



2022 Annual Report

BCBHEC



BC BROILER HATCHING EGG COMMISSION



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Values

Support of families, family farms, and stakeholders

Striving for excellence by thinking proactively

Passion & exceeding expectations

Smart work with a dose of fun

Self-improvement

Results-oriented

Act stewardly

Integrity

Vision

Western stakeholders are collaborating to create shared benefits and ensure quality chicken for value chain.

Mission

Working with all our partners to create a quality product for the value chain, while fostering an efficient and sustainable industry.

Message from the Chair

Being appointed effective December 21, I served as BCBHEC chair for only the last ten days of 2022. I look forward to the honour and privilege of working with the Commission directors, hatching egg producers, hatcheries, and our partners in the BC Chicken industry over the next two years.

I would like to thank and acknowledge the contributions of Past Chair Jim Collins over the last six years. I have personally known Jim for over thirty years and have always had the utmost respect for his knowledge and wisdom. When Stephanie called me early in 2017 to advise that Jim had been appointed as Chair following the resignation of Greg Gauthier, my comment was that she had “won the lottery.” I’m sure that statement has been borne out in spades over the past six years, and I am confident that Jim will prove to be just as effective in his new role as an appointed director of the BC Chicken Marketing Board over the next two years.



The last three years have presented our industry with more challenges than most imagined. Still, the resilience and dedication of our producers, staff, hatcheries, and industry partners continue to meet and overcome obstacles as they arise. As Avian Influenza continues to haunt us in the early weeks of 2023, I’m sure we are all looking forward to catching our collective breaths when the path of infection finally subsides.

We are very fortunate to have a dedicated and committed board of directors and an excellent and knowledgeable staff led by Executive Director Stephanie Nelson, whom I have worked closely with in my previous role. Once again, congratulations on reaching the milestone of 15 years with the Commission earlier this year.

Being the new kid on the block at the BCBHEC, I will leave it to our Executive Director to provide updates on the hatching egg cost of production formula and other projects and goals in 2022 that were achieved despite AI, floods, heat, and the lingering effects of COVID 19.

Many of our hatching egg producers will face the prospect of repopulating your farms and reintegrating into the official flock schedule over the following months. Therefore, I would like your patience and cooperation with our staff as they do what needs to be done to balance current and future egg flow to meet the requirements of our hatcheries and future chick supply for the chicken growers and processors.

I look forward to working with and meeting you over the next two years.

Respectfully submitted,

Bill Vanderspek, Chair
BC Broiler Hatching Egg Commission

Message from the Executive Director

The last three years have been most challenging for the chicken industry. BC Broiler Hatching Egg Producers have managed through many natural disasters and diseases, faced challenges on-farm, and met them with an impressive amount of tenacity. Despite these challenges, producers, hatcheries, the Commission and Commission staff have continued to supply the chicken value chain with domestic hatching eggs.



Additionally, each October, the Commission reviews and resets its strategic plan and challenges my team to complete these key initiatives. Under the leadership of Jim Collins, the Commission accomplished the majority of its strategic plan.

Of most importance, the Commission launched its Cost of Production (COP) as part of a supervisory review process with the BC Chicken Marketing Board and the BC Farm Industry Review Board, issuing pricing under the new COP starting in period A-179. The implementation of the COP moves this project from four years of building and stakeholder engagement into a usable formula that captures producers' costs. This formula replaces the linkage formula historically used for pricing.

The western provinces began meeting more frequently and discussing areas of alignment and concern. Several meetings and a workshop took place to discuss future planning for this group.

The Commission also updated the hatchery licensing criteria to ensure all hatcheries in BC will be through putting domestic production.

The Commission staff have continued to work with a programmer to streamline the developed production reporting system for hatcheries and producers. The hatchery portion is already launched and the producer portal is currently being built.

The Commission also implemented the Salmonella Enteritidis (SE) Strategy with regular attendance on-farm to test flocks for SE.

Early in 2022, the highly pathogenic avian influenza (HPAI) outbreak began, and staff efforts were redirected to the outbreak. BC Hatching Eggs was well represented at the emergency response level, with a heavy staff presence at each Emergency Response Team meeting. In addition, hatching egg staff carried heavy responsibilities, including surveillance and permitting. Staff, Board and Association all worked long and hard hours during the outbreak and will continue into the recovery.

During the outbreak, recovery planning had to begin. The production team worked diligently with the hatcheries and balanced the Official Flock Schedule to ensure a smooth transition from outbreak to recovery.

There have been some staff transitions this year as we said goodbye to David Antemir and Emma Lewis early in 2023. The most significant transition was when Jim Collins left in December 2022, following completion of his

term as chair, to serve as a BC Chicken Marketing Board director. Bill Vanderspek, retired BC Chicken Marketing Board Executive Director, was appointed as the Commission's chair. Staff looks forward to working with Bill and glean as much of his industry experience as possible.

I remain humbled by the exceptional conduct of all the Hatching Egg Producers during the many crises you have faced over the past years, and I look forward to the (calm) year ahead.

A handwritten signature in black ink, appearing to read "Stephanie Nelson". The signature is fluid and cursive, with a small dot at the end.

Stephanie Nelson, Executive Director
BC Broiler Hatching Egg Commission

Canadian Hatching Egg Producers' 2022 Provincial Report

This year began with hopes for a revitalization after exiting pandemic restrictions and an opportunity to take advantage of strong growth in the chicken market brought from a growing economy supported by Canadians once again returning to restaurants and food service providers. It also started with a sobering reflection on the devastating flooding in the Fraser Valley of British Columbia. CHEP participated in an appreciation event for first responders, producers and the public hosted by the BC industry in April to recognize the lengths to which so many volunteered to help in the emergency response.



However, it did not take long for our industry to find itself on to the next challenge posed by Highly Pathogenic Avian Influenza (HPAI). While the first few cases of HPAI outbreaks in Canada did not pose an immediate direct threat to broiler breeder production, CHEP, our producers and the broader industry spent significant amounts of energy preparing for any further spread of HPAI across Canada.

Unfortunately, this strain brought to Canada from migratory birds was soon to pose a very significant impact to the poultry and egg sector in Canada as the geographic scale of the outbreak challenged the Canadian Food Inspection Agency (CFIA) and industry to respond in a consistent and timely fashion. Responding to HPAI and working closely with CFIA to improve the response to better support the industry was to take significant resources throughout the year. As we all know, there were a number of hatching egg farms depopulated due to HPAI over the course of the spring and fall outbreaks in five out of six member provinces. This outbreak brought severe strain to those impacted producers, and many were challenged with the requirements that were imposed on them by CFIA's response and significant delays.

CHEP working closely with the National Poultry Group (NPG) was successful in advocating for change in CFIA's response with the implementation of a new Event Response Plan that responded to many of the challenges and proposals that the NPG had put forward. However, there remains ongoing work to address remaining challenges.

Regarding production, CHEP had already raised the overproduction sleeve to an unprecedented 7% for the year to encourage domestic broiler hatching egg production to make up for known and expected shortfalls of imports that were still being experienced. As a result, domestic flocks had been extended and despite significant efforts from our producers and hatcheries, there was little capacity available to make up for the production shortfall caused from depopulated flocks. The significant impact that HPAI has had on broiler breeder production in some provinces also brought forth concerns related to the impact that lost production has on the allocation methodology.

CHEP saw the federal government deliver on its promise to provide mitigation funding for the impact of the renegotiated NAFTA. While there was no new access granted for broiler hatching eggs and chicks in the agreement, there was recognition that a nominal impact will still be felt by the changes to the Chicken market access. CHEP expects that the modest funding will be made available in 2023.

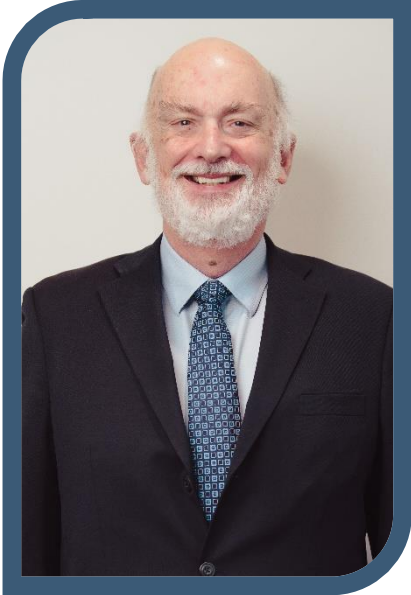
Trade negotiations with other countries continued at a relatively slow pace over the course of 2022 and CHEP attended the thirteenth Ministerial Conference of the World Trade Organization at a time when there is renewed interest in ensuring domestic food security throughout the world. Potential threats from trade remain to Canada's orderly marketing system. While further steps are still needed, Chile took a major step closer to being able to export poultry to Canada under the access available from the 2018 Comprehensive Progressive Trans-Pacific Partnership trade agreement. Funding is currently available under the Poultry and Egg on-Farm Investment Program as mitigation to prepare our sector for increased competition by driving investment on efficiencies, sustainability, and productivity. While response times from the federal program continued to represent a challenge to our producers in 2022, we encourage all those eligible to continue to apply for the program.

