

## Meeting of the Board of Directors

250 – 32160 South Fraser Way  
Abbotsford, BC V2T 1W5

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**Strategic:** Identify key opportunities and systemic challenges and plan for actions to effectively manage risks and take advantage of future opportunities.

**Accountable:** Maintain legitimacy and integrity through understanding and discharging responsibilities and reporting performance.

**Fair:** Ensure procedural fairness in processed and decision-making

**Effective:** A clearly defined outcome with appropriate processed and measures.

**Transparent:** Ensure that processes, practices, procedures & reporting on exercise of mandate are open, accessible and fully informed.

**Inclusive:** Ensure that appropriate interests, including the public interest, are considered.

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### MINUTES of Board of Director's Meeting

**Date:** June 21, 2017

**Location:** BCEMB

**BOARD IN ATTENDANCE:** Brad Bond, Chair  
Jennifer Woike, Vice Chair  
Aryn Alibhai, Board Member  
Fred Krahn, Board Member  
Walter Siemens, Board Member

**STAFF IN ATTENDANCE:** Katie Lowe, Executive Director  
Joey Aebig, Manager, Operations & Logistics  
Erin Duetta, Manager, Finance  
April Dicer, Recording Secretary

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#### CALL TO ORDER

Chair, Brad Bond, called the meeting to order at 9:01 am.

#### ADOPTION OF AGENDA

The agenda was adopted as presented.

#### **1.0 APPROVAL OF MINUTES**

1.1 Approval of the Minutes of May 18, 2017

**R17-038** It was MOVED and SECONDED

THAT the Board of Directors approve the Minutes of May 18, 2017 as amended.

CARRIED

## **2.0 BUSINESS ARISING/ACTION LIST REVIEW**

### 2.1 Board Calendar

The Board calendar was presented for information.

### 2.2 Action Items

The action items document was reviewed for information.

### 2.3 Business Arising

#### 2.3a Paragon Farms Letter

The Paragon Farms decision letter was presented for information.

#### 2.3b Insight Round Table Invite

The invitation for the insight session scheduled for July 19, 2017 was presented for information. The topic of this session is 'How do we gain consumer trust tomorrow and five years from now'.

## **3.0 PERFORMANCE REPORTS**

### 3.1 Dashboard

The dashboard was presented for information.

#### 3.1a Feed Mill Participation Report & AAFC Report

The Feed Mill report was presented to the Board for information.

### 3.2 Quota

#### 3.2a Industry Reserve

The total quota allocated and held in reserve as of week 23, 2017 was presented for information. The board requested more information on the number of new producers that have entered the industry through purchasing quota and/or the New Producer Program.

#### 3.2b IP Report Week 22

The Industrial Product report up to week 22 was presented to the Board for information.

#### 3.2c IP Processor Summary Week 22

The week 22 IP Processor report was presented to the Board for information.

#### 3.2d EFP Report Week 22

The EFP report as at week 22 was presented for information.

#### 3.2e Quota Utilization Update

The quota utilization report as at week 23, 2017 was presented for information.

#### 3.2f Inventory Report

The 2017 rolling average projection remains above 100% however the current outlook for the remainder 2017 has drastically improved from our estimates 20 weeks ago. Two forecast predictions have been created independently of one another. The original prediction has a final 2017 rolling average of 104.56%, while the new prediction has a final 2017 rolling average of 100.67%.

The Board has requested that staff continue to improve the forecast and follow it closely for the next few months. If the BCEMB inventory position and prediction does not change than further action should be recommended at the September Board meeting.

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### 3.3 Financials

#### 3.3a Period 5 Financial Dashboard

The Period 5 financial dashboard was presented for information. The Board agreed with Erin's recommendation that the budget be included in the dashboard for Producer information.

#### 3.3b Period 5 Board & Committee Per Diems & Expenses

**R17-039** It was MOVED and SECONDED

THAT the Board of Directors approve the Directors', Executive Director's, and Committee members' per diem and expenses for Period 5 as presented.

CARRIED

### 3.4 Preliminary COP

The preliminary COP was presented for information.

## 4.0 STAKEHOLDER ENGAGEMENT

### 4.1 EPA – 1:30

This was discussed later in the meeting.

### 4.2 EIAC Draft Minutes of May 24, 2017

The draft EIAC minutes of May 24, 2017 were presented for information.

### 4.3 Audit & Finance Committee Meeting Update June 20, 2017

Amyr noted that this was the first meeting with the new outside members in attendance. It was a successful meeting and it is predicted that the new members will be a benefit to the committee.

The Board was updated on the status of the Grader audits in that two of the four Grader audits will have been completed as of September 2017 by Deloitte. Management is working with the remaining two graders to have an operations audit performed rather than the requested financial audit.

### 4.4 Grader Meeting Minutes

The Grader meeting minutes of June 6, 2017 were presented for information. Topics discussed at this meeting were pricing of specialty and enriched production as well as the transitioning of production types. Each of our roles was discussed including how we can support each other on this challenge.

In this meeting it was brought to the Boards attention that better communication with grading stations, especially in terms of quota increases and forecasting, would be appreciated.

The Graders presented three issues that BCEMB feels requires a response:

- 1 Organic supply
- 2 Pricing on free run free range
- 3 Enriched pricing

#### 4.4a Enriched Pricing

At the grader meeting on June 6, the conversation around enriched product acknowledged that an incremental cost is present in enriched of about 8-12 cents/dozen. The graders opinion is that there is a very small market that is willing to pay more for enriched, and therefore, it should be maintained as the commodity product and not a value added product.

It is the opinion of graders that the easiest way to deal with the increased cost of enriched is through a levy rebate program.

All industry stakeholders will benefit from a smooth and balanced transition; as such, staff recommends creating a separate specialty class for fully compliant enriched housing production that is paid a premium over conventional housing and giving enriched housing producers a slight levy reduction on each bird housed in a fully compliant enriched facility.

#### 4.4b Specialty and Organic Pricing Shift

Our Province is approximately 40,000 hens short on organic production and the market is growing in this category by about 10% per year. Producers in BC are not converting to organic because it is more profitable for them to produce free-run. If producer pricing was correct, it would not be a huge hit for a producer to move from Free-run or Free-range to Organic.

Once Serecon's COP on specialty production is completed, there may be some pressure to adjust pricing to balance the disparity and create a level playing field for all specialty production types. This will provide more movement amongst all production types as consumer demands change.

**Action:** Staff to find out organic pricing in other Provinces

The Board compiled proposed solutions addressing the issue of pricing specialty appropriately to allow producers to shift production as the market demands. To help the Board make their decision, they requested information from the Graders regarding organic production requirements, their shortage amounts on organic production and their 2 year forecast of anticipated new organic production.

The directors also discussed solutions to the incremental costs associated with enriched production and how it is discouraging producers to transition to enriched housing.

During this meeting, staff composed a letter addressing the issues of free run & organic pricing and transition to enriched, potential solutions to these issues and information requests to send to the EIAC and Graders. This letter was reviewed by the board and approved for immediate distribution.

