

Meeting of the Board of Directors

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

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.

MINUTES of Board of Directors Meeting

Date: October 4, 2018

Location: Benson Room, Coast Bastion Hotel, Nanaimo

BOARD IN ATTENDANCE: Gunta Vitins, Chair
Walter Siemens, Board Member
Aryn Alibhai, Board Member
Matt Vane, Board Member

STAFF IN ATTENDANCE: Katie Lowe, Executive Director
Joey Aebig, Manager, Operations & Logistics
Erin Duetta, Manager, Finance
Amanda Brittain, Manager, Communications & Marketing
Nicole Thompson, Executive Assistant

CALL TO ORDER

Chair, Gunta Vitins, called the meeting to order at 9:01 am.

The Chair acknowledged that the meeting was held on the traditional and unceded territory of the Coast Salish Peoples, the traditional territories of the Squamish, Musqueam, and Tsleil-Waututh First Nations.

ADOPTION OF AGENDA

The agenda was adopted with the following amendments:

- 4.6a Mandatory Insurance
- 5.7 Period 11 COP
- 6.3c Committee Travel Per Diems

1.0 APPROVAL OF MINUTES

- 1.1 Approval of the Minutes of August 16, 2018
R18-089 It was MOVED and SECONDED

THAT the Board of Directors approve the Minutes of August 16, 2018 as amended.

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CARRIED

1.2 Approval of the Minutes of September 5, 2018

R18-090 It was MOVED and SECONDED

THAT the Board of Directors approve the Minutes of September 5, 2018 as presented.

CARRIED

1.3 Approval of the Minutes of September 6, 2018

R18-091 It was MOVED and SECONDED

THAT the Board of Directors approve the Minutes of September 6, 2018 as amended.

CARRIED

Action: Staff was directed to provide an update on the farms that had previously met with the Board on July 31, 2018 at the November Board meeting.

2.0 BUSINESS ARISING/ACTION LIST

2.1 2018 Board Calendar

The 2018 and 2019 Board Calendars were presented for information.

Action: Staff was directed to add a request for feedback on the new public and producer website in the next Scrambler.

3.0 STAKEHOLDER ENGAGEMENT

3.1 EFC Update

An update on the new USMCA Agreement was provided. The implications of the trade agreement on the Canadian egg sector is currently being analyzed by EFC staff and will be publically shared when completed.

3.2 IEC Conference Notes

The Chair and Director attended the IEC Conference from September 8-13. The conference notes will be provided at a later date and posted on the producer website.

3.3 PGC Session with Provincial Boards

Pullet Growers of Canada (PGC) is undergoing a revitalization process and is currently identifying critical action areas for Pullet Growers across Canada and facilitating progress in those areas. In order to effectively implement the pullet standards in the Code of Practice for the Care and Handling of Pullets and Laying Hens across Canada, PGC is requesting support from all provinces. At this time, they expect the member cost to be the same, however, they are asking for a longer-term commitment as the Pullet Code Program will require a few years to develop and implement. At this time, their plan is to work with EFC on the development; however, EFC will not fund the project as it is currently not in their mandate.

The Board discussed a recommendation that EFC include pullet production as part of their mandate, as pullets are an integral part of the egg industry.

3.4 BC FIRB Update

Board and Staff members attended a meeting with BC FIRB on October 3rd where BC FIRB provided further direction and clarification on key topics. Additional meeting notes were verbally provided for information.

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The Board discussed that 10% of the quota allocation is to be set aside for the NPP and that 20% is to be used strategically to bring the industry closer to its long-term goals. BC Egg also has the authority to allocate the amount at its discretion supported with sound rationale.

The Board discussed the clarification and further direction provided by BC FIRB regarding the Quota Assessment Tools.

The Board agreed to continue developing a strong relationship with BC FIRB and move forward in a shared direction.

3.4a Quota Allocation Discussion

The Board discussed strategic objectives and options for distributing 20% of the quota allocation. The Board deliberated on multiple scenarios and directed Staff to have the numbers to the Board by Wednesday for further discussion at the October 12th Board meeting.

