

April 7th, 2021

Ms. Stephanie Nelson, General Manager
BC Broiler Hatching Egg Commission
#210 – 1848 McCallum Road
Abbotsford, British Columbia V2S 0H9

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

Dear Ms. Nelson and Mr. Vanderspek:

RE: A169 PRICING LINKAGE – NO ONTARIO ROLLING AVERAGE & BCHEC ADJ

We are pleased to provide you with the Price Linkage calculations for period A169 as of April 7th, 2021. The Price Linkage calculations for period A169 reflect the live chicken price of \$1.950/kg (which includes a reduction of \$.023/kg as per your instruction on addressing the rails agreed to for the Linkage and further adjusted to reflect the changes to the CFO chick price calculation). These figures also reflect the fact that fowl and salvage egg revenue for BCHEC have been removed in the COP. The calculations indicate that cost recovery parity of 98.42% (vs 96.56% in A168) will be achieved at the following prices:

Hatching Egg COP	Price	Change from Previous Period
Live Chicken	1.950 \$/kg	Up .138\$/kg
Hatching Eggs	685.49 ¢/doz.	Up 27.38¢/doz.
Day-Old Broiler Chicks	90.21 ¢/chick	Up 2.83¢/chick


We have provided the detailed A169 COP update and summary to each organization, i.e., the Broiler COP to the BCCMB and the Hatching Egg COP to the BCBHEC. The COP values are an update of the base 2019 A155 COP with adjustments as accepted by both the BCBHEC and the BCCMB. The COP updating calculations have been made using the indexing methodology agreed to using a 3-cycle (6-month) rolling average to index operating costs, and levies continue to be excluded in the price linkage calculations. Feed costs were updated using composite price indexes based on the feed price at the end of period A168. The cost impact of changes in breeder quota utilization and market development allocation continues to be incorporated with breeder quota utilization at 100% as of July 1, 2017. Breeder flock life is 55 weeks.

A survey of BC feed companies was undertaken to calculate adjusted composite feed price indexes. Feed price indexes for broiler chicken were calculated based on composite feed prices considering the proportion of each feed component (i.e., starter/grower/developer/finisher/breeder) and were weighted by geographic region, based on the amount of broiler chicken produced in each region. Hatching egg feed price indexes only considered the Lower Mainland.

Please expect the next Pricing Linkage for A-170 (as of June 4th, 2021) by May 31st, 2021.

I would be happy to take any questions. Please call me at (780) 448-7494.

Yours truly,
SERECON INC.



Robert Burden, CVA, P.Ag., MBA
Edmonton Office