**Action:** Staff to send the proposed solutions letter to the EIAC and Graders

#### 4.5 Authenticity in Farming

Brad presented his paper on authenticity of egg farming in Canada for information. The overall message of the paper is about our changing social consciousness and our heightened concerns over where our food comes from and how it is made. It is about demonstrating that supply management aligns well with consumer values compared to alternate systems. The final edited version of this paper will be made available for MP's, MLA's and BCFIRB.

**Action:** Brad will send this document to an editor for final review before distribution.

4.6 EPA/Golden Valley/Vanderpols Meeting re SPCA Certification

The EPA met with Golden Valley, Vandperpols and BC Egg to discuss concerns regarding a need for third party animal care audits in BC.

The participants discussed how the work being done at the board and association can be used to meet the needs of the graders and processors in the province, in order to ensure it is as effective as possible.

It was decided that BCEMB would approach Pro-Cert about auditing the national animal care standards.

**Action:** Staff to contact Pro Cert by end of June. – Katie

4.7 BC Specialty Audit Program Update

BCEMB is currently implementing a free-run/free-range certification program for producers in BC. As a supply managed commodity, this certification program will contribute towards our social licence by providing our consumers with assurance through an audited certification program that clearly defines specialty production requirements. Through the use of logos or certification marks, consumers will be able to easily identify BC certified product.

4.8 UBC Scholarship

\$10,000 is set aside each year to help agricultural students as part of BC Egg's annual budget.

Management is currently working with UBC to set up 2 named award scholarships for \$2,500 each to be awarded in September with the following proposed criteria:

- Good citizens – community outreach and no criminal record
- GPA – 3.0 or higher
- Animal Welfare Department– preferable to have the focus on the poultry sector

The Board asked that management look into alternate ways to disburse this money.

**Action:** Marketing was directed to figure a way to disburse this scholarship so BCEMB is represented more effectively.

## **5.0 OPERATIONS**

5.1 Rodent Control Update

Over the past two years the number of positive Salmonella Enteritidis cases has increased. The majority of the affected farms have had signs of rodent activity on the premise. On May 11, 2017 Pest Detective began their on farm Rodent Inspections. As of June 15 we have received completed forms from 18 premises in the Fraser Valley.

As reports are received from pest detective, staff is forwarding the reports to the owner and the farm manager.

Thirty-three percent (6 of 18) of the reports received have identified risk levels moderate or higher. BCEMB's PLO's will follow up with the producers that receive reports of this nature to ensure that measures have been acted on to mitigate their risk.

5.9 On Farm Programs and Enforcement

This item was brought forward in the meeting.

There are a number of program's that BC's egg producers are required to follow and are audited for on an annual basis. It has been brought to staff's attention that even with the audits, some producers remain marginal. Marginal producers pose a risk to the industry.

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There are currently three audit programs that BC's producers are required to follow with a fourth program being introduced in July 2017.

- BC Poultry Biosecurity Program
- EFC Start Clean Stay Clean – On Farm Food Safety Program
- EFC ACP Program – Animal Care Program
- BC Egg Specialty Audit Certification

In addition to the above programs, the PLO's attend each farm at least two more times for counting flocks and SE testing. At each of these visits, the PLO's see the farms and will mention infractions but do not complete an audit so it is informal.

A number of producers also receive audits for Certified Organics, SPCA and American Humane.

There was discussion around staff's recommendation on the following solutions to help mitigate Producer risk:

- 1) All audits should be pass/fail
- 2) Training needs to be more consistent across the country
- 3) Responsibilities for CAR follow up must be clearly defined
- 4) Wording in the auditing checklists need to be updated where necessary (rodent control plan)
- 5) Animal Care Program needs to be strengthened with both a producer manual and an administration manual
- 6) Training for the Animal Care Program auditors needs to be more rigorous
  - a. EFC is currently researching better ways to determine feather cover and is looking for volunteers, a notice will be sent to Boards in the near future
- 7) Auditors need to be more strict when comparing the farm to the guidelines
- 8) While the PLO's do not conduct audits when they are attending a farm to count and SE test, noticeable infractions should be documented for the producer and corrective actions should be issued. These deficiencies would be of a physical nature such as rodents or controlled access zone maintenance.

It was agreed that BCEMB needs to be more rigorous around administering audits and communicating deficiencies to producers. It was decided that communications regarding any deficiencies will come from the Executive Director in the form of a letter, an email and perhaps a text.

**Action:** Staff was directed to take the task of reviewing each audit program line by line, to the PMC for their next meeting, with a timeline to bring any findings back to the Board by end of August.

**Action:** Staff to send a message to Producers noting that BCEMB is increasing our compliance standards and being more rigorous in testing. In addition, the board requested the Executive Director notify non-compliant producers in writing with respect to expectations to comply and the remind them of the consequences.

Walter left the meeting at 12:05 pm

### 5.2 Updated Poultry Code Requirements and Timelines

The Recommended Codes of Practice for the Care and Handling of Poultry has been updated and there are a number of changes in the Code that affect our producers.

BC's Egg producers have received notification by email that the final version of the updated code is now available and were provided a link to a digital version of the code.

BCEMB staff will hold update sessions for producers and provide a summary of the major changes and deadlines on both the public and producer sites. Hard copies of the codes will be mailed to all producers

### 5.3 EFC Service Fee

EFC has conducted a full review of the service fee program and has proposed three changes for which they are requesting the egg board support.

1. Amend the current MOU by way of addendum to incorporate the new rules for the fund level adjustment;
2. Amend the next round of Service Fee MOU's to include a provision for a special program review should the following conditions be met Amend the next round of Service Fee MOU's to include a provision for a special program review should the following conditions be met;
3. Amend the next round of Service Fee MOU's so that egg boards can make more than one PIF Service Fee payment per year if they so require as well as adding a force majeure section whereby EFC may request earlier PIF Service Fee payments from egg boards under extreme circumstances

The Board reviewed the proposed service fee program changes and are in support of the new fund level adjustments as well as their incorporation into the current MOU. The BCEMB is also in support of the addition of a special provisions clause for the next MOU.

The Board does not support the addition of a force majeure section as they do not believe it is necessary. It is intuitive that should EFC require additional funds for the PIF, they can and will request it of the provincial boards.

**Action:** Staff was directed to compose a letter to EFC expressing their views on the proposed changes to the service fee program as noted in the minutes.

### 5.4 FPA Agreement Update

The joint letter from FIRB, addressing the opportunity to provide initial feedback and input into the process to renew the "Federal-Provincial Agreement in Respect of a Comprehensive Marketing Program for the purpose of the marketing Eggs in Canada" was presented for information.

### 5.5 SE Update

This month BCEMB had two producers test positive for SE and since January 2017 there has been four positive tests.

Diligent biosecurity is always paramount to minimizing the risk; and education along with reminders of the ever-present risk is how staff hopes to limit future SE occurrences.

### 5.6 Quota Tools Assessment Review

BCFIRB has invited BCEMB and the other supply managed commodities to assess the outcomes of BCFIRB's 2005 Specialty Review. The intent of this directive is to determine if industry and public interest policy outcomes are still being achieved and if there are unintended or adverse consequences that need to be addressed.