The Board agreed that their final decision will be presented to the EIAC at their October 23rd meeting and an announcement will be sent to all stakeholders by the end of that day.

Action: Staff was directed to analyze scenarios for the options discussed and provide the analyses to the Board by Wednesday, October 10.

3.5b Quota Assessment Tools

An update was provided in item 3.4 and no further discussions were held.

3.5 Market Roundtable Results

The Roundtable was held on September 24 and 25 with key stakeholders. BC Egg obtained valuable information on how we can be more responsive to changes in the market in a timelier manner. The notes from the event were presented for discussion.

The Board discussed an upcoming regional need in Terrace due to the LNG pipeline project and discussed various options for quota to be reviewed further.

The Board also discussed the information requested by the graders and agreed that the information should be sent to all graders electronically. A quota allocation meeting at the poultry conference with graders was also discussed.

Action: Staff was directed to summarize the notes into a document to provide to the Board at the November meeting.

3.6 Strategic Planning

BCEMB will be conducting a strategic planning review session on November 15th. BC Egg has signed a contract with Junxion to assist in completing the strategic plan review and to set the stage for comprehensive strategic planning in 2019. The facilitator will be interviewing Board members and specific stakeholders to gain further knowledge of the industry as part of their discovery phase.

The Board discussed which stakeholders should be contacted.

3.7 Preview of World Egg Day

For the past two years, BC Egg has made a small impact on World Egg Day via social media campaigns but for this World Egg Day, on October 12, we plan to create a big impact through strategic events, advertising and social media. Further details were presented for information.

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Action: Staff was directed to send a World Egg Day Fast Fry to all producers to inform them of all of the events and locations.

3.8 Regionality Study Engagement with Nielsen

Investment Agriculture Foundation has launched the BC Agrifood and Seafood Market Development Program, which includes partial funding for market information and research projects for producer associations and commodity boards. BC Egg is seeking funding to research consumer demand, market pricing and supply of eggs by type and regions in BC, with Nielsen as contractor. Staff have completed Part A of the application process and presented it for information.

Action: Staff was directed to follow up with IAF to clarify our project and next steps.

3.9 Research Flock Quarterly Update

A research flock was granted and the company is required to provide quarterly updates, as part of the research permit agreement. The first quarterly update received was provided as information.

The Board agreed with the direction provided by Staff to amend the Research Permit Application to clarify cost and payment issues and provided Staff with further amendments.

Action: Staff was directed to confirm the amendment details to ensure the appropriate wording is used.

3.10 TM1 Portal Report Updates

To ensure user satisfaction and trust of BC Egg's TM1 reporting system, updates and revisions are needed on the producer portal to make it user friendly and increase user satisfaction. Staff's recommended changes were presented for discussion.

The Board agreed with the direction provided by Staff and agreed that the formatting must be dynamic. The Board further discussed collecting breed comparison data.

3.11 Quota Exchange Interest Owed to Producers

Between 2007 and 2015, interest earned on Quota Exchange deposits were not being returned to producers as per the Consolidated Orders at that time.

The Board agreed with Staff's direction to pay producers for interest earned on quota exchange deposits between 2007 and 2015 as per the Consolidated Orders requirements at that time.

R18-092 It was MOVED and SECONDED

THAT the Board of Directors agree to issue funds to affected producers for the exchanges listed by Staff, as calculated up to Oct 3, 2018, with the remaining amount to be transferred to BCEMB's general account and recorded as Quota Exchange Income.

CARRIED

Action: Staff was directed to issue funds to affected producers for the exchanges as listed by management.

3.12 Marketing Update

Staff provided an update on the fairs, golf tournaments, social media, and traditional and digital media completed so far in 2018.

4.0 OPERATIONS

4.1 Changes to SCSC Layer Program

On August 23, 2018, EFC provided BC Egg with changes to the SCSC Layer program that will go into effect on January 10, 2019. The key program changes were presented for information.

