

## Survey Summary of the 2019 Draft Proposals

### Background

EFC has ratified a National Quota Allocation of 27,432,857 layers which represents an additional 1,443,475 layers for the country and 202,110 additional layers for BC, representing a 6.48% increase in quota for the province.

BC Egg's goal is to streamline the quota allocation process going forward to ensure that growth quota is allocated in a timely manner and BC egg producers are meeting market demand. In addition, BCFIRB has directed "the Egg Board to aggressively pursue other public policy objectives over the next year. These include demonstrating that the Egg Board has identified and considered such opportunities as: bringing in additional new entrants beyond the 12 committed to in its request (including supporting early entry to production where feasible); regional and value added opportunities; and, other measures to use quota allocations to sustain the overall market demand for BC eggs."

BC Egg proposed the following policies to provide assurances that we have met, and will continue to meet, the requirements as outlined by BC FIRB, as well as meet the SAFETI Principles and Regulated Marketing Economic Policy of the BC Ministry of Agriculture.

1. Temporary Allotment Policy and Procedures
2. New Producer Program Policy and Procedures
3. Quota Allocation Policy and Procedures
4. Reserve Policy and Procedures

The survey, requesting participants to review the documents and provide feedback, was conducted from March 8 to April 15, 2019.

### Survey Responses

The survey was sent to 202 respondents including producers, graders, processors, allied trades, and was made available on the public website. In total, 102 completed survey responses were received from various stakeholder segments.

Key findings from the survey include the following:

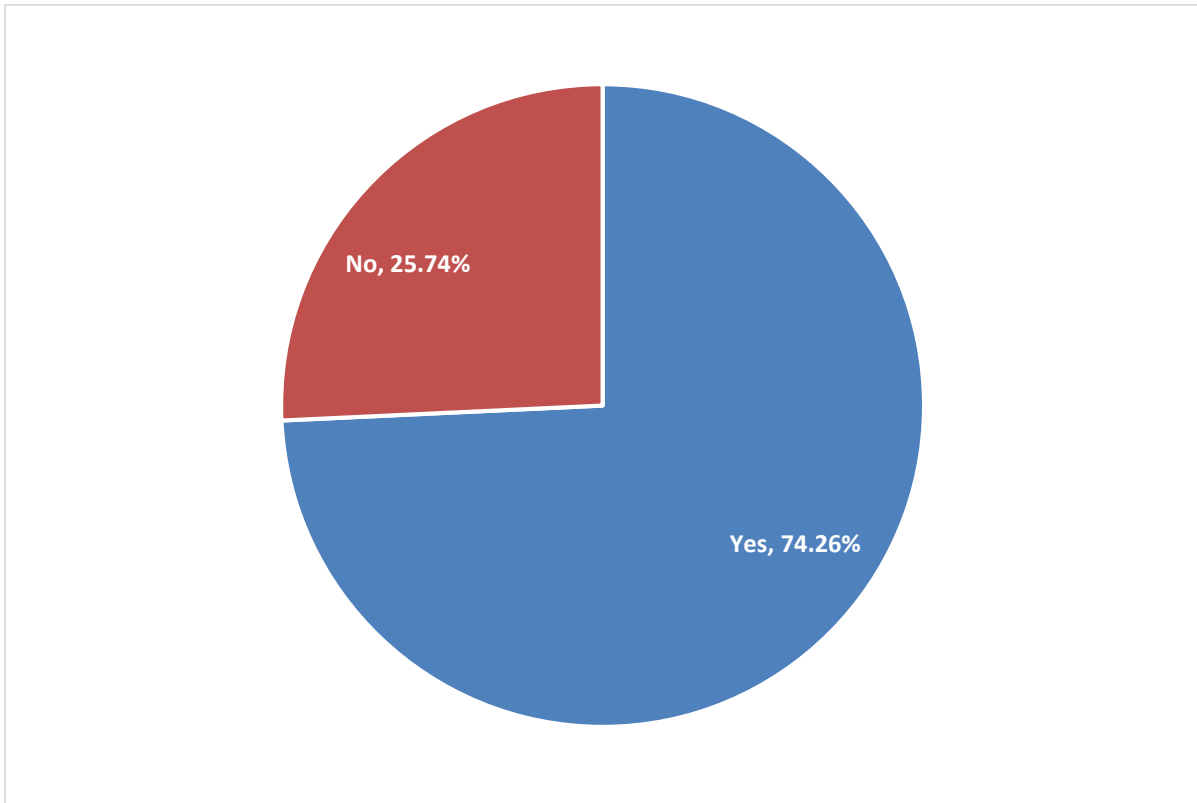
- A large majority of respondents supported the proposals as presented – 74% for the Draft Temporary Allotment Policy and Procedures; 86% for the Draft New Producer Program Policy and Procedures; 84% for the Quota Allocation Policy and Procedures; 94% for the Reserve Policy and Procedures.
- Some of the comments, options and alternate solutions provided by respondents centered around additional quota for lease or to own for New Producer Program winners and New Entrants (small producers). Regarding the Draft Temporary Allotment Program, 4 respondents believed that NPP/New Entrants should be able to lease 2,000 units rather than only 1,000 quota units, and 1 respondent suggested leasing 3,000 units. Regarding the Draft New Producer Program, 4 respondents suggested 5,000 quota units as a starting point rather than 3,000 units and 1 respondent suggested 6,000 units. Further analysis of these survey responses indicated that 2 of 5 respondents were from the public, and that the same 5 respondents provided the comments for both the Draft NPP and TAP.

The 3 respondents represented 3.19% of producer respondents, 8.3% of small farm respondents, and 11.5% of NPP winner respondents.

# Report for Allocation Consultation

Allocation Consultation

## 1. Do you support the Temporary Allotment Policy and Procedures as presented?



Value	Percent	Count
Yes	74.26%	75
No	25.74%	26
	Totals	101

**2. If you answered No, please provide details on the program elements that you do not support and suggest alternatives.**

