

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 27, 2019

Location: Port McNeil Room, Vancouver Wall Center

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
Amanda Brittain, Director of Communications & Marketing
Erin Duetta, Manager Finance
Nicole Thompson, Executive Assistant

CALL TO ORDER

Chair, Gunta Vitins, called the meeting to order at 8:57am.

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

ADOPTION OF AGENDA

The agenda was adopted with the following additions:

- 2.2 QATR Decision
- 3.10 EFA AGM
- 3.11 Grader Meeting

1.0 APPROVAL OF MINUTES

No minutes were presented for approval.

2.0 BUSINESS ARISING/ACTION LIST

2.1 2019 Board Calendar

The 2019 Board Calendars were presented for information.

The Board reviewed attendance for the upcoming events.

2.2 QATR Decision

BCFIRB released their Quota Assessment Tools Supervisory Review on February 2, 2018. BC Egg, along with the other supply managed commodities, were given the opportunity to continue to operate under the BCFIRB's 2005 Specialty Review quota management directions until such time boards decide it is strategic and effective to adopt the Quota Review directions. BC Egg responded to the document with a request for BCFIRB to re-evaluate the exemptions for the 12 month moratorium on growth allocations after transfer. On February 27, 2019, BCFIRB provided a final decision. The letter was presented for information.

The Board reviewed the document and confirmed that it should be sent to producers on Monday, March 4. The Board will be deliberating the topic at the next board meeting.

Action: Staff was directed to provide BCFIRB's QATR document to producers on March 4.

3.0 STAKEHOLDER ENGAGEMENT

3.1 EFC Update

An update on the LDA was provided.

3.2 2018 Young Farmer Program Update

██████████ *joined the meeting at 11:30am.*

The producer thanked the Board for providing him the opportunity to participate in the program and presented an update on the program, his experience and key takeaways.

██████████ *left the meeting at 12:01pm.*

3.3 Interior BOD Meeting

The Board will be meeting on April 26 in Salmon Arm, in conjunction with the EPA meeting and Interior Spring Banquet. The draft schedule of events was presented for discussion.

3.4 Marketing Update

An update on the trade shows and media events scheduled for 2019 was presented.

The Board discussed including the EQA logo and details in our future marketing plans. Staff confirmed it will be added to the website and marketing materials once the graders have incorporated the logo on their cartons and EFC has completed their public launch.

3.5 2018 Marketing Campaign Evaluation

The 2018 marketing campaign evaluation was presented for information.

The Board discussed the results from the Wellness Show, including the attendee demographics and the benefits to including a dietician at the booth.

3.6 CCFI Food Fear Factor

Staff attended the CCFI Food Fear Factor event on February 13, 2019 and notes from the conference were presented for information.

The Board of Directors of BC Egg Marketing Board

Minutes: Board of Directors Meeting

Date: February 27, 2019

3.7 Canadian Agriculture Day

Staff attended the Canadian Agriculture Day event on February 12, 2019 and notes from the event were presented for information.

3.8 Ontario Video Conference for April

The Board previously discussed conducting a conference call with EFO to further review topics such as mortality allowances and QAC details. As March is a busy month for both boards, a video conference in April was suggested.

The Board agreed with scheduling a video conference in April and discussed attendance for the Ontario fowl removal in July.

Action: Staff was directed to set up a video conference in April with EFO.

3.9 Upcoming Producer Workshops

There will be two workshop/seminars this spring that would be beneficial for producers outside the Lower Mainland to attend. For producers to receive the Producer Travel Subsidy, the Board must provide approval prior to the events.

The Board discussed the events and agreed to provide the travel subsidy.

R19-019 It was MOVED and SECONDED

THAT the Board of Directors approve Vancouver Island and Interior producers eligible for a \$250 travel subsidy to send one representative per quota license to the April Farm Security Seminar and June Catching Protocols workshop.

CARRIED

3.10 EFA AGM

A board member attended the Egg Farmers of Alberta AGM on February 25-26, 2019. A verbal update from the meetings was presented.

3.11 Grader Meeting

A BC Egg and Grader meeting is scheduled for February 28th, 2019.

The Board reviewed the agenda and discussed additional items to be added.

4.0 OPERATIONS

4.1 Producer Update

At the January 21, 2019 meeting, the Board requested an update on the producer's account balance. An update was presented for information.

The Board desires full transparency of the costs associated with the situation last June and agreed that additional information from EFC is required.

Action: Staff was directed to contact EFC regarding fees connected with the issue and provide an update to the Board.

