



BC Chicken Growers'
ASSOCIATION

December 30, 2020

DELIVERED VIA EMAIL

Mr. Jim Collins, Chair
BC Broiler Hatching Egg Commission
#210 – 1848 Mc Callum Road
Abbotsford, BC V2S 0H9

Dear Mr. Collins,

RE: HATCHERY MARGIN, BREEDER CHICK and VACCINE PRICING

The BC Chicken Growers' Association (BCCGA) is writing in response to your December 10, 2020 letter, requesting initial feedback and comments by January 4, 2021 to the hatchery margin, breeder chick and vaccine pricing.

At this time, it is difficult to provide feedback to any type of margin increase without knowing what the live chicken price formula will be and what the impact would be on the chicken grower's returns. Currently, we would like to better understand what is meant by the financial term "crystallized," how the 1.75 cent hatchery margin increase was derived and how the bonus was calculated, among others. Furthermore, a 'cost-of-living' increase could further erode the chicken grower's returns if this is not equally received in the live price of chicken. As the BCCGA is not completely familiar with hatchery margin inputs (and we assume other parties may not be as well), we request that the BC Broiler Hatching Egg Commission provide a presentation to clarify the calculations and what the implications would be on the chicken value chain.

The BC Broiler Hatching Egg Commission should strongly consider the feedback provided by the BCCGA, the BC Chicken Marketing Board, and the Primary Poultry Producers Association of BC (after the presentation has been made) as they are the parties that will be affected by any margin increase. And as the Breeder producers, whom the Commission governs, would not be affected to as large a degree.

Thank you for your attention to this matter.

Sincerely,

Dale Krahn, President
BC Chicken Growers' Association

cc. Harvey Sasaki, Chair, BC Chicken Marketing Board
Alistair Johnston – Vice Chair, BC Chicken Marketing Board

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Derek Janzen – Member, BC Chicken Marketing Board
Ray Nickel – Member, BC Chicken Marketing Board
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