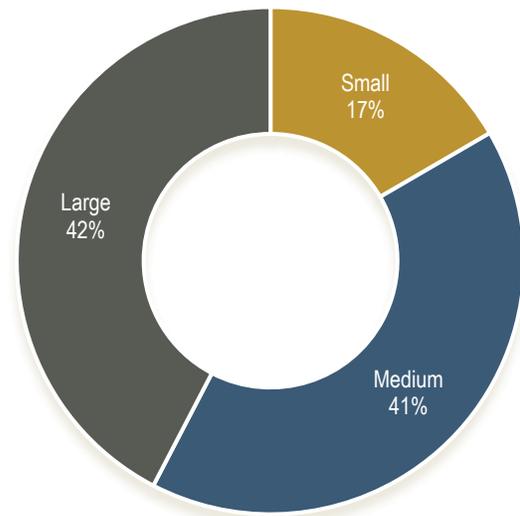


Figure 14 - Quota Holdings by Producer Size - Specialty

Quota Holdings by Production Type and Region – Placed Hens					
Production Type	Lower Mainland	Vancouver Island	Interior	North	Total
Mainstream	1,753,582	-	-	-	1,753,582
Specialty	-	-	-	-	-
Total	1,753,582	-	-	-	1,753,582

Table 28

Quota Holdings by Production Type and Region – Hatched Chicks					
Production Type	Lower Mainland	Vancouver Island	Interior	North	Total
Mainstream	-	-	-	-	-
Specialty	4,373,922	-	-	-	4,373,922
Total	4,373,922	-	-	-	4,373,922

Table 29

Quota Transfers

Transfers rules are provided in the Consolidated Orders, Part IV - Transfer and Lease of Placement Quota, paragraphs 16-19. Specific limitations are set out in paragraph 17:

17. (1) The Commission may refuse to approve a Transfer of Placement Quota where:
 - (a) The Transferor or Transferee is not in compliance with the Orders of the Commission from time to time in force and all applicable legislation and regulations; or
 - (b) The Transferee is an individual who is under the age of nineteen years, or a corporation controlled by any individuals under the age of nineteen years, or a partnership with respect to which any individual member is under the age of nineteen years.
- (2) Unless the Commission otherwise consents in writing, no Producer may Transfer Placement Quota by way of a Permissible Lease within one year from the date that such Producer last Transferred Placement Quota by way of a Permissible Lease.
- (3) The Commission may require a Transferee of Placement Quota to be interviewed by the Commission.
- (4) The Commission may impose conditions with respect to any approval of a Transfer of Placement Quota.
- (5) The Commission may suspend the approval of Transfers for a definite or indefinite period of time.

Transfer Volume by Transfer Type				
	Mainstream (Hens)		Specialty (Chicks)	
	#	Volume	#	Volume
Assessed transfers	11	57,447	-	-
Exempt transfers	-	-	-	-
Exempt family transfers	1	16,700	1	856,357
Non-exempt family transfers	-	-	-	-
Total of all transfers	12	74,147	1	856,357
Total quota assessment collected		2,742		-

Table 30

Quota Transfers by Type of Producer – Mainstream (Hens)						
	Established		New Entrant		Total	
	#	Volume	#	Volume	#	Volume
January 1, 2021	46	1,690,116	7	66,208	53	1,756,324
Purchased	10	34,767	2	39,380	12	74,147
Sold – transfer assessment exempt	(1)	(16,700)	-	-	(1)	(16,700)
Sold – with transfer assessment	(11)	(57,447)	-	-	(11)	(57,447)
Transfer assessment (pooled)	-	(2,742)	-	-	-	(2,742)
Allotted (from pool)	-	-	-	-	-	-
Established New Entrants	3	46,208	(3)	(46,208)	-	-
December 31, 2021	47	1,694,202	6	59,380	53	1,753,582

Table 31

Quota Transfers by Type of Producer – Specialty (Chicks)						
	Established		New Entrant		Total	
	#	Volume	#	Volume	#	Volume
January 1, 2021	6	4,611,372	6	4,611,372	6	4,611,372
Purchased	-	-	-	-	-	-
Sold – transfer assessment exempt	-	-	-	-	-	-
Sold – with transfer assessment	-	-	-	-	-	-
Transfer assessment (pooled)	-	-	-	-	-	-
Cancelled (temporary quota)	(6)	(4,611,372)	-	-	(6)	(4,611,372)
Allotted (permanent quota)	5	4,373,922	-	-	5	4,373,922
Established New Entrants	-	-	-	-	-	-
December 31, 2021	5	4,373,922	-	-	5	4,373,922