4.2 Producer Update

A 2015 New Producer Program winner under the “producer-vendor” category is not fulfilling the producer-vendor requirements per our Consolidated Orders. The producer met with the Board on August 16 and at that time, the Board asked for an update by the end of September. The update was presented for information.

The Board reviewed the update provided and discussed that a more detailed sales and marketing plan is needed to illustrate the producer’s specific plans to market his eggs. The Board discussed additional information that should be included in the next update and provided deadlines that are to be relayed to the producer.

Action: Staff was directed to draft a letter to the producer with comments from the Board and provide it to the Board for review.

4.3 Producer Update

A producer’s plans for the future of his grading station in the region appears to differ significantly from his original NPP application. An update outlining the producer’s plans was presented for information.

The Board discussed obtaining legal opinion regarding the situation and the criteria for non-compliance.

Action: Staff was directed to obtain legal opinion.

4.4 Non-Conventional Barn Measurements

EFC is beginning to organize how it will measure our non-conventional barns in BC. BCEMB will be meeting with the EFC inspector in October to identify all of the farms that will need to be measured. Further details regarding the project were provided for information.

The Board discussed the results from provinces that have completed the project.

4.5 Changes to Animal Care Program Audit

To ensure that producers are following the Code as written, EFC is requesting feedback on the working draft of the animal care program audit for Code sections 5 and 6.

The Board reviewed the changes, provided additional comments, and discussed obtaining additional feedback from pullet growers.

Action: Staff was directed to provide a response to EFC by the deadline of October 5, 2018.

4.6 CIERA Changes

The premiums for CEIRA insurance have changed as the scope of coverage has changed for subscribers. After a lengthy process, CEIRA insurance has added additional Avian Influenza coverage beyond what is covered under the Health of Animals Act (HofA) when a flock is ordered removed by CFIA. In addition, effective January 1, 2018, CEIRA introduced additional coverage for free run, free range, and organic production.

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4.6a Mandatory Insurance

A Fund Management Committee has been formed to continue work on the development of NAI C&D insurance as directed by the outcomes from the MISC. The next steps, costs, and decisions were presented for information.

The Board agreed with the Committee's direction to work with CIERA but has concerns with the remaining direction. It was agreed that the Board recognizes the importance of the poultry industry working together but that egg producers have already paid for the set-up of one AI insurance program that has now commenced.

The Board reviewed the producers currently not being covered by CIERA insurance.

Action: Staff was directed to confirm insurance coverage for those choosing independent insurance over CIERA coverage.

Action: Staff was directed to draft a letter to MISC, provide it to the Board for review, and provide an update to BC FIRB.

4.7 NPP Survey Summary

BC Egg is reviewing the effectiveness of its New Producer Program to determine if there is an opportunity to improve the policies regarding incentive quotas issued under the NPP set forward in Part IV of our Consolidated Orders. A summary of the survey and an updated timeline was presented for discussion.

4.8 Consolidated Order Questions

A producer has requested clarification regarding the restrictions that are placed on changing the configuration of his conventional cages. The producer's email was included for discussion.

The Board agreed that the producer's suggested plan would violate the limitations listed under Part IX 6.(2)(d) of the Consolidated Orders and that a legal opinion should be obtained.

Action: Staff was directed to obtain legal opinion regarding the situation.

Action: Staff was directed to draft a letter to the producer to be reviewed by the Board at the November Board meeting.

4.9 NSF Audit Update

To ensure that all free run, free range, and organic producers are BC Specialty Production Certified, NSF has been contracted to conduct 10 training audits for the BC Specialty Certification Program from October 22-26. The training audits will be educational for the producers, as they will also review the code requirements not yet included in the ACP. No barn measurements will be taken for these audits so while producers will have a list of corrective actions, there will be no due dates until the program is fully implemented and EFC has had the opportunity to measure the specialty barns.