After decades of discussions and delays, the revised regulations for hatcheries and supply flocks were published in *Canada Gazette II* as an amendment to the *Health of Animals Regulations (Hatchery)*. Under this regulation, all broiler hatching egg flocks that supply federally registered hatcheries will be tested for *Salmonella enteritidis* (SE). The CHEQ™ and CHEP ACP programs meet some of the requirements of this regulation. The changes will come into force in November 2023, one year after they were published. CHEP will continue to engage with CFIA to ensure the transition is as seamless as possible.

While there were still challenges related to pandemic restrictions in the first quarter of the year, CHEP was pleased to be once again hosting meetings in person and welcoming everyone back to our newly renovated boardrooms at the CHEP offices. CHEP also celebrated our 35th anniversary as a national agency and held our summer meeting in Quebec City, where the Quebec provincial board was celebrating their 40th anniversary. As in the previous year, CHEP was able to make financial donations to Canadian food banks as a result of projected savings at a time when food banks are increasingly being strained by higher numbers of individuals and families accessing them.

CHEP closed off the year with launching a new strategic planning process that will see the development of a new plan in early 2023. We welcomed the contribution of our member provinces in the renewal of our strategic direction for the agency.

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



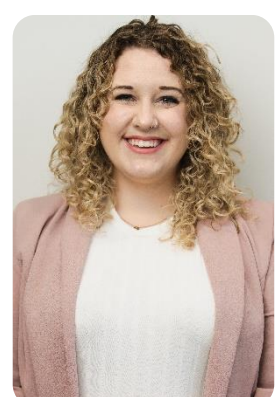
Kaitlyn Loewen
On-Farm Program Coordinator



Mariah Schuurman
Production Coordinator



David Antemir
Controller



Emma Lewis
On-Farm Program Technician

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

On-Farm Team Report

2022 Highly Pathogenic Avian Influenza (HPAI)

In early February, eastern Canada received notice of its first positive of HPAI since 2015. Then, on April 13, CFIA detected the first positive in British Columbia. As a result, the BC biosecurity protocols mandated the enhanced Red Biosecurity measures, and all hands were on deck. Since then, the On-Farm Team has served within the Industry Permitting Department, assisting with permits and ensuring product movement within our province.

Audit Programs

BC Hatching Egg Producers continue to implement the CHEQ™ Food Safety Program, Animal Care Program™ and the BC Biosecurity Program. Most audits were conducted as record checks, held in-office due to Biosecurity concerns this year. Despite the busy year, audit timelines have been maintained, and producers fully comply with all programs. Additionally, the On-farm team completed their transition to streamlined electronic audits this year.

The ABC Audit Producer Binder was finalized and printed in June of 2022; An easy-to-use binder that encompasses all Schedule 5 program paperwork. The On-farm team began the binder's distribution shortly after printing and will continue doing so into 2023.

Salmonella Monitoring Update

Reactive Salmonella testing continues to be implemented on-farm for BC Hatching Egg Producers. The Commission put the 'End of Lay Cycle Testing' on hold due to HPAI and the Biosecurity Red Zone Alert. In November, the Commission hosted a Salmonella Enteritidis Mitigation Webinar for BC Hatching Egg Producers. This webinar highlighted important avenues to prevent the contraction of this disease. Maintaining Salmonella monitoring within the sector remains vital to manage this disease effectively.

We are thankful for another year overseeing the On-Farm department at the Commission.

Respectfully Submitted,

Kaitlyn Loewen, On-Farm Program Coordinator

Emma Lewis, On-Farm Program Technician

Message from the Producers' Association President

Someone once said to me, "Farming is not for the faint of heart." After these last two years, I whole heartedly agree. Now that we have moved passed last year's challenges, we are faced with a different challenge. AI has hit the valley hard and hatching eggs was not immune. Yet, in the midst of all the chaos and difficulty surrounding depopulation, clean up, disinfection and inspections, I saw farmers, neighbors, and industry people pull together and help one another work through it. Again, I saw the best in people ready to help each other in a difficult time....To all those people who rolled up their sleeves I say thank you!

This year we also saw changes. One of the biggest changes was moving into the COP based pricing. Another change is the new Ross bird just starting to arrive to farms in our area. We have a new director on the association in Henry Roberts. Thank you, Henry, for your willingness to be a part of the Producers' association. Thank you, producers, for allowing us to represent you in this way. Perhaps in the future you will consider running for the association yourself.

We continue to meet as an association every 4-6 weeks to discuss the many aspects of broiler breeder farming. We discuss the many committees we attend on behalf of broiler breeder farmers. We attend meetings for PPAC, Biosecurity, BCPA, SPFG, BCPC, Poultry in Motion, EOC and Chicken Golf for charity. We discuss new and ongoing things happening in our industry. We discuss challenges and ideas brought forward to us from other farmers. We continue to meet with the Commission for updates and discussion on new initiatives happening in the industry. I would like to thank the commission for all their hard work and time they put into our industry. I would like to thank Jim Collins for his many years of service to our industry. I would like to welcome Bill Vanderspek in the role of Commissions' new Chair.

While I agree farming is not for the faint of heart, I would also say that farmers are resilient. When knocked down we pull together and get back up again. We believe that what we do is important. Feeding people is important. That we as farmers are a strong and resilient group of people and I am thankful to be one of them!

Angela Groothof

President, BC Broiler Hatching Egg Producers Association

ERT Funds Report

The Commission holds funds, at the Royal Bank of Canada, totaling \$124,529 (2021 - \$76,977) 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 2022, the Commission has accessed funds of \$117,227 (plus an additional \$15,557 in January 2023) to cover expenses incurred by the Poultry EOC for emergency operations required due to the BC floods and Avian Influenza. Contributions in the year include \$83,005 from government sources relating to the BC floods, and \$81,249 from the four Boards/Commission relating to Avian Influenza.

As at December 31:

	2022	2021
Cash	<u>\$ 124,529</u>	<u>\$ 76,977</u>

Year-ended December 31:

	2022	2021
Contributions	\$ 164,254	\$ -0-
Interest	525	276
Expenditures	<u>(117,227)</u>	<u>(53,650)</u>
Net revenues (expenditures)	<u>\$ 47,552</u>	<u>\$ (53,374)</u>

Committee Reports

BC Poultry Association – 2022 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

- Jennifer Woike – BC Agriculture Council (BCAC) poultry 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 – two in person and two via Zoom during the avian influenza outbreak. In addition, there were two extraordinary meetings to discuss transitioning the BCPA's EOC to year-around action.
- Doctors Vicki Bowes and Tony Redford attended a meeting to discuss wild bird surveillance and to provide an update on the lab's recovery from flood damage.
- Dr. Theresa Burns zoomed into a meeting to discuss HPAI and top poultry health related research issues. HPAI was discussed in great detail as well as ILT and blackhead.
- The BCPA transferred over \$1.2 million to qualified feed mills and some farms under the BC Ministry of Agriculture's Feed Differential Program. The province compensated for the price difference between feed grade grain and export quality grain when the local feed mills had to buy export grain when all supply lines were cut off to the Fraser Valley.
- The BCPA allocated \$80,000 in flood donations received from BCAC to some of the worst impacted farms.
- The BCPA wrote a letter to the Deputy Minister of Agriculture in response to the Ministry's proposal to launch a farmed animal welfare framework. The BCPA highlighted the four national audited animal welfare programs that are already in place.
- The BCPA wrote a letter to the BC Chicken Marketing Board in support of the BC Chicken Growers' Association's request for reusing poultry litter and possible sawdust alternatives.
- The BCPA recommended that producers move to red biosecurity status in April when an Okanagan farm got HPAI. It briefly moved to yellow in summer and then it moved back to red in September and was still at red as of the end of the year.
- BCPA directors attended the BCAC, IAF, and WorkSafe AGMs, and participated in Ag Day in Victoria.

Biosecurity Committee

The Committee did not meet in 2022.

