



# 2023 Annual Report

BC BROILER HATCHING EGG COMMISSION

BCBHEC



established 1988



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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 the 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

As I reflect on my first year as Commission Chair, I recognize that many of the themes from prior annual reports continue to resonate with the industry.

The foremost of these is Avian Influenza and its impact on the entire poultry industry again this year. With regards to the hatching egg sector, just as we were beginning to see production recover from the incursions of the virus in late 2022 and early 2023, a new round of infections began late in 2023. At the time that this report is written, the loss of production for the hatching egg sector is nearing 15%. Barring further outbreaks, we anticipate that full production will be reached in the late summer to early autumn of 2024.

Once again, we salute the tenacity and resiliency of our affected producers and their ability to meet these challenges head on with the goal of resuming hatching egg production as soon as possible. Despite the escalated costs attributed to finding alternative sources for hatching eggs and chicks lost to Avian Influenza, the industry was able to meet the needs of BC's chicken consumers without shortages or major price increases. This is a true testament to the value of our supply management system to British Columbians and the ability of the entire industry to work together in times of crisis.

We continue with the phased-in rollout of our Cost of Production formula which was approved by the BC Farm Industry Review Board in June of 2022. The Commission continues to support our partners at the BC Chicken Marketing Board in their work towards a long-term pricing formula for BC chicken. The Commission and Chicken Board continue to meet regularly and work together to discuss common issues and challenges. Five "Board-to-Board" meetings were held in 2023. The hatchery and specialty hatching egg cost of production projects are currently in the development stage, but this work has been affected by the demands of the Avian Influenza response. We anticipate the completion of both projects in 2024.

In October, the Commission met with a facilitator for two days to review and refresh our three-year strategic plan which went out for review and comment prior to its finalization. The first day of the session included representatives from the BC Broiler Hatching Egg Producers' Association and the BC Chicken Marketing Board. The Chair of our Pricing and Production Advisory Committee was also in attendance, but unfortunately no one from the BC Egg Hatchery Association was available to attend in person, though written input was provided.

I would like to recognize my fellow directors for their support, dedication and hard work during the past year. Vice-Chair Calvin Breukelman, Beata Kunze, Shane Driessen and Daniel Zylstra are exemplary leaders and contributors to the important work of the Commission, and I am honored to have the privilege of working with them. Congratulations to Daniel for being elected to a new four-year term, expiring in May of 2027. Our Executive Director, Stephanie Nelson, has gone above and beyond the call of duty during the past year, playing a number of critical leadership roles in the Avian Influenza response while at the same time managing all day-to-day operations of the Commission. Stephanie could not have done this without a full complement of

dedicated staff members, but as I have said previously, a great team is a reflection of a great leader. Thanks to all BCBHEC staff members, we have asked much of you during the past year, and you have delivered in spades.

Finally, thanks to our industry partners for your support during the past year, particularly to our BC hatching egg producers who continue to get the job done despite what, at times, must seem to be insurmountable odds.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'Bill Vanderspek', enclosed within a circular scribble.

**Bill Vanderspek, Chair**  
BC Broiler Hatching Egg Commission

## Message from the Executive Director

In 2023, we encountered difficult conditions and challenging times. Throughout my 15 years with the BC Broiler Hatching Egg Commission, I have remained in awe of the community that the hatching egg sector has built.



Producers took action to ensure those impacted by HPAI had tangible guidance and information on returning to normalcy through weekly IP meetings and a strong hatching egg EOC representative presence.

2023 saw regular attendance of producers at town hall information sessions, coffee meetings and producer gatherings. Encouraging reports from third-party organizations praised hatching egg producers for their patience and kind words during the most challenging days.

Allocations continued to rise, prompting producers to extend flocks to ensure as much domestic production was available for BC hatcheries as possible. Hatcheries attended meetings as often as required to ensure production balanced and met domestic targets.

The Commission met with the BC Broiler Hatching Egg Producers' Association quarterly and hosted them at their strategic planning session.

The Commission staff team led the permit and surveillance department for the EOC during the 2023 outbreak, ensuring all hatching egg movements could occur with little to no interruption. Additionally, the COP pricing implementation continued and was updated each pricing period.

The Commission successfully hosted the BC Poultry Conference with good attendance, and the Christmas social was well attended. The Commission met in Vernon for its annual strategic planning session and took the opportunity to tour the area, including the new interior hatchery.

The hatching egg community continues to endure despite the ongoing challenges. Spirits remain high, and the business of hatching eggs into quality chicks continues. We have built a community to be proud of, and I look forward to serving the hatching egg sector in 2024.

Respectfully submitted,

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

**Stephanie Nelson, Executive Director**  
BC Broiler Hatching Egg Commission

## Canadian Hatching Egg Producers' 2023 Provincial Report



2023 was an interesting year for everyone. Even though there were some unforeseen circumstances, the opportunity to take advantage of strong growth in the chicken market was still present. Our economy continues strengthen itself through the support of Canadians and hatching egg producers alike.

### HPAI

Unfortunately, Canada was impacted by Highly Pathogenic Avian Influenza (HPAI). HPAI cases in commercial flocks were detected in all six member provinces, with 16 hatching egg flock detections between three member provinces. There was even a period of relief between May and September where no HPAI cases were detected in Canada.

Despite the extended period of HPAI inactivity in the middle of the year, collaboration continued between the National Poultry Group (NPG) and the Canadian Food Inspection Agency (CFIA) to improve the HPAI response. Success was particularly notable in the decreased time from detection to depopulation compared to the previous year. This was attributed to improved preparedness, particularly increased CO<sub>2</sub> storage and provinces contracting of third-party destruction companies. Furthermore, CHEP in collaboration with the NPG were successful in advocating for additional changes in the Event Response Plan that addressed additional challenges faced by provincial boards.