The board agreed to the following recommendations as put forth by staff:

1. Remove LIFO
2. Remove 10/10/10
3. Maintain a 5% assessment on all non-exempt quota transfers OR create a market responsive assessment ranging from 0-5% at the discretion of the board (with some KPI's)
4. Include the following as exempt transfers:
  - a. child to parent
  - b. sibling to sibling
  - c. grand-parent to grand-child
  - d. parent to nieces and nephews
5. Include farm managers as an exempt transfer
  
6. Modify the New Entrant Program
  - a. Remove LIFO
  - b. Remove 10/10/10
  - c. 100% ownership in first year with a 100% assessment if sold within 10 years
  
7. Make all changes effective on all quota issuances - past, present and future, on a go forward basis

#### 5.7 Catching Issues

On Monday June 12, 2017 a video was released by Mercy for Animals (MFA) that showed horrific abuse of chickens during the catching process on broiler farms throughout BC.

On Tuesday June 13, 2017 notices were sent to producers regarding the animal abuse allegations along with a copy of the Handling, Catching and Loading protocols and a message to producers that the hens are their responsibility until they are on the truck and that it is the producer's responsibility to ensure they are well cared for.

A letter was then received by Elite Services regarding their next steps including terminating employment with those involved in the mistreatment and a statement that they are committed to becoming an industry leader in animal welfare.

Staff spoke with Elite and confirmed that an entirely different crew is used on layer barns. Staff also spoke with Superior who stated they would have their HACCP coordinator on farm for catching that evening to ensure animal care protocols were being followed.

A letter was sent to Elite stating BC Egg's position on animal care and our expectations for their crew. This was also forwarded to all producers along with the letter from Elite.

On June 14, 2017 a second letter was received by Elite and forwarded to producers stating that they will be outfitting all of their employees with video cameras and that the cameras will be reviewed each morning.

On June 15, 2017 a BC Egg PLO attended the catching process to confirm that the Handling, Catching and Loading protocol is being followed and that farm staff is on site and available. Staff reported that the process ran smoothly with the crew catching the hens respectfully.

Staff has updated the fowl removal notification letter to include a statement that it is the producer's responsibility to ensure the hens are well cared for until they are on the truck and that the producer should be present at catching.

Staff met with Elite on June 16, 2017 to discuss the proposal presented by Elite on the future of catching in BC including an audit and oversight mechanism.

Staff recommends that the BCEMB:

1. conduct audits of the catching process on a monthly basis to ensure that all parties are following the appropriate animal welfare practices and that producers are on-site and monitoring the catching process
2. add an addendum to the fowl removal contract that permits the suspension or cancellation of the contract if any of the parties are found to be in significant contravention with the animal welfare practices outlined in the Codes of Practice or EFC's ACP Handling, Catching and Loading Protocols.
3. Develop an emergency response protocol and standard messaging to be better prepared for items such as this in the future, ensuring that the protocol includes notifying the Board, Producers and other affected commodity groups of the issue.

#### 5.8 Catching Contract Options

Management is waiting for a response from legal regarding animal care concerns in the contract.

#### 5.9 On Farm Programs and Enforcement

This item was discussed earlier in the meeting.

#### 5.10 COP Timeline Change and Effect on Buy-back

EFC appreciates the Western Provinces decision to announce pricing effective the second week in each period, but will continue to adjust the buyback price the first week of each period. The Western Provinces changed their timeline to ensure that each pricing change follows the timeline requested by the CPEPC and graders earlier this year.

Moving forward, BCEMB plans to provide a posted producer price that is effective from the second week in the period and ends at the completion of the last day in first week of the following period. In doing so, the BCEMB will run the risk of an unexpected gain or loss in the first week of each period.

- If the buyback price goes up, BCEMB will net gain
- If the buyback price goes down, BCEMB will net loss

#### 5.11 EFC Research – U&A Study

The EFC U&A study was presented to the board for information.

#### 5.12 FPCC Update

The Farm Products Council of Canada (FPCC) notice regarding their search for committee members and chairperson was discussed. All stakeholders were invited, by FPCC, to inform their members of the opportunity to serve on the committee as chairperson.

**Action:** Staff to send out a message to Producers with the link to apply for chairperson for the FPCC.

#### 4.1 EPA – 1:30

Dan Kampen, Jon Krahn and Mark Siemens joined the meeting at 1:30pm, as representatives for the EPA.

Mark updated the Board on the EPA's strategic plan status.

In their strategic planning session the EPA came up with four primary goals with some objectives accompanying each goal.

1. Address current governance structure and create one Provincial association
  - Rewrote constitution and bylaws to include all regions
  - Attended regional AGMs to share their vision
  - As a result, Fraser Valley and the Interior dissolved and were absorbed by the EPA
  - Vancouver Island would like to continue forward as they are. The EPA's new goal is to strengthen the provincial associations so they can feel more confident in the future when the opportunity to dissolve arises again.

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2. Political objectives
  - Develop a three year plan to engage government
    - Focus on provincial politicians with a slight emphasis on municipalities with a high concentration of egg production
    - Continue to attend the current ridings fundraising events to ensure BC Egg has representation
    - Informal BBQ on an egg farm with local MLA's and MP's in ridings around the Fraser valley.
3. Educating public on the egg industry
  - Revised some of their objectives when Amanda joined BC Egg.
  - Supporting Amanda on her objectives and finding her the volunteers she needs.
4. Provide more opportunities for producers to engage
  - Planning a roundtable education session with producers to understand how Quota credits and other such programs are used.
  - Engagement-ambassador program
  - Mentorship program with new entrants

The issue about poor performers and EPA's role in partnering with BC Egg to help get the message across was discussed. The EPA noted that they would like to see the Board strengthen their approach to the producers who are not compliant.

The future direction of the Poultry Conference/AGM was discussed. Feedback around items such as BCEMB's level of input on the conference, quality of speakers, funding and alternative venues were reviewed.

The EPA members left the meeting at 2:23 pm.

### 5.13 Mandatory Insurance Review Committee Update

The MIRC is requesting that the Boards post their consideration of a decision to establish a mandatory Infected Premises C&D Cost Recovery Fund.

The Committee has concluded that the boards and commission should recommend to BCFIRB their desire to use their powers to establish a mandatory Infected Premises C&D Cost Recovery Fund.

The purpose of support to post the decision is to allow for producers and other stakeholders to have the opportunity to consult and provide comments on the proposal. It does not pre-determine whether or not the Board supports the establishment of a mandatory Infected Premises C&D Cost Recovery Program.

After some discussion, the Board agreed with staff's recommendation that the BCEMB support the posting of the consideration of the decision.

**R17-040** It was MOVED and SECONDED

THAT the Board of Directors approve supporting the posting of the consideration to establish a mandatory Infected Premises C&D Cost Recovery Fund.

CARRIED

**Action:** Staff to send an email to H, Sasaki that the Board supports the posting of the consideration of the decision.

**The Board of Directors of BC Egg Marketing Board**

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5.14 Quota Exchange Recommendation

There may be a small amount of quota offered on the upcoming Quota Exchange (QE).

Under the current QE rules, any exchange with an offer to sell in excess of 1,000 quota units will cause the price of quota to increase by \$5.00 on the next exchange.

Based on various consultations over the past two months, our stakeholders are concerned with the rapid increases in quota value. It is their opinion that the price increases are being caused primarily by the shortage in supply. Each increase in price makes quota less accessible and increases the barrier of entry/growth into this thriving industry.