A significant change was made in 2022. Letters were sent to the Chicken and Turkey Boards exempting them from auditing their member farms under the BC Biosecurity Program due to duplication between BC's program and their national programs. However, the BCPA maintained the two Boards under the mandate and requirements of the BC Biosecurity Program in case the BCPA deemed it necessary to resume audits under the BC Biosecurity Program during possible heightened biosecurity requirements during avian influenza outbreaks.

Emergency Operations Centre – EOC (Avian Influenza)

2022 could be summed up in four letters – HPAI - highly pathogenic avian influenza.

BC was one of seven provinces that had HPAI in commercial poultry flocks in 2022. BC's first case (IP01 – infected premises) was confirmed on April 13. As of November 15, we had only had seven cases, but 64 more cases followed, the majority being in Abbotsford and Chilliwack. This was far more than we saw in 2004.

Since the outbreak was national, CFIA changed their processes to manage the outbreak. The BCPA was not part of CFIA's joint EOC. We were limited to Zoom calls with all four western provinces. CFIA's approach to controlling HPAI became trade based. New processes were established for primary control zones, infected zones, capping and placements. Backyard flocks became part of the process and impacted both commercial producers and trade. CFIA simplified some of the requirements in early October.

All of the EOC's planning, and training had never envisioned more than 70 active IPs. The EOC had to develop new IP support procedures, find new EOC members, change communication methods, reach out to the allied trade for support, and work with our national associations to push for changes in how HPAI was managed.

Kudos to permitting staff that somehow keep birds, chicks and eggs moving throughout all of this.

In late 2022, the CFIA announced to all the provinces that it expected industry to assume responsibility for destruction and disposal in the future. BC had not been using CFIA's disposal companies; instead, IPs either did it themselves or contracted a local supplier to carry out disposal. The BCPA is working on a three-year funding application to fund some of the equipment, supplies and training that will need to be in place for industry to take over destruction under the supervision of the CFIA.

AI Surveillance

The provincial vet lab conducted a wild bird avian influenza project in 2022 where they tested live birds, hunter killed birds, dead birds, and pond sediment for AI. Over 1,770 samples were collected and tested. Positive or suspect H5 HPAI was found in 181 samples.

Sustainable Poultry Farming Group (SPFG) – 2022 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:

Stan Thiessen, Chair	Turkey and BCPA
Kevin DeJong	Hatching Eggs
Bev Whitta	Chicken
Hester Mulder	Eggs

SPFG held one virtual zoom director meeting in 2022 and their AGM. Two applications for funding were received in 2022. The 2022 projects are listed below. Both projects are complete.

2022-01 – BLACKHEAD WEBINAR

After the very successful blackhead project that was funded in 2021, the BCTMB held a follow-up blackhead webinar. SPFG provided funding for the audio-visual portion of the meeting.

2022-02 – CANADIAN ANIMAL HEALTH LABORATORIANS NETWORK MEETING

This was a meeting of vet labs from across Canada. The SPFG sponsored their meeting that was held in Whistler.

2016-06 – BCAC COMMUNITY ENGAGEMENT INITIATIVE (FORMERLY PUBLIC TRUST)

This project is now part of BCAC’s on-going activities as opposed to a stand-alone special project. Poultry provides about \$24,000 through SPFG funds.

Total approved funding for the year was \$25,700. There is about \$70,000 left in SPFG funds. The Committee is slowly being wound down.

2022 Poultry in Motion Annual Report

POULTRY IN MOTION EDUCATIONAL MINI-BARN PROGRAM 2022 REPORT



The BC Chicken Growers' Association and the BC Broiler Hatching Egg Producers' Association developed the Poultry in Motion (PiM)

Educational Mini Barn Program in an effort to educate consumers and increase awareness about chicken farming in BC. The fully equipped mini barns, located in all three growing regions: Lower Mainland, Interior and Vancouver Island are featured at fairs, schools and agriculture events around the province.

The 2022 Poultry in Motion program was unfortunately put on hold again, this spring and later during the fall, due to the covid epidemic and the heightened red biosecurity about the Highly Pathogenic Avian Influenza (HPAI) risk. The Animal Health Orders restricted the program from attending public events with live birds. This was unfortunate as many fairs were booked but needed to be cancelled. With a small opening late in the summer, all three regions were able to fit in a few fairs, as reported below from the three regions.

The Poultry in Motion™ website www.poultryinmotion.ca offers useful tools & guides for educators and an extensive lineup of educational resources for primary, intermediate, and secondary students, for fairs, and the public. This useful digital content will support long-term education about BC and Canada chicken production.

The PiM Committee thanks all the volunteers from the BC Broiler Hatching Egg Producers' Association, the BC Chicken Marketing Board and the BC Chicken Growers' Association who spent long hours at PNE in 2022. This successful event had over 12,800 visitors over 5 days. The PiM Committee welcomes more industry volunteers to help us in tell our chicken story.

FRASER VALLEY / LOWER MAINLAND POULTRY IN MOTION EDUCATIONAL MINI-BARN TRAILER 2022 IN REVIEW

It wasn't the year we had hoped and planned for. First of all, due to Covid restriction we were unable to go to any of the schools during the spring. Thankfully we were able to be present at the Farmer Thank the Community event on April the 9th. It was a windy, cool day with a fun event for all the farmers and the farming community to say thank you to many of the people who helped out during the floods of Nov 2021 and the rebuild and cleanup after.

As we had hoped to make to a summer full of fairs, this all changed with the restriction now coming from the HPAI closing things down for us during late spring and early summer in order to protect the industry. With only a few weeks before the PNE the restrictions lifted and we were able to attend for the first week of the Exhibition. Thanks to the BCCGA and BCBHE directors were able to run it for the first 6 days of the fair. During that time, we were able to interact with so many people about chicken and our industry. This year we kept track (as best as we could) of the numbers passing by the booth. We only counted those that stopped at the trailer and read some of our posters, spend time to look at the birds, talk with us and ask questions, or to simply get a recipe book, etc. Each weekday we were able to 'host' around 1800 people and on the weekend, we had between 2500 to 2800 people stop at our trailer, over 12,800 visitors over the 5 days at the PNE.

Then on Sept 10 I was able to attend the Delta Farmlands, Day at the Farm Event. What a day with over 2200 people stopping by on that beautiful sunny day. That was an incredible day of non-stop interacting with the people. Next year if we are able to go again, we may need a second presenter.

Unfortunately, due to HPAI back in the valley we had to cancel 2 more fall fairs and that also closed our opportunities to go to the schools this fall. As an industry we hope that things will change for the better again soon and then hopefully we can get the 'show on the road' again.

Till next year...

Respectfully submitted,

Dennis Flokstra

Fraser Valley/Lower Mainland, Poultry in Motion Educational Mini Barn.

VANCOUVER ISLAND POULTRY IN MOTION EDUCATIONAL MINI-BARN TRAILER 2022 IN REVIEW

The Vancouver Island 2022 Poultry in Motion opportunity was one of happy anticipation and excitement. However, sadly, in response to Covid concerns, it turned out to be another time "with no wheels turning". As well, the challenge of Avian Influenza concerns and restrictions left the program with a very short period of industry displays and educational opportunities at fairs.

The Vancouver Island PiM educational mini barn attended the following fairs: Coombs fair with 4,200 visitors, the Courtenay/Comox fair having 5,700 visitors and the Saanich Fall Fair having 55,000 visitors. The trailer was ready and set to hit the road to travel to Duncan for the Cowichan Exhibition, when it was necessary again for a Provincial Order to be enacted restricting movement.

At the Saanich Fall Fair it soon became obvious that using the clicker took focus from interacting with the larger groups of visitors, so I abandoned it. Fair visitors were very welcoming and displayed their known friendly enthusiasm, and curiosity frequently mentioning their previous visits.

This year, I started a new interactive learning game, which I called "The Chicken Challenge." At first, I focused on students but it quickly became very obvious that families and others were excited to join in too. So that's how it went. Everyone checking out the chickens, learning, interacting, having fun and then moving on with a prize in hand, smiley faces and a new bank of Canadian chicken info in their pocket! I have to add that this was a very fun way to involve all the visitors in active learning about our chicken growing industry. Often when larger groups are present at one time, the opportunity for direct personal contact can't genuinely be facilitated and ends up with many fair goers sadly being missed.

Respectfully submitted,

Bev Whitta

Vancouver Island, Poultry in Motion Educational Mini Barn.

INTERIOR POULTRY IN MOTION EDUCATIONAL MINI-BARN TRAILER 2022 IN REVIEW

2022 started out slowly with the spring cases of Avian Influenza. In August we were given the go ahead to take the trailer out. We were able to attend the 123rd Salmon Arm Fall Fair September 9th to 11th. The attendance was 10,000 visitors, an increase of 35% over the last fair. The trailer was very well received and had lots of visitors.

