

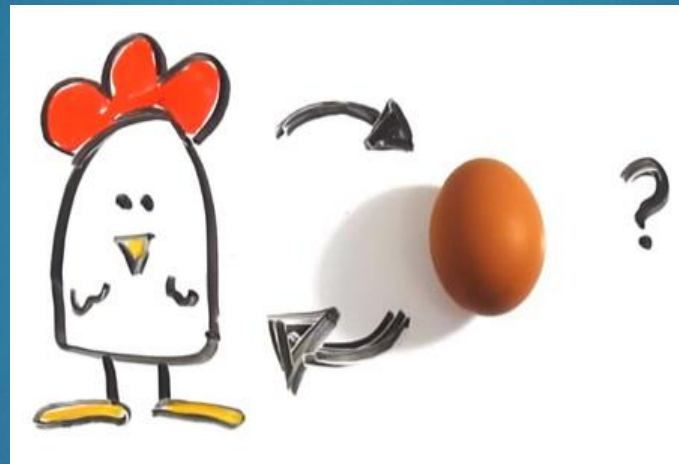


# BC Hatching Eggs

CHALLENGES & SUCCESSES

COGA January 2017

What came first the chicken or the egg?



# The broiler breeder did of course!



Which is our industries first challenge.

Explaining what a Broiler Breeder is.

Our barns are different  
because we have boys!



# An egg is not always an egg.....and a chicken is not always a chicken.....

- ▶ A broiler breeder bird lays approximately 150 eggs of which 140 are hatching eggs in a 58 week period!
- ▶ These eggs are shipped to highly specialized hatcheries for incubation for 21 days.
- ▶ From there they are sold to chicken farmers who raise them into chickens that will be sold to retailers like the grocery store.





We are the beginning of the supply chain but we aren't without our issues....





The broiler hatching egg industry is a highly specialized industry that is at the foundation of Canada's chicken industry.

There are a number of ongoing challenges that require careful management from the BC Hatching Egg Commission board and staff, along with the surprise ones that pop up occasionally...

Which is why we have a  
.... Strategic plan





1-Page Strategic Plan

BC Broiler Hatching Eggs Commission

October 2015- October 2016

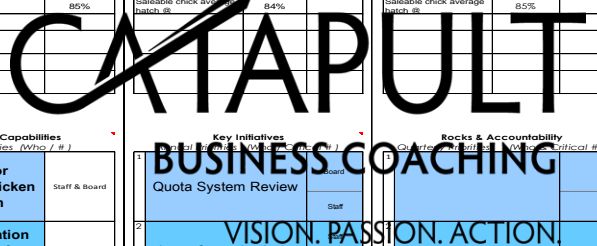
S.W.O.T. Analysis

Strengths:	Weaknesses:	Trends:	Trends con't:
1 Culture & Credibility	1 Lack of people resources & utilization of their strengths.	1 Social Media	6 Canadian Hatching egg influences
2 Willingness to take action.	2 Reliance on relationships for efficient transactions	2 Animal Care	7 80/20 and imports
3 Board on the same page	3 In the Production system	3 Antibiotic free	8 Decommunitization of regulated product
4 Financial accountability	4 In the Payment system	4 Trade and supply management	9 GovernMental pressures
5 Producer support.	5 Vulnerability and Financial Impact of Disease Outbreak	5 Rapid changes to market impacts	10 Infiltration from animal activism



