

## 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 Directors Meeting

**Date:** January 21, 2019

**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  
Nicole Thompson, Executive Assistant

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#### **CALL TO ORDER**

Chair, Gunta Vitins, called the meeting to order at 9:30am.

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

#### **ADOPTION OF AGENDA**

The agenda was adopted as presented.

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

1.1 Approval of the Minutes of December 4, 2018

**R19-001** It was MOVED and SECONDED

THAT the Board of Directors approve the Minutes of December 4, 2018 as amended.

CARRIED

1.2 Approval of the Minutes of December 11, 2018

**R19-002** It was MOVED and SECONDED

THAT the Board of Directors approve the Minutes of December 11, 2018 as presented.

CARRIED

1.3 Approval of the Minutes of December 13, 2018

**R19-003** It was MOVED and SECONDED

THAT the Board of Directors approve the Minutes of December 13, 2018 as presented.

CARRIED

1.4 Approval of the Minutes of December 14, 2018

**R19-004** It was MOVED and SECONDED

THAT the Board of Directors approve the Minutes of December 14, 2018 as presented.

CARRIED

1.5 Approval of the Minutes of January 3, 2019

**R19-005** It was MOVED and SECONDED

THAT the Board of Directors approve the Minutes of January 3, 2019 as presented.

CARRIED

**2.0 BUSINESS ARISING/ACTION LIST**

2.1 2019 Board Calendar

The 2019 Board Calendars were presented for information.

2.2 New Business

2.2a Memo to EFC re Consultation for Amendments to the SCSC Programs

The Memo to EFC re Consultation for Amendments to the SCSC Programs response to EFC was presented for information.

The Board discussed EFC's process for completing the non-conventional barn measurements in BC.

**Action:** Staff was directed to contact EFC to obtain a timeline and update on the measurements.

**3.0 STAKEHOLDER ENGAGEMENT**

3.1 EFC Update

An update on the CETPP, PMC and LDA committees was provided.

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3.2 December 14, 2018 Grader Meeting Notes

Board and Staff members attended a grader meeting on December 14, 2018. The notes from the meeting were presented for information.

The Board discussed the audit report provided by GVF and other options that will demonstrate traceability.

3.3 December 6, 2018 CETPP Meeting Notes

Board and Staff members attended a CETPP meeting on December 6, 2018. Notes from the meeting were presented for information.

The Board reviewed the draft program details, discussed pricing options, and provided Staff with additional feedback to address at the next CETPP meeting.

The Board agreed with Staff's recommendation for the western provinces to review an option for payments to flow through a revised WEMA, that each province should administer their own funds at a break even amount, that the same decimal place details should be used as per the COP, and to use the standard premium for large eggs (including XL/Jumbo). It was also agreed that producers should be fully enriched and meet requirements to obtain the enriched COP.

**Action:** Staff was directed to provide producers with an update, including that the objective is to price Enriched this year.

3.4 November 14-15, 2018 CCFI Notes

Board and Staff members attended a CCFI conference from November 14-15, 2018. The notes from the conference were presented for information.

3.5 BCPC Schedule

BCPC has been scheduled from February 27 to March 1, 2019. The schedule of events was presented for discussion.

The Board reviewed the schedule and provided additional comments.

3.6 Strategic Planning 2019

BC Egg will be undergoing a full revamp of its Strategic Plan in 2019 which will include retailer and industry consultations. The consultants' proposals were presented for discussion.

The Board reviewed the two proposals, discussed their past performances, and agreed to use Junxion for the 2019 strategic planning.

3.7 Research Flock Quarterly Update

A company was granted a research flock in 2018 and is required to provide quarterly updates as part of the research permit agreement. The second quarterly update was presented for information.

The Board reviewed the update provided.

**4.0 OPERATIONS**

4.1 Self Removal Producers

In recent years there have been a small number of producers who have requested to remove their own flocks and process the birds themselves. To ensure that layers removed from farms are processed through a CFIA certified plant and in compliance with the Codes of Practice, BC Egg has drafted a proposed amendment to the Consolidated Orders after reviewing legal opinion. The draft amending order was presented for discussion.

**R19-006** It was MOVED and SECONDED

THAT the Board of Directors approve the first reading of Amending Order 005 – Fowl Removal as amended.

