

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: December 4, 2018

Location: BCEMB Boardroom

BOARD IN ATTENDANCE:

Gunta Vitins, Chair
Walter Siemens, Board Member
Aryn Alibhai, Board Member
Matt Vane, Board Member
Jon Krahn, Board Member

STAFF IN ATTENDANCE:

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

CALL TO ORDER

Chair, Gunta Vitins, called the meeting to order at 9:28am.

ADOPTION OF AGENDA

The agenda was adopted as presented.

1.0 APPROVAL OF MINUTES

- 1.1 Approval of the Minutes of November 15, 2018
R18-107 It was MOVED and SECONDED

THAT the Board of Directors approve the Minutes of November 15, 2018 as amended.

CARRIED

The Board of Directors of BC Egg Marketing Board

Minutes: Board of Directors Meeting

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1.2 Approval of the Minutes of November 28, 2018

R18-108 It was MOVED and SECONDED

THAT the Board of Directors approve the Minutes of November 28, 2018 as presented.

CARRIED

2.0 BUSINESS ARISING/ACTION LIST

2.1 2018 Board Calendar

The 2018 and 2019 Board Calendars were presented for information.

The Board reviewed the proposed dates and confirmed the next few meetings.

3.0 STAKEHOLDER ENGAGEMENT

3.1 EFC Update

The Implementation Assessment Project Team has requested that additional data be reviewed with the intention of presenting it at the next EFC open board meeting.

BC Egg has spoken with EFC to obtain a USMCA update package that can be provided to producers.

Action: Staff was directed to create an agenda for the BC and ON Board meeting on December 14.

3.2 Young Farmer Program Update

EFC has requested the names of the provincial delegates for the 2019 cycle of 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. [REDACTED] has agreed to represent BC for the 2019 Young Farmer Program and EFC has been notified.

3.3 Final Marketing Plan

EFC has had a long-term goal to increasing egg consumption. In past years, most egg boards have preferred to let EFC handle the consumption goal while they focused on other marketing goals. This year, staff was asked to add an 'Increased Consumption' goal to BC Egg's marketing plan. The revised Marketing Plan was presented for discussion.

The Board reviewed the targets and budget for the new goal and agreed with the direction. IP usage was also discussed, along with the intention to review provincial and inter-provincial reports to ensure we are supplying the IP program as required.

R18-109 It was MOVED and SECONDED

THAT the Board of Directors approve the 2019 Marketing Plan and the budget of \$502,000 as presented.

CARRIED

3.4 Producer Christmas Party Update

BC Egg hosts an annual Producer Christmas Party that will be held on December 5th from 11-3pm at the Quality Inn in Abbotsford. This is a time for stakeholders to catch up with friends and colleagues and celebrate the season. We will also be collecting toys for the Abbotsford Christmas Bureau.

Action: Staff was directed to investigate taxi options in case a need arises at the party.

3.5 Strat Plan Follow Up

BCEMB conducted a review of its current strategic plan on November 15th with Junxion to ensure a unified direction. Junxion introduced a new concept of focusing on one key project for a specified length of time before moving on to a new project. The initial project will be Successful Allocation. A draft of the summary report for the day with the priority activities for 2019 was presented for discussion.

The Board reviewed the summary provided and discussed their experience with Junxion. Consultant options for the next phase of the strategic plan were also discussed.

Action: Staff was directed to obtain two proposals for a new 2020 strategic plan.

4.0 OPERATIONS

4.1 Budget and Levy Recommendation

The 2019 Budget was drafted in a new format that included additional explanations to accompany the numbers. Management reviewed the 2019 budget and levy scenarios with the Audit and Finance Committee on November 23rd, who recommended that the levy rate for 2019 remain at status quo, \$0.0418 per bird, with a quarterly review. The proposed 2019 budget was presented for discussion.

The Board reviewed the budget and agreed with the direction and the new format. The Board also agreed with Staff's recommendation to upload the budget to the producer website.

The Fowl Removal Program was discussed, including increasing PLO presence at catching and working with an NSF consultant to create a catching audit and training document. The Board agreed that this is a topic for the PMC to review and discuss further.