We have high hopes for 2023 and will try and take it out substantially more. We will make a couple changes and repairs to the trailer in the spring and it will be ready to go.

Yours truly,

Mitchell Fried
Interior, Poultry in Motion Educational Mini Barn.

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, email or fax 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/BCFarmlandReviewBoard

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 part of the Regulatory Enhancements 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, 2022
End	December 31, 2022

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

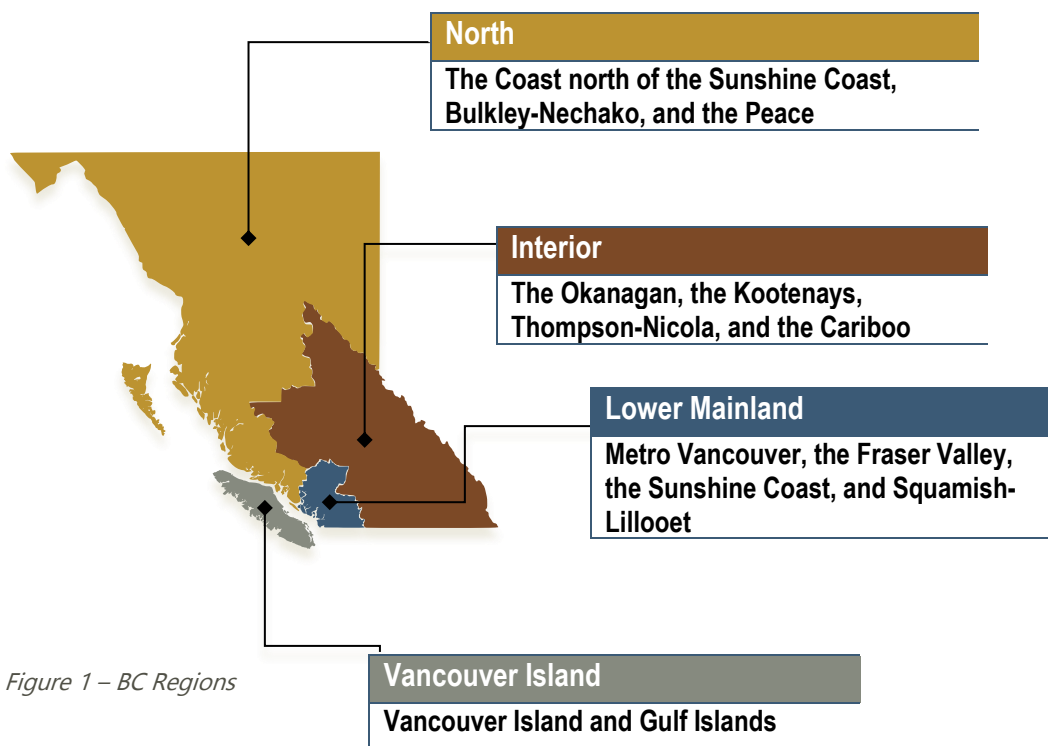


Figure 1 – BC Regions

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

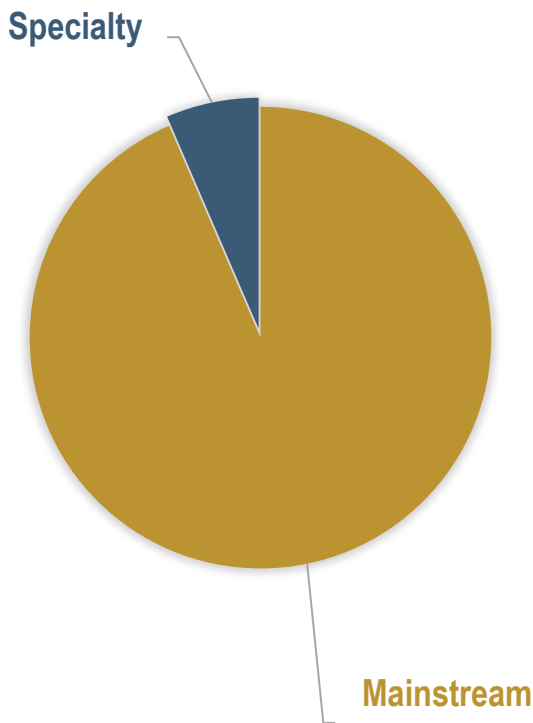


Figure 2 - Farm Cash Receipts

Estimated Cash Receipts (Farm Gate Sales)	
Type	Sales Estimate
Mainstream	\$ 69,385,000
Specialty*	\$ 4,565,000
Total	\$ 73,950,000

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

Saleable Chick Price	
Period	Mainstream, per saleable chick
A173	\$0.6681
A174	\$0.6782
A175	\$0.7023
A176	\$0.7269
A177	\$0.7341
A178	\$0.7349
A179	\$0.7162
A180	\$0.7270

Table 8

Total Producer Numbers

Total Producers by Producer Type and Region					
Producer Type	Lower Mainland	Vancouver Island	Interior	North	Total
Established	51	-	-	-	51
New Entrant*	6	-	-	-	6
Total	57	-	-	-	57

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	20	-	-	-	20
Medium	29	-	-	-	29
Large	8	-	-	-	8
Total	57	-	-	-	57

Table 10

Total Producers by Production Type and Region					
Production Type	Lower Mainland	Vancouver Island	Interior	North	Total
Mainstream	52	-	-	-	52
Specialty	5	-	-	-	5
Total	57	-	-	-	57

Table 11

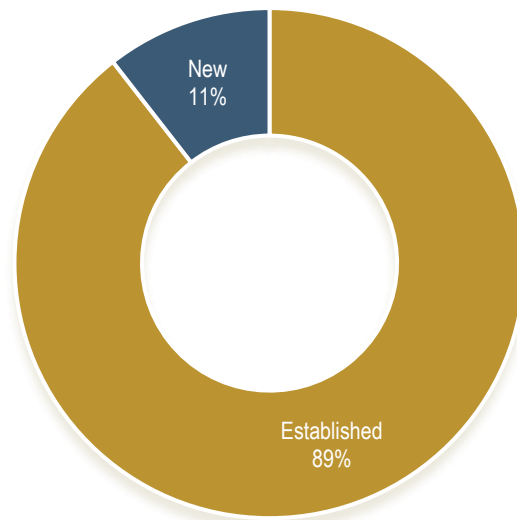


Figure 3 - Total Producer Numbers

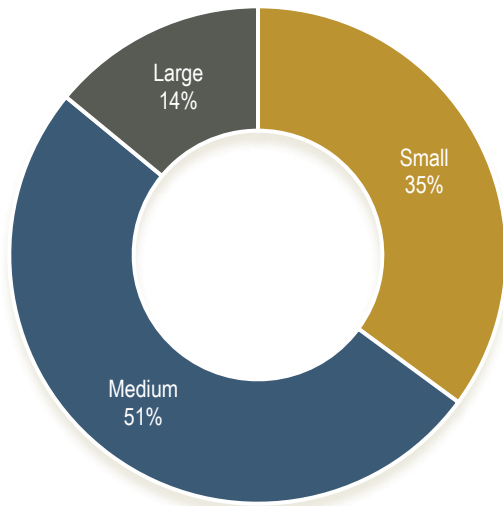


Figure 4 - Total Producer Numbers

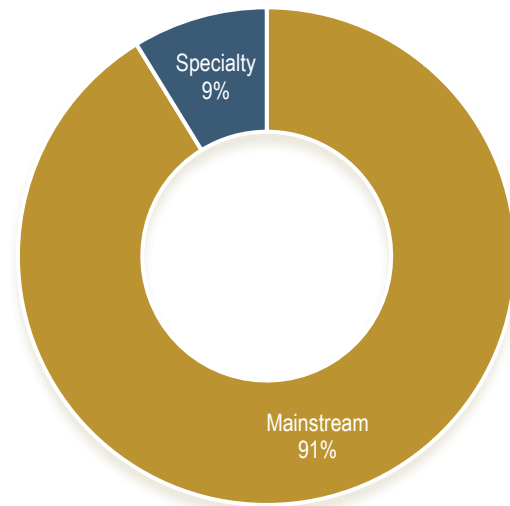


Figure 5 - Total Producer Numbers

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	119,709,305	-	-	-	119,709,305
New	5,429,462	-	-	-	5,429,462
Total	125,138,767	-	-	-	125,138,767

Table 12

Total Production by Producer Size and Region					
Producer Size	Lower Mainland	Vancouver Island	Interior	North	Total
Small	21,489,016	-	-	-	21,489,016
Medium	69,364,476	-	-	-	69,364,476
Large	34,285,275	-	-	-	34,285,275
Total	125,138,767	-	-	-	125,138,767

