

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: February 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

GUEST: Jeff Regier

STAFF IN ATTENDANCE: Katie Lowe, Executive Director
Joey Aebig, Manager Operations & Logistics
Nicole Thompson, Executive Assistant

CALL TO ORDER

Chair, Gunta Vitins, called the meeting to order at 10:16am.

The Chair welcomed J. Regier to the meeting.

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 with the following addition:

1.4 Period 3 COP

1.0 APPROVAL OF MINUTES

1.1 Approval of the Minutes of January 21, 2019

R19-015 It was MOVED and SECONDED

THAT the Board of Directors approve the Minutes of January 21, 2019 as amended.

CARRIED

1.2 Approval of the Minutes of January 23, 2019

R19-016 It was MOVED and SECONDED

THAT the Board of Directors approve the Minutes of January 23, 2019 as presented.

CARRIED

1.3 Approval of the Minutes of February 12, 2019

R19-017 It was MOVED and SECONDED

THAT the Board of Directors approve the Minutes of February 12, 2019 as presented.

CARRIED

1.4 Period 3 COP

On February 19, 2019, the Cost of Production (COP) for Period 3 was sent to the Board. Additional feedback from the other western provinces was provided for discussion.

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

R19-018 It was MOVED and SECONDED

That the Board of Directors agree to hold BC producer price for Period 3, 2019. This decision is effective from Week 10 to Week 13, 2019.

CARRIED

2.0 **GOVERNANCE**

2.1 Draft Policies

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. Based on concepts discussed at previous board meetings and the January 22nd EIAC meeting, the draft Allocation, New Producer Program, Temporary Allotment, and Reserve Policies were created to meet the requirements set out by the Board and BC FIRB and to benefit the industry's future.

The Board discussed the timeline and producer consultation process. It was agreed that a meeting with BC FIRB should be scheduled for mid April, once the public consultation results have been received, and before the Board submits a formal proposal. The Board also reviewed BC FIRB's expectation letter, 2018 allocation decision, and feedback from the EIAC meeting.

Action: Staff was directed to speak with the EPA regarding additional consultation time with producers at the AGM.

2.1a Quota Allocation

BC Egg is working to develop a 3-5 year allocation policy process to distribute the allocation to producers so that birds are in production as soon as possible to meet market needs, while taking into consideration public policy objectives and BCFIRB directives.

The Board reviewed the draft document and provided feedback.

While discussing equal distribution, the Board agreed that the main intent of this method is to incentivise producers to move from conventional production to enriched or specialty production. Options to best implement this plan were discussed and the consensus was to use a pre-determined three year stair step program that will see each producer receive 100 quota units in year one, 150 quota units in year two, and 200 quota units in year three if they meet the requirements set out in the policy.

The Board agreed that if a producer is not currently 100% non-conventional, that producer must house a flock of 5000 hens minimum in a non-conventional production system to receive the allocation, based on the previous year's production. This production must be housed in its own Egg Production Unit.

2.1b 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 reiterated the importance of providing quota amounts to NPPs based on their demonstrated market needs and agreed that they reserve the right to select a candidate without conducting a lottery draw if they meet all criteria and if it is in the best interest of the industry and/or regional market. To ensure BC Egg is not restricting applications but still covering program costs, consensus was also reached to increase the application fee to \$750.

The Board also discussed a timeline and application process for the next draw. Consensus was reached that the application process will remain as status quo, with the addition of an interview component, and that the next draw will commence between the fall of 2020 and spring of 2021. The process will be reviewed again in 2025.

2.1c Temporary Allotment

The objective of the Temporary Allotment Program is to assist new entrants in expanding their operations. The addition of the temporary allotment 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 allotment scenarios and discussed the quota amounts required. For Pool A, the Board agreed to an allotment of 1,000 units per producer and to include a requirement that producers will be ineligible if leasing quota to another producer or have sold quota credits during that period. It was also agreed that producers will have 30 days to confirm acceptance of the allotment and one year to place it, following the initial 30 day deadline. For Pool B, the Board agreed that the allotment will be made available once a year on July 1 and will run annually.

2.1d Reserve

Quota that is "held in reserve" is quota held by the BCEMB that has not been allocated to any specific producer. The amount of quota that is held in the reserve must remain at a

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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 reviewed the quota calculations and agreed with the allocation reduction scenario proposed in the policy.

The Board also reviewed the survey questions presented for each of the draft policies and agreed with the direction.

3.0 OPERATIONS

3.1 Producer Quota Transfer Request

The producer's transfer request was presented for discussion.

The Board reviewed the information provided and agreed that based on the transfer that has occurred, the Board believes there is an assessment pending and further legal opinion is required to ensure it is correct.

Action: Staff was directed to seek further legal opinion.

ADJOURNMENT

The meeting was adjourned at 4:45pm.



Board Chair



Certified Correct, Secretary