

Meeting of the Board of Directors

**251 Harbour Front Dr. NE
Salmon Arm, BC V1E 2W7**

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: April 26, 2019

Location: Monashee Room, Prestige Harbourfront Hotel, Salmon Arm

BOARD IN ATTENDANCE: Gunta Vitins, Chair
Walter Siemens, Board Member
Jon Krahn, Board Member
Jeff Regier, Board Member

REGRETS: Matt Vane, Board Member

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 9:04am.

The Chair acknowledged that the meeting was held on the traditional and unceded territories of the Secwepemc First Nations.

ADOPTION OF AGENDA

It was **MOVED** by Walter Siemens and **SECONDED** that the agenda be adopted with the following addition:

3.9 Grader Meeting

1.0 APPROVAL OF MINUTES

1.1 Approval of the Minutes of March 29, 2019

R19-033 It was **MOVED** by Jeff Regier and **SECONDED**

THAT the Board of Directors approve the Minutes of March 29, 2019 as amended.

CARRIED

1.2 Approval of the Minutes of April 16, 2019

R19-034 It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors approve the Minutes of April 16, 2019 as presented.

CARRIED

2.0 BUSINESS ARISING/ACTION LIST

2.1 2019 Board Calendar

The 2019 Board Calendars were presented for discussion.

3.0 STAKEHOLDER ENGAGEMENT

3.1 EFC Update

An update on EFC committees and their progress was provided.

3.2 PGC Request

On March 11, 2019, Pullet Growers of Canada provided an updated business plan and request for funding. The cost of being a member province is \$0.01 per layer allocated by EFC which would represent \$33,198.89 for 2019 for BC. PGC's memo was presented for discussion.

The Board discussed responses from other provinces and a long term plan, which could include mandatory pullet audits, potentially through EFC.

Action: The Chair will provide a response to PGC based on the discussion.

3.3 Marketing Update

A marketing update was provided, including social media statistics and an update on changes to the website. The Board discussed the target audience for each platform. A quarterly statistics update with comparisons was requested going forward.

The Board agreed with the Marketing Communications Committee Code of Conduct as presented.

3.4 Farm Security Workshop

The industry hosted a Farm Security Workshop on Thursday, April 18, 2019. A verbal update on the workshop was provided.

Action: Staff was directed to follow up with the presenter for resources and HR forms.

3.5 EFO AGM Notes

Board members attended the EFO AGM on March 26, 2019 and notes from the event were presented for information.

The EFO and BC Egg Chairs also recently held a call and a board to board meeting in July was discussed.

Action: Staff was directed to provide details of July EFO meeting to May BOD meeting.

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3.6 IEC Report

Board members attended the International Egg Conference on April 8, 2019 in Monte Carlo and notes from the event were presented for information.

3.7 QC AGM

A Board member attended the QC AGM on April 2-3, 2019 and notes from the event were presented for information.

3.8 Strategic Plan Update

BC Egg has contracted Junxion Strategy to facilitate and support the development of BC Egg's strategic plan in 2019. The project will engage the staff, Board of Directors, and other stakeholders across the industry to develop a new strategic plan that will outline BC Egg's priorities for the next three to five years, starting January 2020. A schedule of events was presented for information.

3.9 Grader Meeting

Board and staff members attended a grader meeting on April 24, 2019. It was agreed that two committees would be formed to review the Farm Gate Program and the Specialty Buyback Program.

The Board appointed Walter Siemens, Jon Krahn, and Jeff Regier to the Farm Gate Program Committee and Matt Vane, Jon Krahn, and Jeff Regier to the Specialty Buyback Program Committee.

Action: Staff was directed to create mandates to be presented at the first meetings and to liaise with the graders to determine meeting dates.

4.0 OPERATIONS

4.1 Producer Update

The Board requested monthly progress reports from the producer to ensure that the producer is progressing towards compliance in a timely manner. An update was 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 is required to provide monthly updates for the Board. The February update was presented for information.

4.3 Downtime Terminology

Downtime is not defined in the Consolidated Orders, however, it is referenced in the Consolidated Orders Part VIII – Quota Credits. To ensure that the definition of "downtime" and board application are consistent with the Board's intent, the topic was brought to the PMC for discussion. Feedback from the Committee were presented for discussion.

