



March 31, 2005

BC Farm Industry Review Board
Richard Bullock, Chair
PO Box 9129, Stn. Prov. Govt
Victoria, BC
V8W 9B5

Dear Mr. Bullock;

The British Columbia Broiler Hatching Egg Commission (the "Commission") is pleased to submit the attached New Producer Program Rules for consideration and approval by the British Columbia Farm Industry Review Board (the "BCFIRB").

The Commission submits that the proposed program provides a significant incentive to prospective new producers. While the industry is presently comprised of only 60 producers, the program will operate to ensure the entry of one new producer every quota period (i.e., every two years). The production permit issued to new producers under the program will be supported by provincial allocation from CBHEMA to the Commission. We expect that industry growth will provide sufficient provincial allocation to accommodate the required production permit. If this is not so, other means will be found to set aside provincial allocation to support the production permit (including, for example, a general reduction of quota allotted to existing producers). Because the program mandates the entry of one new producer every quota period, the Commission does not believe that it is necessary to implement a "transfer assessment" to fund the program. It will be incumbent upon the Commission to fund the program, one way or another. If there is insufficient growth in the industry, and if a general reduction of allocation is considered undesirable, the Commission retains its ability to implement such an assessment in order to meet the mandated requirement of introducing one new producer every quota period.

The New Producer Program has the following key elements:

- Clear eligibility application, and waiting list requirements and procedures;
- Provisions for transitioning all existing wait list applicants to the new procedures;
- Clear invitation and entry procedures;
- Provision for a minimum of 1 new entrant per quota period (once every two years);
- Provision of an incentive allotment of 10,000 units of non-transferable production permit to successful new entrants;

- No requirement to purchase additional quota to receive the incentive allotment (the issuance of 10,000 units of non-transferable production permit will meet the Commission's flock size requirement for new entrants into the program;
- Clear requirements that entrants be actively engaged in hatching egg production;
- Requirements that new entrant producers abide by all Commission Orders as amended from time to time; and
- Rights for new entrant producers to have their allotments increase or decrease when our provincial allocation increases or decreases, in the same manner as is applicable to all other producers.

With respect to "specialty broiler hatching eggs", the Commission does not believe that a program is required at this time. Unlike some other industries, broiler hatching eggs are produced for sale to hatcheries; not consumers. Our product is therefore distinguishable because of this absence of a "consumer" market. Hatcheries, in turn, produce day old chicks from broiler hatching eggs. The chicks are then sold to growers, and ultimately marketed as chicken. To the best of the Commission's knowledge, there is no requirement for a certified specialty hatching egg or certified specialty day old chick for the production of any kind of certified specialty chicken as proposed under the anticipated specialty programs of the B.C. Chicken Marketing Board, or otherwise. The Commission is not aware of certified organic chicken programs requiring the use of certified organic hatching eggs or day old chicks. Nor is the Commission aware of any similar requirements in terms of certified animal welfare programs. In the case of Asian Specialty chicken production, these are distinct genetic strains that are not, at this time, regulated by the Commission.

Accordingly, the Commission is not proposing a specialty hatching egg program. If, at some future date, the certified production plans for designated specialty chicken production in BC require certified specialty hatching eggs, then the Commission will address the matter at that time.

We trust that our proposal will meet with the BCFIRB's approval, and we look forward to the opportunity to meet with you to discuss this proposal at your earliest convenience.

Sincerely;



Bruce Cook, Chair