Table 32

Quota Transfers by Type of Quota – Mainstream (Hens)			
	Mainstream	Mainstream NPP	Total
January 1, 2021	1,731,324	25,000	1,756,324
Purchased	74,147	-	74,147
Sold – transfer assessment exempt	(16,700)	-	(16,700)
Sold – with transfer assessment	(57,447)	-	(57,447)
Transfer assessment (pooled)	(2,742)	-	(2,742)
Allotted (from pool)	-	-	-
December 31, 2021	1,728,582	25,000	1,753,582

Table 33 - NPP: Quota allotted via the New Producer Program

Quota Transfers by Type of Quota – Specialty (Chicks)			
	Specialty	Specialty NPP	Total
January 1, 2021	4,611,372	n/a	4,611,372
Purchased	-	n/a	-
Sold – transfer assessment exempt	-	n/a	-
Sold – with transfer assessment	-	n/a	-
Transfer assessment (pooled)	-	n/a	-
Cancelled (temporary quota)	(4,611,372)	n/a	(4,611,372)
Allotted (permanent quota)	4,373,922	n/a	4,373,922
December 31, 2021	4,373,922	n/a	4,373,922

Table 34 – NPP: Quota allotted via the New Producer Program

Quota Transfers by Size of Producer – Mainstream (Hens)				
	Small	Medium	Large	Total
January 1, 2021	307,194	933,916	515,214	1,756,324
Purchased – from Small	39,380	-	-	39,380
Purchased – from Medium	3,667	2,000	12,500	18,167
Purchased – from Large	8,100	2,000	6,500	16,600
Sold – to Small	(39,380)	(3,667)	(8,100)	(51,147)
Sold – to Medium	-	(2,000)	(2,000)	(4,000)
Sold – to Large	-	(12,500)	(6,500)	(19,000)
Transfer assessment (pooled)	(1,134)	(908)	(700)	(2,742)
Allotted (from pool)	-	-	-	-
Net reclassification due to transfers	(4,375)	37,775	(33,400)	-
December 31, 2021	313,452	956,616	483,514	1,753,582

Table 35

Quota Transfers by Size of Producer – Specialty (Chicks)				
	Small	Medium	Large	Total
January 1, 2021	980,482	1,341,350	2,289,540	4,611,372
Purchased – from Small	-	-	-	-
Purchased – from Medium	-	-	-	-
Purchased – from Large	-	-	-	-
Sold – to Small	-	-	-	-
Sold – to Medium	-	-	-	-
Sold – to Large	-	-	-	-
Transfer assessment (pooled)	-	-	-	-
Cancelled (temporary quota)	(980,482)	(1,341,350)	(2,289,540)	(4,611,372)
Allotted (permanent quota)	726,366	1,794,878	1,852,678	4,373,922
Net reclassification due to transfers	-	-	-	-
December 31, 2021	726,366	1,794,878	1,852,678	4,373,922

Table 36

Quota Transfers by Location of Producer – Mainstream (Hens)					
	Lower Mainland	Vancouver Island	Interior	North	Total
January 1, 2021	1,756,324	-	-	-	1,756,324
Purchased – from L. Mainland	74,147	-	-	-	74,147
Purchased – from V. Island	-	-	-	-	-
Purchased – from Interior	-	-	-	-	-
Purchased – from North	-	-	-	-	-
Sold – to L. Mainland	(74,147)	-	-	-	(74,147)
Sold – to V. Island	-	-	-	-	-
Sold – to Interior	-	-	-	-	-
Sold – to North	-	-	-	-	-
Transfer assessment (pooled)	(2,742)	-	-	-	(2,742)
Allotted (from pool)	-	-	-	-	-
Net reclassification due to relocation	-	-	-	-	-
December 31, 2021	1,753,582	-	-	-	1,753,582

Table 37

Quota Transfers by Location of Producer – Specialty (Chicks)					
	Lower Mainland	Vancouver Island	Interior	North	Total
January 1, 2021	4,611,372	-	-	-	4,611,372
Purchased – from L. Mainland	-	-	-	-	-
Purchased – from V. Island	-	-	-	-	-
Purchased – from Interior	-	-	-	-	-
Purchased – from North	-	-	-	-	-
Sold – to L. Mainland	-	-	-	-	-
Sold – to V. Island	-	-	-	-	-
Sold – to Interior	-	-	-	-	-
Sold – to North	-	-	-	-	-
Transfer assessment (pooled)	-	-	-	-	-
Cancelled (temporary quota)	(4,611,372)				(4,611,372)
Allotted (permanent quota)	4,373,922	-	-	-	4,373,922
Net reclassification due to relocation	-	-	-	-	-
December 31, 2021	4,373,922	-	-	-	4,373,922