CARRIED

4.1a Self Removal Request

A producer has written to the Board asking that the BCEMB authorize him to self-remove his flock. The letter was presented for discussion.

The Board reviewed the producer's request and determined that further analysis is required to ensure that all self removers are using approved methods for layers.

**R19-007** It was MOVED and SECONDED

THAT the Board of Directors decline [REDACTED] request to self remove his poultry based on his current proposal and for Staff to provide a letter clearly stating that to approve a removal method, it must be a permitted method for layers, which includes CFIA certification.

CARRIED

**Action:** Staff was directed to draft a letter to the producer based on discussions.

**Action:** Staff was directed to follow up with the additional self-removing producers to confirm they are using approved methods.

4.2 2018 Allocation Eligibility Producer Question

A producer has inquired if he should have been eligible under the "Enriched and Specialty" allocation due to a special circumstance. In addition, the producer provided information on how he proposes to upgrade his facility with the intent to meet the requirements for the next allocation. Communications with the producer were presented for discussion.

The Board agreed that the producer does not qualify for the additional quota, as he does not meet the intent of the policy. In addition, the Board discussed the producer's request to renovate his facility as part of section 6(2)(d) of Part IX of the Consolidated Orders and agreed that the producer may renovate his system provided that all of the enhancements are completed at the same time to make it a fully enriched facility.

**R19-008** It was MOVED and SECONDED

THAT the Board of Directors decline [REDACTED] request to be considered eligible for the 2018 Enriched and Specialty allocation as his facility is not fully enriched and therefore does not meet the intent of the policy.

CARRIED

**Action:** Staff was directed to draft a letter and provide it to the Board for review.

4.3 Producer Update

A 2015 New Producer Program winner under the "producer-vendor" category is not fulfilling the producer-vendor requirements per our Consolidated Orders. To ensure that the producer is progressing towards compliance of the producer-vendor requirements in a timely manner, the Board requested monthly updates and a vending plan. The producer's business plan was presented for discussion.

The Board discussed that the producer is not currently in good standing, which will impact his eligibility to receive future allocations until he is in full compliance with our Consolidated Orders.

**Action:** Staff was directed to draft a letter to the producer.

4.4 Quota Transfer Requests

Staff has received a number of quota transfer requests in the past month. These were presented for the Board's review to ensure that the proposed transfers are compliant with the Consolidated Orders.

4.4a Producer One

The producer's transfer requests were presented for discussion.

**R19-009** It was MOVED and SECONDED

THAT the Board of Directors decline [REDACTED] transfer application as it does not meet the requirements as outlined in Part III 2. (3)(c), Part V 2. (5), Part VII 1. (3) of the Consolidated Orders.

CARRIED

4.4b Producer Two

The producer's transfer request was presented for discussion.

The Board reviewed the producer's situation and agreed to defer it to the next board meeting, once a legal opinion has been received.

4.4c Producer Three

The producer's transfer request was presented for discussion.

**R19-010** It was MOVED and SECONDED

THAT the Board of Directors approve [REDACTED] transfer request as amended.

CARRIED

4.5 Producer Quota Credit Request

A producer is asking the Board to reconsider its December 3, 2018 decision that declined their request to waive the QC Policy for the losses incurred on their pullet flock in October. Additional information from the insurance provider was presented for discussion.

The Board reviewed the documentation and after considering the additional information, agreed to uphold its original decision dated December 4, 2018 that Part VIII of the Consolidated Orders should be enforced as this situation is considered an insurable loss.

4.6 Buyback Program

The specialty buy-back program commenced in 2005. Initially it covered down-grades to free run and after a year of operation, it allowed for downgrades to caged brown. The program was updated in 2013, the budget was increased and free-run eligibility for downgrades was discontinued. [REDACTED] has recently stated that the BCEMB's buyback program is insufficient and is requesting that free-run downgrades be included.

The Board discussed how the proposed specialty IP pilot program that the BCEMB and EFC have been discussing with the graders since late 2017 would alleviate this issue. The topic will be discussed further at the February 28<sup>th</sup> Grader Meeting.

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4.7 Small Lot Inspections Ministry Funding

BCEMB currently has 67 small lot producers. Since 2016 BCEMB PLO staff has visited only a handful of our small lot flocks.

