



BC Broiler Hatching Egg Producers' Association
PO Box 191
Abbotsford, BC V4X 3R2

November 24, 2020

SENT VIA EMAIL

BC Chicken Marketing Board
Bill Vanderspek, Executive Director
#220 – 1848 McCallum Road
Abbotsford, BC V2S 0H9

RE: OCTOBER LETTER – PRICING AND LINKAGE SUPERVISORY REVIEW

Dear Bill,

Thank you for the opportunity to offer feedback on the options presented in your October 30 letter regarding the pricing and supervisory review options for a B.C. Live Price formula.

In this letter we will not offer pros and cons for each option that is presented but will offer an option we feel will benefit all the stakeholders in a fair and transparent way.

The BCBHEPA is in favor of a BC COPF that is currently being worked on based on the proven Alberta model. This will also set us up well for a potential unified western Canada cost of production pricing scheme. A key concern with the pricing model in BC is the lack of transparency. Pricing off of an Ontario live price that has moving pieces and factors unknown to us. Coupled with the "on again off again" premiums doled out by Processors to chicken growers in BC (and Ontario), it is unreasonable for BC hatching eggs to continue to be involved in a linkage scheme with so many unknowns.

A BC COPF would help bring certainty and stability to our industry. Being able to react and compensate (with pricing) to sudden production changes (such as in the recent COVID-19 pandemic) in the long term life cycle of a breeder bird is critical due to the lack of flexibility in increasing or reducing production quickly, as opposed to the ability in the shorter cycle of broiler growers.



A COPF alleviates a main pressure point of processing age that often fluctuates due to factors outside our control. Incorporating other factors of rising chick costs, vaccine costs, and disputes over fowl pricing further promotes the benefits of a transparent Hatching Egg COPF. Should the BCCMB also look to create a similar model, we believe that pricing in BC will become far more sustainable, transparent and fair.

The BCBHEPA is pleased to be a part of the pricing and linkage review. Thank you for the opportunity.

Sincerely,

A handwritten signature in black ink, appearing to read "Bryan Brandsma", is positioned above the typed name.

Bryan Brandsma, President
BC Broiler Hatching Egg Producers' Association

cc: Peter Donkers
Wendy Holm
Jim Collins
Jennifer Curtis
Ryan Whitmore
Craig Evans
Art De Rooter
Bryan Brandsma