

## 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:** November 15-16, 2017

**Location:** Oceanfront Suites, Cowichan Bay

**BOARD IN ATTENDANCE:** Gunta Vitins, 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  
Amanda Brittain, Manager, Communications & Marketing  
April Dicer, Recording Secretary

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### **CALL TO ORDER**

Chair, Gunta Vitins, called the meeting to order at 8:31 am, Wednesday, November 15, 2017.

### **ADOPTION OF AGENDA**

The agenda was adopted with the following addition:

Farm Tour discussion

### **1.0 APPROVAL OF MINUTES**

#### **1.1 Approval of the Minutes of October 4-5, 2017**

**R17-053** It was MOVED and SECONDED

THAT the Board of Directors approve the Minutes of October 4-5, 2017 as amended.

CARRIED

Katie reviewed the itinerary and speaking points for the Farm Tour scheduled for the afternoon with the Board, Minister Popham, Deputy Minister Wes Shoemaker and William Beale, Ministerial Assistant to Minister Popham and Doug Routley, MLA, Nanaimo-North Cowichan. The Board agreed that it was important that the conversation told a story as the group progressed through the tour in order to provide a complete and accurate picture of the egg industry. Note: Doug Routley was unable to participate in the tour due to a prior commitment.

## **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.

#### **2.2a Forecast Model Update**

Joey reviewed the updated forecast model with the board for feedback. It was agreed that the forecast model required for budgeting purposes will be presented in September for the following year.

### **2.3 New Business**

#### **2.3a 2018 EFC Young Farmer Program Representative**

As predicted, EFC requested that BC Egg provide a recommendation for a delegate for the young farmer program. The program is designed to help Canada's up and coming leaders learn more about supply management, industry structure, quota allocations, strategic planning, government relations and trade. In addition, there are learning modules that focus on using social media as well as media training. At the October 3-4, 2017 meeting the board selected a representative and an alternate. Wayne Johnson willingly accepted the role as the EFC Young Farmer Program. It was also noted that Matt Vane, the 2017 representative will be attending the December 7, 2017 Board meeting to present his experience in the role to the board.

## **3.0 STAKEHOLDER ENGAGEMENT**

### **3.1 Mandatory Insurance**

This item was tabled for discussion for Thursday, November 16, 2017.

### **3.2 Vancouver Island EPA**

This item was tabled for discussion for Thursday, November 16, 2017.

#### **3.2a BC Poultry Conference Proposal**

This item was tabled for discussion for Thursday, November 16, 2017.

### **3.3 Draft EIAC Minutes of September 28, 2017**

The draft EIAC minutes from the September 28, 2017 meeting were presented for information. Joey presented the forecast update at this meeting and the committee recommended that the board investigate the utilization of Quota Credits and how they can be allotted to the product type most needed, with Grader sign off.

The board and staff discussed various possible scenarios from which Joey will draft a policy to bring back to the board for the December meeting before presenting to the EIAC at their January meeting.

**Action:** Joey to draft a quota credit policy addressing the allotment of quota credits to specific production types where needed, requiring Grader sign off.

**3.4 EIAC Terms of Reference**

The EIAC recommended modifying the Terms of Reference to accommodate the only BC processor by removing the term limit for the Processor member with the statement "Two terms limit may be applied".

**R17-054** It was MOVED and SECONDED

THAT the Board of Directors approve changing the terms from the Egg Industry Advisory committee Terms of Reference to read "Two terms limit may be applied".

CARRIED

**3.5 Draft Audit & Finance Committee Minutes of October 13, 2017**

The draft Audit & Finance minutes from the October 13, 2017 meeting were presented for information. The committee is planning a conference call to discuss the changes to the budget where they will recommend the 2018 levy rate.

**3.6 FPA Committee Meeting Update**

Walter reviewed the progress report from the FPA meeting of Phase 1 of changes to the Federal-Provincial Agreement. The proposed changes are being sent out to all Provinces for consultation. The committee is looking for support from BC on the addendum. The board will vote on the 5 principle changes recommended at tomorrow's meeting, once they have had an opportunity to review them.

**3.7 Update from CEIRA**

An update from Scott Janzen on the recent CEIRA meeting was presented for information. CEIRA is looking at Avian Influenza Insurance with the objective to cover losses not covered by Health of Animals Act compensation.

**3.8 Authenticity Paper**

The Board recognizes that there is knowledge in the Authenticity paper that needs to be shared with the public and stakeholders. The Board discussed how this valuable knowledge should be communicated.

**Action:** Staff was directed to edit the paper, present it to the MarComm committee for input and bring back to the Board for feedback.

**3.9 Meeting with Green MLA**

Jen informed the Board on her dinner meeting with Green MLA, Sonia Furstenau, that took place at Lockwood Farms. In order to help educate the Green party on the egg industry, the Island EPA is planning farm tours to showcase and teach the importance of supply management. The importance of ensuring that political parties, retailers and industry are aware of supply management and how the Egg Industry operates was discussed.

**3.10 Draft BCPA Meeting Notes of November 9, 2017**

The BCPA meeting of November 9<sup>th</sup> was presented for information.

The meeting was adjourned November 15, 2017 at 10:30 am.

### **CALL TO ORDER**

Chair, Gunta Vitins, called the meeting to order at 8:31 am, Thursday, November 16, 2017.