Table 13

Total Production by Production Type and Region					
Production Type	Lower Mainland	Vancouver Island	Interior	North	Total
Mainstream	118,044,437	-	-	-	118,044,437
Specialty	7,094,330	-	-	-	7,094,330
Total	125,138,767	-	-	-	125,138,767

Table 14

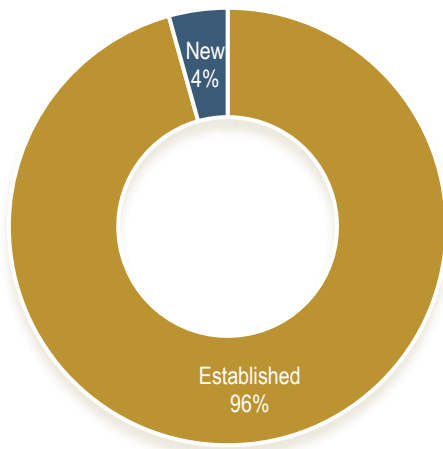


Figure 6 - Total Production

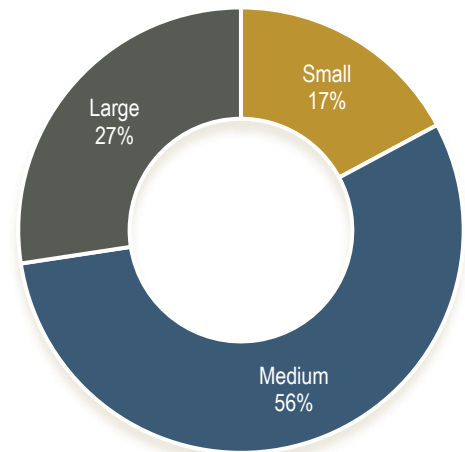


Figure 7 - Total Production

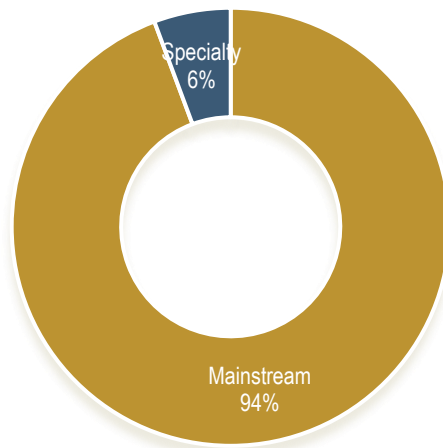


Figure 8 - Total Production

Quota Utilization

98.0% Average Quota Utilized for Mainstream Producers (Hens Placed)

Average Quota Utilization for Specialty Producers (Chicks Hatched)

112.4%

UTILIZATION SET TO ACHIEVE ALLOCATION IN FOLLOWING YEAR

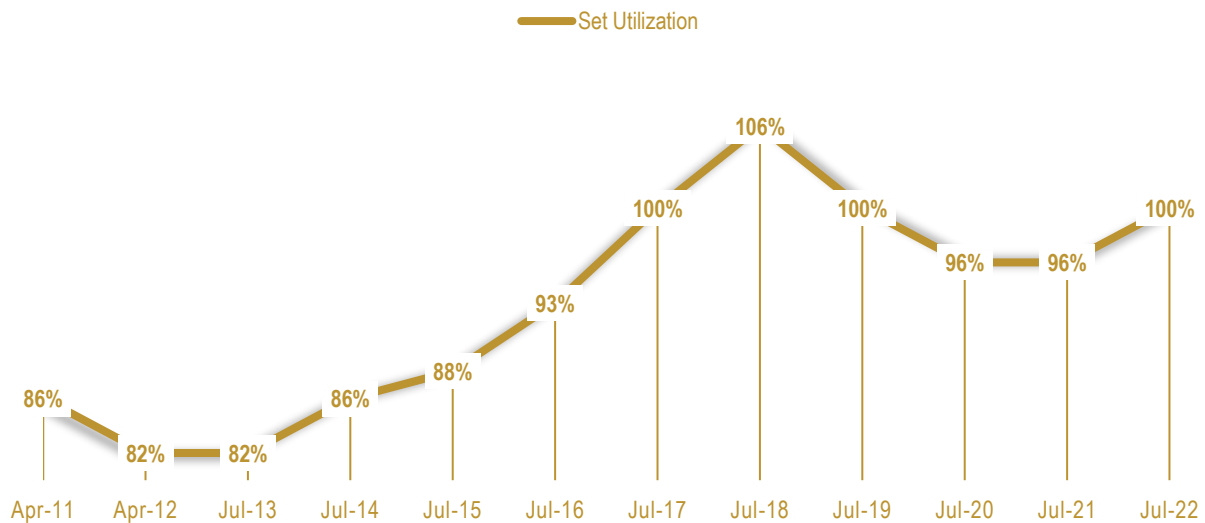


Figure 9 – Set utilization

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 96.1%.

New Entrances

New Entrances to All Sectors				
	Lower Mainland		Vancouver Island	
	# Producers	Quota	# Producers	Quota
New Entrant Program entrances	-	-	-	- ...
Other Entrance means	2	90,888 hens	-	- ...
Total	2	90,888 hens	-	- ...

Table 15

New Entrances to All Sectors (Continued)						
	Interior		North		Total	
	# Producers	Quota	# Producers	Quota	# Producers	Quota
...	-	-	-	-	-	-
...	-	-	-	-	2	90,888 hens
...	-	-	-	-	2	90,888 hens

Table 16

New Entrants – Detailed Change – Mainstream (Hens)		
Pathways	# Producers	Quota
Entry:		
New Producer Program entrant	-	-
Succession planning	1	43,550
Purchased quota	1	47,338
Graduation / Reclassification:		
Length of experience – New Producer Program (10 yrs)	-	-
Length of experience – succession planning / purchased quota	(2)	(42,780)
Exit:		
Quota sale – transfer assessment exempt	-	-
Quota sale – with transfer assessment	-	-
Net change	-	48,108

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	1	44,338 hens	-	- ...
Other 5 – 10 Years	-	-	-	- ...
Any Producer 10 Years +	2	82,179 hens	-	- ...
Total	3	126,517 hens	-	- ...

Table 19

Producer Exits by Region (Continued)						
	Interior		North		Total	
	# Producers	Quota	# Producers	Quota	# Producers	Quota
...	-	-	-	-	-	-
...	-	-	-	-	-	-
...	-	-	-	-	1	44,338 hens
...	-	-	-	-	-	-
...	-	-	-	-	2	82,179 hens
...	-	-	-	-	3	126,517 hens

Table 20

Hatching Facilities

There were 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, 2022

Quota Holdings by Producer Type and Region – Mainstream (Hens)					
Producer Type	Lower Mainland	Vancouver Island	Interior	North	Total
Established	1,642,506	-	-	-	1,642,506
New	107,488	-	-	-	107,488
Total	1,749,994	-	-	-	1,749,994

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

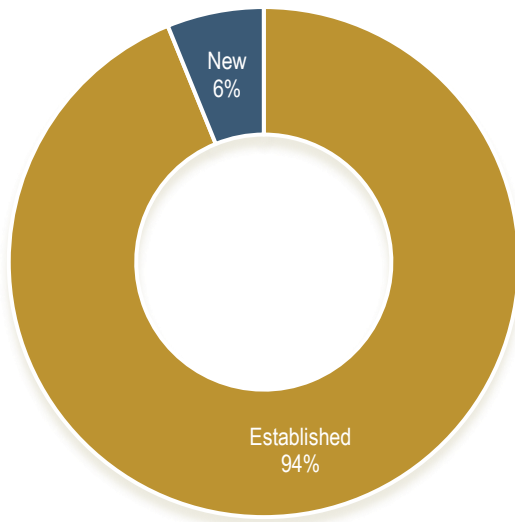


Figure 11 - Quota Holdings by Producer Type - Mainstream

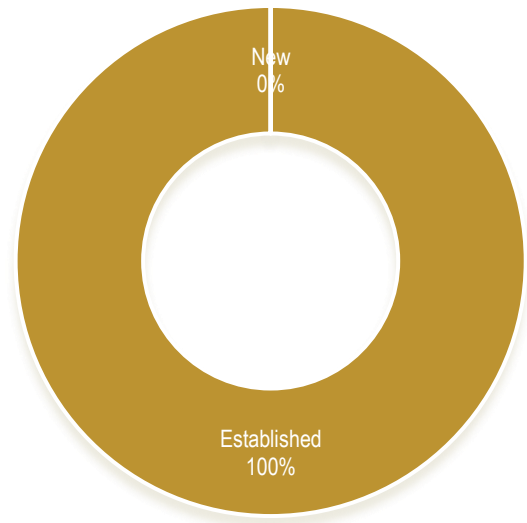


Figure 12 - Quota Holdings by Producer Type - Specialty

Quota Holdings by Producer Size and Region – Mainstream (Hens)					
Producer Size	Lower Mainland	Vancouver Island	Interior	North	Total
Small	269,772	-	-	-	269,722
Medium	982,679	-	-	-	982,679
Large	497,543	-	-	-	497,543
Total	1,749,994	-	-	-	1,749,994