Action: Staff was directed to proceed with option one as presented to the Board.

4.2 Barn Measurement Update

EFC is in the process of completing non-conventional barn measurements, which require an EFC auditor and a second person. To be as efficient as possible, staff and EFC have agreed

The Board of Directors of BC Egg Marketing Board

Minutes: Board of Directors Meeting

Date: February 27, 2019

upon a procedure that will minimize our time spent coordinating visits and should allow BCEMB staff to focus on other priorities. Additional information and correspondence with EFC were presented for information.

Staff provided an overview of their measurement training and an update on the interim process.

The Board discussed the current process and the next steps. Any corrective actions brought forward by the measurements will be processed when the updated Animal Care Program goes into effect.

Action: Staff was directed to provide an update at the next board meeting.

4.2a Aviary System Barn Measurements

There is currently an issue with aviary systems whereby perch rails are not being considered as allowable perch space. Staff has received a few comments from producers who installed the Jansen Aviary system. Their concern is due to a determination from EFC that perch rails will not qualify as perching. Meanwhile, the perch rails from the Jansen system currently qualify as perching under the SPCA and Organic requirements.

Additional historical information was provided. The Board agreed with staff's direction to discuss this issue further with EFC.

4.3 Producer QC Request

A producer is requesting BCEMB to consider his two farms as one entity for inventory purposes until the QATE directive is resolved. The producer's request was presented for discussion.

The Board reviewed the producer's request and details regarding previous transfers. It was agreed that the request does not qualify for an exceptional circumstance as BC Egg advised the producer of the rules.

R19-020 It was MOVED and SECONDED

THAT the Board of Directors determined [REDACTED] Quota Transfer request does not qualify for exceptional circumstances and the Consolidated Orders should be upheld.

CARRIED

W. Siemens abstained from voting.

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

4.4 Producer Quota Transfer

A producer has submitted paperwork asking BCEMB to consider a quota transfer to incorporate their farm. The transfer documents were presented for discussion.

The Board reviewed the transfer request and agreed that it does not backdate transfers.

R19-021 It was MOVED and SECONDED

THAT the Board of Directors agree to approve the [REDACTED] quota transfer request, effective Sunday, March 3, 2019.

4.5 Producer Request

A producer inquired if they should have been eligible under the "Enriched and Specialty"

The Board of Directors of BC Egg Marketing Board

Minutes: Board of Directors Meeting

Date: February 27, 2019

allocation because a few of the cages in their barn are fully enriched. At the January 21st board meeting, staff was directed to draft a letter to the producer specifying that the entire facility must be fully enriched to receive the allocation. The draft letter was presented for discussion.

The Board discussed the letter and agreed with the direction.

Action: Staff was directed to provide the letter to the producer.

4.6 Producer Update

A producer has submitted paperwork asking BCEMB to consider a quota transfer to incorporate their farm. At the February 21, 2019 board meeting the Board agreed that a transfer had occurred, however there was still additional information that would be required before a decision could be reached. Additional information was presented for discussion.

The Board reviewed the information provided and discussed the situation further, including the additional questions posed by the producer to staff. A decision will not be provided until after a legal opinion is obtained based on the documentation received.

Action: Staff was directed to provide a verbal update to the producer regarding the Board's decision process

4.7 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's monthly update was presented for discussion, as well as a draft letter to the producer.

The Board agreed with the draft letter provided.

Action: Staff was directed to provide the letter to the producer.

4.8 EIAC Performance Survey Results 2018

The EIAC Terms of Reference requires a committee performance and satisfaction member survey. The survey results were presented for information.

The Board reviewed the results and discussed the committee member blend.

4.9 Committee Meetings

4.9a November 23, 2018 A&F Meeting Minutes

The November 23, 2018 A&F Committee Meeting Minutes were presented for information.

4.9b December 6, 2018 EIAC Meeting Minutes

The December 6, 2018 EIAC Meeting Minutes were presented for information.

The Board discussed including a formal process of letting the EIAC know when feedback is received and included.

4.9c December 13, 2018 PMC Meeting Minutes

The December 13, 2018 PMC Meeting Minutes were presented for information.

5.0 GOVERNANCE

5.1 Fiscal Policies and Procedures

BCEMB does not have a formal policy detailing the billing, collection and interest charges for accounts receivable. The Audit and Finance Committee reviewed and provided their agreement

with the attached policy at the Feb 8, 2019 meeting and suggested that the Board add it to the BCEMB policies and procedures. The draft policy was presented for discussion, as well as the BC Egg Fiscal Policies and Procedures document.