CHEP worked closely with the NPG and CFIA throughout the year in multiple working groups. The destruction working group approved whole barn nitrogen gassing and foaming for trial use in Canada. Furthermore, a proposed plan and policy for HPAI vaccination was presented to industry through the Vaccine Task Force. While this year showed many improvements in the HPAI response, work continues to tackle ongoing challenges and better prepare for future outbreaks.

### On-Farm Programs

The amendments to the federal *Health of Animals Regulations* for supply flocks and hatcheries came into force November 9, 2023. We updated our on-farm programs, Canadian Hatching Egg Quality (CHEQ™) and the CHEP Animal Care Program (ACP), to meet the regulations, removing the need for additional programs. These updates have been communicated to producers and have been incorporated into on-farm audits. CHEP continues to engage with CFIA and the Canadian Hatchery Federation (CHF) on the regulations to ensure smooth implementation.

### Allocation / Liquidated Damage Assessment

CHEP has modified its Schedule B allocation calculation methodology by considering Chicken Farmers of Canada's (CFC) allocations instead of actual production for market share calculation. Additionally, the variability of the allocation from March to July, if it is derived from the Meat-to-Egg (M/E) ratio, will be considered in the Liquidated Damage Assessment (LDA). The signing of the new LDA Agreement took place on November 16, 2023. Lastly, CHEP has finalized its specialty production policy, and a trial period was launched in 2024.

## Food Banks Canada

CHEP is always looking for ways to continue to fight hunger in Canada. CHEP donated \$50,000 to Food Banks Canada for the Salvation Army Care & Share Food Bank. It is essential to provide food items to those facing food insecurity which emphasizes the importance of protein-rich resources such as chicken. These yearly donations from CHEP have assisted Food Banks Canada in distributing nutritious food to families and individuals facing food insecurity across the country.

## Poultry and Egg On-Farm Investment Program Funding Top-Up

After the government's announcement regarding the allocation of \$2 million to compensate hatching egg producers in addressing the challenges posed by the Canada – United States – Mexico Agreement (CUSMA), CHEP representatives have worked in partnership with government officials to propose the inclusion of these funds into the existing Poultry and Eggs On-Farm Investment Program (PEFIP) that resulted from the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP). All CUSMA funds have been added into the ongoing PEFIP while maintaining the same eligibility criteria.

## Young Farmers Program

The Canadian Broiler Hatching Egg Producers' Association developed the Young Farmers Program in 2002. The program has been very successful in supporting young farmers to maintain interest in the industry.

In 2024 CBHEPA will be partnering with CHEP to implement a new Young Farmers Program. The new program will offer young farmers an opportunity to gain experience and learn more about the national system and its role. For those looking to become a future member at the provincial and national board levels, the program will offer professional development. On occasion the Federal Government contacts CHEP for young producer representatives for specific working groups or advisory councils. With an active young farmers program, CHEP will have a pool of young producers that could participate as the opportunity arises.

## BC Broiler Hatching Egg Commission Board Members



**Bill Vanderspek**  
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



**Michaela Devries**  
Office  
Administrator



**Kaitlyn Loewen**  
On-Farm Program  
Coordinator



**Jenny Goertz**  
Accountant



**Riesa Kyne**  
Production  
Coordinator



**Amy Keller**  
On-Farm Program  
Technician

No photo: **Barry Harder** (BQEP Transporter); **Christopher Richard** (BQEP Quality Assurance)



## On-Farm Team Report

### Highly Pathogenic Avian Influenza (HPAI)

In 2023, the poultry industry in BC faced ongoing challenges related to Highly Pathogenic Avian Influenza (HPAI). The On-Farm Team served within the Industry Permitting Department, facilitating permits and ensuring product movement within our province, specifically for BC hatching egg producers. The Team appreciates the continuous support from our Producers during this challenging disease outbreak.

### Audit Programs

BC hatching egg producers continue to implement the CHEQ™ Food Safety Program, Animal Care Program™ and the BC Biosecurity Program. Both on-farm full audits and in-office record audits were conducted based on Primary Control Zone (PCZ) statuses and disease risks. Both the CHEQ™ Food Safety Program and the Animal Care Program™ introduced program updates, distributed to BC hatching egg producers, and implemented on-farm. Following the introduction of the ABC Audit Producer Binder in 2023, audits became more streamlined, optimizing time efficiency for all parties. BC hatching egg producers remain fully compliant in all audit programs.

### Barn Specifications Updates

In July, the On-Farm Team and Production Department completed a utilization review regarding the Animal Care Program™ housing and environment requirements. This review led to the implementation of premise's equipment limiting factors to ensure compliance with the Animal Care Program™. The On-Farm Team began a barn specification review of all broiler breeder premises in 2023. This program implementation and barn specification update will continue into 2024.

### Salmonella Monitoring

Implementation of 'reactive' Salmonella testing continues on-farm for BC hatching egg producers. The Commission resumed 'End of Lay Cycle' testing following the revocation of the remaining PCZs in June and suspended testing again in the fall of October following the first cases of HPAI in the Fraser Valley. In November, the Commission hosted a Salmonella Enteritidis Webinar for BC hatching egg producers and industry. The Webinar hosted Dr. Charles Hofacre, who highlighted proactive measures in prevention of Salmonella Enteritidis. Salmonella monitoring continues to remain a vital part of this effective disease management throughout the supply chain.

The On-Farm Team looks forward to continuing to work with producers in 2024.

Respectfully submitted,

**Kaitlyn Loewen, On-Farm Program Coordinator**

**Amy Keller, On-Farm Program Technician**

BC Broiler Hatching Egg Commission



## Message from the Producers' Association President

Another eventful year has passed in the broiler breeder industry. For some of us, it has been a rebuilding year; for others, it has been a continuing year, but for all of us, there have been challenges. Continuing struggles with AI, a new breed of bird to challenge us, and a new learning curve on how best to feed and light these new birds. We know there is still more learning to do and thus the challenges continue. As farmers, we rise to these challenges. As a producers' association, we discuss them. In talking to other producers, we try to help with these challenges because together we can accomplish greater results.

