

Consolidated Order Review – Final Survey on Proposed Changes

The Consolidated Order is required to be reviewed every five years. The [current Consolidated Order](#) was last reviewed in 2017. In the initial round of consultations, BC Egg focused on key programs within the Consolidated Order to ensure they continue to meet the needs of producers and the industry. The Board has reviewed stakeholder feedback and has prepared an updated document with recommended changes to the Consolidated Order. BC Egg conducted this final consultation so that stakeholders could review these recommended changes to the Consolidated Order before a final submission is provided to BCFIRB.

Survey Methodology

The BCEMB sent an on-line survey to 345 industry stakeholders including producers, graders, processor and allied trades. The survey was sent on February 7, 2023, as part of the Consolidated Order Review, and was open for two weeks.

Survey Response Rate

Of the 345 industry stakeholders who were sent the on-line survey, 46 individuals completed all survey questions, representing a 13% response rate overall. Of the 46 respondents, 41 producers responded to the survey representing 89% of survey respondents and 28% of the 149 registered producers in BC.

Survey Results

The results from the survey can be found on the following pages.

Next Steps

The Board will be reviewing the survey results and incorporating feedback into a final Consolidated Order update. Once finalized, the draft will be submitted to BCFIRB for approval.

Survey Introduction and Questions

Overview of Revisions to the Consolidated Order

Independent and Egg Production Unit Definitions

The first Consolidated Order Review survey was sent on May 16, 2022 and focused on updating the Independent and Egg Production Unit Definitions to provide more clarity to the requirements for production units. A summary of the survey results can be [found here](#). Since 83% of survey respondents support the proposed changes, these changes are incorporated in the draft Consolidated Order in the definitions for Egg Production Unit and Layer Barn, Part IX – Production Requirements and Limitations, and throughout the document.

Quota Exchange

The second Consolidated Order Review survey was sent on May 30th and focused on the Quota Exchange. A summary of the survey results can be [found here](#). Stakeholder feedback resulted in the following proposed changes:

1. The current Consolidated Order requires that 1.5% of the issued quota in the province be placed on the exchange prior to a price change being considered. Based on the consultation results, this has been changed to 6,000 quota units.
2. The requirements for Going Concern Sales have been modified to require that a portion of all Going Concern Sales are sold on the Quota Exchange. This portion is equal to 20% of the available quota sold minus any required 10/10/0 assessments. These changes can be found in the Going Concern Sale definition as well as in Part V – Transfer of Layer Quota, Subsection 2 (9).

The 50% threshold for price increases or decreases has remained. The Board recognizes the concerns raised by some stakeholders regarding the administered price however the parameters^[1] have remained the same so that barriers to entry are not inflated.

The Board also considered whether there is a maximum amount of quota that could be offered on the exchange before Grading Station Sign-off is required. No changes have been made as this is currently under consultation with the Graders.

[1] Boards cannot directly set quota price, according to BCFIRB's February 2, 2018 [Quota Assessment Tools Supervisory Review Decision](#) (Section 183, pg 37)

Quota Credits, Quota Leasing and TAP Programs

The third Consolidated Order Review survey was sent on June 13th and focused on the changes to the Quota Credit, Quota Leasing and Temporary Allotment Programs. A summary of the survey results can be [found here](#). There are no recommended changes resulting from this survey however a change is made to the TAP A and TAP B Programs to allow for some flexibility should a producer be unable to maintain their expected number of hens due to Natural Disaster, Short Placement, Unexpected Bird Loss or Other Exceptional Circumstances. These changes can be found in Part VII – Lease and Temporary Allotments.

Administrative Changes

A number of administrative changes are made to the Consolidated Order to provide clarity or to update the Order to ensure that it is consistent with National Definitions or Provincial Regulations (Natural Products Marketing Act or BC Egg Marketing Scheme).

To review the draft 2023 Consolidated Order which has tracked changes, please [click here](#).

1. Do you agree with the draft changes to the Independent Production Unit and Layer Barn definitions as presented? If you answered “no,” what would you recommend and why?
2. Do you agree with the draft changes to the Quota Exchange Requirements as presented? If you answered “no,” what would you recommend and why?
3. Do you agree with the draft changes to the TAP A and TAP B Programs as presented? If you answered “no,” what would you recommend and why?
4. Please provide any other comments.

Thank you for taking our survey. Your response is very important to us.