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

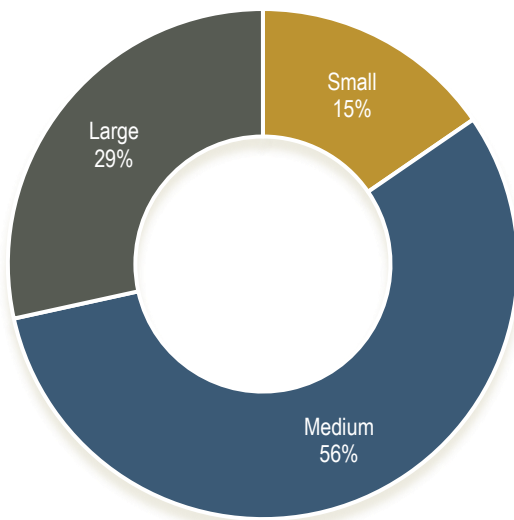


Figure 13 - Quota Holdings by Producer Size - Mainstream

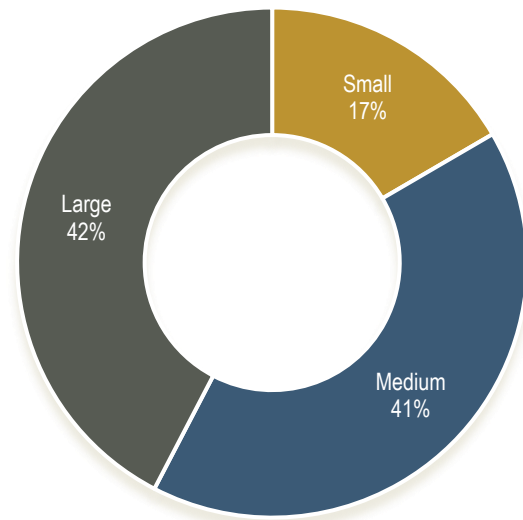


Figure 14 - Quota Holdings by Producer Size - Specialty

Quota Holdings by Production Type and Region – Placed Hens					
Production Type	Lower Mainland	Vancouver Island	Interior	North	Total
Mainstream	1,749,994	-	-	-	1,749,994
Specialty	-	-	-	-	-
Total	1,749,994	-	-	-	1,749,994

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	6	71,767	-	-
Exempt transfers	-	-	-	-
Exempt family transfers	3	54,750	-	-
Non-exempt family transfers	-	-	-	-
Total of all transfers	9	126,517	-	-
Total quota assessment collected		3,588		-

Table 30

Quota Transfers by Type of Producer – Mainstream (Hens)						
	Established		New Entrant		Total	
	#	Volume	#	Volume	#	Volume
January 1, 2022	47	1,694,202	6	59,380	53	1,753,582
Purchased	7	35,629	2	90,888	9	126,517
Sold – transfer assessment exempt	(3)	(54,750)	-	-	(3)	(54,750)
Sold – with transfer assessment	(6)	(71,767)	-	-	(6)	(71,767)
Transfer assessment (pooled)	-	(3,588)	-	-	-	(3,588)
Allotted (from pool)	-	-	-	-	-	-
Established New Entrants	2	42,780	(2)	(42,780)	-	-
Net industry exits	(1)					
December 31, 2022	46	1,642,506	6	107,488	52	1,749,994

Table 31

Quota Transfers by Type of Producer – Specialty (Chicks)						
	Established		New Entrant		Total	
	#	Volume	#	Volume	#	Volume
January 1, 2022	5	4,373,922	-	-	5	4,373,922
Purchased	-	-	-	-	-	-
Sold – transfer assessment exempt	-	-	-	-	-	-
Sold – with transfer assessment	-	-	-	-	-	-
Transfer assessment (pooled)	-	-	-	-	-	-
Allotted (from pool)	-	-	-	-	-	-
Established New Entrants	-	-	-	-	-	-
Net industry exits	-	-	-	-	-	-
December 31, 2022	5	4,373,922	-	-	5	4,373,922

Table 32

Quota Transfers by Type of Quota – Mainstream (Hens)			
	Mainstream	Mainstream NPP	Total
January 1, 2022	1,728,582	25,000	1,753,582
Purchased	126,517	-	126,517
Sold – transfer assessment exempt	(54,750)	-	(54,750)
Sold – with transfer assessment	(71,767)	-	(71,767)
Transfer assessment (pooled)	(3,588)	-	(3,588)
Allotted (from pool)	-	-	-
December 31, 2022	1,724,994	25,000	1,749,994

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

Quota Transfers by Type of Quota – Specialty (Chicks)			
	Specialty	Specialty NPP	Total
January 1, 2022	4,373,922	n/a	4,373,922
Purchased	-	n/a	-
Sold – transfer assessment exempt	-	n/a	-
Sold – with transfer assessment	-	n/a	-
Transfer assessment (pooled)	-	n/a	-
Allotted (from pool)	-	n/a	-
December 31, 2022	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, 2022	313,452	963,616*	476,514*	1,753,582
Purchased – from Small	-	-	-	-
Purchased – from Medium	15,000	90,488	21,029	126,517
Purchased – from Large	-	-	-	-
Sold – to Small	-	(15,000)	-	(15,000)
Sold – to Medium	-	(90,488)	-	(90,488)
Sold – to Large	-	(21,029)	-	(21,029)
Transfer assessment (pooled)	-	(3,588)	-	(3,588)
Allotted (from pool)	-	-	-	-
Net reclassification due to transfers	(58,680)	58,680	-	-
December 31, 2022	269,772	982,679	497,543	1,749,994

Table 35 (*Adjusted opening balance)

Quota Transfers by Size of Producer – Specialty (Chicks)				
	Small	Medium	Large	Total
January 1, 2022	726,366	1,794,878	1,852,678	4,373,922
Purchased – from Small	-	-	-	-
Purchased – from Medium	-	-	-	-
Purchased – from Large	-	-	-	-
Sold – to Small	-	-	-	-
Sold – to Medium	-	-	-	-
Sold – to Large	-	-	-	-
Transfer assessment (pooled)	-	-	-	-
Allotted (from pool)	-	-	-	-
Net reclassification due to transfers	-	-	-	-
December 31, 2022	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, 2022	1,753,582	-	-	-	1,753,582
Purchased – from L. Mainland	126,517	-	-	-	126,517
Purchased – from V. Island	-	-	-	-	-
Purchased – from Interior	-	-	-	-	-
Purchased – from North	-	-	-	-	-
Sold – to L. Mainland	(126,517)	-	-	-	(126,517)
Sold – to V. Island	-	-	-	-	-
Sold – to Interior	-	-	-	-	-
Sold – to North	-	-	-	-	-
Transfer assessment (pooled)	(3,588)	-	-	-	(3,588)
Allotted (from pool)	-	-	-	-	-
Net reclassification due to relocation	-	-	-	-	-
December 31, 2022	1,749,994	-	-	-	1,749,994

Table 37

Quota Transfers by Location of Producer – Specialty (Chicks)					
	Lower Mainland	Vancouver Island	Interior	North	Total
January 1, 2022	4,373,922	-	-	-	4,373,922
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)	-	-	-	-	-
Allotted (from pool)	-	-	-	-	-
Net reclassification due to relocation	-	-	-	-	-
December 31, 2022	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	9,600	94,697	92,803	10.3%
Industry	52	9,600	1,751,788	1,716,751	0.6%

Table 39

- Quota cycle: July 1, 2021 to June 30, 2023.
- Maximum permitted to be leased is 10% 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, 2021 and 2022.
- 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
Lessor†				
Industry	5	128,761	4,373,922	2.9%

Table 40 – †Not included due to potential identifiability of lessor(s) due to small number of Specialty producers.

- Quota cycle: January 1, 2022 to December 31, 2022.
- Specialty producers consider production ‘leases’ instead as ‘contracted hatches’ facilitated by integrated specialty hatchery operations.