The Board also discussed the Small Lot program and adding it to the regional outreach project.

Lastly, the Board reviewed the EPA budget and discussed obtaining bank statements to satisfy the BC FIRB ruling.

R18-110 It was MOVED and SECONDED

THAT the Board of Directors approve the 2019 BCEMB Budget as amended and that the weekly BC per bird levy rate of 4.18 cents remain in effect with a quarterly review.

CARRIED

Action: Staff was directed to request the EPA's bank statement.

Action: Staff was directed to request that the EPA provide a yearly update in September that includes a review of the current year and the next year's budget.

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. Following the November board meeting, staff was directed to draft a letter to the producer requesting a more concrete and thorough vendor plan. The draft letter and an update from the producer were presented for discussion.

The Board discussed the producer’s history and provided amendments to the letter and SAFETI analysis.

Action: Staff was directed to send the amended letter to the producer.

4.3 Consultation for Amendments to the SC-SC Program

The Start Clean-Stay Clean program is continuously evolving, using science-based research to aid in the development of the program. Areas for improvement are considered by Field Operations through internal and external stakeholder observation, and are assessed semi-annually by the HACCP Review Team with the intent to strengthen the food safety program, and the evaluation forms. Recommendations are further reviewed by EFC’s Production Management Committee and when applicable are put forth to the egg boards for consultation. Seven amendments to the SC-SC Programs were approved by the PMC on April 16th, and September 5, 2018 respectively. The amendments were presented for discussion.

The Board discussed the upcoming changes, additional details on the SE Testing element, and the importance in ensuring that producers are aware that having your audits and SE testing completed are the responsibility of the producer. Additional feedback for BC Egg’s response to EFC was also provided.

Action: Staff was directed to provide feedback to EFC.

4.4 Quota Transfer Amendment Request

A producer has requested that BC Egg retrospectively amend a Quota Transfer that occurred in January 2018 by changing the transfer information. The request was presented for discussion.

R18-111 It was MOVED and SECONDED

THAT the Board of Directors decline the producer’s requested retrospective transferred changes.

CARRIED

4.5 New Producer Program

BCEMB is reviewing the effectiveness and processes of its New Producer Program to determine if there is an opportunity to change and improve the policies that surround incentive quota issued under the New Producer Program set forward in Part IV of our Consolidated Orders. Industry stakeholders have provided feedback through a survey in June and the Market Responsive Roundtable in September. Program recommendations were presented for discussion.

The Board will be meeting on January 3rd to review the program. The material required to complete the review and options for the program were discussed.

Action: Staff was directed to ensure the specified information is available for the January 3rd meeting.

4.6 Self Removal Producers

In recent years, there have been a small number of producers who have requested to remove their own flock and process the birds themselves. An additional producer has requested to remove his own flock. The request from the producer was presented for discussion.

The Board discussed the situation and agreed that any deviation from the contract with Superior and West Coast Reduction should be brought to the Board's attention, an amendment to the contract must be made with determined parameters which include sign-off on by all three signatories. The Board also agreed that all producers should pay the Fowl Removal program fee to ensure fairness. The topic was deferred to the next board meeting to allow for additional discussion.

Action: Staff was directed to create a draft amendment for the January board meeting.

4.7 Independent Production Unit Leases

A number of producers are running out of room to house their quota due to changes in density requirements. This space limitation is further magnified due to rapid sustained growth over the past six to seven years. In general, most producers when faced with the decision elect to build. However, recently it has come to light that there is a small segment of producers who may decide not to build, and instead enter into long-term leases of decommissioned facilities. To ensure that board policies align with our operational and strategic objectives and encourage producers to build new facilities, the Board discussed creating an Independent Production Unit Lease Policy. Suggestions for the policy were presented for discussion.

The Board discussed the historical and current lease situations and agreed to focus on the Barn Fitness Policy first before moving forward with this unit lease policy.