Response ID	Response
4	Like to have the ground zero for growth start at program start to give more of the New entrants a chance at the lease
5	A temporary allotment to increase a flock to 4000 birds, is a benefit to feed companies and graders for their efficiency's. 1000 bird temporary allotment with 1 dollar a bird charge and applicable levies will help a new entrants cash flow, but it does not help a new entrants equity position. Capital is what a new farmer need to be able to grow their business. If the board had a 1:1 buying policy for new entrants to build their base quota that would be a benefit to everyone.
15	Applicants for Pool B need more advance notice to be able to place the extra hens. Could the application process happen sooner to allow producers to adjust so that the lease pool adds more hens to production rather than simply displacing quota credit usage? Smaller producers with 1 or 2 flocks would have difficulty making effective use of pool B as they don't have as much flexibility in placing birds.
22	I don't agree with the Temporary Allotment Policy because smaller regular producers like myself with 3000 quota units are dealing with the same challenges as the New Entrants. Regular producers (3000 quota units) and there suppliers including feed companies and graders are facing the same challenges as outlined in the Policies and Procedures Draft. Why should new entrants who didn't pay for there quota and farmed for a shorter period get the benefits of receiving 1000 quota units for 5 years. Regular small producers that have farmed there quota longer then a New Entrant should qualify first over a New Entrant for the Temporary Allotment Program. Regular producers with around 3000 quota units should have the same opportunity as a new entrant and benefit from the Temporary Allotment Program. We also want to reinvest into our farms and expand our operations as outlined in the Temporary Allotment Program Policies and Procedures Draft. Some producers like myself have already invested significantly into there operations to meet the new housing standards for 2020.
33	Please refer to the final comment on the survey.
36	I don't support this as I think new entrants should have to find quota in the marketplace like everyone else. Im in favour of giving more quota on the next draw to new entrants. The current new entrants have all cash flow based on 3000 birds.
40	This policy once again favors farmers with less investment and less risk exposure than farmers who have invested heavily. If I purchase a new larger farm I have significantly higher risk exposure than a small farm, ignoring the fact that most of the small new producers received their quota at no cost to themselves. The problem is this... We give them free quota so they can get into the industry. When is it enough? Free quota, extra growth, 5 year leases. Some of us have significant debt levels we are trying to cashflow based on quota prices that are inflated due to growth trends. Can we get some help?
42	Like to see it go to 5000 bird farm size not 4000 limit
45	The 30 day to let the board know what we plan on doing for the next five years seems short. We end up with very little profit after we pay fees. would prefer a buy one get one program.

49	<p>9- A producer may not sell quota credits or lease quota out to another producer while participating in the program This is my problem with the program. 1-Leasing so I agree that you can't lease out Quota and then Lease from any of the pools. But QC' selling or Trading should be allowed as that will put even more birds in the barns. There is also times that you might be a few weeks short at the end of your cycle in QC's. At that point some producers trade to cover them off until they get enough to trade back. By doing this you will forgo any chance to take part in the leasing pools. What that will do is lead to thinning out or depopulating early when those birds should still be in the barn producing.</p>
60	<p>The people who are new entrants have money. People who could benefit from the new entrant program don't have a chance to get into this industry. These people don't need help.</p>
63	<p>I don't agree that the specialty guys get extra quota than the regular egg white guys</p>
67	<p>The purpose of this program, aside from providing new (small) producers with an opportunity to grow quicker and plan for growth more effectively, is to have quota produced. I was hoping in this next year to purchase some QC's and had made an agreement with another producer to do so. I have placed extra chicks that are now 10 weeks old with the intention of running QC's which I am yet to purchase. I had accounted for an increase but with the proposed increase strategy I would be approximately 40000 QC's short for my next cycle. This leaves me to kill 1000 chicks and cut my losses unless I can convince someone with quota credits to sell them to me and forfeit their ability to apply for the temporary pool B increase. Although I understand that this means that some producers will get lease pool B quota and sell QCs but ultimately I think that if more quota is in production we all win.b</p>
71	<p>I agree to getting the quota into production as soon as possible This only helps new entrants who have not received many increases I do not think the amount one is able to lease should be cut back because of quota already received. One of the criteria should also be if a new entrant has the capacity to accommodate the additional hens.</p>
73	<p>This plan benefits mostly New Producers. If we made these 24,000 available for purchasing, as opposed to only leasing the new producers can now rely on that income/ equity. The money paid to The BC Egg Board could put towards making levies cheaper and marketing. Then all the farmers would benefit from it. Also by giving them the choice of either leasing or purchasing the 1000 units, it will show you which of the the new entrants are in it for the long haul.</p>
82	<p>I think new producers should be treated the same as all producers. They were already vetted and proved that they can succeed with 3000 hens.</p>
86	<p>It's not that I do not support it but why not let the new entrants buy that quota? We're still not meeting out specialty market demand. If we are able to buy more quota and rely on it not just for the next 5 years and it will tell you who's there for the long haul. With that money from the quota purchases it could go back to all the farmers by reducing levy fees and it can also add towards marketing creating more allocations for everybody which now it will benefit everybody not just the new entrants.</p>
87	<p>Farm sizeshould allow lease up to 5000 birds</p>
89	<p>This is an expensive industry to get into Majority have paid to enter the industry The individuals that have entered the industry unsubsidized have made the industry into what it is today. Many of us have endured farm purchases and then quota cuts and still had to make a go of it</p>

97	<p>They should allow more growth to small producers who have bought their quota and can not access any instead of giving it all to the big producers and to the new entrants. I am not opposed to give free quota to people who win the draw but there are also producers who bought everything and cannot grow because there is no quota available on the exchange under proportional allocation they get very little compared to the big producers.</p>
98	<p>There should be more quota made available to small producers instead of giving it to new entrants and large producers. I am not against starting new entrants but they get a fair amount of free quota and some of the quota allocation should also go to small producers who purchased all their quota and cannot access any on the exchange. If you allocate most of it to new entrants and pro rata to large producers then the small ones will fall further and further behind.</p>
99	<p>If new entrants get involved in the industry( given 3000 birds) they should be required to purchase 3000 birds to make them more efficient and viable. Quota should be available for them to purchase, which would mean the old producers would be able to sell once without penalty and are not eligible for growth for one year. Which would create quota to purchase</p>
105	<p>No allowing all new entrance to be able to apply for the full 1000, regardless of when they started or if they have already bought quota if not helping them grow. If someone apply for the 1000 allocation and already have 3500 birds why would they need to remove the quota bought or allocated in order to receive the new allocation, if we want to have new entrant make a sustainable business we should look at giving them opportunities to own that quota, once they reach a number of birds that will allow them to farm without have to work a second job. Other province have lease quota available to new entrant, Quebec will give a new entrant access to lease 3-4000 units over the the initial 6000 from the lottery. I think that it would better benefit the new entrant and the industry if the 1000 allocation was leased and owned after 10 years and be eligible to benefit for the quota increase when they happen instead of the allocation for the 5 years and not been eligible to quota increase. It's hard enough to foresee what is going to happen a year from now, if we need to invest to expend a barn and add equipment we need to be able to know that we will have growth to fill the barn, expending for 1000 birds is just not feasible, it cost too much to shut down to expend if it's only for an extra 1000 birds but at the same time investing enough to add 3 to 4000 birds would require leasing more than just a 1000 units and for longer than 5 years.</p>
106	<p>The suggested lease program for new entrants is a start in the right direction but fails in a few areas. 1. 30 days is to short a sign up period for a Producer-Vendor who has to develop a marketing plan. 2. New Producers will start building to expect the lease option but will be at a loss if no quota comes up for sale to replace it. 3. Much the same as #2, Producer-Vendors or Graders who utilize the program will develop markets for the lease quota with the possibility of having to drop customers once lease is over. This means that any gains made with additional lease quota may be erased with added marketing challenges with no clear plan of continued supply. 4. The lease program in many ways is developed for a main stream, lower mainland New Entrant and does very little or anything for New Entrants in the interior who are Producer-Vendors or Producer-Graders or for New Entrants selling to a small egg grading station. For a Producer-Grader, permanent use of quota is paramount. 5. Most New Entrants from previous draw will not be able to use the program. If it were larger, more producer could take part. Something closer to a buy 1 get would with permanent use of quota would create more stability for New Producers. It is presumed that expansion quota cannot be sold to producers. With that in mind, 2000 birds could be offered to New Entrants with a yearly fee of \$18/b which would be very close to buy 1000 get 1000. If its a bandaid solution that is desired, the current lease program idea may fit that well.</p>
107	<p>1000 birds with levy and \$1 per hen per month is doing so little in making extra money for the small farm it is not worth the bother of having a program. Just do a one time adjustment on this allocation to put the new entrants to 5000 and keep it there for future draws. it would take roughly half of this coming allocation and</p>