Until an exhaustive consultation on the Quota Exchange can be completed in September 2017, staff recommendation is to amend Schedule 8 - Rule 4(2)(A) (in red):

(2) Subject to subsection (1), if:

(a) the volume of Layer Quota subject to offers to sell was greater than ~~4000 Layers~~ **1% of BCEMB's total allocated quota;**

**R17-041** It was MOVED and SECONDED

THAT the Board of Directors approve the amendment to Schedule 8 - Rule 4(2)(a) to read (a) the volume of Layer Quota subject to offers to sell was greater than 1.5% of BCEMB's total allocated quota.

CARRIED

**6.0 GOVERNANCE**

6.1 Director Surveys

This item will be put forward to the meeting of July 20, 2018

**7.0 MEETINGS HELD AND UPCOMING**

7.1 Meetings Held Appendix A

Meetings attended since the last Board meeting were reviewed.

7.2 Meetings Upcoming Appendix B

Attendance and participation in upcoming meetings was discussed and approved.

**ADJOURNMENT**

The meeting was adjourned at 4:12 pm



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Board Chair



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Certified Correct, Secretary

**Board of Directors Meeting No.7, 2017**

June 21, 2017  
BCEMB Boardroom  
9:30 am

**VISION: A cohesive and sustainable, growing BC egg industry that meets the needs of consumers while being socially and environmentally responsible.**

**AGENDA**

	Information	Discussion	Decision	P1	P2	Page
<b>Call to Order</b>						
<b>Adoption of Agenda</b>			X			
<b>1.0 Approval of the Minutes</b>						
1.1 Approval of the Minutes of May 18, 2017			X			3-9
<b>2.0 Business Arising/Action List</b>						
2.1 Board Calendar – <i>Katie</i>	X					10
2.2 Action Items - <i>Katie</i>	X					11
2.3 New Business			X			
2.3a Paragon Farms Letter	X					12
2.3b Insight Round Table Invite	X					13-14
<b>3.0 Performance Reports</b>						
3.1 Dashboard - <i>Erin</i>	X					15-18
3.1a Feed Mill Participation Report & AAFC Report- <i>Joey</i>	X					19
3.2 Quota						
3.2a Industry Reserve - <i>Joey</i>	X					20
3.2b IP Report Week - <i>Erin</i>	X					21
3.2c IP Processor Summary Week - <i>Erin</i>	X					22
3.2d EFP Report Week - <i>Erin</i>	X					23
3.2e Quota Utilization Update - <i>Joey</i>	X					24
3.2f Inventory Report - <i>Joey</i>	X					25-27
3.3 Financials	X					
3.3a Period 5 Financial Dashboard - <i>Erin</i>		X				28-30
3.3b Period 5 Board & Committee Per Diems & Expenses - <i>Erin</i>			X			31-44
3.4 Preliminary COP - <i>Joey</i>	X					45-46

	Information	Discussion	Decision	P1	P2	Page
<b>4.0 Stakeholder Engagement</b>						
4.1 EPA – 1:30 pm		X				47-V
4.2 EIAC Draft Minutes of May 24, 2017 - <i>Katie</i>	X					48-50
4.3 A&F Committee Meeting Update June 20, 2017 - <i>Amy</i>	X					51-V
4.4 Grader meeting minutes - <i>Katie</i>	X					52-54
4.4a Enriched Pricing - <i>Katie</i>		X				55-56
4.4b Specialty and Organic Pricing Shift - <i>Katie</i>		X				57
4.5 Authenticity in Farming - <i>Brad</i>		X				58-78
4.6 EPA/Golden Valley/Vanderpols Meeting re SPCA certification - <i>Katie</i>		X				79
4.7 BC Specialty Audit Program Update - <i>Katie</i>			X			80
4.8 UBC Scholarship - <i>Erin</i>	X					81-82
<b>5.0 Operations</b>						
5.1 Rodent Control Update – <i>Joey</i>			X			83-85
5.2 Updated Poultry Code Requirements and Timelines - <i>Katie</i>	X					86
5.3 EFC Service Fee - <i>Katie</i>			X			87-114
5.4 FPA Agreement Update - <i>Walter</i>		X				115-121
5.5 SE Update - <i>Joey</i>	X					122
5.6 Quota Tools Assessment Review (Handout) - <i>Katie</i>			X			123-564
5.7 Catching Issues		X				565-575
5.8 Catching Contract Options		X				576
5.9 On Farm Programs and Enforcement		X				577-623
5.10 COP Timeline Change and Effect on Buy-back	X					624-627
5.11 EFC Research – U&A study	X					628-674
5.12 FPCC Update		X				675-681
5.13 Mandatory Insurance Review Committee Update			X			682-687
5.14 Quota Exchange Recommendation			X			688
<b>6.0 Governance</b>						
6.1 Director Surveys		X				689-V
<b>7.0 Meetings Held &amp; Upcoming</b>						
7.1 Meetings Held Appendix A - <i>April</i>	X					690
7.2 Meetings Upcoming Appendix B - <i>April</i>	X					691-694
<b>In-Camera Session</b>						

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### MINUTES of Board of Director's Meeting

**Date:** May 18, 2017

**Location:** BCEMB

**BOARD IN ATTENDANCE:** Brad Bond, Chair  
Jennifer Woike, Vice Chair  
Aryn Alibhai, Board Member  
Fred Krahn, Board Member - for part of the meeting  
Walter Siemens, Board Member

**STAFF IN ATTENDANCE:** Katie Lowe, Executive Director  
Joey Aebig, Manager, Operations & Logistics  
Erin Duetta, Manager, Finance  
April Dicer, Recording Secretary

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#### CALL TO ORDER

Chair, Brad Bond, called the meeting to order at 9:01 am.

#### ADOPTION OF AGENDA

The agenda was adopted with the following additions:

5.4 Focus Groups  
4.7 BCEPA  
4.8 Grader Meeting Date  
4.9 EFC Nest Run  
Feedback regarding Poultry Conference and AGM

#### **1.0** APPROVAL OF MINUTES

1.1 Approval of the Minutes of April 28, 2017

**R17-035** It was MOVED and SECONDED

THAT the Board of Directors approve the Minutes of April 28, 2017 as presented.

CARRIED

## **2.0 BUSINESS ARISING/ACTION LIST REVIEW**

### 2.1 Board Calendar

The Board calendar was presented for information.

### 2.2 Action Items

The action item document was reviewed for information.

### 2.3 Business Arising

#### 2.3a Se Correspondence to EFC

Management responded to EFC's request to review their national microbiological sampling protocol, post-positive Se protocol and further Se surveillance in a post positive event. Along with their recommendations, BCEMB felt that it is important to note that CEIRA does not currently have separate policies or coverage for specialty production and that as the industry moves further along in the transition, it will be more important for specialty producers to be covered for any losses.

#### 2.3b FPA Correspondence to EFC

BCEMB responded in support of EFC's proposed incremental approach to the FPA renewal. With the continued industry changes and shift in production methods, it was agreed that the addendum approach is appropriate. It was recommended that items that address special circumstances should include a sunset clause.