4.8 Quota Allocation Concerns

Since the quota allocation occurred in October, producers are strategically planning to ensure they do not miss out on any portion of future allocations. One producer in particular has a unique situation, as they are the only producer who has a newer and fully functional specialty facility that is idle. The producer's details were presented for discussion.

The Board reiterated that the direction provided to producers has been that the same allocation methodology might not be used for 2019. However, the Board will take this situation into advisement for the January 3rd quota allocation discussion.

4.9 Producer QC Request

A producer is requesting an exception to the 10% limitation on Short Placement QCs. The request is due to a significant loss of pullets due to human error during vaccinating at his pullet facility. Since that error, the producer has implemented an SOP to prevent a similar incident from occurring in the future. The letter from the producer was presented for discussion.

The Board reviewed the situation, discussed that if insurance could be obtained to cover the loss, additional assistance from the board is not available. The Board agreed that the Consolidated Orders should be enforced and that this situation is considered an insurable loss.

Action: Staff was directed to provide a response to the producer.

4.10 Revised On-Farm Program MOU

In 2008, a Memorandum of Understanding (MOU) was developed to outline the roles and responsibilities of each egg board in the Start Clean-Stay Clean program. The requirements for the parties involved in the delivery and implementation of Start Clean-Stay Clean were agreed to in the MOU signed by the egg board and EFC. EFC has now updated the MOU to encompass both On-Farm Programs, Start Clean-Stay Clean and the Animal Care Program.

This second MOU is very different from the previous MOU for SCSC and the SOP for the ACP. Since the November 15, 2018 Board Meeting, EFC has amended the new MOU which was presented, along with a legal opinion, for discussion.

The Board discussed the legal opinion provided and expressed concern. The Board agreed to support Staff's recommendation not to sign the MOU.

Action: Staff was directed to respond back to the EFC based on the Board's agreement.

4.11 Premise ID-Regulated Industry Modifications Meeting

The Ministry of Agriculture has updated their Provincial Premise ID Database to allow for increased functionality for Poultry Boards to ensure that, in the event of an NAI event, the Boards are prepared to provide industry data in a timely manner. The online program allows the industry to conduct basic mapping and identification of poultry operations, by production type, within user defined regions. The BCPA initially declined the request to use the AGRI system for the storage of contact information. Poultry Board staff have made it clear to the EOC and BCPA that should the BCPA continue to decline this, it would be brought to the Boards. The BCPA will be taking this under further consideration and a response should be received in the near future.

The Board agreed that if all of the other poultry boards approve participation, BC Egg should participate as well.

4.12 Exempt Persons

BC Egg requested BCFIRB to expand the list of exempt persons from BCFIRB's 12 month moratorium directive on growth quota in order to support succession planning in the egg sector. BCFIRB sent a letter dated October 24, 2018 outlining an extensive list of questions that BC Egg is to answer if BCFIRB is to consider the request further. BCFIRB also sent a letter to the other supply managed boards asking for their insights and input on the benefits and risks of expanding the list of exempt persons. Staff presented the draft response for discussion, along with a letter provided by the EPA.

The Board reviewed the draft letter and provided amendments. The exemption scenarios were also discussed, along with quota comparisons across the province and at the other poultry boards.

Action: Staff was directed to add the table in the letter to the annual report indicating space requirement increases for enriched and specialty production.

5.0 GOVERNANCE

5.1 Enriched Pricing

The BCEMB sets the price for all egg production methods except Enriched, which has been a housing type in the province since 2015. The most recent COP study conducted by EFC was on both Enriched and Conventional. BC's enriched producers are wondering when BC will implement Enriched pricing and why we are waiting for it to be implemented Nationally. There are two project teams working at a national level on the COP implementation -- the Implementation Assessment Project Team and the Conventional to Enriched Transition and Producer Price committee. The next face-to-face meeting for the CETPP is scheduled for December 6/7, 2018 and the agenda was included for discussion.

The Board reviewed Staff's recommendations to be brought to the CETPP meeting and provided additional feedback.

5.2 Comparative Grid of Provincial Programs & Policies

The most recent version of the Provincial Policy Comparison document was presented for information.