4.10 Conventional to Enriched Producer Pricing Project

The aim of the Conventional to Enriched Transition and Producer Prices Project is to develop and implement an optimal commodity Producer Price structure that accommodates the transition from conventional to enriched housing by July 2019. The project team has met multiple times and discussion summaries were provided for information.

The Board also discussed the COP Implementation Assessment Committee that will be assisting with the project and will have their first conference call on October 5th.

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4.11 Producer Update

The Board requested monthly progress reports to ensure the producer is progressing towards compliance in a timely manner. The latest report from the producer was provided for information.

4.12 Postponement of Implementation of Stage 2 Euthanasia Training in ACP

On September 24th, EFC informed all egg boards that as the ACP is being redeveloped to incorporate the new Code of Practice requirements, euthanasia training may be expanded to include new Code requirements. This may impact what is included in stage 2 euthanasia training, and until this can be determined, the implementation of stage 2 training is being postponed until the implementation of the redeveloped ACP. Stage 1 euthanasia training will remain in effect.

4.13 Catching Issue Updates

A gap was identified in the oversight of poultry handling and welfare in response to events from June 2017 and BC Egg is working on improvements to the catching oversight processes. An update on the different elements were provided for information.

The Board further discussed Staff's conversations with WCR, the amended contract they provided to BC Egg, and how this will affect the industry in the future. The Board also discussed additional options for removing and rendering or disposing of the hens and agreed to form a Fowl Removal Committee to determine next steps once Staff has contacted additional industry stakeholders.

Action: Staff was directed to reach out to additional processors and other provinces for other options.

Action: Staff was directed to bring the WCR contract to the October 12 Board meeting.

4.14 Committee Meeting Minutes

4.14a PMC Minutes of April 19, 2018

The PMC Minutes of April 19, 2018 were provided for information.

4.14b Audit and Finance Committee Minutes of June 18, 2018

The Audit & Finance Committee Minutes of June 18, 2018 were provided for information.

Action: Staff was directed to include an item on the November Board agenda regarding the A&F Committee Chair position.

5.0 GOVERNANCE

5.1 Election Voting Rule Review

As an election will need to take place in 2019, BC FIRB requires that an Election Voting Rule review be completed. Points to be included in the review were provided for discussion.

The Board agreed to include the special election details in the rules and discussed that now may be the right time to remove the regional election portion of the rules. The Board also agreed that without the regional requirement, five endorsements per nominee should be continued; however, if the regional requirement continues, a review of the endorsement number should be conducted.

The Board also discussed including an additional non-industry director. It was agreed that the direction we have taken by adding non-industry directors on the Audit & Finance Committee and MarComm Committee provides an additional outside perspective.

Action: Staff was directed to draft a producer survey based on discussions by the Board and provide it to the Board for approval.

Action: Staff was directed to determine if other boards include age restrictions in their rules.

In regards to the vacant position on the Board, possible candidates were discussed.

Action: Staff was directed to include the topic on the October 12 Board agenda.

5.2 PARP Final Measures

BCFIRB is working to develop and establish improved annual performance measures and reporting for both itself and the commodity boards, along with improved data collection and analysis, from what has been in place to date with respect to its supervisory mandate of the marketing boards and commissions. The final governance and quota movement and management measures have now been provided and the first commodity board PARP reports are due to BCFIRB no later than June 1, 2019.

5.3 Codes of Practice Outreach

The Ministry of Agriculture intends to enshrine, in regulation, the National Farm Animal Care Council (NFACC) Codes of Practice (Codes) for the care and handling of farm animals. Staff held a conference call with the Ministry on September 11th. The purpose of the call was to clarify government's intentions as well as to listen to any concerns that BCEMB has with the current proposal. Notes from the call were presented for information.

5.4 Alternative Markets

During the development of the Egg Quality Assurance Program, the EQA project team emphasized the need to ensure that eggs from farms that fail either the Start Clean-Stay Clean Program or the Animal Care Program should not compromise the EQA program. With input from CPEPC, the EFC Operations Unit developed the Alternative Markets Procedure. On July 11, 2018, the EFC Board of Directors approved the Alternative Markets Procedure to further enhance this commitment to the public. This procedure is effective as of February 1, 2019.