	done deal. No programs that are complicated and in the end do very little to help the situation. also out of nowhere enriched all of a sudden became a priority?
126	I think it wise if FIR B got rid of all the claw backs so that producers who want to get out the industry can put their quota on the exchange and any one who wants to can then purchase what ever they want
127	Pool B should be distributed as discussed (sleeve) at the producer meeting held March 1/19 in Vancouver.
128	Pool B should be distributed as discussed (sleeve) at the producer meeting held March 1/19 in Vancouver.
129	Pool B should be distributed as discussed (sleeve) at the producer meeting held March 1/19 in Vancouver.
142	I am not in favor of free quota for the new entrant program as we had to scrimp and save to purchase ours. I believe that if people want to farm, they should have to make the same sacrifices that alot of producers made. It was not easy for us as we had to borrow and pay for every bird on our farm to get started.

### 3. General comments.

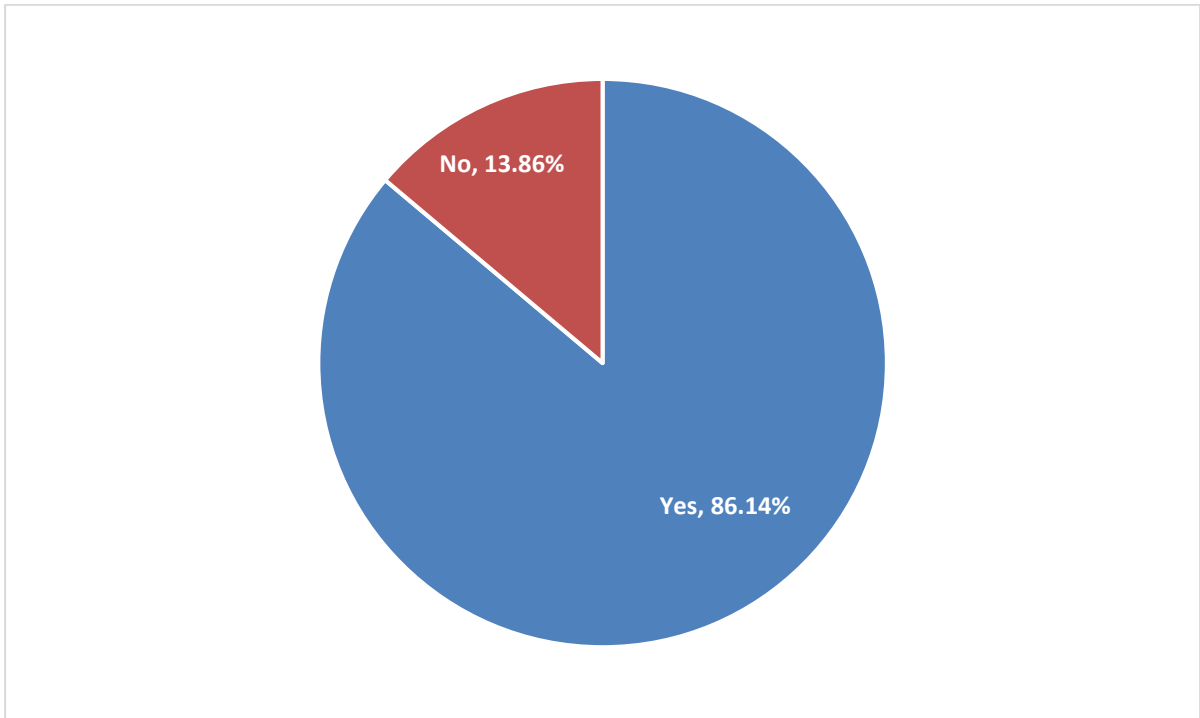
Response ID	Response
5	The lease pool is not fair to all producers. It takes all the farmers in our industry to fill the market demands. I think a sleeve available to all producers would be a good option to fill the market demand in a timely manner
15	Pool A does a good job of supporting new entrants and providing a stable operation over the first few years of operation which should grant the opportunity to grow through allocations or purchase of quota.
16	Temporary allotment qty should be 2000
17	I am a new entrant, and modestly built our barn of a size to house 3500 birds (depending on EFC measurements). I recognize that we built the barn for a specific purpose, but nevertheless, with the speciality allocation and pro rata allocation granted last fall, we are basically at that barns capacity. If I were to purchase another farm, independent of ours, and It had more space then quota allowed, would I be able to lease quota from this pool, to help fill it.
18	However, I do not understand the reserve requirements. Are those annual numbers ? If it is total quota units , it doesn't add up . I also think the fee for of \$1 month plus levies is too high. The cost would be \$22/per year lease cost. Doesn't make it attractive to a enriched or conventional system. Seems unfair.
20	I hope Grader sign off does not prove to be a barrier to any producers.
21	I think its a great way to give the new entrants a little boost in quota, by he end of the lease id imagine we would be around 4000 birds quota so that will defiantly help with the business.
22	I think the program should include long term small regular producers that have more invested then a New Entrant.
28	What will be the maximum number of birds allowed as a new entrant if a producer purchased a farm or quota to enter the industry. Consideration should be given to indicate that this program is to be market driven and a tool to augment growth, rather than defining the efficient farm size is 4000 hens. There could be mixed messaging being implied that 4000 should be the NPP default size.
33	The data used in this rationale is not accurate. 3000 is not enough to sustain farming. Leased quota can not be financed. New Producer quota amount needs to be increased as there are significant rising costs to land, building costs, and no opportunity to purchase quota on exchange. Plus organic requirements increase costs significantly. Increase quota amount for New Producers to 6000.
34	I like the fact that the temporary allotment helps new producers while not giving what may be considered too much.
39	this will assist all industry partners to be more profitable when dealing with smaller flock sizes



