



June 21, 2021

BC Chicken Marketing Board  
220-1848 McCallum Rd,  
Abbotsford, BC. V2S 0H9

To Mr. Vanderspek,

Re: Moratorium on Grower Movements (Assurance of Supply)

We do not support the BC Chicken Board's draft recommendation to implement a 13-period moratorium on grower movements between processors. An added regulatory burden would pose serious negative consequences to our business, as well as other small processors in the industry. We understood that the goal of the Pricing and Linkage roundtables, and changes to the pricing structure, was to ensure a fair and reasonable return for growers. We do not understand why Assurance of Supply is being considered as a solution.

We significantly invested in plant improvements to increase our efficiency, while developing plans and purchasing equipment for future facility expansion. Once complete, we intend to sign up additional broiler producers with a very small amount of production: a few growers with 10,000 to 20,000 birds per cycle. These plans and the dollars already spent were all made within the current regulatory environment. A moratorium on grower movement would essentially **KILL** our business plans and slam the brakes on our expansion plans.

It is ironic that when FVSP first entered the chicken business we had a lengthy appeal before FIRB against the BC Chicken Boards' Assurance of Supply regulations. Shortly after FIRB directed the BC Chicken Board to remove the Assurance of Supply regulations. The current 2 cycle notice requirement has been working since the removal of AOS. So why the change now? Where is the research or data showing that Assurance of Supply regulations are necessary for the industry? Have you considered the unintended consequences this type of regulation will introduce? How does it fit with SAFETI rationale?



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Implementing any form of Assurance of Supply provides security and peace of mind for the larger plants that have the lion's share of BC's allocation. It is a roadblock to the smaller processor looking to grow their business. We strive for an atmosphere of healthy competition and space for innovation. New Entrants and smaller processors provide diversity, growth, and energy to the sector. It is in the public interest to ensure that New Entrants have a "way in" and that small processors can grow.

The BC Chicken Board mentioned in our last roundtable that they hope to eliminate the current premiums that processors pay to their growers. We do not see how we can avoid premiums because of the nature of our business: our size, our needs for small lots, and some of the value-added requirements we may demand of our growers.

We do not understand what has gone so wrong that the BC Chicken Board is even considering locking down supply. What problems are these measures solving?

We would ask that the Chicken Board explore other options. Here are some ideas:

1. Place a limit on how much production can be moved per cycle in BC (perhaps 750,000 kg in any one cycle). Any requests beyond that get pushed to the next cycle.
2. Move to 3 cycles notice from the current 2 cycles notice.

In conclusion, we strongly do not support a 13-period moratorium, or new Assurance of Supply regulations. If these regulations were implemented, it would have a serious negative impact on our future business and the financial investments we made in the current regulatory environment.

Sincerely

A handwritten signature in blue ink, appearing to be 'Joe Falk', written in a cursive style.

Joe Falk  
General Manager



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