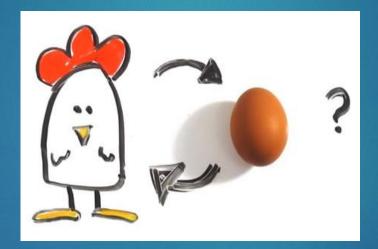
BC Hatching Eggs

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		S.W.O.T. Analysis					
BC Broiler Hatching Eggs Commission		Strengths: ¹ Culture & Credibility	Weaknesses: ¹ Lack of people resources & utilization of their strengths.	Trends: ¹ Social Media	Trends con't: ⁶ Canadian Hatching egg influences	BC	
October 2015- October 2016		² Willingness to take action.	² Reliance on relationships for efficient transactions	² Animal Care	⁷ 80/20 and imports	Hatchi	ng
		3 Board on the same page	3 In the Production system	3 Antibiotic free	8 Decommoditization of regulated product		
		4 Financial accountability	4 In the Payment system	4 Trade and supply management	9 GovernMental pressures	(CATAPULT
Confidental		5 Producer support.	⁵ Vulnerability and Financial Impact of Disease Outbreak	⁵ Rapid changes to market impacts	¹⁰ Infiltration from animal activism		VISION. PASSION. ACTION.
Confidental Core Values/Beliefs	Purpose (Why)	Targets (Where)	Goals (What)	Trimester Actions (How)	Trimester Actions (How)	Trimester Actions (How)	Benchmarks
Forever	10-30 Years	3-5 years	1st year	Trimester 1 (October -January)	Trimester 2 (February-May)	Trimester 3 (May to September)	
Values	Purpose	Year Ending2020	Year Ending 2016				
Passion and exceeding expectations.	Provide fair and	Measure Who Goal	Measure Goal Actual	Measure Goal Actual	Measure Goal Actual	Measure Goal Actual	Measure Goal Actual
Ourseast of fear live and fear live	orderly marketing in the BC Hatching Egg	Levy is at @ 2 cents	Levy is at @ 2 cents	Levy is at @ 2 cents			
Support of families and family farms/businesses.	sector.	Allocation @ 100%	Allocation @ 100%	Allocation @			
Self improvement.	300101.	Cost recovery @ 100% Saleable chick 85%	Cost recovery @ 100% Saleable chick aver 19	Cost recovery @ 100% Saleable chick average 85%			
Seir Improvement.		average batch @ 85%	Saleable chick aver 30 84%	hatch @ 85%			
Smart work with a dose of							
fun!				╵┠──┠╶┠┼───┠┼───┤			
Integrity.							
Results orientated.							
	Actions To Live Values, Purpose, BHAG	Key Thrusts/Capabilities 3-5 Year Priorities (Who / #)		Rocks & Accountability	Rocks & Accountability Quarterly Priorities (Who & Critical #)	Rocks & Accountability Quarterly Priorities (Who & Critical #)	Benchmarks of Success
Striving for excellence by	¹ Open to and be responsive	1	BUSINESS	DACHING			
thinking proactively.	to suggestions.	National or Provincial Chicken Staff & Board	Quota System Review				
		campaign	Staff				
Act stewardly.	² Communication	2			2 Use COP and linkage review to adjust	* Consult with the hatchery management, PPAC and BCCMB for input	An Accountable, transparent way to increase costs to Producers laterally.
		Minimize relation dependency for Staff & Board	Input Costs Analysis		numbers prepared by staff. Create acceptable perameters for breeder price increases in COP type structure with the	PPAC and BCCMB for input	costs to Producers laterally.
		efficent transactions	Board		hatcheries participation.		
	³ One Voice	³ Research/	3 Siaf	3 * Develop an SE Strategy with the Chicken	* Develop a monitoring and verification monram that involves assurance in the	* Implement and track data *Implement and verify data	* A fair and effective monitoring program for that is inclusive of the entire chicken supply
		Development and Staff & Board	Product Quality	Industry Develop an AMU Strategy with the chicken Industry. Create	Produer and the supply chain. Research the impacts of the removal of Cat 1		chain. *A fair and effective hatch data tracking system.
		Innovation	Board	Industry. "Create hatchery accountability and verification program with Hatchery Inspector	* Develop a voccine index with price account by the source of the source of the source of the price program that provides assumance to the Produce and the supply chain: * Research the impacts of the removal of Cut 1 astrobicics on the supply chain. * hithorduce weekly robustion wirefactorn at each		
	⁴ Willingness to take action	⁴ Develop effective	4 Board	4 * Align messaging and projects with the BCCMB to ensure chicken supply chain	* Industry- vets and other commodilies. *	* Ensure each oppurtunity is reviewed for the most impact	* Development of several ongoing "Tell Our Story" prjects that can be ssutained into the
		Government Staff & Board	Tell Our Story	BCCMB to ensure chicken supply chain consistancy. Apply for various types of funding to assist in the financial costs of this project.	Public-bloggers, social media, media * The consumer-retail, the public, others	*Continue with media training to ensure media relationships can be developed	tuture.
		relations	Staff	financial costs of this project.	Engage these groups via: the BCPC 2016, Tour oppurtunities and information sessions		
	⁵ Willingness to embrace change	^s Develop effective	5 Emergency Industry	5 * Participate in all industry committees addression Avian Influeza and the insurance	* Guide and assist in the implementation of the new and imporved strategies of the AI steering committee.	 Participate in preparedness excercises with government to ensure that the response conflues to eat better. 	* A prepared, documented and practiced response to respond to an industry event.
	Gildingo	Joint Marketing	Preparedness Board & Staff	Participate in all industry committees addressing Avian Influeza and the insurance investigation. Ensure that the Hatching Egg Commodity is	commune .	contais a ger bear.	
		Board relationships	, Board & Stat	prepared for an event at any time.		% Completed	% Completed
			•	% Completed	% Completed	•	% Completed
	BHAG British Columbia Broiler	Sandbox / Market	KPI's (Who, Current / Target #	Goal & Reward	Goal & Reward	Goal & Reward	
	Hatching Egg Commission is the leader of the Chicken	British Columbia	100 100				
	Industry in Canada.		Surplus Removal (\$) 0				
			3 Producer Levy (\$) \$0.02				
			⁴ Number of accountability sessions 3				
]]]	5 Hatchery by Hatchery weekly throughput				
		1	number 80/20				
		J [L J					
			8				
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Our annual strategic planning session produces 5 orlioide y initiatives

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



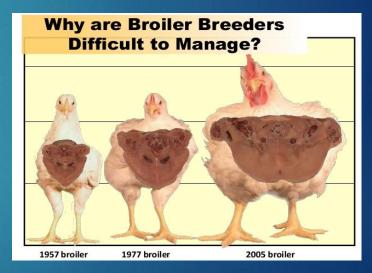
Emergency, preparedness approach taken.

- 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 Challenge Sht 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 temales for Frighting 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.