41	s an advisor I feel the temporary allotment will help the new producer earn the revenues required to allow them to grow
47	Policy looks good to me.
53	I support it in general but have concerns that it favours new entrants too much.
54	We need balance on all side of the industry
55	I hope Grader approval of production type (or disapproval) does not prevent any producers from using the program.
68	Hopefully new entrants see this as a way to may their "lottery winning" more viable. My fear is that we will have a hard time satisfying them no matter where we send allocations.
71	This will not be much of benefit to us since we have been in it for a while now and have received allotments we will not qualify for many birds As a small producer expanding a facility with the hope of getting more quota is costly and hard to support with out additional income. We have expanded the barn at a cost and we are not at capacity. if we could fill the barn with lease quota or additional allocations it could make it more viable to expand in the future.
82	If the board has determined that this is not enough because the allied trades say so make sure future lottery winners get more quota.The allied trades will just increase their prices to accommodate small flocks.
86	The 1000 hen lease should be available for sale or lease. It will tell you who is in for the long haul.
89	With regard to feed companies and egg graders, for new entrance there should be a premium that they pay to the grader and the feed companies for services provided ie. Saskatchewan charge a premium for small lot pick ups
91	It is a good policy. It is there to give them a start and for 5yeas have extra 5000 birds to help cash flow. It has never been a policy to make it 100% cash flow but just a means too become eeg farmers.
95	The policy looks good. 3000 birds with another 1000 birds lease for up to five yeas looks good to me. The NPP was never intended to be farm that would totally cash flow. It was to give a person the opportunity to start farming.
103	I know this might have been mentioned before. Is there projections on how much quota is in the reserve for Pool B?
106	The kind of growth the egg industry has been given cannot continue indefinitely. Here is an opportunity to create viable farms that will help sustain a viable industry. Although much support was given that 3000 birds for NPP is sufficient, it is highly probably that few with that opinion have tried making a farm viable with 3,000 birds. Unless a NPP winner happens to have a lot of money to invest in the industry, it is still a tough pull to grow and make a living wage off a NPP farm. Different provinces such as Saskatchewan and Manitoba have been giving New Producers enough quota that winners take their farms seriously. Also, some provinces have bumped all small producers up to a size where the farm becomes viable and more

	<p>efficient for the industry players. With this large increase, now is the time to take serious steps that go beyond a basic lease program. A bright side to the current NPP is that it forces New Producers to be creative in their approach. Most NPP winners are thankful for a chance to start in the industry yet reality shows that massive challenges exist with such small farms.</p>
112	<p>This is a good thing for new producers. They have a great opportunity here, considering they haven't had to buy quota.</p>
115	<p>I believe if this is the one way we can get the quota to the producers so that the eggs can be shipped, and FIRB can work with this, and some of the new producer concerns are met, then lets do it.</p>
125	<p>Pro rata to all producers would be better.</p>
126	<p>Get the exchange working like it should</p>
132	<p>If I'm understanding it correctly, we would qualify for the quota issuance since we were new entrants in 2011. My concern is whether we have space in our barn for more birds. I know that hindsight is 20-20 and not wanting to sound ungrateful, but it would have been nice to have the original issued amount to be higher. The past "new producers" will face financial/upgrade issues to ensure proper space. It appears that we already need to upgrade our round feeders to provide more feeding space and we aren't even 10 years old.</p>
135	<p>Consider increasing the amount available for TAP, to 2000 or 3000. This would help address the concerns of allied trades, and create a more viable business from the first placement. The NPP should have done work to show that they are capable of managing large lorries on their property, as well as sales avenues for all their eggs.</p>

**4. Do you support the New Producer Program Policy and Procedures as presented?**



Value	Percent	Count
Yes	86.14%	87
No	13.86%	14
	Totals	101

**5. If you answered No, please provide details on the program elements that you do not support and suggest alternatives.**

Response ID	Response
8	Do not support we /government needs to control unregulated production before it gives out more quotas
19	While I understand why BCFirb is so instant about attempting to have new producers, I believe in reality their goal will not achieve their intended result. Lets face it.. farming is essentially an industry that you are born into. Even if you happen to WIN free quota the capital investment is huge.. what with land, buildings equipment etc. So the result they end up with are children of current growers or people who are somewhat connected to either current egg producers or other supply managed families.... So are these really NEW producers? Those who are so desperate or so desired to get into farming will naturally (in most cases) be assisted to enter the industry via their families naturally... this program simply lets a few who's names are picked by luck, the ability to get some free quota.. and the result is now the industry finding that these small growers have issues getting their product picked up due to the pick up costs for these small #s, the feed delivery costs for small amounts etc, etc... Make transfers with families super easy and your will naturally have new growers !!!
22	I have outlined my concerns in the Temporary Allotment Program Policies and Procedures
33	Multiple family members qualifying for the draw creates a group of family that needs to be relied on in order to start up a farm. Eliminating the ability of family members to enter the draw is discriminatory and takes away the opportunity for families to farm together. If the names Producer amount is only 3000 then it is not viable without others to rely on and contribute. Do not limit the amount of family members who can enter the draw as anyone who qualifies and has a committed intrest in farming should be considered.
35	Cancel the program. In 5 years start up a new program that offers incentives when new people to join the industry. This will ensure that farmers are truly active and engaged. Cut back on the freebies.
45	The 30 day to let the board know what we plan on doing for the next five years seems short. We end up with very little profit if any after we pay fees.
60	Only people who have money are given the opportunity to get into this industry.
89	As stated previously
99	New Producer entrants should be required to purchase additional quota to make farm efficient.
105	A more sustainable number of 5000 units would make more sense to start with opportunities to lease quota.
107	5000
125	I am not sure why there is such a burning passion to help more people get into farming for free when others bought in and that was their choice and they have succeeded just fine. Also what about the producers who have farmed for a long time and have gone thru the ups and downs and bear just as much or more risk then the small producers.

126	There are far too many being started one or two max per year and only when there is growth from E f c
132	Maybe, a grant for farm upgrades for the older "new producers". :)

