

British Columbia Egg Hatchery Association

January 18, 2021

BC Broiler Hatching Egg Commission
#210 – 1848 McCallum Road
Abbotsford, BC V2S 0H9

VIA EMAIL

Re: Cost of Production Pricing Feedback

We received your letter dated December 23, 2020 requesting feedback on the proposed Serecon Cost of Production (COP) formula for hatching egg producers. The BC Egg Hatchery Association (BCEHA), as stated in previous correspondence believes the BC Broiler Hatching Egg Commission (BCBHEC) continuing to pursue pre-determined plan of implementing this COP without adequately addressing hatchery issues.

The hatcheries in BC have not had a margin increase in over eight (8) years now during which time they have had to absorb significant cost increases. Over this time, the BC hatching egg and broiler producers received the financial benefit of the Ontario hatchery margin increases which flowed to growers through the BC Live Price formula. There should have been adjustments made to the BC Linkage formula to allow the Ontario hatchery margin increases to pass through to the hatcheries. The proposed COP if implemented will provide significant benefit to the hatching egg producers, but at this point does nothing to address the long-standing issue of hatchery margins in BC.

In this process, we expect the Commission to look beyond the needs of the hatching egg producers. The hatching egg producers are already benefitting by realizing a portion of the Ontario hatchery margin that should be flowing to the hatcheries. It is our expectation that discussing adequate hatchery margin increases will be included in the pricing review discussions and receive as much attention as the COP for hatching egg producers

Regards,

Ryan Whitmore

Ryan Whitmore, President
BC Egg Hatchery Association