Confidential

Core Values/Beliefs Forever	Purpose (Why) 10-30 Years	Targets (Where) 3-5 years		Goals (What) 1st year			Trimester Actions (How) Trimester 1 (October -January)			Trimester Actions (How) Trimester 2 (February-May)			Trimester Actions (How) Trimester 3 (May to September)			Benchmarks		
		Year Ending 2020	Year Ending 2016	Measure	Goal	Actual	Measure	Goal	Actual	Measure	Goal	Actual	Measure	Goal	Actual	Measure	Goal	Actual
<p>Passion and exceeding expectations.</p> <p>Support of families and family farms/businesses.</p> <p>Self improvement.</p> <p>Smart work with a dose of fun!</p> <p>Integrity.</p> <p>Results orientated.</p> <p>Striving for excellence by thinking proactively.</p> <p>Act stewardly.</p>	<p>Provide fair and orderly marketing in the BC Hatching Egg sector.</p>	<p>Levy is at @ 2 cents</p> <p>Allocation @ 100%</p> <p>Cost recovery @ 100%</p> <p>Salable chick average hatch @ 95%</p>	<p>Levy is at @ 2 cents</p> <p>Allocation @ 100%</p> <p>Cost recovery @ 100%</p> <p>Salable chick average hatch @ 94%</p>	<p>Levy is at @ 2 cents</p> <p>Allocation @ 100%</p> <p>Cost recovery @ 100%</p> <p>Salable chick average hatch @ 85%</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p>	
<p>Values</p>	<p>Purpose</p>	<p>Key Thrusts/Capabilities 3-5 Year Priorities (Who / #)</p>	<p>Key Initiatives 3-5 Year Priorities (Who / #)</p>	<p>Rocks &amp; Accountability Quarterly Priorities (Who &amp; Critical #)</p>	<p>Rocks &amp; Accountability Quarterly Priorities (Who &amp; Critical #)</p>	<p>Rocks &amp; Accountability Quarterly Priorities (Who &amp; Critical #)</p>	<p>Rocks &amp; Accountability Quarterly Priorities (Who &amp; Critical #)</p>	<p>Rocks &amp; Accountability Quarterly Priorities (Who &amp; Critical #)</p>	<p>Rocks &amp; Accountability Quarterly Priorities (Who &amp; Critical #)</p>	<p>Rocks &amp; Accountability Quarterly Priorities (Who &amp; Critical #)</p>	<p>Rocks &amp; Accountability Quarterly Priorities (Who &amp; Critical #)</p>	<p>Rocks &amp; Accountability Quarterly Priorities (Who &amp; Critical #)</p>	<p>Rocks &amp; Accountability Quarterly Priorities (Who &amp; Critical #)</p>	<p>Rocks &amp; Accountability Quarterly Priorities (Who &amp; Critical #)</p>	<p>Rocks &amp; Accountability Quarterly Priorities (Who &amp; Critical #)</p>	<p>Rocks &amp; Accountability Quarterly Priorities (Who &amp; Critical #)</p>	<p>Rocks &amp; Accountability Quarterly Priorities (Who &amp; Critical #)</p>	<p>Rocks &amp; Accountability Quarterly Priorities (Who &amp; Critical #)</p>
<p>BHAG</p>	<p>Sandbox / Market</p>	<p>KPI's (Who, Current / Target #)</p>	<p>Goal &amp; Reward</p>	<p>Goal &amp; Reward</p>	<p>Goal &amp; Reward</p>	<p>Goal &amp; Reward</p>	<p>Goal &amp; Reward</p>	<p>Goal &amp; Reward</p>	<p>Goal &amp; Reward</p>	<p>Goal &amp; Reward</p>	<p>Goal &amp; Reward</p>	<p>Goal &amp; Reward</p>	<p>Goal &amp; Reward</p>	<p>Goal &amp; Reward</p>	<p>Goal &amp; Reward</p>	<p>Goal &amp; Reward</p>	<p>Goal &amp; Reward</p>	<p>Goal &amp; Reward</p>
<p>British Columbia Broiler Hatching Egg Commission is the leader of the Chicken Industry in Canada.</p>	<p>British Columbia</p>	<p>1 Domestic (%) 100</p> <p>2 Surplus Removal (\$) 0</p> <p>3 Producer Levy (\$) \$0.02</p> <p>4 Number of accountability sessions 3</p> <p>5 Hatching by Hatchery weekly throughput number 80/20</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p>	



# Our annual strategic planning session produces 5 or 6 key initiatives

A few of the current ones we are challenging ourselves with are:

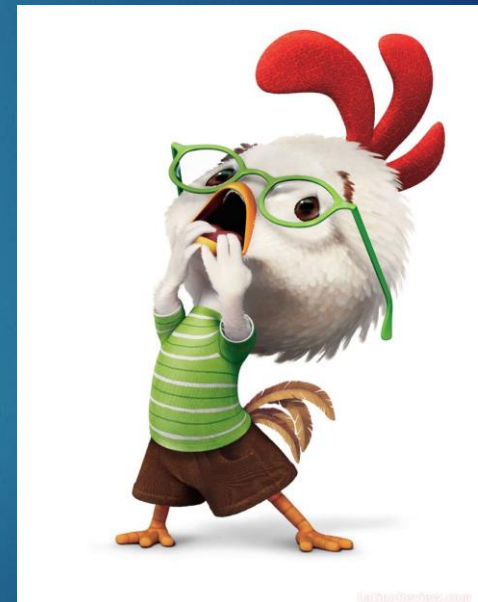
- ▶ Quota System Review
  - ▶ Including how we allocate
  - ▶ And how we are paid
- ▶ Input costs – fair and consistent for chicks and vaccine programs.
- ▶ Telling our Story
  - ▶ BC Poultry Conference
  - ▶ Charity Golf Tournament
- ▶ Emergency Preparedness



# Emergency preparedness

“Not if but when” is the approach taken.

- ▶ Though most of this preparation is done under the umbrella of the BC Poultry Association, the Commission was a leader in the 2014 AI outbreak and continues to be heavily involved in preparation should it happen again.
- ▶ Emergency Operations Center is set up and ready to go along with a complete Rapid Response strategy to ensure immediate action the instant the call comes.
- ▶ Last fall a field exercise was held simulating an actual event to test and improve the process.