## 6. General comments.

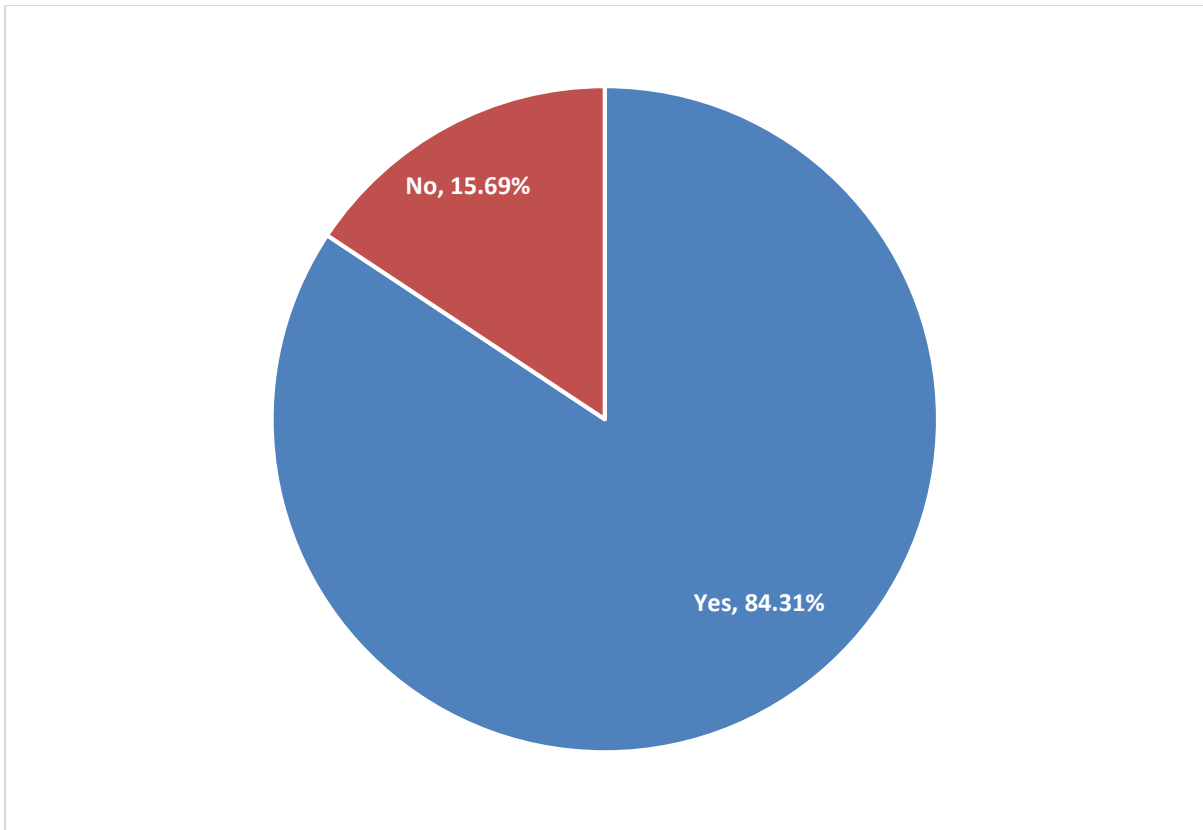
Response ID	Response
5	It's a good program that creates opportunities for new producers to enter our industry.
8	If we shut down all unregulated production are whole industry would be safer and we would have a lot more birds worth of quota to hand out
11	-I like the focus of trying to get long term committed farmers. -Care needs to be taken that applicants are not judged solely on accounting and legalese skills. Good farmers aren't necessarily accountants and lawyers.
12	New producers financial plan should not include backing by family members who own dairy, broiler, etc quota. Before being eligible to enter the lottery, the participant should be required to attend a 10 day course including animal husbandry, equipment types, audit requirements, etc to show that they are committed to the industry. If you can't give up 10 days before are you really committed to years of being a farmer.
15	The change in weighing of the business plan v. Essay from 25/75 to 75/25 is an important change. As a successful NPP applicant from past draws I was surprised when so little weight was given to the business plan previously. The establishing of a minimum score on both sections will help ensure the program introduces producers committed to the industry. Increasing the application fee is also important in ensuring only those seriously interested apply. I think it is also important that the application fees cover all costs of administering the program. NPP applicants are hoping for a great opportunity and at the very least they should be committed enough to cover the costs of the program.
17	By raising the \$750 commitment to apply, and thus deterring potential repeat applicants, it would be interesting to see if the reduction in applications would still cover the costs to run the program. I know as a previous winner, I would not balk at the application cost of \$750 to have both my spouse and I apply.
18	6000 units annually is adequate for this program
21	I think having a face to face interview with potential new entrants will be a great idea and that way we can weed out anyone who wouldn't be the right fit. Having actual farmers on the interview board I think will also really help with the process.
28	It's important to communicate that 3000 hens is an adequate number of birds to start a farm, considering this is free quota. The way allocations are segmented, new entrants will more than likely increase their farm size proportionally more than established farmers. In addition, new entrants will also potentially benefit from the temporary lease program.
34	I'd like to see some consideration given on FIRB's part to what affect the high number of New Entrants is having on BC's egg industry competitiveness. Are we creating economically viable farms and what affect will it have on COP calculations and retail egg price for the consumer? Also, from a biosecurity standpoint, are we creating more risk if we have a higher number of small farms in a given area? Should the industry start requiring minimum setbacks from existing EPU's?
39	3,000 birds along with access to additional birds should set up a new producer for success while also allowing them to expand their operation to a profitable size

40	I think looking at options of including the current unregulated industry in the more remote areas of the province into our system is a positive move away from simply giving more quota out in the already highly competitive areas of our province.
41	the allotment is an incentive that will encourage producers to grow and stay in the industry
49	The pool A makes sense as long as there is a need at the grader level in that production type. Plus pool A should only get them to 4,000 and then move to Pool B. You just need to safeguard against current producers spiting farms to look to take advantage of the new allocations. Plus when sending a application in it needs to be less of a "I want to farm" and more how am I going to "farm and support the farm." More business plan less essay
53	Perhaps the amount of quota initially given to new entrants should be 4000 birds and the temporary allotment not be implemented.
59	Caution must be exercised so we don't create an inefficient industry. We now have enough new entrants. should be reviewed again in 5 years.
60	This program only helps those who have money.
68	I believe we are in a situation where we have to accept the policies put forward. It's very clear that the NPP is a burden on our industry but I know there is no easy way to fix this without abolishing the program.
71	My comment would be I am thankful for the 3000 given but 5000 makes more sense and would make it easier to expand. The rest of Canada gives 5000. 6-7000 hens in a non-conventional facility is workable. A new entrant receiving 5000 could easily build for 6-7000 Which would allow for some growth with out to much extra capital outlay Receiving 3000 and allowing for some growth would be more costly and then also more costly to later expand to a 6-7000 bird facility As in my case I had to do some demolition and renovation .as well as one month down time to do the tiein. For the rest I am good with the program
85	There such be no more then the current policy allows for
89	As stated previously
90	In future draws if there is going to be a separate draw for small lot permit holders again as in the 2017 draw. I feel there needs to be an inspection process prior to the draw to ensure that the small lot permit holders who apply in the draw, are actively farming and marketing their eggs with their permit. Not just having a small lot permit for the sole purpose of being able to put their name in the draw, and not even egg farming with it...
91	I agree with policy as it's written.
95	Nothing has changed over the years FIRB still wants consultations before the BCEMB can allocate. I agree with the policy that the board has put together.
106	Previous quota holder from outside BC should be allowed to participate in the NPP. First, not all quota holders have profited much from being in the industry. Second, sometimes the knowledge from being in the industry could actually help a New Producer be successful. Some thought is being given for smaller flocks