## **3.0 PERFORMANCE REPORTS**

### 3.1 Dashboard

The dashboard was presented for information.

The Board has requested that staff include all new entrants starting in 2002. Those new entrants that have purchased quota to get into the industry should be included as well.

#### 3.1a Feed Mill Participation Report & AAFC Report

The Feed Mill report was presented to the Board for information.

### 3.2 Quota

#### 3.2a Industry Reserve

The total quota allocated and held in reserve was presented for information.

#### 3.2b IP Report Week 18

The Industrial Product report up to week 18 was presented to the Board for information.

#### 3.2c IP Processor Summary Week 18

The week 18 IP Processor report was presented to the Board for information.

#### 3.2d EFP Report Week 18

The EFP report as at week 18 was presented for information.

#### 3.2e Quota Utilization Update

The quota utilization report as at week 19, 2017 was presented for information.

#### 3.2f Inventory Report

The inventory report was presented for information.

3.3 Financials

3.3a Period 4 Board & Committee Per Diems & Expenses

**R17-036** It was MOVED and SECONDED

THAT the Board of Directors approve the Directors', Executive Director's, and Committee members' per diem and expenses for period 4 as presented.

CARRIED

3.3b Financial Statements for Period 3

The financial statements for Period 3 were presented for information.

3.4 Preliminary COP

The preliminary COP was presented for information.

Western provinces decided to go with the new pricing timeline as per the announcement sent to all producers on May 17, 2017.

**Action:** Staff was directed to follow up with EFC as to why there is a large variance in labour costs on their COP report.

**4.0 STAKEHOLDER ENGAGEMENT**

4.1 AIC 2016 Conference Summary

Joey presented his report on the 'Agricultural Innovation in a Changing Environment' conference. The overarching message that was discussed at this conference was "To be successful in today's market there is a need in every agricultural sector to do more with less resources and a smaller environmental impact."

4.2 FPA Renewal Memo from EFC

EFC sent correspondence on May 3, 2017, requesting feedback from all provincial supervisory Boards regarding priority issues they feel need to be addressed by the Committee, as well as indication of whether they support the incremental FPA renewal approach. Comments from supervisory boards are requested in writing to EFC by June 15, 2017.

Mike joined the meeting at 10:00 am.

4.3 Processing Forecast - Mike Vanderpol

Mike Vanderpol was invited to the meeting to discuss his prediction on the processing forecast. This discussion was viewed as a consultation where Mike could speak about opportunities and challenges.

One of the challenges faced is nationalized bidding. Vanderpol's has not been offered the opportunity to bid on some of their long standing customers that have been bought or integrated into larger corporations. Mike noted that they have lost 5% of their business in one customer loss.

Another challenge is EPIC in Alberta is owned by the producers and they undercut Vanderpol's on pricing. Vanderpol's stated that this is negatively affecting their margins.

The other risk factor is that more finished product is coming in from the US, undercutting Canadian costs and taking business away.

New opportunities lie in launching new products such as the Japanese style omelet recently released. The increasing demand for specialty product and new products drives Vanderpol's growth.

## The Board of Directors of BC Egg Marketing Board

Minutes: Board of Director's Meeting

Date: May 18, 2017

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Mike noted that Industrial product has grown and they are near the position where they can't take all the IP eggs. It is likely that EFP eggs will no longer be needed at the end of the contract Vanderpol's has with BCEMB.

Mike advised the board that, in 2015 Vanderpol's imported a fair bit, 2016 saw a decrease over 2015 and that 2017 is nominal. Interprovincial imports are also down. Vanderpol's has seen substantial growth in a demand for specialty product from distributors and restaurant chains. With BCEMB working with EFC to implement a Specialty IP program, Vanderpol's will be guaranteed supply in specialty production and will be able to pursue new market opportunities with their customers.

The successful implementation of the Specialty program will benefit all industry stakeholders and consumers.

Mike noted Vanderpol's has much more capacity than what he is currently processing as he is currently operating on one shift and can expand it to two.

Mike left the meeting at 10:35

**Action:** Management was directed to supply the board with more information on egg products coming in from the US.

#### 4.4 Paragon Farms – James Krahn

This was discussed later in the meeting.

#### 4.5 Forecasting Model for Specialty Pricing

Joey presented the updated forecasting model for specialty pricing to the board for feedback. This letter addresses the inaccurate data from Nielsen, the effect of pricing on specialty production, provincial consumption and the consumer. It was noted that the intent of this letter is to share the merits of BC's approach to specialty pricing because it is working for our producers.

The idea behind this is that, by pricing specialty, BC is not compromising their market; we have little impact on the final price at retail. This forecasting model is specifically for the provinces to disclose our unique approach and the success of our program.

**Action:** Katie was directed to write a letter to all provinces noting that in the strategic planning meeting, specialty pricing was discussed and as a result one of our team members has put together this forecasting model report.

#### 4.6 Hartman Conference

On April 27, 2017, Amanda attended Hartman Group's conference called *Telling the Story of Food*. The attendees' employers included large food companies (such as Kraft), smaller food manufacturers (such as a yogurt maker), farm suppliers, grocery stores, and the occasional single ingredient supplier (like BC Egg).

#### 4.7 BCEPA Correspondence

The board discussed the involvement of the BCEPA and the animal care program that is already in progress by the BCEMB. It was decided that Brad and Katie will contact the BCEPA president to ensure the EPA is not pre-empting BCEMB's work in the matter.

**Action:** Staff was directed to have the BCEPA minutes circulated to the board on a regular basis.

#### 4.8 Grader Meeting of June 6

The Board will send correspondence to the Graders offering alternate times for the June 6<sup>th</sup> meeting to accommodate their CPEPC schedule.

4.9 Poultry Conference and AGM Feedback

Katie will write a letter to EPA asking that they don't renew the Poultry conference contract at this point as the Board will discuss this and make a decision in a future meeting.

**Action:** Brad will request that the EPA attend the next board meeting to discuss outstanding items such as the Poultry conference.

**5.0 OPERATIONS**

5.1 Rodent Control Update

According to the rodent control update from PLO, Karlie Erickson, Pest Detective has started their inspections with 4 farms the week of May 8, 2017. A PLO was present for all inspections to ensure biosecurity is being followed. Currently Pest Detective has visits scheduled into June.

5.2 Quota Management Tools Review Update

A status report was discussed on the quota management tools review at the board meeting. Discussion topics began with the work completed to date including extensive summary of the consultations with producers and alternatives brainstormed at those meetings.

The board then discussed next steps moving forward noting that staff will meet with various financial institutions to get a variety of perspectives from all industry stakeholders, specifically with banks, the financial ramifications should any changes be made.

Once all information has been gathered staff will present the producer driven findings with a detailed SAFETI analysis to the board for consideration which will later be sent to legal for finalization.

5.3 Western Specialty Pricing Update

WEMA has been meeting on pricing, costing analysis.

After reviewing the pricing document, the board has some questions with the data that they would like to address with Bob Burden from Serecon, to ensure the validity of numbers.

Fred Krahn left the meeting at 12:44pm

James Krahn joined the meeting at 12:45pm

4.4 Paragon Farms – James Krahn

James Krahn requested to attend the meeting to discuss the Se compensation issue with Paragon Farms. James presented his compensation requests to the board showing the Se timeline, calculations and rationale for Paragon's specialty flock and then again for their conventional flock.