#### **3.6 FPA Committee Meeting Update**

As the Board had the opportunity to review the recommended changes to the FPA, they agreed to vote in favor of supporting these changes.

**R17-055** It was MOVED and SECONDED

THAT the Board of Directors approve the recommended changes to the Federal-Provincial Agreement as presented.

CARRIED

**Action:** Katie will forward this decision to EFC in time for BC Egg's conference call with BC FIRB on Friday, November 17th.

### **4.0 OPERATIONS**

#### **4.1 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 heavy rodent activity on the premise. To date BCEMB has received completed forms related to 70 producers and their respective premises in the Fraser Valley. Staff has not received any negative feedback from the audit process to date.

As pest detective audits are received, staff will continue to send producers their audits and personalized letter. Whenever possible, staff will assist with producers that ask for help or clarification.

The PLO's will be following up with all producers identified as moderate/high risk (yellow/red/blue) during their routine audits to ensure that action is being taken to mitigate their risk of exposure. At this point there are approximately 15 producers who still need to be audited.

**Action:** Staff was directed to start working on how they can expand this program to the Interior and Island. This will be brought to the PMC for discussion.

#### **4.2 Organic & Specialty Audits**

Pro-cert will begin conducting Free-Run and Free Range audits in January 2018. Golden Valley has requested that BC Egg pay for Organic audits as they are already planning on paying for the specialty audit certification.

The BCEMB developed the BC Specialty Audit Certification program with the BCEPA and it is mandatory for all specialty producers in BC. The program will provide consumers with clarity and reassurance of verifiable standards when purchasing eggs labelled as free run and/or free range.

Each grading station individually manages their organic audits and they are conducted for marketing purposes. It is not a process that is under the supervision of the BCEMB. The BCEMB is not willing to pay for the organic audits at this time.

**R17-056** It was MOVED and SECONDED

THAT the Board of Directors decline the Grader request to fund the Organic Audit process.

CARRIED

#### 4.3 SCSC Program Updates

EFC is currently developing a National Certification Program. As part of that development, the SCSC program is under review to ensure that it continues to meet the most up to date science as well as improve any weaknesses identified.

##### 4.3a Corrective Action Request Process

The Board discussed the recommendations put forward by the EFC PMC. The recommendations addressed issues such as: categorizing elements as critical, major, minor or general non-conformances; a graduated timeline for CARs closures; and only allowing General elements to have an extended agreed date to flock change, if required.

While BC Egg commends EFC on the work to improve the timelines to complete corrective actions, Egg Producer across Canada have been audited against the SCSC protocols for a number of years. There is no need for a phase-in period to complete Minor and General Non-conformances. There should remain the ability for extended agreed dates to flock change if required.

The board agreed with staff's recommendations on the corrective action request process.

##### 4.3b Establishing Critical Control Points

The recommendations put forward by the EFC PMC addressed several items including an immediate 30 day 'hold' of the Parts 1 and 2 SC-SCTM evaluation if a farmer does not receive full points for all of the Required Elements, and that all of the Required Elements should have the same point value.

BC Egg agrees with the mandatory stance for the Critical Control Elements. As these are CCE's directly concerning food safety the committee should review the possible food safety concerns with failure to meet these CCE's. It may be more appropriate to update the length of time to correct the non-conformance to a maximum of 7 days with redirection of product to the processor under EFP.

The board agreed with the recommendation of staff regarding shortening the length of time to complete critical control points to 7 days.

##### 4.3c Reinstatement of the SE Dry-Clean Test

Upon review of the dry-clean SE test, as well as the comments from CFIA, the EFC PMC recommended that an additional SE test be reinstated for farmers that choose to dry-clean; and that the dry-clean SE test be conducted 8 weeks prior to repopulation to ensure that the test results are outcome-based.

BC Egg understands the importance of the dry-clean test and how the standards should be outcome based. It is also agreed that the dry-clean test should be a requirement for producers that choose to dry-clean however the timeline should be variable to take into account a producer's flock cycle. More flexibility should be allowed in the timeline while maintaining the outcome based requirement of the test.

**Action:** Staff was directed to reword the '7 day downtime' to encompass 7 days empty when reviewing the BC QC policy.

##### 4.3d Removal of Bonus Points Section

Upon review of the bonus point section, the EFC PMC recommended that Element 1.2.i (all in/all out in each production unit) be removed from the SCSC evaluation form; and that Element 2.12.ii (changing footwear, or using foot dips or spraying disinfectant between different aged lay facilities in the same production unit) becomes a required element, and be reworded as follows: i. Changing footwear between different age lay facilities in the same production unit

These changes would eliminate the bonus points section on the SC-SCTM Layer Evaluation Form which BC Egg is in agreement with.

The Board agreed with the recommendations on removal of bonus points section.

**4.3e Removal of Footwear Changing Alternatives**

Upon review of the CFIA Standards, as well as the current acceptable standards in the SC-SC Programs, the PMC recommended that the use of footbaths no longer be considered an alternative practice to changing footwear and additionally, that the spraying of disinfectants on shoes or boots, and disinfectant mats also be removed from the programs.

BC Egg agrees with the PMC's recommendations as boot changing is currently a mandatory requirement in the BC Poultry Biosecurity Program. BC producers are unable to use footbaths, disinfectant mats, or the spraying of disinfectants on shoes and boots as well.

The board agreed with the recommendations on removal of footwear changing alternatives.