	<p>for the interior. Some capital and industry experience is needful for this to be a success. If the candidate has some previous experience in SM, is it actually fair and good to exclude them from the draw? Draws for Producer-Graders should be held the same year the quota is to be given. If someone needs to write a business plan commencing 3 years later, it won't be accurate or taken seriously when looking for pricing, markets, etc. Producer-Graders should be allowed to start smaller the 3000 birds and work their way up. Although this could cause problems with allocation, it would make it easier to start and then grow. For instance, yr 1 would be 1500 birds, yr 2 2500 birds and yr 3 3000 birds.</p>
115	<p>I don't think we have a choice, moving forward, whether or not we introduce new producers. That being said, I think we all have to agree that the new producers have added a pretty huge burden to the industry. Hopefully Fir and some of these producers realize that the program was never intended to make a family self sufficient with just layers. How we started was with "skin in the game", and certainly not with brand new state of the art facilities.</p>
123	<p>There should only be New producers started when there is growth from e f c not every year</p>



**7. Do you support the Quota Allocation Policy and Procedures as presented?**



Value	Percent	Count
Yes	84.31%	86
No	15.69%	16
	Totals	102

**8. If you answered No, please provide details on the program elements that you do not support and suggest alternatives.**

Response ID	Response
8	Pro rated
9	Step wise equal distribution should be slightly more aggressive in order to better meet objectives - ie. 150-200-250units
18	I have no issue with the equal distribution and pro-rata allocation process. But I do not think it is fair to punish conventional cage producers by withholding allocation. Some have heavily invested in these system only a few years ago and the systems are not old. It would be very costly to replace. Also, there has already been a timeline of 2036 to have all systems changed over. I do not think the board should be moving the timelines again since there already is one in place. My point is-producers are aware things are changing but the board does not have to step in to push it even more. I would like to know why the board is pushing for this? I do not recall other provinces having this requirement in place. There is no need for it.
19	My feelings are that if you adhere to current standards then you should qualify for an equal share. To give those who have invested in enriched systems simply because their current facilities needed upgrading additional quota because "they are moving into the new direction"... is unfair to those who built a facility in the last 10-15 years (and who were simply following the rules of the day) and who will build new, but not until their facilities are in need of replacing is simply unfair. If you are adhering to he rules, your are adhering to the rules. Also the argument that this additional quota is meant to be a carrot to those to rebuild is a stretch..
22	Again as I stated before smaller existing producers should have the same opportunities to expand and reinvest like new entrants
40	I have a significant problem with the equal distribution portion of this proposal. Equal distribution completely sways the allocation towards smaller, less invested operations. Pro Rata is the only fair way to allocate growth as it represents a fair balance of risk to reward. The amount invested returns a set percentage of growth. Perhaps we should ask Apple to start paying out dividends partially as an equal distribution since smaller shareholders feel they are receiving enough? You can't keep taking away from the farmers who have invested so much back into the industry for years. First new entrants, then more new entrants, then equal distribution to get them more growth, then a special lease pool to give them even more. Pick one angle and stick to it. The new entrant program in BC is extremely successful. Leading to many valuable members of our industry. They are proof that more help is not necessary and that using the current new entrant opportunity given, along with hardwork and commitment to success is enough to thrive in the BC industry. If we keep making things easier and easier for them, you will not have the hardworking, committed people in the industry that we value so highly. Go pro rata. Give people a return for what they invest.
60	I believe it supports alternative production unfairly.
63	The quota should be given out by pro-rata , that is the only fair way . You say you want to be market responsive but you increase production in areas that we can't sell the eggs , that makes no sense . Let the market tell us when to switch over the production . We have a deadline date and most farmers will be there at that time , we have to work with the grading stations because in the end they sell the eggs . If you can't sell the eggs , it costs all of us to remove them and break them.

66	On page 4, #3, how does equal distribution promote animal care? If we are to pass our Animal Care audit, to be eligible, then this doesnt make sense. I would like to see this statement taken out of this policy. Also on page 4, 2a - I had understood at the March meeting that the minimum number of birds was 5000, not 4000 as written. Has this changed?
85	Outside of new entrant people it should be all pro rata because when cut backs come how will you remove excess birds it has to be the same way that you gave them out
89	Did not support the quota allocation program for NPP
98	please see comments following question 3
106	With the current plan, most of the growth quota will be distributed pro-rata. Is this the best way to distribute growth quota? If its actually about making a stronger industry, its the smaller farms that need growth. Why not have a small pro-rate and the rest distributed though multi tiers. The public wants to see small farms prosper and supply management gets a lot of support from the image of maintaining viable small farms. Giving large amounts of quota to large investors will do nothing to keep public support.
107	see page #1
123	While I support the policy it's important to be fair to all producers with a prorata policy
125	should be all pro rata 90-10

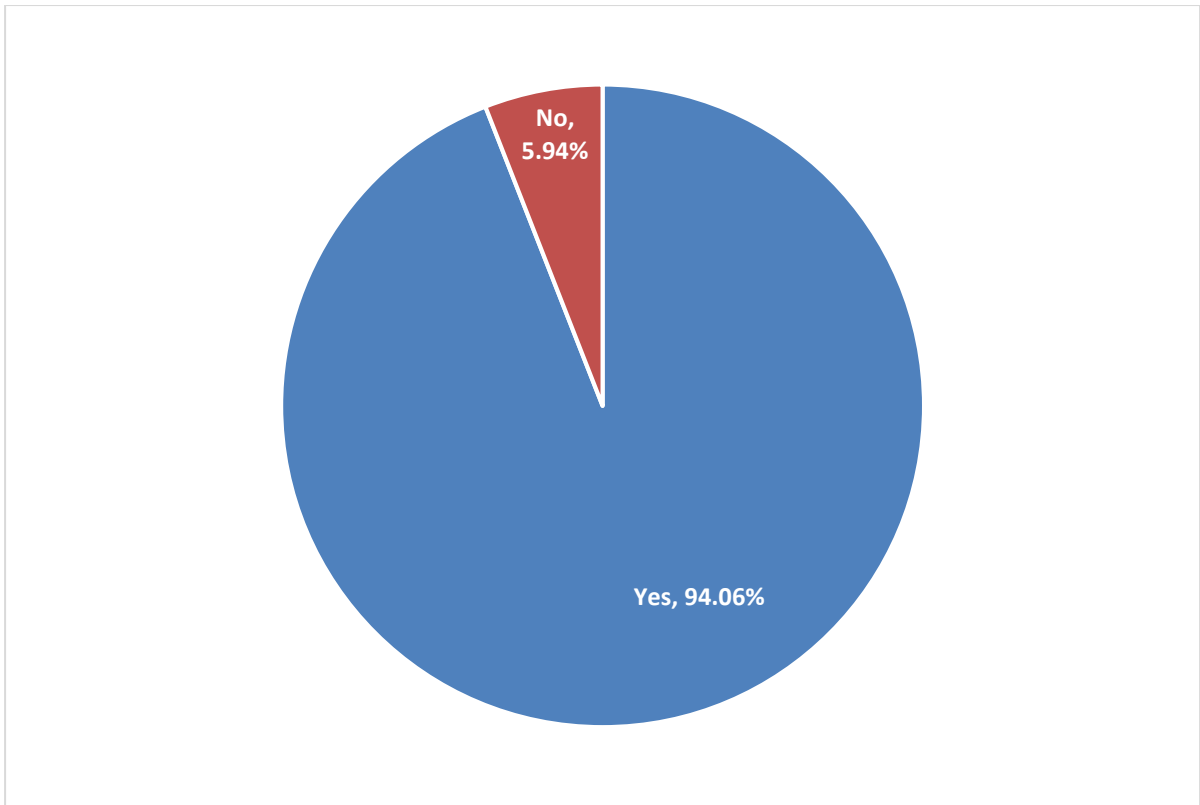
## 9. General comments.