James Krahn left the meeting at 1:55 pm

After much discussion the board came to the consensus that, as a Board we feel we have been extremely fair and equitable in our review and decision making regarding the requests by Paragon Farms.

We have discussed the information on four different occasions. At the last session Paragon Farms made a final request for further support from BCEMB and in addition that BCEMB assist in their request for support from EFC as well.

The Board stands by its decision of September 8, 2016 that no further action will be taken. Our guiding light with respect to decisions of this nature is that our ultimate responsibility is to ensure Public Safety and all known risks must be mitigated to the highest degree.

**Action:** Staff was directed to write a letter in response to Paragon Farms request for further compensation, relaying the board's view as noted in the minutes.

#### 5.4 Specialty Audit Certification Communications Plan

Management updated the board on the specialty audit certification plan. Staff is currently working on implementing a free-run/free-range certification program for our producers in BC. This certification program will stop other jurisdictions from selling free-run/free-range product in BC that does not meet our standards. The intended timeline is to have training sessions for specialty producers in June and to be ready to have information on the new certification standards available at the PNE that opens August 22<sup>nd</sup>.

The board discussed the use of the BC Egg logo and ensuring the logo is used only with permission. It was decided that a license permissions agreement will be created and implemented in the stamping process.

Amanda has arranged three focus groups to test for: the name and logo for specialty certification, finding an appropriate name for enriched cages and the consumers view on supply management. This information will be brought to the strategic planning visioning session. Amanda will send out information on these groups so the board can watch them live via the web.

## **6.0 GOVERNANCE**

### 6.1 Board Performance Feedback

Brad reviewed the two director surveys with the board.

The Board agreed that both surveys would be beneficial. The Board Performance survey will be reviewed in house. A third party facilitator will collect the feedback for the peer review survey and present the information to each member, in confidence.

### 6.2 2015 Strategic Plan Update

Katie presented the 2015 Strategic Plan updated status to the board for information.

### 6.3 2017 Strategic Plan Planning Update

Brad reviewed the 2017 Strategic planning session. In response to the restaurant sector announcing their changes to their egg sourcing and the fact that BC consumers and residences are more sustainable focused and health conscious, BCEMB will be holding a stakeholder session that will include consumer feedback. Focus groups are recommended to elicit consumer feedback as well as a third party facilitator to help bridge the distance between BCEMB and the graders, and the graders and grocery. Brad noted that Matt Sutton-Vemeule of The Context Network is available for the July 19<sup>th</sup> session.

In order to lay the groundwork for the 2018, 2019 and 2020 programs it is recommended that the board approve the focus group spend of up to \$10,000 and the Context Network spend of \$10,000.

**R17-037** It was MOVED and SECONDED

THAT the Board of Directors approve the focus group spend of up to \$10,000 and the Context Network spend of \$10,000.

CARRIED

**The Board of Directors of BC Egg Marketing Board**

Minutes: Board of Director's Meeting

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6.4 Short Term Investment Update

The bank has advised BCEMB that the interest rate in our chequing account rate is higher than current GIC's, and that this rate has been grandfathered in. At this time, it is not recommended to implement the short term investment policy as it would not be possible to beat our current rate. It was noted that when this rate changes, staff will enact the short term investment policy immediately.

**7.0 MEETINGS HELD AND UPCOMING**

7.1 Meetings Held Appendix A

Meetings attended since the last Board meeting were reviewed.

7.2 Meetings Upcoming Appendix B

Attendance and participation in upcoming meetings was discussed and approved.

**ADJOURNMENT**

The meeting was adjourned at 3:47 pm



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Board Chair



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Certified Correct, Secretary

# 2017 BOARD AND OTHER MEETINGS CALENDAR

MEETINGS		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
<b>Board</b>		25 <sup>th</sup>	17 <sup>th</sup> 10 <sup>th</sup> Conference Call	AGM 1st-3 <sup>rd</sup> 29 <sup>th</sup>	28 <sup>th</sup> Interior	18 <sup>th</sup>	21 <sup>st</sup>	19-20 <sup>th</sup> Strat Plan Workshop	15 <sup>th</sup>		4-5 <sup>th</sup> Strat Planning	16 <sup>th</sup> VI	7
<b>Board Agenda Items</b>		Signing Disclosure docs D&O Insurance Review	YE AUDIT & ANNUAL REPORT  Strat plan update  Conference Call to approve Financials		Director Conflict Forms	Board Performance Feedback, Program Refresh, Producer Survey Strat plan update	Mgmt Perf Reviews, Authority Matrix, Review Inv. Policy, Governance Review	Staff to plan a two day meeting to obtain a global picture with Board and Stakeholders	16 <sup>th</sup> – 50 <sup>th</sup> Annive rsary		EPA Strat Plan, EPA Budget, Grader Audits, Producer Survey, Social License Report Card, Marketing Plan	Farm Tours on 15 <sup>th</sup>	Committee Year end Reports
<b>FIRB Board Meetings</b>		11 <sup>th</sup>	8-9	8 <sup>th</sup>	12-13	10 <sup>th</sup>	14-15	12 <sup>th</sup>	9-10	13 <sup>th</sup>	11-12	8 <sup>th</sup>	13-14
<b>Committees</b>	<b>AUDIT</b>		9-draft financials				15 <sup>th</sup>				5 <sup>th</sup>		1 <sup>st</sup>
	<b>PMC</b>	9 <sup>th</sup>		Tentative		17 <sup>th</sup>	20 <sup>th</sup>						
	<b>EIAC</b>	12		9		24				28		22	
	<b>Marketing</b>				X					X		X	
<b>Stakeholder Meetings</b>	<b>BC &amp; Regional EPA</b>	11 <sup>th</sup> BCEPA Island AGM	9 <sup>th</sup> BCEPA	9 <sup>th</sup> BCEPA	13 <sup>th</sup> BCEPA Interior 28 <sup>th</sup>	11 <sup>th</sup> BCEPA Island	8 <sup>th</sup> BCEPA			7 <sup>th</sup> BCEPA Island	11 <sup>th</sup> BCEPA	9 <sup>th</sup> BCEP A	
	<b>Grocery</b>												
	<b>Other (breaker, hatchery, feed mills)</b>		3 <sup>rd</sup> – FIRB Quota Evaluation Workshop					Retail and Grader re: SAC					
<b>External Sessions</b>	<b>EFC</b>		15-16	21-23 AGM  ALL		17 <sup>th</sup> EFC PMC  9-11 EFC Strat Plan	26 <sup>th</sup> FPA 27 <sup>th</sup> Nest Run to Table Sales Proposal	10-12 National Producer Conf. ALL		20-21	EFC PMC	6-7  Chair + 2	
	<b>IEC</b>				2-4 Monte Carlo					10-14 Brugge			
	<b>National Producer Conference</b>							10-14					
	<b>COMB</b>		2 <sup>nd</sup>										
	<b>COGA</b>	10 <sup>th</sup>	8 <sup>th</sup>										
	<b>United Egg Producers</b>						16-19 Legislative				17-19 Nashville		
	<b>Urner Barry</b>					30-May 2 Caesar's Palace Chair + 1							