**4.3f Revision to On-Farm Feed Mixing**

BCEMB supports the EFC PMC recommendations on the proposed changes and additions to the SC-SC™ Layer GMPs and SOPs addressing a required Letter of Certification from the Feed Supplier and controlling microbiological and chemical contamination of feed mixed on-farm.

The board agreed with the recommendations on the revision to on farm feed mixing.

**R17-056**

It was MOVED and SECONDED

THAT the Board of Directors approve sending the recommendations as amended to the PMC for feedback and submission within a week.

CARRIED

The board requested that going forward, staff meet with the PMC for their feedback before bringing proposed element changes to the Board for their input.

**4.4 EFC Quota Credit Policy Changes**

EFC's National Quota Credit Program is an incentive program offered by EFC to producers whose flocks are out of production for longer than the standard 7 day down-time. It allows producers to capture the lost production by allocating additional birds that can be placed at a later point in time for a specific period of time.

Upon internal review of the Quota Credit (QC) Policy, it was noted that there was a gap in the Policy concerning the minimum amount of time that quota credit birds must be placed. The existing policy was reviewed and updated, and was approved by the EFC Board of Directors on September 28, 2017.

The EFC Board of Directors' approved amendments to the National Quota Credit Policy are as follows:

a. Section 11.2: If plans to utilize quota credits have changed from what was indicated on the Application form 7.4.3, the applicant must advise the Provincial Board of the requested adjustments in writing, no less than 30 days prior to placement.

b. Section 11.4: Quota credits must be placed for a minimum of one (1) full flock cycle.

Joey will bring a Standard Operating Procedure to the December 7<sup>th</sup> meeting to address how the EFC quota credit policy will work in conjunction with BCEMB's quota credit policy.

**4.5 Quota Allocation Survey Update**

BCEMB has committed to conducting a consultation beginning in October to determine if there is a potential to strengthen the current methodology used to allocate quota. BCEMB's objective is to challenge the strategies used for the allocation of growth quota in this thriving industry while maintaining accountability to all shareholders within the SAFETI framework.

Staff's recommendation is to consult on the qualitative aspect of quota allocations only at this time. Staff will draft a complete consultation information package and questionnaire for the BOD meeting in December. If the board approves at that time staff will proceed with the consultation in December of 2017.

As directed by the board, staff will begin with a broad consultation document that details the fundamentals of each of the possible quota allocation methods. Staff will have a complete proposal for the quota allocation survey prepared for the Dec 7<sup>th</sup> meeting with the plans to distribute to the producers thereafter.

**4.6 Quota Exchange Survey Update**

BCEMB has committed to conducting a consultation in 2017 regarding our Pilot Quota Exchange detailed in Part VI of our Consolidated Orders.

The goal of this consultation is to establish if there is an opportunity for the BCEMB to, while maintaining its accountability to all stakeholders and adherence to the SAFETI principles, change and improve the policies regarding the Pilot Quota Exchange set forward in Part VI of our Consolidated Orders

Staff will draft a complete consultation information package and questionnaire for the Board meeting in December. With approval from the board, staff will proceed with the consultation in December of 2017.

**4.7 NPP Consultation Update**

BCEMB has committed to conducting a consultation beginning in September surrounding the New Producer Program. The goal of this consultation is to establish if there is an opportunity for the BCEMB to, while maintaining its accountability to all stakeholders and adherence to the SAFETI principles, change and improve the policies that surround incentive quotas issued under the New Entrant Program set forward in Part IV of our Consolidated Orders.

Staff will prepare a complete New Producer Program consultation package for the December board meeting. The consultation will engage the following stakeholders:

1. Current Producers
2. Past successful NPP and Specialty applicants
3. Unsuccessful NPP applicants
4. Grading Stations and Suppliers
5. Banks and Financial Institutions

Staff also plans to cross tabulate the survey results to allow BCEMB to assess our NPP program from multiple viewpoints to determine if there is an opportunity to strengthen the process and/or program structure for New Entrants under Part IV.

**4.8 NPP Creston Draw Update**

The 2017 New Producer Program (NPP) for the Creston area is underway. Staff shared the timeline with the board for information.

As BCEMB is in the process of accepting NPP applications, staff recommends that we engage potential review committee members for our 2017 draw. Per our Consolidated Orders Part IV 2.(3) The Board may appoint a review committee for the purposes of grading the applications as per subsection (2). The committee shall be comprised of a minimum of three well-respected and knowledgeable representatives that may include:

- (a) A Registered Producer that is not a Director of the BCEMB
- (b) A current NPP Registered Producer
- (c) A representative from the financial sector
- (d) A representative from the agri-business sector
- (e) A BC Young Farmers Association member
- (f) An Egg Industry Advisory Committee Member
- (g) A member of the Board may attend in an ex-officio capacity

Staff recommendation is to engage the same review committee members from the 2016 NPP draw.

**R17-057** It was MOVED and SECONDED

THAT the Board of Directors approve the committee members as recommended by staff.

CARRIED

OPPOSED  
Jen Woike

Staff brought it to the attention of the board that the Creston Grader appears to be unwilling to sign off on certain applicants at this time. As this is in direct contravention of paragraph 67 of BC FIRB's decision in the Creston appeal, staff will inform BCFIRB and continue to monitor the NPP process.