This year, your Producers' Association worked with many other feather groups on many different committees. John Driesen worked within the PPAC, biosecurity, BCPA committees, as well as joining the commission at their strategic planning. Kevin DeJong worked within the EOC, PPAC, and SPFG committees as well as going to Agriculture days to lobby government in Victoria on trespass laws, water security issues, and carbon tax. Henry Roberts was on an innovation type committee. I worked within the PPAC, PIM, BCPC, Picnic planning, EOC & BCPA committees as well as participated in Agriculture days and the strategic planning session with the commission. All this committee work was done while still meeting as an association to discuss the reporting of what we learned. We also discussed things happening within our own industry. I want to say thank you Kevin, Henry, and John for the tireless hours you spent working on the association business. Your insights and ideas were invaluable.

We also hired Hester Mulder as our assistant. Her knowledge of our industry is a great asset to the association. She keeps us organized and does a great job of it!

As an association, we secured a \$500,000 grant from government through IAF to help farmers in our industry with mitigating strategies for Avian Influenza and other diseases. The association continued to meet regularly with the Commission for information, reporting, and discussing many aspects of the hatching egg industry. I would like to thank the Commission, Stephanie, Bill, and the office staff for the hard work they do regulating our industry. It does not go unnoticed.

Life will always have challenges, but with that comes new opportunities. This was my last year as a director on the association. I would like to thank all the producers for their continued support, allowing me to represent them on the Producers' Association these past eight years. I would like to thank the association directors in allowing me to lead them as president these past two and a half years. I enjoyed my time as a director and look forward to the next challenges and opportunities coming my way in the future!

Respectfully submitted,

**Angela Groothof, President**

BC Broiler Hatching Egg Producers' Association

## Committee Reports

### BC Poultry Association – 2023 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, <b>Chair</b>
Angela Groothof	Hatching eggs, <b>Vice-Chair</b> (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)
Brad Driediger	Chicken
Mark Siemens	Eggs, <b>Treasurer</b>
Dan Kampen	Eggs
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
Jeff Regier	<i>ex-officio</i> , Eggs
Jennifer Woike	<i>ex-officio</i> , BC Agriculture Council (BCAC) poultry rep

### Meeting and Activity Highlights

- The BCPA held four in person director meetings.
  - Danielle Synotte, Stan Vander Waal, Paul Price from the BC Agriculture Council attended a meeting to provide an overview of their key policy areas and programs. Poultry is the largest sector within BCAC.

- Two staff from the Agriculture Land Commission attended a meeting to discuss events, filming, on-farm processing, and retail on ALR land.
- The BCPA obtained over \$2.6 million dollars in funding for five projects.
  - \$1.8 million from CFIA to conduct destruction training for third party contractors under the Federal Assistance Program (FAP). A manager (Cathy Van-Martin) was hired, and two training sessions were held in September. The one company eventually joined CFIA to conduct whole barn destruction when HPAI broke out in fall. They completed destruction on 17 infected premises over the span of 20 days.
  - \$500,000 from the BC Ministry of Agriculture and Food's Farmed Animal Disease Program to conduct whole barn nitrogen gassing trials to validate European processes. BC will be partnering with Alberta, Manitoba, and Quebec on the project. The first trial was held in October. The hope is that liquid nitrogen will be an additional option for whole barn destruction. It is much more readily available than CO2.
  - \$200,000 from the BC Ministry of Agriculture and Food's Farmed Animal Disease Program to hire an Executive Director for the EOC. Clayton Botkin has led the EOC since he was hired in August.
  - \$105,500 was received from IAF to conduct a whole barn destruction training session for a third-party destruction company. A training session for twelve staff was led by Jeff Hill in March.
  - \$10,000 was received from IAF to hold a HPAI townhall meeting in April.
- The BCPA applied to the Food Security Emergency Planning and Preparedness Program for \$760,000 for a second liquid nitrogen project. The project will fine tune the delivery systems and other technical aspects. Funding will be announced February 29, 2024.
- The BCPA wrote letters to:
  - The City of Abbotsford opposing allowing pet pigeons to be kept on non-ALR land.
  - The BCAC supporting their Food Security Emergency Planning and Preparedness Program for BC cross-sector emergency preparedness training.
  - The Chief Veterinary Officer asking that commercial flocks be kept indoors after October first.
- Revised the top poultry issue list.
- Directors participated in the BC Ministry of Agriculture and Food's Farmed Animal Welfare Framework meetings.
- Directors attended the BCAC, IAF, and WorkSafe AGMs, and participated in Ag Day in Victoria

## Biosecurity Committee

The Committee met three times in the year. They discussed what constitutes a barn, suggested changes to the red biosecurity standards, made several recommendations for changes in the biosecurity manual, and discussed a new SOP for HPAI self-quarantine. Hester Mulder is the Chair of the Biosecurity Committee.

## Emergency Operations Centre - EOC (Avian Influenza)

2023 was once again dominated by HPAI - highly pathogenic avian influenza.

After 71 outbreaks in spring and fall/winter 2022, BC's first case in spring 2023 was a pigeon farm at the end of April. Most poultry veterinarians and HPAI experts considered pigeons immune to HPAI. Destruction and disposal were complicated, and the primary control zone was not lifted until mid-July.

The first infected premises in fall was detected on October 20 in Chilliwack. By the end of December, 49 commercial premises and five small-lot flocks were declared infected premises. With the addition of Nucor conducting whole barn destruction, the average wait days for destruction were much shorter than in 2022. The addition of CFIA's CO2 storage tank also assisted in quick truck turn arounds.