The Board reviewed the draft policy and agreed with the direction.

R19-022 It was MOVED and SECONDED

THAT the Board of Directors approve the Outstanding Receivables and Interest Policy as presented and that it be added to BCEMB's policies and procedures effective immediately.

CARRIED

The Board also agreed with the Fiscal Policies and Procedures document.

Action: Staff was directed to provide the Authority Matrix to the Board at the next meeting.

5.2 Fowl Removal Amending Order

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 a second reading.

The Board reviewed the amending order and provided additional feedback to be incorporated before being brought back at the March meeting.

5.2a Self Removing Producers

A BCEMB producer is requesting that BCEMB allow his farm to dispose of their layers. At the January 21 board meeting, staff was directed to draft a letter to the producer. The draft letter was presented for discussion.

The Board reviewed the draft letter and provided amendments.

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

The Board discussed conversations with another removal company that have a local labour force in the Interior.

5.3 CETPP Decisions – Funding Coordination Administration and Blend Region

The CETPP (Conventional to Enriched Transition and Producer Price) Project is a National committee, supported by EFC. The aim of the project is to develop and implement an optimal commodity Producer Price structure that accommodates the transition from conventional to enriched housing by July 2019. A conference call was held on February 25, 2019 to confirm agreement of the committee on the optimal solution. The agenda for the February 25, 2019 conference call was included, including the draft Optimal Solution.

The Board reviewed the options provided by the project team and agreed that funds should be administered by deducting it from conventional production only.

R19-023 It was MOVED and SECONDED

THAT the Board of Directors agree with the optimal solution as presented by the CETPP project team.

CARRIED

5.4 CETPP Pricing Spread

Included in agenda item 5.3.

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 survey results were presented for information.

The Board reviewed the survey results and agreed that a compliance and mitigation policy should be created and approved by the Audit and Finance Committee. The Board also discussed board succession planning and ways to fulfill this requirement.

Action: Staff was directed to create a draft compliance and mitigation policy to be provided to the A&F Committee.

Action: Staff was directed to amend the survey as discussed.

5.6 BC Specialty Trial Summary of Decisions

BCEMB has been working with EFC, BC's two major graders, and our processor to develop a trial specialty IP program. A draft model has been developed that incorporates specialty pricing for the processor and an appropriate buyback for grading stations. The grader is paid in full for any specialty product that is used by the processor as specialty and they have a 50% cost recovery on surplus premiums. BC's egg producers would also be responsible for 50% of the cost of the surplus premium, ensuring that all parties keep surplus to a minimum. An update on the model was presented for information.

5.7 FPA Principles

The EFC FPA committee has been working to complete Phase I of the FPA Amendment Process. That process has stalled and the FPA committee has developed an alternative approach. The FPA legal team has created a new FPA concept paper that has been drafted in plain language and represents a modernized version of a complete FPA meant to reflect the way the supply management system for eggs operates today. The new draft FPA is designed to initiate further discussion within the Committee at their next meeting. The draft paper was presented for discussion.

The Board reviewed the paper and will provide guidance before the next FPA 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.

The Board reviewed the report and requested additional information.

6.2b IP Report Week

The IP Report Week 6 was presented for information.

The Board of Directors of BC Egg Marketing Board

Minutes: Board of Directors Meeting

Date: February 27, 2019

6.2c IP Processor Summary Week

The IP Processor Summary Week 6 was presented for information.

6.2d EFP Report Week

The EFP Report Week 6 was presented for information.

The Board reviewed the report and discussed the usage further.

6.2e Quota Utilization Update

The 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.

6.3 Financials

6.3a Period 1 Board & Committee Per Diems & Expenses

The Period 1 Board & Committee Per Diems & Expenses were presented for information.

6.3b Period 13 Financials

The Period 13 Financials were presented for information.

6.3c AR Report

The AR Report was presented for information.

The Board reviewed the report and discussed additional concerns that have arisen.

6.4 Preliminary COP

6.4a Period 2, 2019 COP

The Period 2, 2019 COP was presented for information.

6.4b Period 3, 2019 COP

The Period 3, 2019 COP was presented for information.

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.

Action: Staff was directed to update the upcoming board meeting dates for review at the March meeting.

7.2a 13th PGC AGM Invitation

The 13th PGC AGM invitation was presented for information.

The Board of Directors of BC Egg Marketing Board

Minutes: Board of Directors Meeting

Date: February 27, 2019

ADJOURNMENT

The meeting was adjourned at 4:57pm.



Board Chair



Certified Correct, Secretary