## Action Items

Action Item	Date Initiated	Due Date	Action Item	Current Status	Owner	Next Steps - Comment
2.2a	Mar-17	Dec-17	Long Term Investment Policy Needs	Active	Erin	The A&F cttee will determine if needed at June 15 Meeting
2.2b	Jun-16	Jun-17	Specialty COP Study	Active	Katie	Working towards a Fall 2017 completion
2.2c	Apr-17		Website Redesign for 2018	Active	Amanda	
2.2d	Sep-15	Jun-17	Grader Audit	Active	Erin	Ongoing
2.2e		Dec-18	Governance Manual Review and Update	Active	Brad	BCEMB Policy Manual developed, next step is revise Gov. Manual
2.2f	Apr-16	Dec-17	New Entrant Paper		Katie	Management to review previous NPP studies and develop revised questionnaire for Panel Members and 2015 NPP winners
2.2g	Apr-16	Dec-17	Comparison of Regional Programs	Active	Katie	Underway - AB now taking the lead on an EFC portal to act as a repository for provincial program information
2.2h	2015 Strat Plan	Jul-17	Stamping Eggs	Active	Amanda	Presentation to graders and process under development
2.2i	Apr-17		After specialty pricing is completed in the West, start discussions with Western Provinces on updating WEMA	Active	Katie	
2.2j	Jan-17	Jan-20	Quota Credit Policy Refresh	Active	Katie/Joey	Underway - consultation to be ongoing for January 2020 roll out
2.2k	Jan-17	Jun-17	Quota Assessment Directive	Active	Katie	
2.2l	Jan-19	Sep-19	FIRB Election Rules Directive	Active	Katie	
2.2m	Mar-17		New Entrant Survey Questions	Postponed		To be completed in Fall, 2017
2.2n	Mar-17		Quota Exchange Survey	Postponed		To be completed in Fall, 2017

### **5.13 Mandatory Insurance Review Committee Update**

**Issue:**

The MIRC is requesting that the Boards post their consideration of a decision to establish a mandatory Infected Premises C&D Cost Recovery Fund.

**Discussion:**

The Committee has concluded that the boards and commission should recommend to BCFIRB their desire to use their powers to establish a mandatory Infected Premises C&D Cost Recovery Fund.

At this time the committee is requesting support from the Boards to support the proposed decision and take the following actions:

1. Notify industry associations and stakeholders of the proposed decision.
2. Post the proposed decision for industry and stakeholder review and comment for a period of 30 days.
3. Forward a copy of the draft decision to BC FIRB for review and comment.
4. Direct any and all comments received to the Committee for review and comment prior to making their final recommendation to the Boards and Commission.
5. Final decision by all boards regarding the establishment of a mandatory Infected Premises C&D Cost Recovery Fund, by September 30, 2017.

The purpose of support to post the decision is to allow for producers and other stakeholders to have the opportunity to consult and provide comments on the proposal. It does not pre-determine whether or not the Board supports the establishment of a mandatory Infected Premises C&D Cost Recovery Program.

**Recommendation:**

Staff recommends that the BCEMB support the posting of the consideration of the decision.

# MISC - Decision Note

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June 13, 2017

## *Decisions Required:*

Board and commission agree to:

- Establish a mandatory Infected Premise Cleaning and Disinfection (C&D) Cost Recovery Fund to cover the extraordinary C&D of infected premises for future Notifiable Avian Influenza (NAI) disease discoveries.

## *Background:*

- The passing of the amendments to the *Natural Products Marketing (BC) Act* (the “NPMA”) in May 2015 made explicit the authority of boards and commissions to require producers to maintain insurance against losses resulting from the interruption or termination of production for any reason or for a notifiable or reportable disease.
- The regulated poultry boards and commission have given due consideration to the enabling authority and collectively agreed in January 2016 to initiate the Mandatory Notifiable Avian Influenza Insurance Review (the “Review”).
- The purpose of the Review is to conduct the requisite due diligence in accordance with the SAFETI<sup>1</sup> principles for each board and commission to make a decision on whether or not to implement mandatory insurance requirements to address the financial consequences of NAI discoveries in British Columbia.
- A steering committee with representation of the regulated poultry boards and commission, along with the BC Poultry Association was established to oversee the work and to make recommendations to the boards and commission.
- The boards and commission were required to determine whether or not requiring licenced producers to maintain insurance against losses resulting from NAI was in accord with sound marketing policy.
  - The Phase 1 and 2 Reports conducted under the Review, concluded that
    - Past experience with NAI discoveries required a financial intervention to address the extraordinary costs of C&D of infected premises in order to enable the boards and commission to return the BC poultry industry to a system of orderly marketing; and
    - A gap was created by the federal and provincial government policy position to not support future use of AgriRecovery to address the extraordinary costs of infected premise C&D.
- The boards and commission have affirmed the Review findings that:
  - It is in the interests of sound marketing policy for the regulated poultry boards to intervene and commit financial resources to off-set the costs of the extraordinary costs of infected premises cleaning and disinfection (C&D).
  - All licenced poultry producers realize the benefits of the boards and commission assuming the extraordinary costs of infected premises C&D and support covering the costs through seeding and maintaining a collective fund.
  - The need to continue to explore mechanisms for transfer of the financial risk in order to minimize the costs to the regulated poultry industry in BC.

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<sup>1</sup> SAFETI stands for the British Columbia Farm Industry Review Board governance principles; Strategic, Accountable, Fair, Equitable, Transparent and Inclusive.

## Discussion

- The use of authorities under the *NPMA* to require licenced producers to maintain insurance against losses resulting from NAI is in keeping with sound marketing policy as it provides the mechanism by which the boards and commission can facilitate a prompt recovery by addressing the extraordinary costs of infected premises C&D.
- Invoking the requirement will ensure that the financial resources are committed for undertaking and completing the requisite C&D of infected premises in a timely manner and that the cost burden is shared by the industry as a whole and not left entirely to the individual.
- The approach will serve to minimize the disruption and overall costs and losses incurred by the entire poultry value chain.
- The use of levies without invoking the insurance provision could lead to challenge.
- Options are under development for how to effect and implement the compulsory insurance requirement.
  - The options will be finalized over the next 60 days and considered by the MISC.
  - Recommendations of the MISC on how to manage the financial risk will be presented to the boards and commission for consideration at the same time as the decision to confirm commitment to establish the Infected Premises C&D Cost Recovery Fund.
- The MISC created a shared website to post all Review materials that went live in May, 2017.
  - The website provides a direct link for individuals to provide comment; to date no comments or feedback has been received.

## Recommendation

The Steering Committee has concluded that the boards and commission should recommend to BC FIRB their desire to use their powers to establish a mandatory Infected Premises C&D Cost Recovery Fund and the following actions:

1. Notify industry associations and stakeholders of the proposed decision.
2. Post the proposed decision for industry and stakeholder review and comment for a period of 30 days.
3. Forward a copy of the draft decision to BC FIRB for review and comment.
4. Direct any and all comment received to the Steering Committee for review and comment prior to making the final recommendation to the boards and commission
5. Final decision by all boards regarding the establishment of a mandatory Infected Premises C&D Cost Recovery Fund, by September 30, 2017.