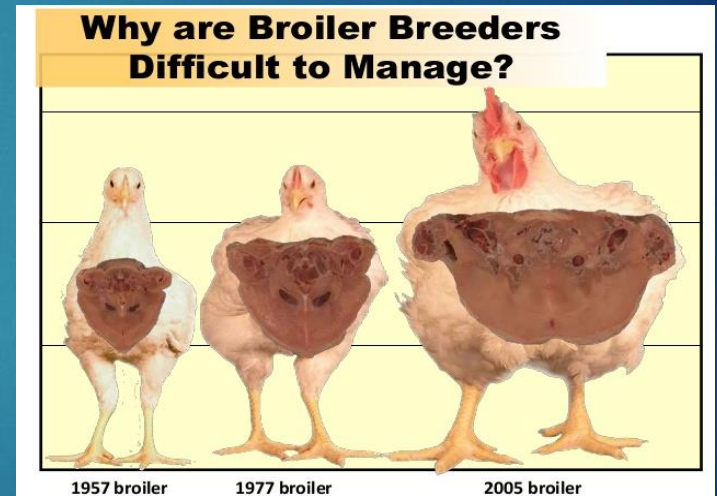


# We have Ongoing

# Challenges

Producing the right number of eggs at the right time.

- ▶ Lead time needed for ordering breeder flocks
- ▶ Changing market needs for chicken
- ▶ Changing genetics
- ▶ Trends in Meat to egg ratio
- ▶ Problem flocks
- ▶ No shelf life



# Ongoing Challenges...

## Diseases – known

- ▶ Avian Influenza
- ▶ SE – Salmonella Enteritidis
- ▶ Marek's Disease
- ▶ Etc.

## And unknown

- ▶ J - virus
- ▶ Non Avian Influenza
- ▶ Coryza
- ▶ next?





One of our biggest concerns right now is the price we are getting for our product.

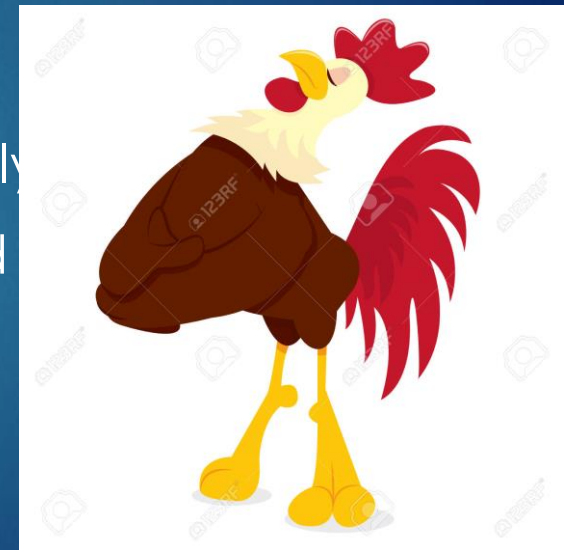
- ▶ Currently we are at 94% of COP and recently have been as low as 93%. Obviously this is not sustainable long term.
- ▶ BC Hatching Eggs is in a linkage with the BC Chicken Marketing Board to ensure equal returns between the two partners.
- ▶ Our pricing mechanism is currently being reviewed.

# A few of the management challenges of a broiler breeder

- ▶ Ratio of males to females
- ▶ Environmental conditions- springtime all the time!
- ▶ Fighting the genetics meant for the progeny (chicks)
- ▶ Vaccines and flock health
- ▶ Rodent and pest controls
- ▶ Temperature of the barn
- ▶ Temperature and humidity of the egg room
- ▶ Fertility, fertility, fertility!

# Wins and brags

- ▶ At year 3 of a 3 year levy freeze of 2 cents AFTER a 20% reduction
- ▶ Financial condition of the Commission never better
- ▶ No surplus removal for 4 years!
- ▶ Official Flock Schedule managed efficiently
- ▶ Staff and board policy manual completed
- ▶ Board orientation manual completed
- ▶ Happy hens!



# Some Fun Facts about the chicken supply chain

- ▶ There are 56 Broiler breeder farms of various sizes in the province producing 9 million dozen hatching eggs annually.
- ▶ BC represents 15% of Canadian Chicken, third largest, and produces over 161 million kgs of chicken each year!
- ▶ Eggs are picked up 2 times per week from the farm by the hatchery.
- ▶ Eggs are incubated in the hatchery for approximately 3 weeks before they are hatched.
- ▶ Producers are paid on how many “saleable chicks” are produced by the hatchery.
- ▶ 80% of hatching egg throughput in a hatchery is domestic, the other 20% is imported in our province.
- ▶ Hatching Eggs have no shelf life. They have to be incubated or further processed within 2 weeks.