#### 4.9 EFP Phase Out

The EFP Program was a three year contract that started in week 34, of 2015. As such, the contract can either be renewed or expire as of week 38, 2018. Management emailed three options to Mike Vanderpol for his consideration on September 12, 2017.

If Vanderpol's confirms their intention to have the EFP program end effective Week 34, 2018 then staff recommends that the program end as requested.

As this decision is linked to our 2017 BC quota allocation; the communication plan to producers is further discussed in 4.10 EFC Allocation Increase.

#### 4.10 EFC Allocation Increase

A 2018 allocation request from EFC has been sent to the Farm Products Council of Canada (FPCC) that would mean a 108,741 quota increase for BC in 2018.

BCFIRB informed BCEMB in 2017 that BCEMB is required to conduct a consultation on allocation methods prior to any future allocations approval. Staff is in the final steps of the preparation for the consultation and plans to begin in December 2017.

Meanwhile, the EFP program is scheduled to end in week 34, 2018 based on the processor no longer needing the additional supply. Agenda item 4.9 EFP Phase Out is relevant to this discussion.

Management would like the board to consider the following implementation strategy:

1. Introduce a 2% Market Growth Allowance from Week 1, 2018 to Week 34, 2019 allowing producers to have 2% over issued quota as of week 01, 2018.



2. Continue with the quota allocation consultation that BCFIRB has requested. Quota allocations typically follow quota exchanges, so the goal would be to have the quota allocation consultation completed and presented to FIRB prior to Feb 28, 2018 (Week 9, 2018). The goal would be to have approval from FIRB to allocate the quota on April 6, 2018.

3. Maintain the EFP program quota until its contract expires in week 34, 2018.

The 18 month Market Growth Allowance (MGA) would provide each producer with the opportunity to benefit from the 2% allowance for one full flock cycle. The MGA would incentivize larger placement sizes putting upwards pressure on our utilization rate in 2018, while providing sufficient time for BCEMB to react in 2019 if the rolling average outlook appears problematic. After further discussion regarding inter-related industry programs and past forecast performance, it was decided to approve a 3% MGA with a planned end date of June 30, 2019.

**R17-058** It was MOVED and SECONDED

THAT the Board of Directors approve the 3% Market Growth Allowance effective December 31, 2017 (week 1) for a period of 18 months to end June 30, 2019 (week 27).

CARRIED

The board discussed the letter sent from Golden Valley proposing that BCEMB update the specialty buyback and include all eggs where a premium has been set by BCEMB due to a large amount of free run eggs going to the breaker.

Due to a need for more information the board was not ready to make a decision at this time.

**Action:** Staff was directed to request more detailed information from Golden Valley on this and to bring a report back to the board for feedback.

**4.11 Fowl Removal Contract**

This was discussed later in the meeting.

**4.12 MarComm Update**

Amanda presented the Board with an update on the Marketing and Communication department.

**Ask an Egg Farmer:**

BC egg ran an Ask an Egg Farmer event in Langley Save On Foods stores on September 30th. Three farmers went to three different stores to interact with shoppers. The stores were very welcoming and provided coupons that essentially gave shoppers a dozen free Western Family eggs.

On October 30, three farmers were joined by six BC Lions players in three Save On stores in Surrey. The players signed autographs and took photos with fans while farmers handed out recipes and egg info. My observation is that sometimes the farmer was more popular than the players!

The manager of the Garrison (Chilliwack) store (personal acquaintance) asked me to bring the program to her store's grand re-opening on December 2.

**Quarterly Communications to Grocery:**

The quarterly message was sent to our grocery and restaurant partners highlighting the fact that BC Egg is the first board in Canada to create standards for free-range hens and our focus group findings.

It was also mentioned that IGA is doing an egg promo sometime in March 2018 and that they contacted Amanda to get our shelf labels as well as print and online materials for their flier and website. They accepted her offer of doing an exclusive breakfast recipe launch during their promo week and may use some of the recipe cards we are working on this fall.

Amanda noted that this is a huge win for BC Eggs grocery outreach program and shows that all the work the organization has put into it for the past year is worthwhile.

#### 4.13 Catching Update

In response to the video released by Mercy for Animals (MFA) that depicted the horrific abuse of chickens during the catching process on broiler farms throughout BC the catching processes are being scrutinized by all stakeholders (processor, producer, government, activist, and public) with the goal of creating a more robust system that will minimize the opportunity for abuse to occur during in the catching process.

At the October board meeting management recommended that the board license producers in the Vancouver Island and Interior regions, believing that this would ensure BC would have a credible program, making producers accountable for animal welfare training of crews being hired and holding catching crews accountable for their behavior and understanding the consequences of their actions. The Board requested that Staff research how a program such as this can be implemented.

On November 8th a news release was issued by the Office of the Information & Privacy Commissioner stating that catching organizations are not authorized to surveil employees.

Staff advised the board that BCEMB is working to create a program that licenses producers in all regions as well as the catching crew companies. BCEMB has put an animal welfare clause in the contract that is currently being reviewed for the 2017-2020 term.

#### 4.14 Egg Quality Assurance (EQA) Nov. 2 Conference Call Summary

The Egg Quality Assurance meeting summary of November 2 was presented for information.

Erin joined the meeting via conference call to review the 2018 Budget.

