

British Columbia Egg Hatchery Association

February 4th, 2022

To: Wendy Holm,

BCFIRB Liaison - Long Term Chicken Sector Pricing Review

The BCEHA would like to submit the following comments regarding the BCBHEC Hatching Egg Sector Proposed COP-Based Pricing Package dated January 7, 2022

We, the BCEHA, would like to acknowledge the hard work the Commission has put into this review and would like to thank the Commission for acknowledging the Hatchery Margin as a key point that needs to be addressed within the New COP Based pricing.

The Commission, however, does not outline within the COP Based Pricing Package an appropriate pricing regime for the hatcheries, how and when a Hatchery Margin review would take place and when the results of those reviews would be implemented.

The hatcheries are now approaching 10 years since the last Hatchery Margin increase. During those 10 years, hatcheries have watched their costs steadily rise. Labour, utilities, and all other operating hatchery costs have risen substantively during this period. With no hatchery margin increase, we have had to rely on improved efficiencies within our hatcheries and increased volume to help offset these cost increases. Despite our efforts, the hatcheries have fallen behind.

Unfortunately, this substantive problem persists, as the Commission focuses on other initiatives, such as a review of the Hatcheries Vaccine programs, which continue to delay any change to our margin.

The Hatcheries look forward and welcome the idea of a Hatchery COP, if this would ensure the hatcheries a fair hatchery margin now and one that allows hatcheries to recoup cost increases going forward, however, the BCEHA can not support the Commissions COP until such times as the BCBHEC confirms when the changes to the Hatchery Margin will occur and any other potential changes to the economics of running our facilities. It is not fair for the BCBHEC to lock in changes for the Hatching egg producers while leaving us, the hatcheries in limbo.

The Commission has invited the members of the BCEHA to attend further meeting, but, until these issues are resolved, the members of the BCEHA cannot accept the BCBHEC's proposal.

Regards,



John Franck

President,

BC Egg Hatchery Association