Table 38

Producer Engagement & Commitment to the Industry

Leased Quota - Mainstream						
Group	# Producers	Leased Quota	Total Quota	Total Placeable	% of Placeable	
Lessors	2	2,475	96,735	94,800	2.6%	
Industry	53	2,475	1,757,576	1,722,419	0.1%	

Table 39

- Quota cycle: July 1, 2019 to June 30, 2021.
- Maximum permitted to be leased is 20% of a producer's quota holdings.
- Leased quota is placeable hens available to the lessor/producer.
- Total quota is that which is owned by the lessor/producer. Industry-owned amount is the average of December 31, 2019 and 2020.
- Total placeable is equal to the total quota multiplied at the applicable utilization rate at the time.
- Placeable quota may be higher or lower than total quota available for the cycle due to the percentage of utilization as set by the Board annually.

Leased Quota - Specialty				
Group	# Producers	Leased Quota	Total Quota	% of Quota
Lessors	0	0	0	0.0%
Industry	5	0	4,373,922	0.0%

Table 40

- Quota cycle: January 1, 2021 to December 31, 2021.

Quota Management Supports Delivery of Ministry Policy (Regulated Marketing Economic Policy 2004)

Specialty and Niche Markets

In addressing the specialty and niche markets, BCBHEC developed, and has since finalized, a quota system that identified producers of hatching eggs of Asian and other breeds.

This system includes transferability of the quota and mandatory reporting by licensed hatcheries of any specialty or niche markets. Such reporting has allowed the Commission to continue building a baseline from which it may identify any emerging trends on current specialty and niche markets.

Provincial Share of National Allocation

Allocation – Hatching Eggs

Canadian Hatching Egg Producers – 2021 Final			
Province	Mainstream	Specialty	Total
British Columbia	120,938,093	n/a	120,938,093
Alberta	84,733,582	n/a	84,733,582
Saskatchewan	31,216,545	n/a	31,216,545
Manitoba	37,268,110	n/a	37,268,110
Ontario	262,987,234	n/a	262,987,234
Québec	216,990,567	n/a	216,990,567
Nova Scotia	26,019,206	n/a	26,019,206
NB / PEI / NL	33,481,791	n/a	33,481,791
Total	813,635,128	n/a	813,635,128

Table 41

Market Share – Hatching Eggs Allocation

Canadian Hatching Egg Producers – 2020 Final			
Province	Mainstream	Specialty	Total
British Columbia	14.9%	n/a	14.9%
Alberta	10.4%	n/a	10.4%
Saskatchewan	3.8%	n/a	3.8%
Manitoba	4.6%	n/a	4.6%
Ontario	32.3%	n/a	32.3%
Québec	26.7%	n/a	26.7%
Nova Scotia	3.2%	n/a	3.2%
NB / PEI / NL	4.1%	n/a	4.1%
Total	100.0%	n/a	100.0%

Table 42

Market Share – Chicken Production†

Canadian Hatching Egg Producers – 2020 Final	
Province	Market Share
British Columbia	14.5%
Alberta	9.9%
Saskatchewan	3.7%
Manitoba	4.0%
Ontario	33.9%
Québec	26.5%
Nova Scotia	3.3%
NB / PEI / NL	4.3%
Total	100.0%

Table 43

† Per CHEP: Provincial chicken production market shares are calculated based on the most recent data compiled on a 52-week rolling basis, consisting of the most recent quota allocations approved by CFC and, for the remaining weeks, the most recent chicken production data provided by CFC.

Several factors, such as set eggs, net international and interprovincial chick movement, meat-to-egg ratio (which includes hatchability) and imports affect the provincial allocation of hatching eggs (i.e., these factors explain how 14.5% of chicken production share (Table 43) translates to 14.9% of hatching egg allocation (Table 42)).

CHEP's hatching egg allocation is not presently separated between mainstream and specialty markets.

Based on Specialty product reporting, of the approximate 6.97 million specialty hatching eggs picked up off farm, only 6.30 million were set (90.3% of pickups), a significantly higher cull rate than Mainstream. Reasons include hatcheries ensuring the Specialty market has enough chicks, and thus eggs, which requires oversupply.