Action: Staff was directed to update the grid for the January board meeting.

5.3 FMC Letter

With the commencement of AI insurance through CEIRA, the BCEMB is not participating in the provincial poultry C&D Management Fund. The Fund Management Committee respectfully requests the Egg Board develop and provide the FMC with a mitigation plan to address the non-CEIRA subscribers and their potential to delay the initiation and completion of IP C&D should there be an IP in a future NAI occurrence. Our response will be included in the FMC's submission to BCFIRB regarding their decision to use a joint fund managed by industry. The FMC letter was presented for discussion.

The Board reviewed the list of producers without CEIRA coverage and agreed to add a mitigation plan to the quota allocation review on January 3rd.

Action: Staff was directed to provide a draft letter at the January meeting.

6.0 PERFORMANCE REPORTS

6.1 Feed Mill Participation Report & AAFC Report

Due to time considerations, this item was put forward to the January Board meeting.

6.2 Quota

6.2a Industry Reserve

Due to time considerations, this item was put forward to the January Board meeting.

6.2b Quota Utilization Update

Due to time considerations, this item was put forward to the January Board meeting.

6.2c Inventory Report

The Inventory Report was presented for information.

6.2d 2019 Forecast

Due to time considerations, this item was put forward to the January Board meeting.

6.2e 2019 Production Sleeve

The 3% production sleeve is scheduled to end on June 30, 2018. At that time, BCEMB has the ability to end, maintain at status-quo, or increase the production sleeve provided to producers in an effort to maximize the provincial allocation that is granted to BCEMB's registered producers.

The Board reviewed Staff's recommendation and provided its support of the proposed direction. A final decision will be confirmed once the EIAC has provided its recommendation.

Action: Staff was directed to add the quota calculator to the website.

Action: Staff was directed to bring the topic to the EIAC meeting before reviewing further on December 14th.

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6.3 Financials

6.3a Period 8 & 10 Board & Committee Per Diems & Expenses

The Period 8 & 10 Board & Committee Per Diems & Expenses were presented for information.

R18-112 It was MOVED and SECONDED

THAT the Board of Directors approve the Period 8 & 10 Board & Committee Per Diems & Expenses.

CARRIED

6.3b Period 8 Financials

The Period 8 Financials were presented for information.

R18-113 It was MOVED and SECONDED

THAT the Board of Directors approve the Period 8 Financials as presented.

CARRIED

6.3c Period 9 Financials

The Period 9 Financials were presented for information.

R18-114 It was MOVED and SECONDED

THAT the Board of Directors approve the Period 9 Financials as presented.

CARRIED

6.4 Preliminary COP

6.4a Period 10, 2018 COP

Due to time considerations, this item was put forward to the January Board meeting.

6.4b Period 11, 2018 COP

Due to time considerations, this item was put forward to the January Board meeting.

6.4c Period 12, 2018 COP

Due to time considerations, this item was put forward to the January Board meeting.

6.4d Period 13, 2018 COP

Due to time considerations, this item was put forward to the January Board meeting.

7.0 MEETINGS HELD & UPCOMING

7.1 Meetings Held Appendix A

Due to time considerations, this item was put forward to the January Board meeting.

7.2 2018 & 2019 Meetings Upcoming Appendix B

Due to time considerations, this item was put forward to the January Board meeting.

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7.2a 2019 EFC Board Meeting Schedule

Due to time considerations, this item was put forward to the January Board meeting.

7.2b 2019 EFC and Provincial Boards AGM Schedule

Due to time considerations, this item was put forward to the January Board meeting.

7.2c 2018/2019 COGA Session

Due to time considerations, this item was put forward to the January Board meeting.

7.2d EFC Orientation Session

Due to time considerations, this item was put forward to the January Board meeting.

ADJOURNMENT

The Chair acknowledged that the meeting was held on the traditional and unceded territories of the Kwantlen, Sto:lo, and Lummi First Nations.

The meeting was adjourned at 5:10pm.



Board Chair



Certified Correct, Secretary