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

# Sustainable Poultry Farming Group (SPFG) 2023 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:

<b>Stan Thiessen, Chair</b>	Turkey and BCPA
<b>Kevin DeJong</b>	Hatching eggs
<b>Bev Whitta</b>	Chicken
<b>Hester Mulder</b>	Eggs

SPFG held one virtual Zoom director meeting in 2023 and their AGM. The main project continues to be BCAC’s Community Engagement Initiative.

## 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 \$26,000 through SPFG funds.

Total approved funding for the year was \$26,000. There is about \$38,000 left in SPFG funds. The Committee is slowly being wound down.

## 2023 Poultry in Motion Annual Report

### Poultry in Motion Educational Mini-Barn Program 2023 Report



The BC Chicken Growers Association and the BC Broiler Hatching Egg Producers' Association developed the Poultry in Motion (PIM) Educational Mini Barn program to educate consumers and increase public awareness about how chicken is grown in BC. The mini barns contain live birds representing 3 stages of the chicken life cycle: chicks, broilers and broiler breeders. Seeing the live birds and learning how they live draws thousands of people to visit the trailers each year.

Unfortunately, the Avian Influenza epidemic resulted in a red security biosecurity status for much of the year, halting the presentation and transportation of live birds within the province. In 2023, the trailers were able to attend fairs throughout the province, but the timing of the red biosecurity status prohibited many school visits in the Lower Mainland.

The Poultry in Motion website [www.poultryinmotion.ca](http://www.poultryinmotion.ca) offers educational resources for primary, intermediate and secondary educators. The website also offers engaging videos that display the Poultry in Motion trailers while educating viewers on how chickens are raised in BC.

#### Fraser Valley / Lower Mainland Poultry in Motion Educational Mini-Barn Trailer 2023 in Review

We have completed another year of Poultry in Motion and, once again, not without frustrations caused by the presence of ongoing biosecurity restrictions in BC. Thankfully, the province is split into different sections, and for the most part, Vancouver Island was open for moving the trailer to the different schools and fairs.

Our Island director, Bev Whitta, still faithfully goes to as many functions as she can to promote BC Chicken.

Our Interior director, Mitchell Fried, along with some growers, were also able to get the trailer out to the IPE in Armstrong for 5 days.

Here in the Fraser Valley, we were delayed starting as we awaited the green light to move birds again. Despite the delay, we attended the Abbotsford Fair, Delta Farmlands, and day at the farm – where a record 6,500 people stopped by in just over 6 hours. For most of the day, there were about 40 people standing in front of the trailer at any given time. It was a fantastic day to talk about chicken farming. We distributed many recipe books and promotional materials promoting chicken farming in BC. We also attended the Agassiz fair, and finally, after several years, we made it to our first school this fall before everything was shut down again. Unfortunately, due to the business of many people's schedules at the end of the summer, with vacations, farm schedules, and weddings, we could not muster enough help at the end of August to attend the PNE. In the future, we would like to create a database of growers willing to attend fairs and school events with the trailer. Per diems will be paid to growers, and training will be provided. If you want to learn more about getting involved, please email us.

A new event this year was at a West Vancouver School Foods class. Bev attended as a presenter (see her report for a full description).

Although the trailer did not accompany the visit, Bev still had the opportunity to present the message of the Poultry in Motion in the school setting. This event spearheaded further conversations regarding how to continue the program during times when biohazard restrictions prohibit the use of the trailer.

All in all, it has been a busy year. We have reached out to over 1,000 school students and just over 94,000 people at fairs and promotional events. Our travelling chickens were very popular.

Special thanks go out to the hatcheries and farmers who provide the program with the chicks and chickens for the display trailers.

On behalf of the Poultry in Motion Committee, thank you for your ongoing support.

### [Interior Poultry in Motion Educational Mini-Barn Trailer 2023 in Review](#)

In 2023, we attended the IPE in Armstrong. It is a 5-day fair, and we had 11,800 people through the trailer. The trailer was very well received, and many teachers asked about having the trailer back in the schools. For 2024, the goal will be to have a presenter who can attend many schools and fairs.

### [Vancouver Island Poultry in Motion Educational Mini-Barn Trailer 2023 in Review](#)

After a long break, I was rewarded with the opportunity to “talk chicken” in the school environment again. As in previous years, students were focused and curious. It is exciting to observe that students are connecting with past-learned information. They confidently express themselves in their learning and ask quality, appropriate questions, often based on what they already know.

The day at West Vancouver School with a Foods teacher and 5 classes of students was well organized. The dietician gave an informative and “modern day” view of eating habits, referring to what is often called “junk food” as “joy food”. Her message to the students was to be mindful of eating enough of the healthy foods for the good of your whole self. Of course, she included chicken as an example of healthy food. I gave a presentation provided by the BCCMB. The time concluded with the students doing a chicken crossword puzzle, which allowed me to mingle, assist, and chat with students about our industry. The foods teacher expressed her appreciation for the day and was looking forward to preparing the chicken dishes with her classes starting the following day.

The fairs all showed an increase in attendance. I couldn't help but notice the increased number of multi-generation groups, many of whom mentioned previous visits to the trailer. Playing interactive games continues to be very popular for younger visitors (and often older ones too!). The promotional material we can give away to participants, such as BC chicken keyrings and the small fluffy yellow chicks, is always appreciated. In total, the Island trailer attended 4 schools and 6 community events, totalling an outreach of approximately 38,000 people.

# ERT Funds Report

The Commission holds funds, at the Royal Bank of Canada, totalling \$nil (2022 - \$124,529) 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.

On December 20, 2023, the Commission transferred funds, and their administration, totalling \$87,992 to the BC Poultry Association EOC.