Placed Specialty chicks were approximately 4.57 million (65.5% of pickups). An amount of about 217,000 specialty chicks were reported as imported for the year. Total specialty placements were approximately 4.5% of all chicks placed in British Columbia from egg throughput. It is anticipated that BC's allocation will be separated in future given the significant difference between Mainstream and Specialty meat-to-egg ratios, among others.

Exported Product and Import Volume Supplementals

No hatching egg product was exported during 2021.

Imported Product			
Month	Total value of imports (\$CAN)	Number of dozens imported	Average price per dozen (\$CAN)
January	\$4,816,972	1,104,498	4.36
February	\$3,958,654	871,824	4.54
March	\$4,265,438	924,930	4.61
April	\$5,456,732	1,162,560	4.69
May	\$4,902,276	1,046,985	4.68
June	\$4,432,035	939,540	4.72
July	\$5,501,386	1,126,650	4.88
August	\$4,091,799	823,291	4.97
September	\$5,228,653	1,013,352	5.16
October	\$3,880,229	789,404	4.92
November	\$3,551,477	710,077	5
December	\$4,273,711	820,824	5.21
	\$54,359,362	11,333,935	\$4.80

Table 44 - Source: Global Affairs Canada (BRH06-21)

Number of import volume supplementals granted by the federal government in the year is not readily available.

Financial Statements of

**BRITISH COLUMBIA
BROILER HATCHING EGG
COMMISSION**

And Independent Auditor's Report thereon
Year ended December 31, 2021



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INDEPENDENT AUDITORS' REPORT

To the Directors of British Columbia Hatching Egg Commission

Opinion

We have audited the financial statements of British Columbia Broiler Hatching Egg Commission (the "Commission"), which comprise:

- the statement of financial position as at December 31, 2021
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Commission in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Abbotsford, Canada

February 17, 2022

BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Statement of Financial Position

December 31, 2021, with comparative information for 2020

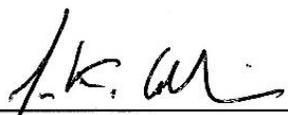
	2021	2020
Assets		
Current assets:		
Cash and short-term deposits (notes 2 and 13)	\$ 3,205,285	\$ 1,987,935
Accounts receivable (note 3)	146,095	306,884
Prepaid expenses and deposits	70,849	68,576
Due from BC Chicken Marketing Board (note 4)	-	407,804
	<u>3,422,229</u>	<u>2,771,199</u>
Capital assets (note 5)	527,652	632,555
	<u>\$ 3,949,881</u>	<u>\$ 3,403,754</u>

Liabilities and Net Assets

Current liability:		
Accounts payable and accrued liabilities (note 6)	\$ 334,350	\$ 182,563
Deferred capital contributions (note 7)	30,438	43,483
Deferred lease obligation	13,059	9,571
	<u>377,847</u>	<u>235,617</u>
Net assets:		
Invested in capital assets (note 8)	497,214	589,072
Internally restricted (notes 2 and 9)	2,249,249	1,529,249
Unrestricted	825,571	1,049,816
	<u>3,572,034</u>	<u>3,168,137</u>
Contingency (note 13)		
Commitments (note 14)		
	<u>\$ 3,949,881</u>	<u>\$ 3,403,754</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:



 Jim Collins
 Board Chair



 Beata Kunze
 Chair, Finance Committee

BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Statement of Operations

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Revenue:		
Producer levies (note 10)	\$ 2,012,610	\$ 1,929,378
Breaker quality eggs revenue (note 11)	776,321	659,983
Interest and miscellaneous	91,680	60,234
Quality assurance revenue	31,351	56,062
Deferred capital contributions	13,045	18,635
Licenses and fees	1,250	1,000
	<u>2,926,257</u>	<u>2,725,292</u>
Expenses:		
Advertising and promotion	5,500	4,850
Amortization	106,812	97,680
Animal Health Lab	77,110	94,690
BCBHEP Association	105,126	67,182
BC Poultry Conference	-	3,978
Breaker quality eggs expenses (note 11)	776,321	569,915
Canadian Hatching Egg Producers levy	267,534	292,826
Chairman and members' per diems	139,548	141,516
COVID-19 - related expenses (note 17)	18,000	670,508
Interest and bank charges	1,780	1,685
Legal and accounting	56,417	60,915
Office and miscellaneous	75,136	71,401
Office rent	58,708	76,987
Pricing expense	53,619	65,080
Professional services	20,725	41,649
Quality assurance expenses	149,722	311,318
Research and development, standards, biosecurity	11,993	15,852
SE project expenses	22,639	13,933
Telephone	9,179	8,637
Travel	8,664	15,322
Wages and benefits (note 12)	557,827	528,430
	<u>2,522,360</u>	<u>3,154,354</u>
Excess (deficiency) of revenues over expenses	<u>\$ 403,897</u>	<u>\$ (429,062)</u>

See accompanying notes to financial statements.

BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Statement of Changes in Net Assets

Year ended December 31, 2021, with comparative information for 2020

	Invested in capital assets (note 8)	Internally restricted (note 9)	Unrestricted	2021	2020
Net assets, beginning of year	\$ 589,072	\$ 1,529,249	\$ 1,049,816	\$ 3,168,137	\$ 3,597,199
Excess (deficiency) of revenues over expenses	(98,183)	-	502,080	403,897	(429,062)
Transfer of funds	-	720,000	(720,000)	-	-
Change in net assets invested in capital assets	6,325	-	(6,325)	-	-
Balance, end of year	\$ 497,214	\$ 2,249,249	\$ 825,571	\$ 3,572,034	\$ 3,168,137

See accompanying notes to financial statements.

BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenues over expenses	\$ 403,897	\$ (429,062)
Items not involving cash:		
Amortization of capital assets	111,228	103,929
Amortization of deferred capital contributions	(13,045)	(18,635)
Loss on disposal of assets	-	4,627
Change in non-cash operating working capital:		
Accounts receivable	160,789	157,041
Prepaid expenses and deposits	(2,273)	1,144
Due from BC Chicken Marketing Board	407,804	(398,262)
Accounts payable and accrued liabilities	151,787	(128,158)
Deferred lease obligation	3,488	9,571
	<u>1,223,675</u>	<u>(697,805)</u>
Investing:		
Purchase of capital assets	(6,325)	(493,438)
Increase (decrease) in cash and short-term deposits	1,217,350	(1,191,243)
Cash and short-term deposits, beginning of year	1,987,935	3,179,178
Cash and short-term deposits, end of year	<u>\$ 3,205,285</u>	<u>\$ 1,987,935</u>

See accompanying notes to financial statements.

BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Notes to Financial Statements

Year ended December 31, 2021

General:

British Columbia Broiler Hatching Egg Commission (the "Commission") was incorporated under an order of the Lieutenant Governor in council of the province of British Columbia on October 27, 1988. The Commission's functions include setting production policy, pricing, processing and marketing of broiler hatching eggs within British Columbia. It also represents the Canadian Hatching Egg Producers in the administration of eggs in interprovincial and export trade. The Commission is a not-for-profit organization and is not taxable under the Income Tax Act.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. The Commission's significant accounting policies are as follows:

(a) Revenue recognition:

The Commission follows the deferral method of accounting for contributions which include levies and other revenues.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonable assured.

Externally restricted contributions are recorded as revenue in the year in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related asset.

(b) Cash and short-term deposits:

Cash and short-term deposits include balances with banks and short-term investments that are redeemable at the option of the Commission for a known amount of cash.

BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Notes to Financial Statements

Year ended December 31, 2021

1. Significant accounting policies (continued):

(c) Capital assets:

Capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life or improve the service potential of an asset are capitalized. The Commission reviews the carrying amount of capital assets for impairment whenever events or changes in circumstances indicate that the asset no longer contributes to the Commission's ability to provide goods and services, or that the value of the future economic benefits or service potential associated with the asset is less than its carrying amount. If such conditions exist, an impairment loss is measured and recorded in the statement of operations at the amount by which the carrying amount of the net asset exceeds its fair value or replacement cost. Allowances received for leasehold improvements are recorded as a reduction of cost. Amortization has been recorded as follows:

Asset	Basis	Rate
Computer hardware	Declining balance	30%
Computer software	Declining balance	30%
Truck - breaker quality eggs program	Declining balance	30%
General equipment and supplies - breaker quality eggs program	Declining balance	20%
Office equipment	Declining balance	20%
Leasehold improvements	Straight-line	10 years

Amortization of \$4,416 (2020 - \$6,249) related to breaker quality eggs program assets is included in breaker quality eggs program expenses.

(d) Deferred lease obligation:

Deferred lease obligation relates to step-rent payments on leased premises. The liability represents the difference between the straight-line rent expense and the actual rent payments

(e) Use of estimates:

The preparation of the financial statements in accordance with accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Notes to Financial Statements

Year ended December 31, 2021

1. Significant accounting policies (continued):

(f) Employee future benefits:

The Commission has a defined contribution plan providing pension benefits for its employees. The cost of the plan is recognized based on the contributions required to be made during each period.