There is currently an opportunity for BCEMB to obtain funding from the Government of Canada's Summer Job application. A summer student could assist BCEMB by visiting the small lot flocks for audits and SE testing and could also assist with outreach to flocks that currently have 100+ layers, which should be a part of the Small Lot program.

The Board discussed additional funding options for staff to research and that the position should provide insight to BC Egg on the small lot industry.

**R19-011** It was MOVED and SECONDED

THAT the Board of Directors approve the BC Egg Marketing Board hiring a summer student for the position of Small Lot Producer Liaison Officer and to pursue funding where available.

CARRIED

4.8 Premise ID – Regulated Industry Modifications Meeting

The BCPA is recommending that the four poultry boards and commissions approve having their producer contact information stored on the BC Ministry of Agriculture's PID online system. This is part of the BCPA's on-going emergency operations center work to prepare for a possible AI outbreak. All four commodity boards have now approved the addition of the contact information to the on-line system. Industry met on January 15, 2019 to review the requirements and set up the standards for information uploads.

4.9 FOI Request Update

BCEMB has received a Freedom of Information Request from [REDACTED] and is working with the other commodity boards to complete the request for information jointly. The Boards provided a fee estimate for the information on September 18, 2018 and no response has been received to date.

4.10 Draft Policy Development

EFC has ratified a National Quota Allocation of 27,432,857 layers which represents an additional 1,443,475 layers for the country and 202,110 additional layers for BC, representing a 6.48% increase in quota for the province. In order to allocate the quota, BC Egg is required to determine an allocation methodology that meets the Regulated Markets Economic Policy and SAFETI Principles and receive approval from BC FIRB. BCEMB also undertook a review of the New Producer Program in 2018. The allocation and NPP are interrelated so their policies are being updated at the same time. Staff has created the draft policy documents, which were provided to the Board via email on January 11th. Comments received from the Board members have been integrated into the drafts as well as a few additional thoughts. The draft policies were presented for discussion.

The Board reviewed the allocation distribution proposal and provided additional feedback as this allocation is intended to drive industry change. The Board discussed options for addressing a possible future reduction of quota and agreed that quota set aside for programs would be temporarily deferred until the industry recovers. Once the industry recovered, more quota may be used for the programs. Once the industry recovered, quota to the programs could be more heavily implemented.

**Action:** Staff was directed to review the EPU definitions in the Consolidated Order.

4.10a Draft Quota Allocation

BC Egg is working to develop a 3-5 year allocation policy process that will meet the requirements and allow for some industry predictability.

The Board reviewed the draft policy, agreed it should be a three year plan to ensure market responsiveness, and provided additional feedback to be incorporated.

4.10b Draft NPP

The New Producer Program was established with the intent to provide BC residents who have an interest in egg production and agriculture, but are from outside the regulated supply chain, an opportunity to contribute to the sustainability and renewal of the regulated egg sector in BC.

The Board reviewed the draft policy, provided additional feedback, and agreed that there should be a minimum score requirement for each area of the application and that the application fee should reflect the true cost of the application and draw process.

After additional discussions, the Board agreed to keep the base quota at a maximum of 3,000 units per entrant and provide the entrant with every option to succeed, including through the use of temporary allotments.

**Action:** Staff was directed to determine the cost of the last NPP draw.

4.10c Draft Temporary Allotment

The objective of the Temporary Allotment Program is to assist new entrants in expanding their operations. The addition of the temporary allotted hens will provide new entrants with the time and revenue required to build equity to purchase quota and expand their operations on a permanent basis, ensuring that the new entrant is fully committed to the industry for the long term.

The Board reviewed the draft policy and agreed that the program is intended for NPP winners and producers who are new to the industry and have not previously owned quota. Additional strict parameters will be set to qualify for the allotment. It was also agreed that QC's would be earned during regular downtime but that producers would not be able to sell them while taking part in the program. Additional feedback was also provided to be incorporated in to the policy.

4.10d Draft Reserve Policy

Quota that is "held in reserve" is quota held by BCEMB that has not been allocated to any specific producer. The amount of quota that is held in the reserve must remain at a level that will sustain any of our reserve programs and will come from quota assessments, allocation set asides, and returns from the temporary allotment program.

The Board will receive the electronic version of the draft policy to review further.

4.14 Committee Meetings

4.14a September 6, 2018 A&F Committee Meeting Minutes

The September 6, 2018 A&F Committee Meeting Minutes were presented for information.

