

BRITISH COLUMBIA FARM INDUSTRY REVIEW BOARD

IN THE MATTER OF THE *NATURAL PRODUCTS MARKETING (BC) ACT* AND

THE PRIOR APPROVAL OF THE  
BRITISH COLUMBIA EGG MARKETING BOARD  
2023 GROWTH QUOTA DISTRIBUTION PLAN

May 23, 2023

## Decision Summary

1. The BC Farm Industry Review Board (BCFIRB) approves the BC Egg Marketing Board's (Egg Board) March 20, 2023 recommendation to:
  - a. Distribute 103,797 new growth quota units pro-rata to all producers who are in good standing with the Consolidated Order.
  - b. Distribute 7,490 growth quota units held in abeyance from the December 2021 allocation pro-rata to all producers who are in good standing with the Consolidated Order.
  - c. Distribute 36,681 quota units from the quota reserve pro-rata to all producers who are in good standing with the Consolidated Order.
  - d. Postpone the 200-quota unit equal distribution for all producers with non-conventional housing systems that was planned in accordance with the July 3, 2019, BCFIRB approved Multi-Allocation Policy until the next national allocation.

## Introduction

2. On July 3, 2019, BCFIRB approved the Egg Board's Multi-Allocation Policy (MAP).<sup>1</sup> As of 2019, the MAP sets out how the Egg Board will distribute growth quota to producers for a total of 3 national allocations.
3. Under the MAP, the Egg Board would distribute national growth allocation in the following order:
  - a. If required, top up its Quota Reserve to 60,000 quota units for its New Producer Programs;
  - b. Distribute a defined portion to all producers with non-conventional layer housing systems<sup>2</sup> via equal distribution (a fixed number of 100 quota units per eligible producer in 2019, 150 quota units in 2020, and 200 quota units at the next national growth allocation); and,
  - c. Distribute any remaining growth quota pro rata to active producers in good standing.
4. The national growth allocation approved in December 2019 by Farm Products Council of Canada (FPCC) was insufficient for the Egg Board to meet its second

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<sup>1</sup> 2019, July 3. BCFIRB. [In the Matter of the \*Natural Products Marketing \(BC\) Act\* and the Prior Approval of the British Columbia Egg Marketing Board Quota Distribution Policy, Multi Allocation Policy, Temporary Allotment Program, New Producer Program, and Quota Reserve Policy.](#)

<sup>2</sup> E.g. enriched cages, aviary, free run, free range.

year (2020) equal distribution commitment of 150 quota units per producer under MAP.

5. On April 28, 2020, BCFIRB approved the Egg Board's recommendation to:
  - a. Temporarily place 14,916 growth quota units in its Temporary Allocation Pool (TAP) B for leasing; and,
  - b. Issue this quota when there was sufficient quota available to meet the 150 quota units per producer under MAP.
  
6. On March 1, 2022, BCFIRB approved the Egg Board's recommendation to:
  - a. Place the 7,490 quota units in the Reserve (TAP B) for temporary lease to all producers.
  - b. Distribute 7,490 quota units, along with the next national growth allocation per the Egg Board's third allocation MAP commitment.

### **Issue**

7. The issue before BCFIRB is the prior approval of the Egg Board's 2023 growth quota distribution plan dated March 20, 2023, and which does not align with the Egg Board's MAP prior approved by BCFIRB in 2019.

### **Legal Authorities**

8. Production and marketing of eggs is regulated under *the Natural Products Marketing (BC) Act (NPMA)* and the British Columbia Egg Marketing Scheme, 1967 (Egg Scheme).
  
9. Section 37(c) of the Egg Scheme requires the Egg Board to obtain BCFIRB prior approval to vary quotas the Egg Board has issued to producers, and the terms and conditions upon which quota shall be issued or transferred.

### **BCFIRB Expectations and Directions**

10. BCFIRB has used the following framework for egg allocation prior approval decisions since 2014:
  - a. Has the Egg Board:
    - i. Effectively and strategically engaged with its stakeholders, including non-egg industry stakeholders and the public where appropriate?
    - ii. Evaluated whether quota policies and programs are effective and strategic in meeting sound marketing policy objectives?

