

To The Commission,

I would like to thank the Commission for providing us the opportunity to comment on the future of our industry regarding the COP pricing model.

We received this document Jan 11 2022. Feb 7, 2022, is the deadline for comment. This was not enough time for me to get all the needed input. I do request that we be given another opportunity after this round of comments to respond to further comments made by the Commission. This is a 110 page document deciding the future of my industry. I would appreciate a second opportunity to respond to any comments the Commission has to this first round.

There are many aspects of the new COP model that I think are very good and representative of the changes needed to make our industry competitive nationally. However, I do not see opportunity for Breeder farm sustainability moving forward with this incomplete model.

At the very beginning of the process, it was determined that "The evolving national marketplace is placing increased pressure on BC as a high-cost province." Using the new COP model, it appears that we still arrive at a slightly lower price per chick. This to me seem like we did not achieve the desired result set out to accomplish.

To be clear I agree with this model I just think it needs to flesh out a couple of principals.

1-Who determined that the ROI or ROE of lasts years group average is sufficient for this model?

Just because you were able to get this model to similar results as Linkage does not mean that you have achieved a viable formula for our sustainable future.

2-Removing the bottom %5 and top 5% of flock production does not reflect the true COP of our product. All this does if use a heavy hand to conform to an average. We are working with animals and there are many times we encounter problem flocks or natural disasters that cause a single individual to have poor production IE Swine Flu. This could take a year or two to rectify. If we are deleting the bottom %5 these producers will never come out from that problem. Remove this from the formula.

3-If labour costs change how quickly will that be incorporated into the COP?

4-If we start to notice that our returns are not meeting our needs as farmers to grow, hire people, upgrade to new animal welfare rules etc. What mechanism is in place for producers to increase that input?

The new COP model will be very efficient and very effective at relating to the B.C. industry, there is absolutely no denying this in my opinion. What I did not have time for is making a spread sheet to verify how those quick adjustments will affect each flocks COP. I understand that HERS program will be able to influence the saleable chick price very quickly.

5- Will the ability of the commission changing the hatch rate on the fly impact me negatively or positively

I totally agree with have a more defined metric for pricing our product. But all I can see from this model is an effective way to marginalize our production efficiencies, neutralize any chance of having great production year and taking away any incentives that may or may not be in the current system.

I know the Commission can only influence certain parts of the supply chain. However, it would seem reasonable that the Commission view the entire supply chain as a whole unit so it can better compensate those stake holders it is responsible for.

A sustainable chicken industry needs to look at everyone involved in the chicken supply chain. Under the current model there are a couple of participants that are not included that have a significant impact on the retail price of chicken (what the consumer pays).

Example- Presidents Choice Whole Chicken retail..... **\$10.11 per bird 02/06/22**

Avg live weight paid to the chicken grower aka Broiler farmer..... **\$1.95 per bird 01/14/22**

Saleable chick price (what a Breeder farmer gets paid) **\$0.6782 per bird 01/01/22**

This all for ONE single bird from chick to consumers' plate. (Adjusted from a Kilogram weight) There is a substantial price inflation once the chicken leaves the last farm.

A. Should there be some sort of profit sharing in this model?

B. What guarantee do we have that other will participate in such transparent system?

I totally understand that Supply Management cannot control retail price so do not reply with that. The point of this paragraph is to point out that when I see others not justifying their COP and making what appears to be huge margins, I have questions.

The screenshot shows a web browser window with the URL realcanadiansuperstore.ca/p/20093531_KG. The page displays a product listing for 'PRESIDENT'S CHOICE Free From Whole Chicken' with an estimated price of \$17.09 per ea. The product image shows a whole chicken in a plastic tray with a label that reads 'FREE FROM SIMPLEMENT BIRD' and 'Whole Chicken Poulet entier'. The page also features a search bar, navigation tabs like 'DEPARTMENTS', 'MY SHOP', 'DISCOVER', 'FLYERS & DEALS', 'SERVICES', and 'COVID-19', and a 'CHECKOUT' button. At the bottom, there is a cookie consent banner with a 'close' button.