(g) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Commission has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Commission determines if there is a significant adverse change in the expected amount or timing of future cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount that the Commission expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Notes to Financial Statements

Year ended December 31, 2021

2. Restricted cash:

Cash and short-term deposits are restricted as follows:

	2021	2020
Internally restricted	\$ 2,249,249	\$ 1,529,249
Cash available for operations	956,036	458,686
	<u>\$ 3,205,285</u>	<u>\$ 1,987,935</u>

The Board of Directors of the Commission has restricted net assets for specific purposes as disclosed in note 9.

3. Accounts receivable:

Included in accounts receivable is an allowance of \$nil (2020 - \$nil) for doubtful accounts.

4. Due from BC Chicken Marketing Board:

Amount due from BC Chicken Marketing Board is without interest or fixed terms of repayment. In June 2021, the Commission received repayment in full.

BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Notes to Financial Statements

Year ended December 31, 2021

5. Capital assets:

			2021	2020
	Cost	Accumulated amortization	Net book value	Net book value
Computer hardware	\$ 55,318	\$ 29,587	\$ 25,731	\$ 33,457
Computer software	327,417	214,795	112,622	158,885
Truck - breaker quality eggs program	136,224	126,688	9,536	13,623
General equipment and supplies - breaker quality eggs program	37,457	36,142	1,315	1,644
Office equipment	67,809	20,609	47,200	58,394
Leasehold improvements	388,014	56,766	331,248	366,552
	\$ 1,012,239	\$ 484,587	\$ 527,652	\$ 632,555

6. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$34,926 (2020 - \$20,217), which includes amounts payable for GST and payroll related taxes.

7. Deferred capital contributions:

Deferred capital contributions represent external contributions for the purposes of software development.

Changes in deferred capital contribution balances are summarized as follows:

	2021	2020
Deferred capital contributions, beginning of year	\$ 43,483	\$ 62,118
Less: Amortization of deferred capital contributions	(13,045)	(18,635)
Deferred capital contributions, end of year	\$ 30,438	\$ 43,483

BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Notes to Financial Statements

Year ended December 31, 2021

8. Invested in capital assets:

(a) Invested in capital assets is calculated as follows:

	2021	2020
Capital assets	\$ 527,652	\$ 632,555
Amounts financed by:		
Deferred capital contributions	(30,438)	(43,483)
	<u>\$ 497,214</u>	<u>\$ 589,072</u>

(b) Deficiency of revenue over expenses:

	2021	2020
Amortization of deferred capital contributions	\$ 13,045	\$ 18,635
Amortization of capital assets	(111,228)	(103,929)
Loss on disposal of assets	-	(4,627)
	<u>\$ (98,183)</u>	<u>\$ (89,921)</u>

(c) Change in net assets invested in capital assets:

	2021	2020
Purchases of capital assets	\$ 6,325	\$ 493,438
	<u>\$ 6,325</u>	<u>\$ 493,438</u>

BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Notes to Financial Statements

Year ended December 31, 2021

9. Internally restricted:

	2021	2020
Reserve for the Unforeseen	\$ 2,169,249	\$ 1,000,000
Truck Fund	80,000	80,000
OBHECC funds	-	449,249
	<u>\$ 2,249,249</u>	<u>\$ 1,529,249</u>

During the year, the Commission maintained a guaranteed investment certificate assigned as security to Canadian Hatching Egg Producers in the amount of \$160,000 (2020 - \$167,000) representing funds from the Reserve for the Unforeseen (note 13).

Also during the year, the Commission restricted \$720,000 to the Reserve for the Unforeseen, and reallocated \$449,249 in OBHECC funds as approved by BCFIRB.

10. Producer levies:

The total levy assessed to registered mainstream producers was 2.0 cents per saleable chick for 2021 (2020 - 1.9 cents per saleable chick). From the beginning of the year until March 6, the levy rate remained at 1.9 cents per saleable chick. Beginning on March 7, the levy had been increased to 2.1 cents per saleable chick until August 21, before decreasing to 2.0 cents per saleable chick.

The total levy assessed to registered specialty producers was 1.5 cents per saleable chick for 2021 (2020 - 1.5 cents per saleable chick).

Included in the total levy is a national levy of 0.30 cents per egg set (2020 - remained unchanged at 0.30 cents per egg set), paid or payable to the Canadian Hatching Egg Producers.

BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Notes to Financial Statements

Year ended December 31, 2021

11. Breaker quality eggs program:

	2021	2020
Breaker quality eggs revenue	\$ 776,321	\$ 659,983
Expenses:		
Amortization	4,416	6,249
Cooler and warehousing	4,800	4,800
Fuel	11,530	7,521
Levies and administrative fees	162,416	132,155
Miscellaneous supplies	11,153	5,765
Producer payments	454,254	289,607
Truck maintenance	19,907	19,664
Wages and benefits	107,844	104,154
	776,321	569,915
	\$ -	\$ 90,068

12. Employee pension plan:

The Commission has a defined contribution pension plan for its full-time employees. Annual contributions to the plan are based on 10% of annual salaries for each employee. Total contributions paid in 2021 were \$46,741 (2020 - \$45,191).

13. Contingency:

The Canadian Hatching Egg Producers ("CHEP") requires that the Commission have sufficient funds or letters of credit to cover potential future assessments of liquidated damages at 17.5 cents per egg for production greater than allocation on a province by province basis. At present, the Commission has a \$160,000 guaranteed investment certificate assigned as security to CHEP (2020 - \$167,000). Production levels for the year ended December 31, 2021 indicate the Commission is within the allowed 2% sleeve of over production, and accordingly no draw has been required on the guaranteed investment certificate.

BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Notes to Financial Statements

Year ended December 31, 2021

14. Commitments:

The Commission has committed to leasehold improvements and leasing expenditures relating to premises over the next five years as follows:

2022	\$	88,379
2023		67,687
2024		67,687
2025		67,687
2026		71,611
Thereafter		214,833
	\$	577,884

15. Financial risks:

(a) Liquidity risk:

Liquidity risk is the risk that the Commission will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Commission manages its liquidity risk by monitoring its operating requirements. The Commission prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Commission deals with creditworthy counterparties to mitigate the risk of financial loss from defaults. The Commission assesses the credit risk of customers on a continuous basis and provides for any amounts that are not collectible in the allowance for doubtful accounts.

There has been no change to the risk exposures from the prior year, aside from the potential impacts of COVID-19, BC wildfires and BC flood event.

BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Notes to Financial Statements

Year ended December 31, 2021

16. Funds held on behalf of others:

The Commission holds funds, at the Royal Bank of Canada, totalling \$76,977 (2020 - \$130,373) on behalf of the Emergency Response Team ("ERT"). The funds comprise contributions by the BC Egg Marketing Board, BC Turkey Marketing Board, BC Chicken Marketing Board, and the Commission. The funds are restricted to expenditures relating to Avian Influenza by the ERT, unless otherwise approved. The assets, liabilities, revenues and expenses of the ERT are not included in the Commission's financial statements. In 2021, the Commission has accessed funds of \$53,650 (plus an additional \$22,500 in January 2022) to cover expenses incurred by the Poultry EOC for emergency operations required due to the BC floods. Subsequent to year end, \$34,536 has been received from government sources.

17. Impact of COVID-19:

On March 11, 2020 the COVID-19 outbreak was declared a pandemic by the World Health Organization, and has had a significant financial market impact globally, domestically, and locally on jurisdictions and market sections in which the Commission operates. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on our operations is not known at this time. As at December 31, 2021, the Commission has incurred \$18,000 in expenses for an economic impact study (2020 - \$670,508 in expenses paid out to Producers relating to domestic supply disruption due to the pandemic) which has been reflected in the statement of operations.

Financial Statements of

**B.C. BROILER HATCHING EGG
PRODUCERS ASSOCIATION**

And Independent Practitioners' Review Engagement
Report thereon

Year ended December 31, 2021



KPMG LLP
32575 Simon Avenue
Abbotsford BC V2T 4W6
Canada
Tel (604) 854-2200
Fax (604) 853-2756

INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

To the Directors of B.C. Broiler Hatching Egg Producers Association

We have reviewed the accompanying financial statements of B.C. Broiler Hatching Egg Producers Association, which comprise the statement of financial position as at December 31, 2021, the statement of operations and changes in net assets, and statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioners' Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.



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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of B.C. Broiler Hatching Egg Producers Association as at December 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

Abbotsford, Canada

February 17, 2022

B.C. BROILER HATCHING EGG PRODUCERS ASSOCIATION

Statement of Financial Position

December 31, 2021, with comparative information for 2020

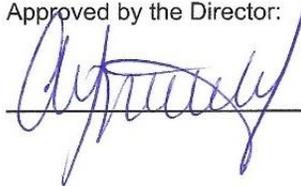
	2021	2020
Assets		
Current assets:		
Cash	\$ 40,427	\$ 9,463
Inventories	6,198	6,810
Prepaid expenses	2,803	2,803
	<u>\$ 49,428</u>	<u>\$ 19,076</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 3,754	\$ 3,891
Net assets	45,674	15,185
	<u>\$ 49,428</u>	<u>\$ 19,076</u>

See accompanying notes to financial statements.

