



October 13, 2015

File: 44200-60/POUL INS

DELIVERED BY EMAIL

Casey Langbroek
Chair
BC Broiler Hatching Egg Commission
180 – 32160 South Fraser Way
Abbotsford BC V2T 1W5

Robin Smith
Chair
BC Chicken Marketing Board
101 – 32450 Simon Av
Abbotsford BC V2T 4J2

Brad Bond
Chair
BC Egg Marketing Board
250 – 32160 South Fraser Way
Abbotsford BC V2T 1W5

Ralph Payne
Chair
BC Turkey Marketing Board
106 – 19329 Enterprise Way
Surrey BC V3S 6J8

Dear Sirs:

MANDATORY DISEASE INSURANCE REVIEW AND ASSESSMENT – NEXT STEPS

This letter is in follow-up to the meeting on October 5, 2015 on the above noted subject matter.

It summarizes information shared in previous communications including, but not limited to, the BC Farm Industry Review Board (BCFIRB) August 14, 2014 decision, the March 3, 2015 letter to poultry board chairs, the May 12, 2015 letter reviewing the August 14, 2014 decision and what it means, and the September 9, 2015 letter commenting on the draft “Mandatory Disease Insurance Review and Assessment Work Plan”.

1. As it has for the last few years BCFIRB continues to acknowledge insurance as an important risk management tool for producers and recognizes insurance can be part of sound marketing policy. Poultry sector efforts to address potential gaps in insurance coverage are a good example of proactive stakeholder action for the benefit of BC agriculture.

**British Columbia
Farm Industry Review Board**

Mailing Address:
PO Box 9129 Stn Prov Govt
Victoria BC V8W 9B5
Telephone: 250 356-8945
Facsimile: 250 356-5131

Location:
1st Floor, 780 Blanshard Street
Victoria BC V8W 2H1
Email: firb@gov.bc.ca
Website: www.gov.bc.ca/BCFarmIndustryReviewBoard

2. It is the poultry boards that bear first instance responsibility for administering the *Natural Products Marketing (BC) Act* under their respective schemes and for maintaining orderly marketing. This means addressing mandatory biosecurity and potential mandatory insurance issues appropriately as regulatory decision makers (applying legal and sound marketing policy lens with appropriate due diligence through SAFETI¹). Given that statutory responsibility and the critical importance of ensuring all regulatory measures necessary to protect the poultry sector from avian influenza are in place, timeliness in ongoing decision-making is also a consideration for the boards.
3. Poultry boards are not expected to do all the background work nor do they have a role in a possible captive insurance company. The poultry boards must, however, ensure any work done that may result – directly or indirectly – in the exercise of regulatory authority meets their requirements for sound process and provides the information needed for sound, SAFETI-based decision-making.
4. For poultry boards to properly observe the work-in progress on avian influenza insurance and to ensure their potential decision-making requirements are being met, they must ensure they are kept informed by the active participants.
5. Only when the review process is fully completed to the satisfaction of the poultry boards will BCFIRB as the supervisory agency be able to determine any outcome(s). Although the eventual decision(s) of BCFIRB with respect to the implementation of mandatory poultry insurance cannot be pre-determined, the level of due diligence applied by the boards during their own review will be a significant factor.

Our board considers it essential that the poultry boards determine in the first instance whether the Work Plan delivers – through a demonstrated SAFETI-based approach – the information they will require to make decisions that are in compliance with their schemes and in accord with sound marketing policy. This includes consideration of not only the narrow area of recovering orderly marketing following an avian influenza outbreak, but also the impact of mandatory insurance on the industries as a whole, including competitive pricing, foregone opportunities, the availability (or lack thereof) of government funding and related considerations.

Nothing in the foregoing exempts the poultry boards from their first instance responsibility of ensuring orderly marketing is maintained through the effective oversight and enforcement of the biosecurity measures currently in their regulations.

I hope these comments will assist with a thorough, balanced review that will support the poultry boards in their decision-making should mandatory insurance be proposed. I cannot overemphasize the expectations that BCFIRB has of the poultry boards as first instance regulators in that regard.

¹ Strategic Accountable Fair Effective Transparent Inclusive

BCFIRB staff remains available to offer assistance when and where appropriate.

Yours truly,

A handwritten signature in black ink, appearing to read "John Les". The signature is fluid and cursive, with a large loop at the end.

John Les
Chair

cc: James Mack, Assistant Deputy Minister
Agriculture Science and Policy
Ministry of Agriculture

BC Poultry Association
BC Broiler Hatching Egg Producers Association
BC Chicken Growers' Association
BC Egg Producers Association
BC Turkey Association

BCFIRB website