Response ID	Response
5	It meets the requirements of FIRB. With 3 years to be able to build facilities and become eligible for the equal distribution quota it make it possible for every producer to receive all their allotted quota.
8	Only give to people that are invested in the industry
9	Othwise looks good
11	The equal distribution method targeting alternative production looks good politically. However, it does not seem to do a good job of increasing production where there are market shortages.
12	Include a plan on quota clawbacks that matches allocations.
15	The balance of equal distribution and pro-rata is effective in encouraging producers to move towards non-conventional production. The three-year time period to place your non-conventional birds is fair as producers have ample time to plan for construction or renovations regardless of where their current flock cycles fall. Gradually increasing the equal distribution amount adds further encouragement to producers to upgrade.
28	Meeting with FIRB prior to sending the final document is critical so that they understand the implications of the suggested allocation.
35	If this helps expedite our FIRB approvals then I like it.
42	Need to continue this type of allocation to help smaller farms grow
47	I like what I see
51	Still would prefer pro rata but get that thats not an option at this time or the near future....
59	prorata is still the most equitable way for allocating growth. we cannot assume that there will not be quota reductions in future, so how would this be handled .
67	Although I do believe that this program is a positive step in the direction that FIRB would like us to move I do not understand why FIRB would accept this allocation proposal. Ultimately FIRB provides directives in terms of percentage allocation and when we submit a proposal in terms of set numbers I believe it sends a message to FIRB that we are trying to circumvent their allocation directives and in a sense we are. The first equal distribution of 100 birds per specialty producers combined with the quota allocated to either temporary lease pools or the NPP does not reach 30% of the overall increase, indicating that more than 70% of the increase will be pro-rata, a clear violation of FIRB's directive. Again, I do think that this is a great program, I would however be genuinely surprised if FIRB approved this strategy and think that we should submit programs in terms of percentage of allocation as it indicates to FIRB that we clearly understand and would like to comply with their directives.

68	If this is what it takes to get FIRB to dole out the quota as we need it, and not lag behind market needs without every allocation, then I guess this is how we have to approach things. New entrants get a fair shot, and the pro rata version of allocation gives everyone else fair growth. And as the policy states, speeds up the farmers who still need to change their housing issues.
71	I am in favor of the the equal allocation, I also acknowledge that longevity has had some impact on the market demand, but the public is creating the market demand and whether you are a long term producer or large producer all producers contribute to that demand. we all know a small operation is difficult to make a living on with out additional income.and a pro rata increase is difficult to accommodate without a costly expansion where as a large producer could much easier accommodate an increase comparable to what a small producer has. and there by build a facility to accommodate the increase. where as the small producer will have to accommodate the increase till it is feasible to build thus having crowded facilities or quota not being used. I find it discouraging to hear that after 8 years in this that the we are producing less that the demand. and I have a barn that can handle more bird and buying quota which isn't available only moves the quota around. we are setting ourselves up for more imports that maybe one day we can't stop any more.
89	As stated
91	It seems to me that nothing has changed. After every national quota allocation FIRB wants the board to do another consolation. So in essence nothing has changed. Just more wasted time. I agree with the policy that's there. 3000 birds for NPP and a 1000 bird 5 yr sleeve.
95	Good policy.
99	. Failure to comply with the requirement within the three year time frame will result in forfeiture of the allocation. (too long of time, 2 years should be ample)
112	These are fair
115	I believe pro rata is still our best way to allocate quota. Seems fair that the folks that have done the time and have served the industry are rewarded. There were some lean years and it seems like then, it was fair to do clawbacks in the same fashion. What changed?
125	did I mention it should be all pro rata 90-10
126	You need to go to a prorata system so when there is a cutback it can done in the same way it was given out prorata
132	Is there a way to adjust quota increases, based on the size of your farm. So the wealthy, multi-generational farmer, who may have been given the farm or got a great deal on it, and is into the high thousands regarding egg production receives a smaller increase. ... And the new producer who is highly leveraged gets a break. This may sound a bit like socialism.
136	The three year window to qualify for the equal distribution portion of the next three allocations seems fair and reasonable. However, with this in mind, it does contrast significantly with the October 2018 allocation that qualified all producers with any amount of non conventional production to receive an equal allocation amount over above the pro-rata portion. That amount per eligible producer, 256 birds, was about the same as is proposed for the third future allocation, 250 birds. This was with no built in incentive for producers to become eligible, as there was no advance notice. It almost feels like a "punishment" for conventional producers. My

question is, can a method be developed, whereby the 2018 equal distribution portion can also be made available, within 3 years of that issuance, to producers who meet the new eligibility requirements within that time frame? It can be noted that a number of those producers that received that equal distribution in 2018 are larger producers. It was not a benefit only to small producers. To find a way for the 2018 allocation to be distributed in a more equitable way would, in my opinion, be appropriate.

**10. Do you support the Reserve Policy and Procedures as presented?**



Value	Percent	Count
Yes	94.06%	95
No	5.94%	6
	Totals	101

**11. If you answered No, please provide details on the program elements that you do not support and suggest alternatives.**

Response ID	Response
107	keep it simple when the time is approaching for a new draw set aside from the next allocation enough quota for 5000 per new entrant. Its not complicated and not that much quota. A farm with 20000 birds gets 1200 birds on a 6% allocation so whats the differance of giving it to a small farm that needs it . For a lot of small farms that would put them up to 5000 and we could move on.
123	I don't think you need a reserve because new growers should only be started when there is growth from Egg farmers of Canada not some every year when there has not been any growth
125	as a province we need our utilization to be better then it is. with downtime, se, and other potential problems we shouldn't need a reserve.
126	You should give out growth when there is an allotment from E F C and then only one or two per year and not every year