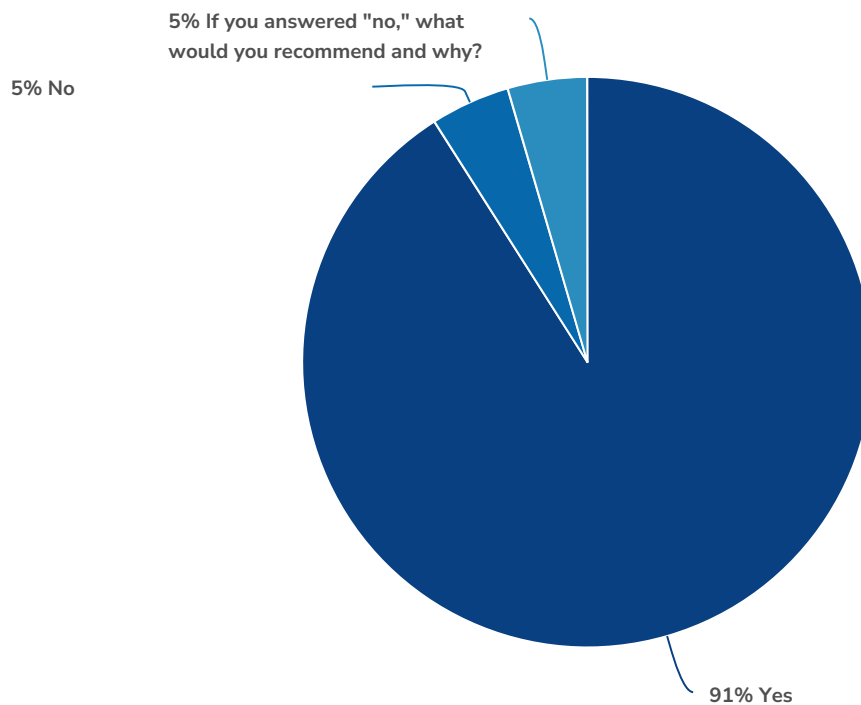
Report for Final Consolidated Order Survey

Response Counts



Totals: 46

1. Do you agree with the draft changes to the Independent Production Unit and Layer Barn definitions as presented?

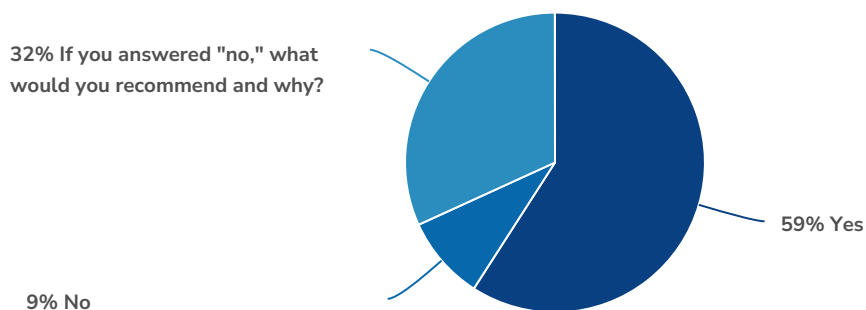


Value	Percent	Responses
Yes	90.9%	40
No	4.5%	2
If you answered "no," what would you recommend and why?	4.5%	2

Totals: 44

If you answered "no," what would you recommend and why?	Count
I dont think full title should be required on a going concern	1
If a grower has one or more Epp liscences under 6000 units, he or she should not receive the extra free 100 or 150 quota units handed out for meeting all board requirements. Only those who have been in production say for 5 years or more.	1
Totals	2

2. Do you agree with the draft changes to the Quota Exchange Requirements as presented?



Value	Percent	Responses
Yes	59.1%	26
No	9.1%	4
If you answered "no," what would you recommend and why?	31.8%	14

Totals: 44

If you answered "no," what would you recommend and why? Count

Depending on if the quota is moving off it's original location should effect how much will be put on the exchange. If a buyer intends to move quota to another location it should have a portion be put on the exchange. This would also limit quota being moved into the Fraser valley from other area's. Graders should also not have to sign off on quota purchases, many people would like to farm outside of the Fraser valley but are told NO by graders because they will not pick up your eggs. The Board should get involved in this issues!

Totals 14

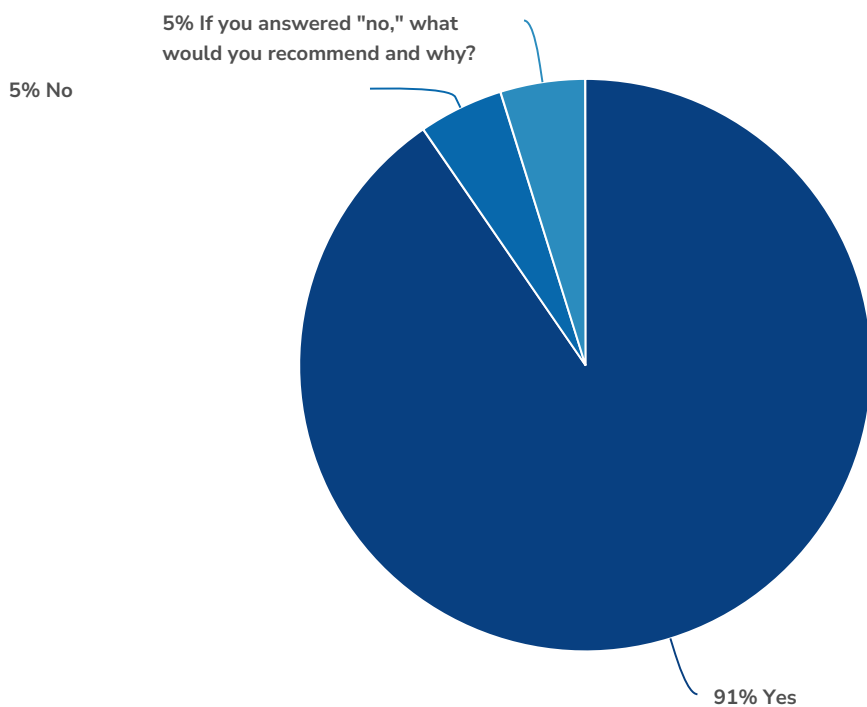
If you answered "no," what would you recommend and why? Count