- iii. Identified issues and gaps?
  - iv. Proposed solutions?
  - v. Reported its findings and recommendations to BCFIRB, including a full rationale?
- b. Does the Egg Board allocation distribution and recommendations:
- i. Adhere to legislative requirements?
  - ii. Reflect the intent of supply management?
  - iii. Consider provincial agricultural policy?
  - iv. Reflect a principles-based approach to regulation?
11. In its 2019 MAP approval decision, BCFIRB issued the following directions:
- a. That the Egg Board report provided to BCFIRB when Egg Farmers of Canada (EFC) forecasts a national allocation increase include the following:
    - i. Quantitative information demonstrating that the allocation policy and procedure is forecast to meet the five major priorities the Egg Board listed in its May 27, 2019 submission:
      - a. Promote animal welfare;
      - b. Support growth of small farms and new entrants;
      - c. Support regional growth;
      - d. Meet emerging market needs; and,
      - e. Encourage producers to move out of conventional production systems.
  - b. An updated table showing the date of EFC national allocation proposal; the date of FPCC approval; the date quota is distributed by the Egg Board; when producers apply for chick placement permits and status of quota utilization.

## **Process**

12. Producers and graders were consulted by the Egg Board on the 2023 allocation recommendations and had several opportunities for input as part of a transparent, inclusive process. The Egg Industry Advisory Committee and the BC Egg Producer's Association both supported the Egg Board's 2023 recommendations.

13. The Egg Board evaluated its recommended proposal against the prior approved MAP plan, to allocate 200 quota units under equal distribution to all producers with non-conventional layer housing systems. The rationale addressed SAFETI<sup>3</sup> and the five MAP quota management priorities; promoting animal welfare, supporting growth of small farms and new entrants, supporting regional growth, meeting emerging market needs, and encouraging producers to move out of conventional production systems.
14. The rationale provided by the Egg Board for proceeding with pro-rata distribution over equal distribution was that current market demand for specialty production has decreased due to inflation, and that proceeding with equal distribution as per MAP would result in increased specialty production. Given this the Egg Board recommended pro-rata distribution for this quota distribution to balance production with current market demand.

### **Analysis**

15. Overall, the Egg Board has met BCFIRB's directions outlined in paragraph 10 and 11 above, including reporting requirements (accountable) and consulted with its stakeholders on its recommendation (transparent, inclusive).
16. Although the Egg Board is not meeting its MAP commitment as prior approved by BCFIRB in 2019, the Egg Board's recommendation ensures that production is meeting current market demands.
17. BCFIRB is satisfied with the Egg Board's rationale that the proposed pro-rata distribution balances current market demand for specialty production against other MAP priorities.
18. BCFIRB encourages the Egg Board to remain accountable to its 2019 MAP commitment to distribute 200 quota units via equal distribution for the next national allocation.
19. BCFIRB acknowledges the professionalism, strong analysis, and rationale demonstrated by the Egg Board in its 2023 quota distribution plan submission.

### **Decision**

20. BCFIRB approves the Egg Board March 20, 2023 recommendation to:
  - a. Distribute 103,797 new growth quota units pro-rata to all producers who are in good standing with the Consolidated Order.

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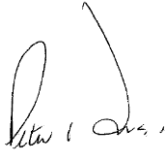
<sup>3</sup> Strategic Accountable Fair Effective Transparent Inclusive

British Columbia Farm Industry Review Board  
Prior Approval of the British Columbia Egg Marketing Board 2023 Quota Distribution Plan  
May 23, 2023

- b. Distribute 7,490 growth quota units held in abeyance from the December 2021 allocation pro-rata to all producers who are in good standing with the Consolidated Order.
- c. Distribute 36,681 quota units from the quota reserve pro-rata to all producers who are in good standing with the Consolidated Order.
- d. Defer the 200-quota unit equal distribution allocation that was planned in accordance with MAP to the next national allocation.

In accordance with s. 57 of the *Administrative Tribunals Act*, “an application for judicial review of a final decision of (BCFIRB) must be commenced within 60 days of the date the decision is issued.”

Dated at Victoria, British Columbia, this 23<sup>rd</sup> day of May 2023.



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Peter Donkers  
**Chair**



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Al Sakalauskas  
**Vice Chair**



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Neil Turner  
**Member**



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Wendy Holm  
**Member**



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David Zirnhelt  
**Member**



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Pawan Joshi  
**Member**



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Dennis Lapierre  
**Member**



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Harveen Thauli  
**Member**