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 – 2022 Final			
Province	Mainstream	Specialty	Total
British Columbia	123,999,730	n/a	123,999,730
Alberta	87,270,567	n/a	87,270,567
Saskatchewan	32,411,905	n/a	32,411,905
Manitoba	38,362,100	n/a	38,362,100
Ontario	274,049,774	n/a	274,049,774
Québec	220,309,548	n/a	220,309,548
Nova Scotia	27,096,782	n/a	27,096,782
NB / PEI / NL	33,121,440	n/a	33,121,440
Total	836,621,846	n/a	836,621,846

Table 41

Market Share – Hatching Eggs Allocation

Canadian Hatching Egg Producers – 2022 Final			
Province	Mainstream	Specialty	Total
British Columbia	14.8%	n/a	14.8%
Alberta	10.4%	n/a	10.4%
Saskatchewan	3.9%	n/a	3.9%
Manitoba	4.6%	n/a	4.6%
Ontario	32.8%	n/a	32.8%
Québec	26.3%	n/a	26.3%
Nova Scotia	3.2%	n/a	3.2%
NB / PEI / NL	4.0%	n/a	4.0%
Total	100.0%	n/a	100.0%

Table 42

Market Share – Chicken Production†

Canadian Hatching Egg Producers – 2022 Final	
Province	Market Share
British Columbia	14.0%
Alberta	9.8%
Saskatchewan	3.6%
Manitoba	4.0%
Ontario	34.8%
Québec	26.3%
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 14.0% of chicken production share (Table 43) translates to 14.8% 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 7.09 million specialty hatching eggs picked up off farm, only 6.39 million were set (90.0% 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 4.83 million (68.1% of pickups). An amount of about 251,000 specialty chicks were reported as imported for the year, approximately 4.9% of all specialty chicks placed in British Columbia. 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 2022.

Imported Product			
Month	Total value of imports (\$CAN)	Number of dozens imported	Average price per dozen (\$CAN)
January	\$5,474,483	1,013,220	\$5.40
February	\$4,844,681	905,456	\$5.35
March	\$5,339,535	978,098	\$5.46
April	\$5,743,786	1,033,863	\$5.56
May	\$7,426,049	1,113,558	\$6.67
June	\$5,869,966	962,250	\$6.10
July	\$5,672,052	887,216	\$6.39
August	\$6,248,511	954,048	\$6.55
September	\$5,784,987	902,262	\$6.41
October	\$6,401,172	856,913	\$7.46
November	\$5,629,211	921,525	\$6.11
December	\$8,892,242	1,206,457	\$7.37
	\$73,326,675	11,734,866	\$6.25

Table 44 - Source: Global Affairs Canada (BRH06-22)

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, 2022



KPMG LLP
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Canada
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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, 2022
- the statement of operations for the year then ended
- the statement of change 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, 2022, 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.



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 9, 2023

BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Statement of Financial Position

December 31, 2022, with comparative information for 2021

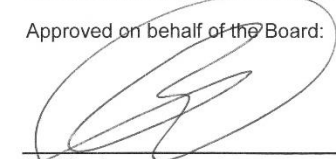
	2022	2021
Assets		
Current assets:		
Cash and short-term deposits (notes 2 and 12)	\$ 3,343,532	\$ 3,205,285
Accounts receivable (note 3)	163,312	146,095
Prepaid expenses and deposits	64,818	70,849
	<u>3,571,662</u>	<u>3,422,229</u>
Capital assets (note 4)	521,195	527,652
	<u>\$ 4,092,857</u>	<u>\$ 3,949,881</u>

Liabilities and Net Assets

Current liability:		
Accounts payable and accrued liabilities (note 5)	\$ 142,034	\$ 334,350
Deferred capital contributions (note 6)	21,306	30,438
Deferred lease obligation	16,547	13,059
	<u>179,887</u>	<u>377,847</u>
Net assets:		
Invested in capital assets (note 7)	499,889	497,214
Internally restricted (notes 2 and 8)	2,249,249	2,249,249
Unrestricted	1,163,832	825,571
	<u>3,912,970</u>	<u>3,572,034</u>
Contingencies (note 12)		
Commitments (note 13)		
	<u>\$ 4,092,857</u>	<u>\$ 3,949,881</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:


 Bill Vanderspek
 Board Chair


 Beata Kunze
 Chair, Audit & Finance Committee

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BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Statement of Operations

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Revenue:		
Producer levies (note 9)	\$ 2,025,186	\$ 2,012,610
Interest and miscellaneous	26,399	91,680
Amortization of deferred capital contributions	9,132	13,045
Licenses and fees	850	1,250
Quality assurance revenue	-	31,351
	<u>2,061,567</u>	<u>2,149,936</u>
Expenses:		
Advertising and promotion	5,232	5,500
Amortization	85,524	106,812
Animal Health Lab	67,560	77,110
Avian Influenza (note 16)	41,573	-
BCBHEP Association	81,957	105,126
Canadian Hatching Egg Producers levy	356,580	267,534
Chairman and members' per diems	136,617	139,548
COVID-19 - related expenses	-	18,000
Interest and bank charges	1,890	1,780
Legal and accounting	30,889	56,417
Office and miscellaneous	73,500	66,664
Office lease	61,094	58,708
Pricing expense	13,024	53,619
Professional services	47,071	20,725
Quality assurance expenses	99,864	149,722
Research and development, standards, biosecurity	6,874	11,993
SE project expenses	6,971	22,639
Telephone	9,385	9,179
Travel	54,585	8,664
Utilities	9,449	8,472
Wages and benefits (note 10)	693,857	557,827
	<u>1,883,496</u>	<u>1,746,039</u>
Breaker Quality Eggs Program (note 11):		
Revenue	840,701	776,321
Expenses	(677,836)	(776,321)
	<u>162,865</u>	<u>-</u>
Excess of revenues over expenses	\$ 340,936	\$ 403,897

See accompanying notes to financial statements.

BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Statement of Changes in Net Assets

Year ended December 31, 2022, with comparative information for 2021

	Invested in capital assets (note 7)	Internally restricted (note 8)	Unrestricted	2022	2021
Net assets, beginning of year	\$ 497,214	\$ 2,249,249	\$ 825,571	\$ 3,572,034	\$ 3,168,137
Excess (deficiency) of revenues over expenses	(80,628)	-	421,564	340,936	403,897
Change in net assets invested in capital assets	83,303	-	(83,303)	-	-
Balance, end of year	\$ 499,889	\$ 2,249,249	\$ 1,163,832	\$ 3,912,970	\$ 3,572,034

See accompanying notes to financial statements.

BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operations:		
Excess of revenues over expenses	\$ 340,936	\$ 403,897
Items not involving cash:		
Amortization of capital assets	88,648	111,228
Amortization of deferred capital contributions	(9,132)	(13,045)
Loss on disposal of assets	1,112	-
Change in non-cash operating working capital:		
Accounts receivable	(17,217)	160,789
Prepaid expenses and deposits	6,031	(2,273)
Due from BC Chicken Marketing Board	-	407,804
Accounts payable and accrued liabilities	(192,316)	151,787
Deferred lease obligation	3,488	3,488
	<u>221,550</u>	<u>1,223,675</u>
Investing:		
Purchase of capital assets	(84,103)	(6,325)
Proceeds on disposal of capital assets	800	-
	<u>(83,303)</u>	<u>(6,325)</u>
Increase in cash and short-term deposits	138,247	1,217,350
Cash and short-term deposits, beginning of year	3,205,285	1,987,935
Cash and short-term deposits, end of year	<u>\$ 3,343,532</u>	<u>\$ 3,205,285</u>

See accompanying notes to financial statements.

BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Notes to Financial Statements

Year ended December 31, 2022

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, 2022

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 \$3,124 (2021 - \$4,416) 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

BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Notes to Financial Statements

Year ended December 31, 2022

1. Significant accounting policies (continued):

(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.

(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.

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BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Notes to Financial Statements

Year ended December 31, 2022

2. Restricted cash:

Cash and short-term deposits are restricted as follows:

	2022	2021
Internally restricted	\$ 2,249,249	\$ 2,249,249
Cash available for operations	1,094,283	956,036
	\$ 3,343,532	\$ 3,205,285

The Board of Directors of the Commission has restricted net assets for specific purposes as disclosed in note 8.

3. Accounts receivable:

Included in accounts receivable is an allowance of \$nil (2021 - \$nil) for doubtful accounts.