#### 5.2 2018 Budget Update

Erin presented the 2018 updated budget to the board for comment. After reviewing each item line by line, the board requested some changes that staff will bring back for approval at the December 7<sup>th</sup> board meeting. Staff will also bring the 2018 marketing budget to the board for approval at the December 7<sup>th</sup> meeting, while reviewing the 2017 marketing budget expenditures.

Erin left the meeting at this time.

Harvey Sasaki joined the meeting at this time.

#### 3.1 Mandatory Insurance

Harvey reviewed the mandatory insurance for registered BC poultry producers. The proposed work plan has been broken down into 5 phases with several options in each:

The board was presented with 3 options for sharing the costs with all 4 feather boards.

Harvey then offered in-depth recommendations for the board's consideration with a schedule of next steps to pursue this project.

The board thanked Harvey for his work on this project and committed to discussing this further.

Harvey left the meeting at 2:00 pm

The board discussed the mandatory insurance issue. The board accepted the reports for all five phases of the review and has agreed that they will not proceed to secure enabling authorities under the NPMA to require producers to maintain insurance against disease losses at this time with the understanding that they reserve the right to do so in the future if the situation warrants it. After much deliberation it was decided that BCEMB will explore the option of doing a group fund and would like to know how this will be flushed out with more numbers and details before making any decisions.

**4.11 Fowl Removal Contract**

The Spent Hens contract between BC Egg and WCR/Superior Poultry has expired. Management sent a revised contract to WCR after reviewed/amended by legal. BCEMB is waiting for WCR lawyers to review and make amendments and send a draft back for our review.

Jen indicated that she is available during the proposed meeting dates, to meet with staff and WCR to discuss the fowl removal contract.

**Action:** Staff was directed to arrange a meeting with WCR for December 14, 2017.

**5.0 GOVERNANCE**

**5.1 BCEMB Strategic Plan Update**

The BCEMB has been working on finalizing the 2017-2020 Strategic Plan and after input and feedback from the board and management, the draft of the plan is being presented for comment.

Staff recommends that the Board finalize and approve the 2017 – 2020 BCEMB Strategic Plan as presented.

**R17-059** It was MOVED and SECONDED

THAT the Board of Directors approve the 2017-2020 Strategic Plan as amended.

CARRIED

**Action:** Staff was directed to compose a Thank you letter to Minister Popham for her participation in the November 15<sup>th</sup> Farm Tour.

**5.2 2018 Budget Update**

This was discussed earlier in the meeting

**5.3 Surplus Cash Policy**

At the October 2017 Audit and Finance Committee meeting, the members decided to have a short term focus on funds to ensure that they would be available in times of need, while still providing a better return than what BCEMB is currently earning. The Reserve Policy and Investment Policy were combined into the Surplus Cash Policy being presented for approval.

**R17-060** It was MOVED and SECONDED

THAT the Board of Directors approve the Surplus Cash Policy as presented.

CARRIED

The board discussed the surplus cash carried by the BC Egg Marketing Board. After much deliberation it was decided that the best use of a portion of this surplus cash was to allot it back to the producers under specific conditions set out by the board.

**R17-061** It was MOVED and SECONDED

THAT the Board of Directors approve refunding 50 cents per issued quota unit to all producers in good standing with the Board as of December 7, 2017 which includes two years of CPP's and;

THAT those not in compliance will be notified of requirements by December 8, 2017 and will have until March 1, 2018 to become in good standing and the refund will be on quota held as at December 8, 2017.

CARRIED

## **6.0 PERFORMANCE REPORTS**

### **6.1 Dashboard**

The dashboard was presented for information.

#### **6.1a Feed Mill Participation Report & AAFC Report**

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

### **6.2 Quota**

#### **6.2a Industry Reserve Week 44**

The total quota allocated and held in reserve as of week 44, 2017 was presented for information.

#### **6.2b IP Report Week 44**

The Industrial Product report up to week 44 was presented to the Board for information.

#### **6.2c IP Processor Summary Week 44**

The week 44 IP Processor report was presented to the Board for information.

#### **6.2d EFP Report Week 44**

The EFP report as at week 44 was presented for information.

#### **6.2e Quota Utilization Update**

The quota utilization report as at week 44, 2017 was presented for information.

#### **6.2f Quota Credit Report**

The quota credit report was presented for information.

#### **6.2g Inventory Report**

The Inventory report was presented for information.

### **6.3 Financials**

#### **6.3a Period 10 Board & Committee Per Diems & Expenses**

**R17-062** 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 10 as presented.

CARRIED

#### 6.3b Financial Dashboard

The Financial dashboard was presented for information.

#### 6.4 Preliminary COP

The preliminary COP was presented for information.

### **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.

##### 7.2a Producer Christmas Reception

The board agreed that producers be asked to bring a gift donation to the producer Christmas reception, for the Abbotsford Christmas Bureau.

**R17-063** It was MOVED and SECONDED

THAT the Board of Directors approve donating \$500.00 to the Abbotsford Food Bank in lieu of purchasing door prizes for the producer Christmas reception.

CARRIED

##### 7.2b 2018 Ag Gala

The board directed staff to purchase a table for the January 24, 2017 Ag Gala.

The VI EPA joined the meeting at this time.

#### 3.2 Vancouver Island EPA

Katie updated the Vancouver Island EPA on various PMC issues such as specialty audits, rodent control audits and the surveys that will be going out in December. The EPA was also updated on the farm tours and other political outreach ventures as well as the current FPA status.