As at December 31:

	<b>2023</b>	<b>2022</b>
<b>Cash</b>	\$ <u>- 0 -</u>	\$ <u>124,529</u>

Year-ended December 31:

	<b>2023</b>	<b>2022</b>
<b>Contributions</b>	\$ - 0 -	\$ 164,254
<b>Interest</b>	2,363	525
<b>Expenditures</b>	<u>(38,900)</u>	<u>(117,227)</u>
<b>Net revenues (expenditures)</b>	<u>\$ (36,537)</u>	<u>\$ 47,552</u>



## 2023 Accomplishments

- Leadership of BCBHEC staff in the permit and surveillance department was notable during the 2023 Avian Influenza outbreak.
- Appointment of a new PPAC Chair and the development of Terms of Reference
- Issuance of a memo on Barn Specifications alongside placement sheets re: utilization.
- Continued the implementation phase of the COP, nearing completion of the phase-in schedule.
- Collaboration between On-Farm and Production teams to kickstart the review of barn specifications and update to the ACP.
- Success in achieving 1km placement during the 2023 HPAI outbreak.
- Bringing the community together for our Annual Christmas social, despite the presence of HPAI.



## 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](mailto: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](http://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](mailto:firb@gov.bc.ca)

Financial Statements of

**BRITISH COLUMBIA  
BROILER HATCHING EGG  
COMMISSION**

And Independent Auditor's Report thereon  
Year ended December 31, 2023

**T.J. HOLMGREN, CPA, INC**  
**CHARTERED PROFESSIONAL ACCOUNTANT**

ACCOUNTING \* AUDITING \* INCOME TAX

#204 - 2180 Gladwin Road  
Abbotsford, B.C., V2S 0H4

Phone (604)853-5705  
Fax (604)853-5736  
email [trevorholmgren.cpa@gmail.com](mailto:trevorholmgren.cpa@gmail.com)

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of BC Broiler Hatching Egg Commission

***Opinion***

I have audited the accompanying financial statements of **BC Broiler Hatching Egg Commission**, which comprise the statements of financial position as at December 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Accounting Standards for Not-for-profit Organizations (ASNPO)

***Basis for Opinion***

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditors' Responsibilities of the Audit of the Financial Statements section of my report. I am independent of the Commission in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

***Other Matter***

The financial statements of BC Broiler Hatching Egg Commission for the year ended December 31, 2022, were audited by another auditor who expressed an unmodified opinion on those statements on February 9, 2023. As part of my audit of the 2023 financial statements, I also audited the adjustments described in Note 19 that were applied to amend the 2022 financial statements. In my opinion, such adjustments are appropriate and have been properly applied. I was not engaged to audit, review, or apply any procedures to the 2022 financial statements of the commission other than with respect to the adjustments and, accordingly, I do not express an opinion or any other form of assurance on the 2022 financial statements taken as a whole.

***Management's Responsibility and those Charged with Governance 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.

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' Responsibility for the Audit of the Financial Statements*

My 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 my 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgement and maintain professional skepticism throughout the audit. I 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 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

  
\_\_\_\_\_  
T.J. HOLMGREN, CPA, INC.  
CHARTERED PROFESSIONAL ACCOUNTANT

Abbotsford, BC  
February 15, 2024

# BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Statement of Financial Position

December 31, 2023, with comparative information for 2022

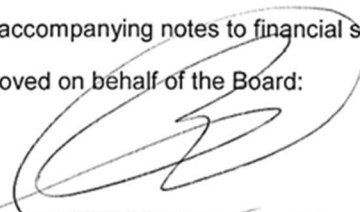
	2023	2022 Restated
<b>Assets</b>		
Current assets:		
Cash and short-term deposits (note 2)	\$ 3,432,563	\$ 3,183,532
Accounts receivable (note 3)	110,549	163,312
Prepaid expenses and deposits	12,544	10,658
	<u>3,555,656</u>	<u>3,357,502</u>
Term deposit held for security (notes 8 and 12)	156,000	160,000
Security deposit	54,160	54,160
Capital assets (note 4)	461,137	562,871
	<u>\$ 4,226,953</u>	<u>\$ 4,134,533</u>

## Liabilities and Net Assets

Current liability:		
Accounts payable and accrued liabilities (note 5)	\$ 162,861	\$ 142,030
Deferred capital contributions (note 6)	-	21,306
Deferred lease obligation	49,175	54,684
	<u>212,036</u>	<u>218,020</u>
Net assets:		
Invested in capital assets (note 7)	461,137	541,565
Internally restricted (notes 2 and 8)	2,249,249	2,249,249
Unrestricted	1,304,531	1,125,699
	<u>4,014,917</u>	<u>3,916,513</u>
Contingencies (note 12)		
Commitments (note 13)		
	<u>\$ 4,226,953</u>	<u>\$ 4,134,533</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:

  
Bill Vanderspek  
Board Chair

  
Daniel Zylstra  
Chair, Audit & Finance Committee



# BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

## Statement of Operations

Year ended December 31, 2023, with comparative information for 2022

	2023	2022 Restated
<b>Revenue:</b>		
Producer levies (note 9)	\$ 1,741,001	\$ 2,025,186
Breaker Quality Eggs Program revenue (note 10)	618,605	840,701
Interest and miscellaneous	69,767	27,511
Amortization of deferred capital contributions	21,306	9,132
Government grant revenue	2,727	-
Licenses and fees	200	850
	<u>2,453,606</u>	<u>2,903,380</u>
<b>Expenses:</b>		
Advertising and promotion	6,351	5,232
Amortization	84,004	90,155
Animal Health Lab	79,230	67,560
Avian Influenza (note 16)	143,321	41,573
BC Poultry Conference	5,155	-
BCBHEP Association (note 17)	80,900	81,957
Breaker Quality Eggs Program expenses (note 10)	417,144	677,836
Canadian Hatching Egg Producers levy	308,888	356,580
Directors' compensation	146,518	136,617
Interest and bank charges	2,373	1,890
Legal and accounting	22,347	30,889
Loss on disposal of capital assets	-	1,112
Loss on impairment (note 4)	60,455	-
Office and miscellaneous	91,267	73,500
Office lease	58,550	55,678
Pricing expense	11,849	13,024
Professional services	13,280	47,071
Quality assurance expenses	1,482	99,864
Research and development, standards, biosecurity	13,308	6,874
SE project expenses	3,634	6,971
Telephone	8,779	9,385
Travel	50,770	54,585
Utilities	9,562	9,449
Wages and benefits (note 11)	736,035	693,857
	<u>2,355,202</u>	<u>2,561,659</u>
<b>Excess of revenues over expenses</b>	<b>\$ 98,404</b>	<b>\$ 341,721</b>

See accompanying notes to financial statements.

# BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

## Statement of Changes in Net Assets

Year ended December 31, 2023, with comparative information for 2022

	Invested in capital assets (note 7)	Internally restricted (note 8)	Unrestricted	2023	2022 Restated
Net assets, beginning of year	\$ 541,565	\$ 2,249,249	\$ 1,125,699	\$ 3,916,513	\$ 3,574,792
Excess (deficiency) of revenues over expenses	(125,365)	68,259	155,510	98,404	341,721
Transfer of funds	-	(68,259)	68,259	-	-
Change in net assets invested in capital assets	44,937	-	(44,937)	-	-
<b>Balance, end of year</b>	<b>\$ 461,137</b>	<b>\$ 2,249,249</b>	<b>\$ 1,304,531</b>	<b>\$ 4,014,917</b>	<b>\$ 3,916,513</b>

See accompanying notes to financial statements.

# BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

## Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022 Restated
Cash provided by (used in):		
Operations:		
Excess of revenues over expenses	\$ 98,404	\$ 341,721
Items not involving cash:		
Amortization of capital assets	86,216	93,279
Amortization of deferred capital contributions	(21,306)	(9,132)
Loss on disposal of capital assets	-	1,112
Loss on impairment	60,455	-
Change in non-cash operating working capital:		
Accounts receivable	52,763	(17,217)
Prepaid expenses and deposits	(1,886)	6,031
Accounts payable and accrued liabilities	20,831	(192,316)
Deferred lease obligation	(5,509)	(1,928)
	<u>289,968</u>	<u>221,550</u>
Financing:		
Purchase of term deposit	(156,000)	(160,000)
Proceeds on redemption of term deposit	160,000	160,000
	<u>4,000</u>	<u>-</u>
Investing:		
Purchase of capital assets	(44,937)	(84,103)
Proceeds on disposal of capital assets	-	800
	<u>(44,937)</u>	<u>(83,303)</u>
Increase in cash and short-term deposits	249,031	138,247
Cash and short-term deposits, beginning of year	3,183,532	3,045,285
Cash and short-term deposits, end of year	<u>\$ 3,432,563</u>	<u>\$ 3,183,532</u>

See accompanying notes to financial statements.

# BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Notes to Financial Statements

Year ended December 31, 2023

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## 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.

Producer levies, Breaker Quality Egg Program revenue, licenses and fees, and 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.

Interest income is recognized on a time proportional basis. Interest income earned on internally restricted funds is available to the Unrestricted Fund for operations.

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.

Term deposits subject to restrictions that prevent its use for current purposes are included in the Reserve for the Unforeseen.

# BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Notes to Financial Statements

Year ended December 31, 2023

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## 1. Significant accounting policies (continued):

### (c) Fund accounting:

Revenues, expenses, assets and liabilities related to operations and the Breaker Quality Egg Program are reported in the Unrestricted Fund.

The Invested in Capital Asset Fund reports the revenues, expenses, assets and liabilities related to capital assets.

Revenues, expenses, assets and liabilities related to the Reserve for the Unforeseen and the Truck Fund are reported in the Internally Restricted Fund.

### (d) Allocation of expenses:

The Commission operates the Breaker Quality Eggs Program which collects eggs that are of breaker quality but not destined for the hatchery; farm gate sales are not permitted per the Consolidated Order. Producers' breaker quality eggs are graded and delivered for further processing. The Commission specifically identifies expenses relating to this Program. Remunerations is allocated to the Program by specific identification based on time spent and employment rates. Remuneration for general operations are shown in the statement of operations; remuneration for the Program are disclosed in the schedule of costs.

### (e) 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.

# BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Notes to Financial Statements

Year ended December 31, 2023

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## 1. Significant accounting policies (continued):

### (e) Capital assets (continued):

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

### (f) Deferred lease obligation:

Deferred lease obligation relates to step-rent payments on leased premises and any lease inducements received. The liability represents the difference between the straight-line rent expense and the actual rent payments paid, and the straight-line recognition of lease inducements over the term of the lease.

### (g) 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 statement and the reported amounts of revenue and expenses during the reporting period, such as the useful life and amortization of capital assets and allowance for doubtful accounts. Actual results could differ from those estimates.

### (h) 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.



# BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Notes to Financial Statements

Year ended December 31, 2023

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## 1. Significant accounting policies (continued):

### (i) 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.

## 2. Cash and short-term deposits:

Cash and short-term deposits are internally restricted as follows:

	2023	2022
Internally restricted	\$ 2,249,249	\$ 2,249,249
Cash available for operations	1,183,314	1,094,283
	<u>\$ 3,432,563</u>	<u>\$ 3,343,532</u>

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

# BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Notes to Financial Statements

Year ended December 31, 2023

### 3. Accounts receivable:

Included in accounts receivable is an allowance of \$nil (2022 - \$nil) for doubtful accounts.