4. Capital assets:

			2022	2021
	Cost	Accumulated amortization	Net book value	Net book value
Computer hardware	\$ 58,918	\$ 34,710	\$ 24,208	\$ 25,731
Computer software	390,792	248,583	142,209	112,622
Truck - breaker quality eggs program	136,224	129,549	6,675	9,536
General equipment and supplies - breaker quality eggs program	37,457	36,405	1,052	1,315
Office equipment	68,299	30,102	38,197	47,200
Leasehold improvements	399,306	90,452	308,854	331,248
	\$ 1,090,996	\$ 569,801	\$ 521,195	\$ 527,652

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BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Notes to Financial Statements

Year ended December 31, 2022

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$41,670 (2021 - \$34,926), which includes amounts payable for GST and payroll related taxes.

6. 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:

	2022	2021
Deferred capital contributions, beginning of year	\$ 30,438	\$ 43,483
Less: Amortization of deferred capital contributions	(9,132)	(13,045)
Deferred capital contributions, end of year	\$ 21,306	\$ 30,438

7. Invested in capital assets:

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

	2022	2021
Capital assets	\$ 521,195	\$ 527,652
Amounts financed by:		
Deferred capital contributions	(21,306)	(30,438)
	\$ 499,889	\$ 497,214

BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Notes to Financial Statements

Year ended December 31, 2022

7. Invested in capital assets (continued):

(b) Deficiency of revenue over expenses:

	2022	2021
Amortization of deferred capital contributions	\$ 9,132	\$ 13,045
Amortization of capital assets	(88,648)	(111,228)
Loss on disposal of capital assets	(1,112)	-
	<u>\$ (80,628)</u>	<u>\$ (98,183)</u>

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

	2022	2021
Purchases of capital assets	\$ 84,103	\$ 6,325
Proceeds on disposal of capital assets	(800)	-
	<u>\$ 83,303</u>	<u>\$ 6,325</u>

8. Internally restricted:

	2022	2021
Reserve for the Unforeseen	\$ 2,169,249	\$ 2,169,249
Truck Fund	80,000	80,000
	<u>\$ 2,249,249</u>	<u>\$ 2,249,249</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 (2021 - \$160,000) representing funds from the Reserve for the Unforeseen (note 12).

BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Notes to Financial Statements

Year ended December 31, 2022

9. Producer levies:

The total levy assessed to registered mainstream producers was 2.0 cents per saleable chick for 2022 (2021 - 2.0 cents per saleable chick).

The total levy assessed to registered specialty producers was 1.5 cents per saleable chick for 2022 (2021 - 1.5 cents per saleable chick).

Included in the total levy is a national levy of 0.30 cents per egg set (2021 - 0.30 cents per egg set), paid or payable to the Canadian Hatching Egg Producers.

10. 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 2022 were \$59,515 (2021 - \$46,741).

11. Breaker quality eggs program:

	2022	2021
Breaker quality eggs revenue	\$ 840,701	\$ 776,321
Expenses:		
Amortization	3,124	4,416
Cooler and warehousing	4,800	4,800
Egg waste disposal	35,813	-
Fuel	15,081	11,530
Levies and administrative fees	157,782	162,416
Miscellaneous supplies	7,950	11,153
Producer payments	310,040	454,254
Truck maintenance	21,642	19,907
Wages and benefits	121,604	107,844
	677,836	776,321
	\$ 162,865	\$ -

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BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Notes to Financial Statements

Year ended December 31, 2022

12. Contingencies:

- (a) 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 and up to 8.0 cents per egg for production less than allocation on a province by province basis. At present, the Commission has a \$160,000 guaranteed investment certificate assigned as security to CHEP (2021 - \$160,000). Production levels for the year ended December 31, 2022 indicate the Commission is within the allowed 2% sleeve of over production (2.5% sleeve of underproduction including any temporary allocation adjustments), and accordingly no draw has been required on the guaranteed investment certificate.
- (b) The Commission is party to an agreement with the BC Chicken Marketing Board and the BC Turkey Marketing Board in that extraordinary costs to clean and disinfect an infected premise resulting from a confirmed notifiable Avian Influenza occurrence in BC for a registered producer/grower are covered, up to an amount of \$250,000. The Commission has funds set aside in its Reserve for the Unforeseen to cover such expenses.

13. Commitments:

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

2023	\$	88,812
2024		67,687
2025		67,687
2026		71,611
2027		71,611
Thereafter		143,222
	\$	510,630

BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Notes to Financial Statements

Year ended December 31, 2022

14. 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.

(c) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Commission is exposed to interest rate risk with respect to its fixed income securities which fluctuate due to changes in market interest rates.

There has been no change to the risk exposures from the prior year, aside from the potential impact of Avian Influenza (note 16).

BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Notes to Financial Statements

Year ended December 31, 2022

15. Funds held on behalf of others:

The Commission holds funds, at the Royal Bank of Canada, totalling \$124,529 (2021 - \$76,977) 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 2022, the Commission has accessed funds of \$117,227 (plus an additional \$15,557 in January 2023) to cover expenses incurred by the Poultry EOC for emergency operations required due to the BC floods and Avian Influenza. Contributions in the year include \$83,005 from government sources relating to the BC floods, and \$81,249 from the four Boards/Commission relating to Avian Influenza.

16. Impact of Avian Influenza:

Beginning in November 2022, Avian Influenza has had a significant impact on domestic hatching egg production in British Columbia. The situation is dynamic and the ultimate duration and magnitude of the Avian Influenza event and the financial effect on our operations is not known at this time. As at January 31, 2023, the Commission estimates a production loss of 25 million domestic hatching eggs in 2023 resulting in loss of levy revenues of approximately \$400,000 in 2023.

17. Comparative figures:

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.

Financial Statements of

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

And Independent Practitioners' Review Engagement
Report thereon

Year ended December 31, 2022



KPMG LLP
32575 Simon Avenue
Abbotsford BC V2T 4W6
Canada
Tel (604) 854-2200
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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, 2022, 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, 2022, 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.

KPMG LLP

Chartered Professional Accountants

Abbotsford, Canada

February 21, 2023

B.C. BROILER HATCHING EGG PRODUCERS ASSOCIATION

Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021
Assets		
Current assets:		
Cash	\$ 54,005	\$ 40,427
Inventories	5,344	6,198
Prepaid expenses	4,489	2,803
	<u>\$ 63,838</u>	<u>\$ 49,428</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 5,624	\$ 3,754
Net assets	58,214	45,674
	<u>\$ 63,838</u>	<u>\$ 49,428</u>

See accompanying notes to financial statements.

B.C. BROILER HATCHING EGG PRODUCERS ASSOCIATION

Statement of Operations and Changes in Net Assets

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Revenue:		
Commission grant income	\$ 81,957	\$ 105,126
Expenses:		
Directors - per diems	24,564	28,835
Special events	10,404	10,687
Memberships	10,069	12,625
Advertising	7,330	5,011
Secretary expense	6,275	8,271
Professional fees	5,019	4,659
Salaries and benefits	1,918	2,339
Travel	1,644	709
Insurance	1,092	950
Office and general	749	277
Interest and bank charges	353	179
Research and development	-	95
	69,417	74,637
Excess of revenue over expenses	12,540	30,489
Net assets, beginning of year	45,674	15,185
Net assets, end of year	\$ 58,214	\$ 45,674

See accompanying notes to financial statements.

B.C. BROILER HATCHING EGG PRODUCERS ASSOCIATION

Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 12,540	\$ 30,489
Changes in non-cash operating working capital:		
Inventories	854	612
Prepaid expenses	(1,686)	-
Accounts payable and accrued liabilities	1,870	(137)
Increase in cash	13,578	30,964
Cash, beginning of year	40,427	9,463
Cash, end of year	\$ 54,005	\$ 40,427

See accompanying notes to financial statements.

B.C. BROILER HATCHING EGG PRODUCERS ASSOCIATION

Notes to Financial Statements

Year ended December 31, 2022

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 \$81,957 (2021 - \$105,126) 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, 2022

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.

4. Impact of Avian Influenza:

Beginning in November 2022, Avian Influenza has had a significant impact on domestic hatching egg production in British Columbia. The situation is dynamic and the ultimate duration and magnitude of the Avian Influenza event and the financial effect on our operations is not known at this time.

Farmer's Thanking the Community – April 9, 2022



34th Annual General Meeting Agenda

Friday, March 3, 2023 at 2:00 pm

Location: BC Poultry Conference

Call to Order

Reading of the May 19, 2022 Annual General Meeting Minutes

Business arising from the minutes

Bill Vanderspek, Chair, BCBHEC

Brian Bilkes, Chair, CHEP

BCBHEC Year in Review Presentation

David Guthrie, Auditor, KPMG LLP

Joshua Crossett, Manager, Finance & Production, BCBHEC

New Business

Adjournment