Walter gave an update on the FPA and Joey

##### 3.2a BC Poultry Conference Proposal

Mark presented the BC Poultry conference proposal for discussion, noting that this proposal is being sent to all boards for comment.

The Board agreed with BCEPA's suggestion to use the BCPA funding model as discussed at the October Board meeting:

Chicken - 49.08% - \$122,700

Egg - 21.85% - \$54,625

Hatching - 14.36% - \$35,900

Turkey - 14.71% - \$36,778

The Board approved committing to the conference for 2019, 2020 and 2021 at the above funding levels.

It was acknowledged by the Vice Chair that this meeting was being held on traditional Coast Salish Territory.

**ADJOURNMENT**

The meeting was adjourned at 3:18pm

  
Board Chair

  
Certified Correct, Vice Chair

**2018 BOARD AND OTHER MEETINGS CALENDAR**

MEETINGS		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
Board		30 <sup>th</sup>	27th Conference Call	20 <sup>th</sup> -EFC's AGM Feb 28-Mar2 Poultry Conference & BCEMB AGM	27 <sup>th</sup> Interior	24 <sup>th</sup>	19th	Strat Plan Workshop			Strat Planning	VI	
Board Agenda Items		Signing Disclosure docs D&O Insurance Review	YE AUDIT & ANNUAL REPORT  Strat plan update  Conference Call to approve Financials	EPA Strat Plan update	Director Conflict Forms	Board Performance Feedback, Program Refresh, Producer Survey Strat plan update	Mgmt Perf Reviews, Authority Matrix, Review Inv. Policy, Governance Review	Visioning Session with Board and Stakeholders			EPA Strat Plan, EPA Budget, Grader Audits, Producer Survey, Social License Report Card, Marketing Plan	Farm Tours	Committee Year end Reports
FIRB Board Meetings		10	14-15	14	11-12	9	13-14	11	8-9	12	10-11	14	12-13
Committees	AUDIT		8 <sup>th</sup> -draft financials				14 <sup>th</sup>			27 <sup>th</sup>			6th
	PMC	4 <sup>th</sup>											
	EIAC	25 <sup>th</sup>				17 <sup>th</sup>				13 <sup>th</sup>		29 <sup>th</sup>	
	Marketing												
Stakeholder Meetings	BC & Regional EPA	BCEPA-11 <sup>th</sup>	BCEPA-8 <sup>th</sup>	BCEPA-8 <sup>th</sup>	BCEPA-12 <sup>th</sup>	BCEPA-10 <sup>th</sup>	BCEPA-14 <sup>th</sup>	BCEPA-12 <sup>th</sup>	BCEP A-9 <sup>th</sup>	BCEPA -13th	BCEPA-11 <sup>th</sup>	BCEP A-8 <sup>th</sup>	BCEPA- 13 <sup>th</sup>
	Grocery												
	Other (breaker, hatchery, feed mills)												
External Sessions	EFC		15- Open Board Meeting	20-Chair reception 21-AGM 22-Open Board mtg	23- Consultation s 24-Hill brkfst 25-strat plan	<i>Egg Boards PMC Workshops (date TBC)</i>		9-11 Producer Conference & EFC mtg		20- Open Board mtg	<i>Egg Boards PMC Workshops (date TBC)</i>	8- Open Board mtg	
	IEC				9-12 London					9-13 Kyoto			
	National Producer Conference												
	COGA	11 <sup>th</sup> -Social media	1 <sup>st</sup> -Emerging Issues										
	United Egg Producers					May 16-19 Washington					15-18 Grand Wailea, Maui		
	Urner Barry				April 29- May 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	On November agenda - Surplus Cash
2.2c	Apr-17		Website Redesign for 2018	Active	Amanda	
2.2d	Sep-15	Dec-17	Grader Audit	Active	Erin	Ongoing
2.2e		Dec-18	Governance Manual Review and Update	Active		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	Dec-17	Stamping Eggs	Active	Amanda	
2.2i	Apr-17		Specialty Pricing	Active	Katie	Ongoing - On Agenda
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	Submitted, awaiting BCFIRB comments
2.2l	Jan-19	Sep-19	FIRB Election Rules Directive	Postponed	Katie	No action needed until 2019
2.2m	Mar-17		New Entrant Survey Questions	Active		On Agenda
2.2n	Mar-17		Quota Exchange Survey	Active		On Agenda
2.2o	Jun-17	Sep-17	SCSC Audit Review	Active	Joey	Reviewed by PMC - Staff to draft changes





## Memo

To: Egg board managers  
cc: Tim Lambert, Judi Bundrock  
From: Christine Anawati  
Date: November 10, 2017  
Subject: **Young farmer program update and call for nomination of 2018 delegates**

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In keeping with the national young farmer program trajectory, a range of workshops and webinars were offered in 2017. Participants took part in a number of activities that complement the program's core content areas. This included mock interviews, social media training, simulations, networking events, and a visit to the University of Guelph Arkell Research Station. We look forward to working with you in the coming months to "graduate" the 2017 cohort and recruit new delegates for 2018.

Outlined in this memo are important updates to the national young farmer program and a couple of key actions that require your attention:

### **Completion of egg board module**

A report will be distributed to each egg board manager this month outlining their delegate(s) progress against the learning objectives (see appendix A). The final learning module for most participants is the provincial/territorial session facilitated by their egg board manager.