<p>I agree with the 6000 birds on exchange at one time to trigger the price change. I disagree with the proposed change to garnish 20% of quota from a going concern sale to keep a more active quota exchange. 20% plus an assessment could make a farm not viable to purchase anymore as 20% plus of the cash flow would be leaving. If a person would want to sell the farm as a going concern farm and his barn was already full then they make the decision on whether or not they would want to put quota on the exchange Is there a reason why the exchange needs to be used? That we need a greater flow of product through the exchange? I do not believe it will trigger lower quota prices as I do not think there will be enough flow to trigger lower prices...</p>	1
<p>I believe that the claw back rate should be a maximum of 10%. The farm already loses @ 10% on the 10/10/10/ clawback. That would make a 20% c</p>	1
<p>I do not agree that only 20 percent goes on the exchange. It should be 50% to go on the exchange or more. If a going concern can GE purchased with 80% of the quota this allows ONLY the large existing farms to buy the because of the sheer amount of capital needed to close the transaction. Therefore at minimum 50% of the quota should go on the exchange n</p>	1
<p>I do not disagree with the proposed changes and understand the reasoning behind them. However we do have additional concerns about our ability to buy quota (we were not given grader approval for the last exchange) that could impact our ability to continue egg farming. The exchange price seems to need to be adjusted or able to adjust better to the market.</p>	1
<p>I like the idea of a portion of a going concern going onto the exchange but I think 20% is a bit high. I think 15% is better</p>	1
<p>I recommend that any farms sold that are under 6000 birds, are exempt from the 20% rule.</p>	1
<p>I would recommend only 5% be forced on the exchange (reflecting the former 5% claw back) and reviewing success or failure of the policy from time to time and make adjustment accordingly. You can allways move the percentage up but bringing it down if we start to high may present future FIRB issues</p>	1
<p>I would suggest a lowering of the 20% Held back from going concern sales, to 10% held back.</p>	1
<p>Quota Exchanges should be a private matter between producers. I had to work for my quota and I feel that if an individual wants to farm, that individual should pursue that dream the same as I did.</p>	1
<p>Recommend that the amount to exchange be 10% based on facility capacity vs quota holdings. This means the barn's is at 90% capacity and we don't have underutilized facilities (making the COP higher)s</p>	1

Totals 14

If you answered "no," what would you recommend and why?	Count
The 20% should be changed to 10%. It makes a farm	1
if there is ongoing consultation with the graders, then the issuance of consolidated orders is premature. These discussions should be completed and issued to the producers at that point.	1
should be 10% not 20% so i do agree with the claw back just not the %	1
Totals	14

3. Do you agree with the draft changes to the TAP A and TAP B Programs as presented?



Value	Percent	Responses
Yes	90.5%	38
No	4.8%	2
If you answered "no," what would you recommend and why?	4.8%	2

Totals: 42

If you answered "no," what would you recommend and why?	Count
TAP A and TAP B should be first be used by producers producing short product.he program dd\oducers	1
these should be used in consulation with the market needs. why should we produce excess specialty and bring in white eggs from other provinces. Maybe don't need grader sign off but graders could say what types are needed at the moment.	1
Totals	2

4. Please provide any other comments.

ResponseID	Response
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26	All of this comes down to Board, producers, graders all working together. Its not hard when the lines of commutation is open. Our system was built that way and its a system we don't want to lose.
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28	I don't think that on a going concern farm sale there should be a requirement to put quota on the exchange as it's bad enough with the existing clawbacks the clawback amount could be put on the exchange but not both items
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30	There have been Large amounts of quota moved back into the Fraser Valley over the past 4 years. It's time for the Board to get involved and just let graders decided where people produce. Make it easier for people to on farm grade and have access to the market. Either by labeling under already established brands or actually helping producers access markets. It's a big ask for a new or existing producer to go out on their own. If we as an industry want farmers outside of the Fraser valley we as industry will have to do something about it.
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31	The current rate for quota on the exchange is \$360.00. With the rate of inflation the price should be \$429.25 based on 19.24% since 2016. Time to revisit the pricing of quota to reflect inflation. Better yet, let producers decide the price as they do in other provinces, As we are all aware of the free market pricing, especially housing and many other purchases, the theory of inflation based pricing is not applicable.
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34	Small growers are all specialty and we are excess in specialty. These producers should not be treated better than the rest of the producers and we should not be forced to pay for their excess. This should be called "specialty welfare"
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38	More new entrants are needed. The amount of quota that has been given in allocation to existing growers is so much higher than anything that has been given to new entrants. The new entrant system is an absolute joke! New entrants are needed for the industry to thrive and remain. 50% of all new allocations should go to new entrants. Not as a lottery, but as a co-buy or matching system.
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