5.5 DEPI Update

The DEPI report has been completed and is ready for distribution. The group met by conference call on September 26th to review the cover letter that will be sent with the DEPI reports as well as the media plan and government engagement strategy. The group approved all three items and the DEPI reports will be sent to all MLAs in early October. The final material was presented for information.

5.6 QAC Update

EFC is requesting provincial feedback on proposed modifications to the QAC Formula and supplemental imports prior to October 31, 2018.

The Board discussed a third option for a quota decrease methodology that involves a combination of pro-rata and birds in/birds out methodology.

Action: Staff was directed to draft a response to EFC to be approved by the Board at the October 12 meeting.

5.7 Period 11 COP

On October 2, 2018, the Cost of Production (COP) for Period 11 was sent to the Board.

The Board has reviewed the COP and pricing recommendation from the EIAC and agree with their consensus decision.

R18-093 It was MOVED and SECONDED

That the Board of Directors agree to hold BC producer pricing for Period 11, 2018. This decision is effective from Week 42 to Week 45, 2018.

CARRIED

6.0 **PERFORMANCE REPORTS**

6.1 Dashboard

Due to time considerations, this item was put forward to the November 15, 2018 Board meeting.

6.1a Feed Mill Participation Report & AAFC Report

Due to time considerations, this item was put forward to the November 15, 2018 Board meeting.

6.2 Quota

6.2a Industry Reserve

Due to time considerations, this item was put forward to the November 15, 2018 Board meeting.

6.2b IP Report Week

Due to time considerations, this item was put forward to the November 15, 2018 Board meeting.

6.2c IP Processor Summary Week

Due to time considerations, this item was put forward to the November 15, 2018 Board meeting.

6.2d EFP Report Week

Due to time considerations, this item was put forward to the November 15, 2018 Board meeting.

6.2e Quota Utilization Update

Due to time considerations, this item was put forward to the November 15, 2018 Board meeting.

6.2f Quota Credit Update

Due to time considerations, this item was put forward to the November 15, 2018 Board meeting.

6.2g Inventory Report

Due to time considerations, this item was put forward to the November 15, 2018 Board meeting.

6.3 Financials

6.3a Period 8 Board & Committee Per Diems & Expenses

Due to time considerations, this item was put forward to the November 15, 2018 Board meeting.

6.3b Period 8 Financials

Due to time considerations, this item was put forward to the November 15, 2018 Board meeting.

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6.3c Committee Travel Per Diems

Committee members have requested that the Board review the committee travel per diem policy.

The Board discussed the history behind the policy change and agreed that the per diem should be added along with discussed parameters.

Action: Staff was directed to draft an amended policy for the November Board meeting.

6.4 Preliminary COP

6.4a Period 10, 2018 COP

Due to time considerations, this item was put forward to the November 15, 2018 Board meeting.

6.5 Audit Scores

Due to time considerations, this item was put forward to the November 15, 2018 Board meeting.

7.0 MEETINGS HELD & UPCOMING

7.1 Meetings Held Appendix A

Due to time considerations, this item was put forward to the November 15, 2018 Board meeting.

7.2 2018 & 2019 Meetings Upcoming Appendix B

Due to time considerations, this item was put forward to the November 15, 2018 Board meeting.

7.2a 2019 EFC Board Meeting Schedule

Due to time considerations, this item was put forward to the November 15, 2018 Board meeting.

7.2b 2019 EFC and Provincial Boards AGM Schedule

Due to time considerations, this item was put forward to the November 15, 2018 Board meeting.

7.2c 2018/2019 COGA Session

Due to time considerations, this item was put forward to the November 15, 2018 Board meeting.

ADJOURNMENT

The meeting was adjourned at 6:45pm.



Board Chair



Certified Correct, Secretary