By doing this learning module as a final segment in the development process, delegates have a real opportunity to take their broad learnings and make it relevant to their provincial/territorial jurisdiction. Some egg boards have elected to invite their young farmer delegates to observe a Board meeting, whereas others have chosen to have their delegates meet with staff—the format is flexible and shaping it with your young farmer delegate(s) will help determine an approach that benefits all those involved. **It's suggested to connect with your young farmer and complete your egg board module by December 29, 2017.**

### **Call for nomination of 2018 delegates**

The call for nominations for 2018 participants is open. EFC funding is available to support one young farmer delegate per egg board at 2018 events. The invitation extends to those who embody the characteristics of a young leader, and are between the age of 18 and 40.

Additional delegates nominated and sponsored by egg boards are welcomed and encouraged. The program can be as big as our collective resources allow and we sincerely hope all will take advantage of this opportunity to grow our network of young leaders. **Please confirm the name, phone number and email of your representative(s) by Friday, January 12, 2018 with Rowan Weerdenburg ([rweerdenburg@eggs.ca](mailto:rweerdenburg@eggs.ca)), Communications Officer.**



**Dates of 2018 young farmer activities**

The program's current format and the overall structure will carry forward in 2018. Three activities are planned for young farmer delegates in 2018 (travel days are additional):

- February 23-25, 2018: Workshop and Canadian Young Farmers' Forum in Saskatoon
- March 20-22, 2018: Workshop and EFC AGM in Ottawa
- July 8-11, 2018: Workshop and Producer Conference in Calgary

Webinars throughout the year will supplement in-person workshops. An updated and complete schedule will be distributed in early 2018.

## Appendix A: Program background

Now in its fifth year, the national young farmer program was inspired by EFC's 40th anniversary and championed by EFC CEO, Tim Lambert. The celebration of 40 years of supply management was a reminder that the industry has lost some of the creators of system, and with that, awareness of why the system was established and why it is vital to the future egg farming in Canada. Working together to nurture young people in the industry and to help them build an understanding of the industry's history can empower these young Canadians to take on leadership positions in our industry and sector.

### Structure

The educational aspects of the young farmer program follows a flexible "passport-style" approach. EFC staff, guest speakers and egg board representatives host sessions throughout the year based on the program's curriculum, and webinars supplement in-person meetings. Once a delegate has completed all sessions they "graduate" from the program and join the alumni network.

### Content areas

Main content areas build knowledge of key industry areas and cultivate important soft skills. Participants take part in twelve learning modules throughout the program.

Topic	Learning outcome
<b>Egg industry champion</b>	Speak confidently about egg farming, supply management and the industry. Craft your very own elevator pitch and learn how to champion our industry on social media. Learn about key messages and how to prepare for a public speaking engagement (e.g. interview or presentation).
<b>Industry structure</b>	Know key players in Canada's egg industry. Understand the structure of the industry and the steps that are in place to align the interests of stakeholders groups. Learn about the significance of the Federal-Provincial Agreement, and the roles of EFC, egg boards, Council and supervisory boards.
<b>Strategic planning</b>	Understand the role of the strategic plan in ensuring the organization's sustainability. Learn about the role of environmental scanning and EFC's Key Result Areas.
<b>Government relations</b>	Understand how and why EFC and the egg industry interfaces with government. Learn about fundamental government relations best practices and how to build relationships with elected officials. Attend a function with government officials.
<b>Trade</b>	Understand key trade negotiations that impact Canada's egg industry, and supply management. Learn about key trade positions and why maintaining these positions are fundamental to the preservation of the pillars of supply management.
<b>Cost of Production</b>	Learn about the COP (e.g. what's in it and what's not, and how the information is used). Understand the different phases in the process and the importance of farmer participation. Know best practices for record keeping and documentation that can help you complete the survey.

<b>Quota</b>	Understand the link between quota allocation and the pillars of supply management, and learn about quota concepts. Know how new quota is allocated through the Quota Allocation Committee Policy analysis (or QAC formula).
<b>Levies</b>	Understand how a levy is calculated, why levies are in place, and when levies are adjusted. Learn about how funds flow within the industry along the supply chain.
<b>Industrial Product program</b>	Understand the movement of eggs throughout the Canadian industry, the stakeholders involved, and the different markets that are served across the supply chain.
<b>Marketing and nutrition</b>	Learn about key EFC's marketing and nutrition programs. Know how the industry responds to changes in consumer preferences, and the different analytical tools used to monitor consumer trends and egg sales.
<b>National on-farm programs</b>	Understand the components of the national Animal Care Program and Start Clean -Stay Clean™ program. Learn about the Code of Practice and the role of the National Farm Animal Care Council and other stakeholders. Know about the process for on-farm inspections, scoring and assessment.
<b>Provincial or territorial component</b>	Take part in an activity that is facilitated by your egg board's general manager. Learn about and understand key strategic priorities in your region.

## Katie Lowe

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**From:** Sunny Side Up Farm <ssupfarm@gmail.com>  
**Sent:** November-07-17 4:42 PM  
**To:** Katie Lowe  
**Subject:** Re: Young farmer program

Hi Katie,

I would be very interested in participating. Thank you very much for asking.