Approved by the Director:



Director

B.C. BROILER HATCHING EGG PRODUCERS ASSOCIATION

Statement of Operations and Changes in Net Assets

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Revenue:		
Commission grant income	\$ 105,126	\$ 67,182
Expenses:		
Directors - per diems	28,835	25,150
Memberships	12,625	15,650
Special events	10,687	26,939
Secretary expense	8,271	5,000
Advertising	5,011	668
Professional fees	4,659	4,400
Salaries and benefits	2,339	1,646
Insurance	950	1,035
Travel	709	1,183
Office and general	277	487
Interest and bank charges	179	191
Research and development	95	473
	<u>74,637</u>	<u>82,822</u>
Excess (deficiency) of revenue over expenses	30,489	(15,640)
Net assets, beginning of year	15,185	30,825
Net assets, end of year	<u>\$ 45,674</u>	<u>\$ 15,185</u>

See accompanying notes to financial statements.

B.C. BROILER HATCHING EGG PRODUCERS ASSOCIATION

Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenses	\$ 30,489	\$ (15,640)
Changes in non-cash operating working capital:		
Inventories	612	(3,289)
Prepaid expenses	-	771
Accounts payable and accrued liabilities	(137)	68
Due to BC Chicken Grower's Association	-	(525)
Increase (decrease) in cash	30,964	(18,615)
Cash, beginning of year	9,463	28,078
Cash, end of year	\$ 40,427	\$ 9,463

See accompanying notes to financial statements.

B.C. BROILER HATCHING EGG PRODUCERS ASSOCIATION

Notes to Financial Statements

Year ended December 31, 2021

Nature of operations:

B.C. Broiler Hatching Egg Producers Association (the "Association") is organized to provide representation from the hatching egg producers to the poultry industry. The Association is incorporated under the Societies Act (British Columbia) and is a not-for-profit organization under the Income Tax Act. Accordingly the Association is exempt from income taxes provided certain requirements of the Income Tax Act are met.

1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Association's significant accounting policies are as follows:

(a) Inventories:

Inventories consists of literature and audio-visual materials and are valued at the lower of the original purchase price and replacement cost.

(b) Revenue recognition:

The Association follows the deferral method of accounting for revenues which include grants and other revenues. Contributions for specific purposes or programs are deferred and subsequently recognized as revenue at the time the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amounts can be reasonably estimated and collection is reasonably assured.

(c) Use of estimates:

The preparation of the financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amounts of property, plant and equipment; provisions for impairment of trade accounts receivable; future income taxes; and assets and obligations related to employee future benefits. Actual results could differ from those estimates.

2. Economic dependence - British Columbia Broiler Hatching Egg Commission:

A substantial amount of the Association's revenue is derived from the British Columbia Broiler Hatching Egg Commission (the "Commission"). Grant income received from the Commission of \$105,126 (2020 - \$67,182) is based on the budgetary requirements of the Association which is determined on an annual basis.

B.C. BROILER HATCHING EGG PRODUCERS ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2021

3. Liquidity risk:

Liquidity risk is the risk that the Association will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Association manages its liquidity risk by monitoring its operating requirements. The Association prepares budget to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from the prior year, aside from the potential impact of COVID-19.

4. Impact of COVID-19:

On March 11, 2020 the COVID-19 outbreak was declared a pandemic by the World Health Organization, and has had a significant financial market impact globally, domestically, and locally on jurisdictions and market sections in which the Association operates. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on operations is not known at this time.

B. Peterson Boardroom

The BCBHEC Boardroom was named in honour of Barry Peterson who was the Chair of BCBHEC in 1993 – 1994. He is pictured here holding a picture of the current Chair, Jim Collins and Executive Director, Stephanie Nelson in front of the boardroom. Due to COVID-19 he has not had a chance to tour the new offices, but we look forward to hosting him soon.



33rd Annual General Meeting Agenda

Thursday, May 19, 2022 at 4:00 pm

Location: Video Conference

Call to Order

Reading of the May 18, 2021 Annual General Meeting Minutes

Business arising from the Minutes

Jim Collins, Chair, BCBHEC

Brian Bilkes, Chair, CHEP

David Guthrie, Auditor, KPMG LLP

Joshua Crossett, Manager, Finance & Production, BCBHEC

New Business

Adjournment