### 4. Tangible capital assets:

			2023	2022
	Cost	Accumulated amortization	Net book value	Net book value
Computer hardware	\$ 61,605	\$ 42,377	\$ 19,228	\$ 24,208
Computer software	107,015	16,656	90,359	142,209
Truck - breaker quality eggs program	136,224	131,551	4,673	6,675
General equipment and supplies - breaker quality eggs program	37,457	36,615	842	1,052
Office equipment	68,299	37,741	30,558	38,197
Leasehold improvements	453,466	137,989	315,477	350,530
	\$ 864,066	\$ 402,929	\$ 461,137	\$ 562,871

During the year, following the rollout of the latest version of the Hatching Egg Reporting System (computer software), it was determined that previous versions were obsolete and an indicator of asset impairment was present. The fair market value of the obsolete computer software was determined to be nil and a loss on impairment recorded. Related deferred capital contributions (note 6) were amortized into revenue.

### 5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$40,978 (2022 - \$41,670), which includes amounts payable for GST and payroll related taxes.



# BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Notes to Financial Statements

Year ended December 31, 2023

## 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:

	2023	2022
Deferred capital contributions, beginning of year	\$ 21,306	\$ 30,438
Less: Amortization of deferred capital contributions	(21,306)	(9,132)
Deferred capital contributions, end of year	\$ -	\$ 21,306

## 7. Invested in capital assets:

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

	2023	2022
Capital assets	\$ 461,137	\$ 562,871
Amounts financed by:		
Deferred capital contributions	-	(21,306)
	\$ 461,137	\$ 541,565

(b) Deficiency of revenue over expenses:

	2023	2022
Amortization of deferred capital contributions	\$ 21,306	\$ 9,132
Amortization of capital assets	(86,216)	(93,279)
Loss on impairment	(60,455)	-
Loss on disposal of capital assets	-	(1,112)
	\$ (125,365)	\$ (85,259)

# BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Notes to Financial Statements

Year ended December 31, 2023

## 7. Invested in capital assets (continued):

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

	2023	2022
Purchases of capital assets	\$ 44,937	\$ 84,103
Proceeds on disposal of capital assets	-	(800)
	<u>\$ 44,937</u>	<u>\$ 83,303</u>

## 8. Internally restricted:

	2023	2022
Reserve for the Unforeseen:		
Cash and short-term deposits	\$ 2,013,249	\$ 2,009,249
Term deposit held for security (note 12)	156,000	160,000
	<u>2,169,249</u>	<u>2,169,249</u>
Truck Fund	80,000	80,000
	<u>\$ 2,249,249</u>	<u>\$ 2,249,249</u>

The Reserve for the Unforeseen contains cash and short-term deposits set aside and available to the Commission for its operations in the event levies decreased substantially, and for Avian Influenza and S.E. insurance seed funds.

The Truck Fund is for the replacement of the Breaker Quality Eggs Program truck for which there is no estimated timeline.

The Commission has approved interfund transfers from the Internally Restricted Fund to the Unrestricted Fund for interest income earned on internally restricted funds. The transfer of funds represents the total of interest earned and made available for general operations.

# BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Notes to Financial Statements

Year ended December 31, 2023

## 9. Producer levies:

The total levy assessed to registered mainstream producers was 2.0 cents per saleable chick for 2023 (2022 - 2.0 cents per saleable chick).

The total levy assessed to registered specialty producers was 1.5 cents per saleable chick for 2023 (2022 - 1.5 cents per saleable chick).

Included in the total levy is a national levy of 0.30 cents per egg set (2022 - 0.30 cents per egg set), paid or payable to the Canadian Hatching Egg Producers.

## 10. Breaker quality eggs program:

	2023	2022
Breaker quality eggs revenue	\$ 618,605	\$ 840,701
Expenses:		
Amortization	2,212	3,124
Cooler and warehousing	4,800	4,800
Egg waste disposal	5,250	35,813
Fuel	7,669	15,081
Levies and administrative fees	49,485	157,782
Miscellaneous supplies	8,025	7,950
Producer payments	213,319	310,040
Truck maintenance	8,878	21,642
Wages and benefits	117,506	121,604
	417,144	677,836
	\$ 201,461	\$ 162,865

## 11. 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 2023 were \$59,497 (2022 - \$59,515).

# BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Notes to Financial Statements

Year ended December 31, 2023

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## 12. Contingencies:

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 \$156,000 guaranteed investment certificate assigned as security to CHEP (2022 - \$160,000). Production levels for the year ended December 31, 2023 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.

## 13. Commitments:

The Commission has a ten-year operating lease commitment related to its current premise which commenced January 14, 2020, with an option to extend the lease for a further ten years. Minimum lease expenditures over the next five years as follows:

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2024	\$	35,442
2025		35,442
2026		35,442
2027		35,442
2028		35,442
Thereafter		36,919
	\$	214,129

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Additional lease charges (triple net) for property tax, and common area and maintenance are in addition to minimum lease expenditures and estimated at \$23,289 annually.

## 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.

# BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Notes to Financial Statements

Year ended December 31, 2023

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## 14. Financial risks (continued):

### (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 cash and 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).

## 15. Funds held on behalf of others:

The Commission holds funds, at the Royal Bank of Canada, totalling \$nil (2022 - \$124,529) 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.

On December 20, 2023, the Commission transferred funds, and their administration, totalling \$87,992 to the BC Poultry Association EOC.



# BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Notes to Financial Statements

Year ended December 31, 2023

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## 16. Impact of Avian Influenza:

Beginning in October 2023, 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 18, 2024, the Commission estimates a production loss of 18.8 million domestic hatching eggs in 2024 resulting in loss of levy revenues of approximately \$300,000 in 2024.

## 17. Related party transactions - significant influence:

An operating grant was provided to the BC Broiler Hatching Egg Producers' Association, an entity related by virtue of the Commission having significant influence over the Association. The operating grant provided totalled \$80,900 (2022 - \$81,957).

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties, and which in management's opinion is comparable to amounts that would have been paid to non-related parties.