Wayne

Sent from my iPhone

On Oct 30, 2017, at 10:18 AM, Katie Lowe <[KatieL@bcegg.com](mailto:KatieL@bcegg.com)> wrote:

Good Afternoon Wayne

I have attached the memo from November 2016 that EFC sent regarding the Young Farmer Program from 2017. EFC requests that each provincial board select one delegate every year to take part in the program. It is an opportunity for you to network and learn from the other delegates as well as take part in a variety of workshops and webinars.

The program is designed to help Canada's up and coming leaders learn more about supply management, industry structure, quota allocations, strategic planning, government relations and trade. In addition, there are learning modules that focus on using social media as well as media training.

There are three face to face meetings and a few webinars throughout the year.

Last year the first face to face meeting was in February, the second was inline with EFC's AGM in March (for 2018 this will likely be March 20-22) and the Producer Conference in July (for 2018 this will be July 9-11 in Calgary).

Previous delegates from BC have been Matt Vane (2017), Jon Krahn (2016) and Mark Siemens (2015).

Please let us know if this is something you would be interested in doing.

Thank you

**Katie Lowe, PAg**  
**Executive Director**

<image001.png>

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Abbotsford, BC V2T 1W5  
Direct: 604.854.4490  
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<2016-11-21\_Memo\_Young-farmer-program-update-and-2017-delegate-nominations.pdf>

#### **4.9 Eggs for Processing (EFP) Phase Out**

##### **Issue**

As of week 34, 2018 BC's temporary allotment contract for the 100,000 EFP quota is set to expire.

##### **Goal:**

1. End the EFP contract as requested by Vanderpols
2. Reduce the additional birds placed under the EFP program to zero in a manner that is equitable and fair to all of our producers.

##### **Background:**

The EFP Program was a three year contract that started in week 34, of 2015. As such, the contract can either be renewed or expire as of week 38, 2018.

Management emailed three options to Mike Vanderpol for his consideration on September 12:

- Program immediately ceases week 34, 2018
- Gradual Phase out over roughly 18 months beginning week 34, 2018 (Administratively this would be challenging to monitor and track)
- Program ceases week 52, 2018

At this time Mr. Vanderpol has confirmed that his needs are being met fully by the IP Program and as of week 34, 2018 he will no longer require any EFP product. Vanderpols does not want to extend/renew the contract. The communication between staff and Vanderpols can be found in the subsequent documents.

Losing the 100,000 EFP quota will going to increase our 2018 utilization rate by 1.44%  $((34-9)/52 \cdot .03)$ .

##### **Update from our last board meeting**

Staff has spoken to Vanderpol's and confirmed that the primary contact remains Mr. Vanderpol.

Many producers have made significant capital investments/expansions to ensure that BC maintained its Guaranteed Supply Volume (GSV) commitment for the EFP birds. Ending the EFP program will financially impact this producer group by affecting their expected cash flow. Furthermore as an industry, once the EFP program is removed due to layer cycles it would be a minimum of 18 months before BC producers would be able to bring back the program if it is requested by Vanderpol's.

Due to the above, staff has sent a second letter to Mr. Vanderpols to confirm his intentions to end the EFP program

Since the last board meeting, BCEMB is now aware the following new information:

1. There will likely be a 108,741 bird allocation to BC in 2018; and,
2. Staff has completed the preliminary inventory forecast for 2018

At the last board meeting two options were presented as possibilities to wind down the EFP program.

1. Drop dead date as of the first removal after Week 34, 2018.
2. Gradual phase out over 18 months.

Both treated a quota allocation in the same manner; the allocated quota would reduce an individual producers EFP bird value. Because the allocation is higher than the EFP value producers will likely get a very similar quota value in an allocation. As a result the two options are moot unless BCEMB is unable to get the allocation approved by FIRB prior to Week 34, 2017.

**Staff Recommendation**

If Vanderpol's confirms their intention to have the EFP program end effective Week 34, 2018 than staff recommends that we end the program as requested.

As this decision is linked to our 2017 BC quota allocation; the communication plan to producers is further discussed in 4.12 EFC Allocation Increase.



## 6.2a Industry Reserve

As of Week 44, 2017

### Summary

1. Quota Issued to Producers (TM1 - Matched)	2,941,472
2. Quota Held in Reserve	67,566
<b>EFC Allocated Quota</b>	<b>3,009,038</b>

### Components

<b>1. Quota Issued to Producers:</b>	
Registered Producers	2,899,472
2010 NPP Producers	12,000
2011/2012 NPP Producers	18,000
2015 NPP Producers	12,000
2016 NPP Producers	-
Quota Leased from Reserve	-
<b>Quota Issued to Producers (TM1 - Matched)</b>	<b>2,941,472</b>
<b>2. Held in Reserve</b>	
EFC Allocations (previous years balance) (rows hidden)	
2014 Allocation Week 43 (3.25%) - Committed by Producers	-
2015 Allocation Week 15 (2.7%) - Committed by Producers	-
2015 Allocation Week 28 (2.65%) - Committed by Producers	341
2016 Allocation -Week 15 (2.587%) - Committed by Producers	872
2017 Allocation -Week 14 (3.148%) - Committed by Producers	5,001
NPP Quota Held in Reserve (2013-2020)	45,997
2014 Assessments remaining in reserve	-
2015 Assessments remaining in reserve	-
2016 Assessments remaining in reserve	11,825
2017 Assessments remaining in reserve	3,530
(Over)/Under Allocations remaining in reserve	-
Total Quota Leased from Reserve	-
<b>Total Held in Reserve</b>	<b>67,566</b>