4.14b October 10, 2018 PMC Meeting Minutes

The October 10, 2018 PMC Meeting Minutes were presented for information.

4.14c October 23, 2018 EIAC Meeting Minutes

The October 23, 2018 EIAC Meeting Minutes were presented for information.

4.14d June 18, 2018 MarComm Meeting Minutes

The June 18, 2018 MarComm Meeting Minutes were presented for information.

**5.0 GOVERNANCE**

5.1 BC FIRB Animal Care Video Response

BC FIRB's Animal Care Video Response report was presented for information.

5.2 FMC Request

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 that 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 they be an IP in a future NAI occurrence. The FMC has also requested that the BCEMB approve the joint submission for posting onto the AI insurance website for producers to review.

The Board agreed with the letter drafted and the joint submission for posting.

5.3 Comparative Grid of Provincial Programs & Policies

The updated Comparative Grid of Provincial Programs & Policies was presented for information.

5.4 Board Election

BC Egg is currently undergoing an election for the Lower Mainland and Interior board positions. A concern was raised regarding the intent of the Board motion from April 2015 that was not incorporated into the 2016 Election Rules but will be incorporated in to the 2019 Election Rules.

5.5 Performance Survey

The Governance Policy Manual requires that the Board conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The intent is for the Board to complete the document and provide it to an administrator who will tally up the scores to maintain Board member confidentiality.

The Board reviewed the survey and agreed that the Executive Assistant will be the administrator.

**Action:** Staff was directed to provide the survey to the Board with the intent to review the results at the February meeting.

**6.0 PERFORMANCE REPORTS**

6.1 Dashboard

The Dashboard was presented for information.

6.1a Feed Mill Participation Report & AAFC Report

The Feed Mill Participation Report & AAFC Report was presented for information.

6.2 Quota

6.2a Industry Reserve

The Industry Reserve was presented for information.

6.2b IP Report Week

The IP Report Week 52 was presented for information.

6.2c IP Processor Summary Week

The IP Processor Summary Week 52 was presented for information.



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6.2d EFP Report Week

The EFP Report Week 52 was presented for information.

6.2e Emerging Market Quota Utilization Update

The Emerging Market Quota Utilization Update was presented for information.

6.2f Quota Credit Update

The Quota Credit Update was presented for information.

6.2g Inventory Report

The Inventory Report was presented for information.

6.2h 2019 Forecast

The 2019 Draft Forecast was presented for information.

The Board reviewed the Forecast and provided comments.

6.3 Financials

6.3a Period 11-13 Board & Committee Per Diems & Expenses

The Period 11-13 Board & Committee Per Diems & Expenses were presented for information.

**R19-012** It was MOVED and SECONDED

THAT the Board of Directors approve the Period 11 to 13 Board & Committee Per Diems & Expenses.

CARRIED

6.3b Period 12 Financials

The Period 12 Financials were presented for information.

6.3c AR Report

The AR Report was presented for information.

The Board reviewed the report and further discussed the information.

**Action:** Staff was directed to provide additional information as requested at the February meeting.

6.4 Preliminary COP

6.4a Period 10, 2018 COP

The Period 10, 2018 COP was presented for information.

6.4b Period 11, 2018 COP

The Period 11, 2018 COP was presented for information.

6.4c Period 12, 2018 COP

The Period 12, 2018 COP was presented for information.

6.4d Period 13, 2018 COP

The Period 13, 2018 COP was presented for information.

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6.4e Period 1, 2019 COP

The Period 1, 2019 COP was presented for information.

The Board reviewed the recommendation from the EIAC and agreed to keep B pricing as is until additional pricing changes are recommended.

**Action:** Staff was directed to include B price changes when additional pricing changes are recommended.

6.5 Audit Scores

The Audit Score Report was presented for information.

**7.0 MEETINGS HELD & UPCOMING**

7.1 Meetings Held Appendix A

The Meetings Held Appendix A were presented for information.

7.2 Meetings Upcoming Appendix B

The Meetings Held Appendix B were presented for information.

7.2a Interior Spring Banquet

The Interior Spring Banquet invitation was presented for information.

**ADJOURNMENT**

The meeting was adjourned at 5:15pm.



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Board Chair



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Certified Correct, Secretary