**MINUTES: Mandatory Insurance Review Committee – June 13, 2016 – 10:00 a.m.**  
**BC Broiler Hatching Eggs board room**

**PRESENT:**

**BCCMB:** Ray Nickel

**BCEMB:** Katie Lowe

**BCTMB:** Michel Benoit

**BCBHEC:** Allan Cross & Stephanie Nelson

**BCPA:** -

**Absent:** Garnet Etsell, Vic Redekop, Ravi Bathe, Aryn Alibhai, Bill Vanderspek and  
Christine Rickson

**Guest(s):** Harvey Sasaki

**1. Confirmation of Agenda**

The agenda was approved as circulated with one correction, Item 4 (b) (i) BCPA meeting June 21 not June 20.

**2. Previous Minutes**

The minutes of March 17, 2017 were approved.

**3. Status of Review**

H. Sasaki provided an update of the review.

a) FIRB update:

- H. Sasaki updated BC FIRB staff on both Phase 1 &2 report and the shared website.
- Verbally approved the website and are considering the Phase 1&2 report

b) Shared website:

- Easily and quickly built
- All 4 commodities are linked to the website.
- No comments received at this time.
- Harvey thanked Stephanie for the contact with Jared.

c) Revised draft Phase 3&4 report:

i. Risk Transfer Assessment

- Harvey has received a draft from Guy Carpenter.
- The final report is to be completed next week and provide some of the basis for defining insurance coverage and/or reinsuring the Infected Premise C&D cost recovery fund.

ii. Actuarial Assessment

- Work has been initiated with JS Cheng and Partners with preliminary results generated.
  - o Expected annual loss range from \$107,000 to \$182,000.

- Suggest for reinsurance purposes of \$100,000 or \$250,000 in retained loss.
- Suggest a \$1 million initial capital fund.
- Members indicated that they did not think that the infected premise C&D SOP was required for premises not infected but included in a HPAI stamp out.
- JSCP requires a decision on the per bird C&D costs for each sector in order to draft the report.

**Decision:**

- The value used should be updated to reflect the 2014 costs, however taking into consideration the circumstances leading to the \$4.80 per bird cost for the layer IP and the range of costs for breeders.
- Harvey to provide the following rates to JSCP:
  - Broilers - \$1 per bird
  - All others \$2.50 per bird

**Follow-up Action:**

- Harvey to confirm CFIA policy with respect to C&D of premises ordered destroyed in a HPAI stamp out, particularly if testing confirms no AI presence.
- Need to put in place SOPs for infected premise C&D for each sector.
- Consider issuing an RFP to have in place contractors to undertake the C&D at a pre-established price based on the SOP with mechanisms to increase/decrease the cost based on the actual SOP for the infected premise.
  - May need to pay potential contractors to develop their RFP.
- Need to consider staffing requirements to administer and oversee the IP C&D cost recovery fund.

iii. Phase 3 & 4 Report Status

- With the information from the Risk Transfer and Actuarial assessments, Harvey will be able to complete the Phase 3 & 4 reports by the end of July.

iv. Draft Decision Note

- The Committee needs to consider if they can recommend to the 4 feather boards mandatory insurance.
- Katie suggested the need to de-emphasize “mandatory insurance” and consider calling it “Infected Premises C&D Cost Recovery Fund” which is really what the funds will be used for.
- BC Chicken may not at the same place as the other commodity boards on mandatory insurance.

**Follow-up Action:**

- Harvey to revise the Decision Note and circulate to members.

#### **4. Next Steps**

- a) Posting documents
  - Draft amended decision note to be presented to each of the 4 boards for review prior to the end of June.
  - Upon confirmation that all four boards have agreed to the decision wording, boards to notify stakeholders of pending decision and request feedback.
  - Draft decision to be posted over the summer with feedback to the individual boards to include in decision making process.
  - All boards to make their decision by the end of September.
- b) Presentation/meeting with Associations
  - BCPA – June 21, 2017 A. Cross and H. Sasaki to attend to present the revised draft decision note.
    - o Associations will be asked to consider making formal resolutions recommending their respective board approval of the establishment of the shared Infected Premises C&D Cost Recovery Fund.
- c) Presentation to Boards in support of decisions/direction
  - Include individual board timelines with note to ensure stakeholders are aware of when decision is scheduled.

#### **5. Next Meeting**

The next meeting will be at the call of the Chair, sometime in September after A. Cross and H. Sasaki have done some pre-planning.

Motion to adjourn 11:27 AM.

**British Columbia Egg Marketing Board**  
**June 21, 2017**  
**Appendix "A", Meetings Held**

<b>2017</b>		
<b>DATE</b>	<b>NATURE</b>	<b>ATTENDANCE</b>
May 9-10	EFC Board Strategic Planning Session	Katie, Brad, Walter
May 11	Island Producer Meeting	Joey & Jen
May 16-19 Washington, DC	UEP Legislative Board Meeting	
May 17	EFC Egg Board Workshop	Fred, Katie, Walter
May 18	BCEMB Board Meeting	Board Management
May 24	EIAC	Fred, Joey
June 4-6 Kelowna	CPEPC AGM	Brad, Walter, Jen, Fred, Aryn, Katie
June 15	Audit and Finance Committee	Aryn, Erin, Katie
June 20	PMC Committee	Fred, Katie
June 21	BCEMB Board Meeting	Board Management

**British Columbia Egg Marketing Board  
June 21, 2017  
Appendix "B", Up-Coming Meetings**

	<b>2017</b>	
<b>DATE</b>	<b>NATURE</b>	<b>ATTENDANCE</b>
June 26	FPA Meeting	Walter
June 27	EFC Nest Run to Table Sales Proposal	Erin
July 10-12, 2017 Toronto	Producer Conference & EFC Board Meeting	Brad, Walter, Jen, Fred, Katie
July 19-20	BCEMB Strategic Planning Session	Board Management
August 15	BCEMB Board Meeting	Board Management
August 16	BCEMB 50 <sup>th</sup> Anniversary Celebration	Board Management
September 10-14	IEC	Brad Walter
September 20-21	EFC Board Meeting	Walter, Katie
October 3-5 Banff	42 <sup>nd</sup> Annual Poultry Service Industry Workshop	
October 5	Audit and Finance Committee	Aryn, Erin, Katie
October 4-5	BCEMB Board Meeting/Strategic Planning Session	Board Management
October 11	Egg Boards PMC Workshop	Fred, Walter, Joey
October 17-20 Nashville	UEP	Jen, Brad, Walter(EFC)
October 30-31 Niagara Falls	Advancing Women Conference	Jen

**British Columbia Egg Marketing Board**  
**June 21, 2017**  
**Appendix "B", Up-Coming Meetings**

	<b>2017</b>	
<b>DATE</b>	<b>NATURE</b>	<b>ATTENDANCE</b>
November 6-7	EFC Board Meeting	Brad, Walter, Jen, Fred, Aryn, Katie
November 16	BCEMB Board Meeting	Board Management
November 22	EFC COP Committee	Fred, Brad, Katie
November 22	EIAC	Joey, Brad
December 1	Audit and Finance Committee	Aryn, Erin, Katie
December 7	BCEMB Board Meeting	Board Management