## 18. Comparative figures:

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

## 19. Correction of error:

During the year it was discovered that an incorrect accounting policy was applied for lease inducements received. Previously, lease inducements were recognized as a reduction in the cost of leasehold improvements; this is incorrect. Lease inducements are an inseparable part of lease expenses and should instead be applied as a reduction to the lease expense. The error has been corrected by restating each of the affected financial statement line items for prior periods. The following tables summarise the impacts on the financial statements.

# BRITISH COLUMBIA BROILER HATCHING EGG COMMISSION

Notes to Financial Statements

Year ended December 31, 2023

## 19. Correction of error (continued):

### (a) Statement of financial position:

December 31, 2022	Impact of correction of error		
	As previously reported	Adjustments	As restated
Capital assets	521,195	41,676	562,871
<b>Total assets</b>	<b>4,092,857</b>	<b>41,676</b>	<b>4,134,533</b>
Accounts payable and accrued liabilities	142,034	(4)	142,030
Deferred lease obligation	16,547	38,137	54,684
<b>Total liabilities</b>	<b>179,887</b>	<b>38,133</b>	<b>218,020</b>
Invested in capital assets	499,889	41,676	541,565
Unrestricted	1,163,832	(38,133)	1,125,699
<b>Net assets</b>	<b>3,912,970</b>	<b>3,543</b>	<b>3,916,513</b>
<b>Total liabilities and net assets</b>	<b>4,092,857</b>	<b>41,676</b>	<b>4,134,533</b>

### (b) Statement of operations:

Year Ended December 31, 2022	Impact of correction of error		
	As previously reported	Adjustments	As restated
Amortization	85,524	4,631	90,155
Office lease	61,094	(5,416)	55,678
<b>Expenses</b>	<b>2,562,444</b>	<b>(785)</b>	<b>2,561,659</b>
<b>Excess of revenues over expenses</b>	<b>340,936</b>	<b>785</b>	<b>341,721</b>

### (c) Statement of net assets:

December 31, 2022	Impact of correction of error		
	As previously reported	Adjustments	As restated
Net assets, beginning of year	3,572,034	2,758	3,574,792
Excess (deficiency) of revenues over expenses	340,936	785	341,721
<b>Balance, end of year</b>	<b>3,912,970</b>	<b>3,543</b>	<b>3,916,513</b>

Financial Statements of

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

And Independent Practitioner's Review Engagement Report  
thereon

Year ended December 31, 2023





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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, 2023, 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.

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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, 2023, 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 26, 2024

# B.C. BROILER HATCHING EGG PRODUCERS ASSOCIATION

## Statement of Financial Position

December 31, 2023, with comparative information for 2022

	2023	2022
<b>Assets</b>		
Current assets:		
Cash	\$ 309,539	\$ 54,005
Trade receivable	205	-
Inventories	5,916	5,344
Prepaid expenses	1,092	4,489
	<u>316,752</u>	<u>63,838</u>
Tangible capital assets (note 2)	2,401	-
	<u>\$ 319,153</u>	<u>\$ 63,838</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 25,881	\$ 5,624
Deferred contributions (note 3)	250,000	-
	<u>275,881</u>	<u>5,624</u>
Net assets	43,272	58,214
	<u>\$ 319,153</u>	<u>\$ 63,838</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, 2023, with comparative information for 2022

	2023	2022
Revenue:		
Commission grant income	\$ 80,900	\$ 81,957
Expenses:		
Special events	30,636	10,404
Directors - per diems	20,715	24,564
Memberships	12,041	10,069
Advertising	11,552	7,330
Secretary expense	8,623	6,275
Professional fees	4,494	5,019
Salaries and benefits	2,792	1,918
Travel	2,571	1,644
Insurance	1,092	1,092
Office and general	680	749
Interest and bank charges	584	353
Amortization of tangible capital assets	62	-
	<u>95,842</u>	<u>69,417</u>
Excess (deficiency) of revenue over expenses	(14,942)	12,540
Net assets, beginning of year	58,214	45,674
Net assets, end of year	<u>\$ 43,272</u>	<u>\$ 58,214</u>

See accompanying notes to financial statements.

# B.C. BROILER HATCHING EGG PRODUCERS ASSOCIATION

## Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenses	\$ (14,942)	\$ 12,540
Item not involving cash:		
Amortization of tangible capital assets	62	-
Changes in non-cash operating working capital:		
Accounts receivable	(205)	-
Inventories	(572)	854
Prepaid expenses	3,397	(1,686)
Accounts payable and accrued liabilities	20,257	1,870
Deferred contributions	250,000	-
	<u>257,997</u>	<u>13,578</u>
Investing:		
Purchase of tangible capital assets	(2,463)	-
Increase in cash	255,534	13,578
Cash, beginning of year	54,005	40,427
Cash, end of year	<u>\$ 309,539</u>	<u>\$ 54,005</u>

See accompanying notes to financial statements.

# B.C. BROILER HATCHING EGG PRODUCERS ASSOCIATION

Notes to Financial Statements

Year ended December 31, 2023

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## 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) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value of the capital asset is amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Rate
Computer equipment	5 years

The estimated useful lives of assets are reviewed by management and adjusted if necessary.

When events or circumstances indicate that a tangible capital asset no longer has any longterm service potential, the net carrying amount is written down to the residual value of the asset. No write-downs were determined to be necessary during the current year.

(c) 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.

# B.C. BROILER HATCHING EGG PRODUCERS ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2023

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## 1. Significant accounting policies (continued):

### (d) 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. Tangible capital assets:

			2023
	Cost	Accumulated amortization	Net book value
Computer	2,463	62	2,401

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## 3. Deferred contributions:

Deferred contributions relates to \$250,000 of grant funding received in 2023 from the Investment Agriculture Foundation for the Farmed Animal Disease Response Fund project. The total amount expected to be received for the project is up to \$500,000. No amounts were spent by the Association related to the project during the year.

## 4. 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 \$80,900 (2022 - \$81,957) 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, 2023

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## **5. 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.

## **6. 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.