## 12. General comments.

Response ID	Response
8	Faster allocations please
12	Where do the birds clawed back on the 10/10/0 transfers go?
19	as earlier stated, I have some issue with some of the other quota issuance policies therefore I should probably not comment on the reserve policy.
21	I think its a good way to keep our provincial production as high and near to 100% production as we can. this method we should achieve higher and near to our goal of producing 100% of our quota.
33	<p>Issue</p> <p>The BCEMB and BCFIRB are currently reviewing the New Producer Program. The BCEMB has proposed that the NPP quota amount of 3,000 should remain, with a temporary lease of 1,000 quota available to new entrants (to be scaled back with allocation increases). We propose that the temporary lease does not go far enough to address the fundamental objectives of the NPP, and that the NPP quota amount should be increased to 5,000.</p> <p>Background</p> <p>The conclusion by the BCEMB that the NPP quota amount of 3,000 is sufficient was based in part on the survey sent out on June 5, 2018, in which various stakeholders were asked the question of whether 3,000 quota was sufficient as a starting point in the egg industry, and the majority of respondents answered that it was. In addition to the inherent bias that many of the respondents would have to that question, we submit that a key factor—that being the requirement by the graders for the last NPP lottery to build an IPU for organic egg production —was overlooked.</p> <p>Caveat</p> <p>We mean no disrespect to the BCEMB, BCFIRB, current producers and other stakeholders who have all been involved in this industry much longer than we have. We consider it a privilege to be a small part of this great industry, and appreciate the support and mentorship we have received. We simply wanted to offer a perspective through the lens of a brand new producer, with insights into the unique financial challenges of setting up an organic IPU; while at the same time pointing out some inconsistencies in the interpretation of “meaningful” and “efficient” flock sizes. We are hopeful that we will be a successful egg farming operation no matter what the result of the review is, but we do have some legitimate concerns for other new producers who may not have four full time incomes supporting their farm.</p> <p>Evidence and Arguments</p> <p>Cost of Building IPU for Organic Housing/Production Not Considered</p> <p>We are proud to offer consumers an option to conventional eggs, and to house our hens in an Aviary system that promotes natural behaviours and animal welfare. However, it is well documented that the cost of production (COP) for organic eggs is significantly higher than the COP for any other type of egg, and it should also be recognized that the capital outlay for building for organic production is also significantly higher. Most, if not all, of the new producers who won quota in the January 10, 2017 draw had to commit to the BCEMB and the graders to building an organic IPU. Without consideration of the actual capital outlay required for new producers in this context, the conclusion that “it appears that 3,000 quota provides a positive cash flow” (NPP Survey Summary, p. 1) is simply not valid.</p>

### Economic Viability

We understand that the intent of the NPP is to ensure that the new entrant is economically viable, with the expectation that the operator will have other income sources. We have four adults with full time careers and we are making monthly contributions to our farm business totaling \$2000/month due to negative cash flow. We perform all labour on the farm ourselves, paying no employees. We do not project a positive cash flow until we increase production significantly. Like all new businesses, we expected to have some losses in our first few years and we have a long-term vision. We appreciate that we are gradually building equity but would like to expand as soon as possible to help offset many of the fixed expenses that we have, such as interest on property, plant and equipment; utilities; property taxes; and insurance. Starting with a larger amount of quota would set us off to a better start, with higher revenues to offset the high cost of building and equipment for organic production.

We can only speculate that other new producers who built for organic production must be facing quite a financial challenge, especially since they are likely supporting their farms with one or two off-the-farm incomes, rather than the four incomes that our partnership enjoys.

### Risk of Market Downturn

The NPP program has not existed long enough to be tested during any significant period of contraction in the table egg market. Starting with 5000 quota would improve likelihood of success of new producers who are providing specialty eggs even during a period of market downturn, when there will be no opportunity for quota growth increases.

### Efficiency for Feed Delivery and Grading Stations

Under the Draft-Temporary Allotment Program, the Board noted that it is inefficient for feed companies and grading stations to service farms with 3,000 quota. This is a direct conflict with one of the stated objectives of the NPP. The BCEMB has also made a recommendation in the Draft Quota Allocation Policy that a producer that is not currently 100% non-conventional would be entitled to receive the equal distribution component of quota allocation if they house a flock of 5,000 hens minimum in a non-conventional production system. When verbally questioned on how this number was chosen, the BCEMB stated that 5,000 was a "meaningful flock size" based on discussion with graders, breeders, and feed producers because at 5,000 it became "efficient" for these stakeholders.

### Meeting NPP Program Objectives

The word "meaningful" is significant in that BCFIRB has stated that when considering the size of new entrant quota allotment, boards must balance "meaningful incentive amounts", with the rights of established producers (Item #21, Prior Approval Review Decision, November 30, 2009). If a flock of 5,000 is considered a meaningful size for existing producers to establish a new nonconventional flock, we submit that the same number should be used as a meaningful size to meet the stated NPP Objectives of (1) entry into the industry with a quota amount that is appropriate for the infrastructure, (2) ensure that the new entrants remain actively engaged, (3) ensure minimum number of hens that is efficient for stakeholders such as feed delivery, pullet suppliers, and grading stations, and (4) ensure that the new entrant is economically viable.

As noted in Item #22 of the November 30, 2009 Prior Approval Review Decision, the BCEMB submitted that at that time, 3,000 layers was efficient for feeding and grading considerations. However, as noted above, the BCEMB has now conceded that 3,000 is not an efficient number for grading stations, feed companies, or breeders. Therefore, the logic used by BCEMB and BCFIRB in 2009 to justify the new entrant quota incentive at 3,000 now justifies the new entrant quota at the "efficient" and "meaningful" flock size of 5,000.

Thank you for your consideration of these points

35 Well I do not like leasing programs as quota should be owned. But if there is quota that is unutilized by the board then using Pool B is a good idea.

40	I support the concept of taking from growth allocations to ensure that our additional programs have adequate quota to work. I do not, however, support the temporary allotment, or the equal distribution portion, which are requiring this reserve to be at such a high level.
49	Any leasing should not be based on, like last time, on how many QC's you are using at the time of starting the lease pool. It should also run from July 1st to June 30 of the following year. Just like the TMG sleeve. This should be done in Dec the year before so the producers know how many birds they should place in the pullet flock.
59	I believe the time has arrived where we eliminate the 5% claw back on all transfers in particular to families whether up or down or sideways. In addition our policies should encourage producers to place Quota on the exchange.
68	The one issue is the amount of quota shelved for possibly an extended period of time. Would the reserve quota possibly be leasable so that there aren't 30-60000 units not being used?
89	I had to say yes because I know we are under FIRB iron hand and the quota has to come from someplace
95	I support the policy even if the board has to have up to 80 K birds in reserve. Two new entrants per yr is adequate. Hopefully the 10-10-10 rule can be dealt with. If a producer wants to sell let him sell but 50% has to go to new producer, and the rest he can sell any way he sees fit.
115	It sounds like the reserve policy is something we have to agree on to support the programs, the question asks, do you support. I really personally don't as there are hens being left on the shelf here, where there is room out there to produce these eggs now! But... if voting yes gets the ball moving so further allocations can be doled out in a timely fashion, so that eggs can be produced. Then let's do it!
123	I think it's important that all growers be treated equally with a prorata system because if not then when there is a cutback how do you then do that it has to be the same way as it was given out
126	As much as possible you allocate on a prorata base to be fair to all producers so why would you need a reserve you don't need to start new producers every year