The Board reviewed the Committee's feedback and agreed with Staff's direction to define downtime as being empty for a minimum of seven days.

Action: Staff was directed to draft an Amending Order for the May meeting.

4.4 EPU/IPU Requirements

The current BCEMB Consolidated Orders prevents producers from jointly producing from an egg production unit. When the Consolidated Orders were renewed in 2017, the Board placed additional requirements to ensure that Registered Producers were actively engaged in egg production. The requirements were discussed at the PMC and EIAC meetings to determine if current policies strategically best position BCEMB to move into the future and continue to be leaders in the egg industry. The feedback was provided for discussion.

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The Board reviewed the feedback provided by the committees and discussed historical programming. EPU leasing is not without its risks, however it will provide a temporary solution while producers are building. It was discussed that a three year timeline should be reviewed with a longer term for leasing within a Business Unit.

Action: Staff was directed to draft a policy for the May meeting.

4.5 Quota Utilization Update

BC is currently under producing the nationally allotted quota. The utilization report was presented for discussion.

The Board agreed with Staff's direction to provide additional training to producers who are underperforming. It is important to ensure producers are aware of their utilization rates and familiar with the Board's programs.

4.6 Producer Transfer

A producer submitted a quota transfer request to BCEMB. Prior to the Board rendering its decision on the transfer, the producer requested to have the application cancelled. An update on the situation was presented for information.

The Board reviewed the information and agreed that the Going Concern Sale application can be rescinded; however, the Board needs to further investigate whether an assessment for a previous transfer is required.

Action: Staff was directed to receive a legal opinion on the possible assessment.

4.7 Regionality Study

Investment Agriculture Foundation (IAF) launched the BC Agrifood and Seafood Market Development Program in 2018. The program includes partial funding for market information and research projects. BC Egg requested funding for a two-phased project. The first phase, completed in April, reviewed where consumers buy eggs, what type of eggs, and where the eggs are from. Phase two, which we are waiting for approval on, will research consumer buying habits.

4.8 BC Specialty Audit

BC Egg Producers Association and BC Egg Staff developed a Specialty Audit Certification Program that included the free-run requirements in the updated codes of practice, as well as additional standards to clarify what is required for free-range producers. The program and producer manual were developed in 2017/2018 and staff has been working with NSF to finalize the documents and conduct training audits. The first set of training audits were completed in October 2018. Based on the outcomes, NSF suggested edits to the audit document. The BC Specialty Audit Committee met on March 7, 2019 to review the suggested edits. Additional test audits were also conducted on March 13 and 14 based on the revised audit document. The final draft audit was presented for discussion, along with feedback from the EIAC.

The Board reviewed the audit and requested an additional audit be conducted before the draft is finalized.

Action: Staff was directed to provide line by line changes to the audit at the May board meeting.

4.9 Specialty Buyback Usage

To date in 2019, BCEMB has received a high volume of specialty buyback applications and usage in 2019. Following the March 31 board meeting, a letter was sent to the grader in question and a memo was drafted to be sent to all BC graders to encourage trading between graders and reminding them that usage of the specialty buyback is considered as a last resort

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option after other options have been exhausted. The topic and memo were also discussed at the April 11 EIAC meeting. The draft memo and EIAC feedback were presented for discussion.

The Board reviewed the EIAC's feedback and agreed with the direction provided by Staff.

Action: Staff was directed to send the memo to all graders.

4.10 Operational Projects Draft

The upcoming operational draft projects and timelines were presented to ensure they are aligned with the Boards objectives.

The Board agreed with the direction provided by Staff.

4.11 Barn Fitness for Leased Facility

A producer is requesting a lease approval to house 10% of his flock at a leased location starting in August 2019. On December 17, 2018, a letter was sent to the producer informing them that their request to lease the facilities has been conditionally approved by the Board, subject to a barn inspection. As the barn fitness policy is not yet complete, suggestions for conducting the inspection were presented for discussion.

The Board supports staff's recommendation as presented.

4.12 Research Flock Quarterly Update

A research flock was granted in 2018 and as part of the agreement, quarterly updates were to be provided. The Q2 2019 update was presented for information.

4.13 Women in the Industry Program

A new program called Women in the Industry was presented at EFC's Board of Directors meeting on March 20, 2019. Egg Boards were asked to nominate an experienced farmer who would serve as a mentor, and a farmer showing leadership potential who would serve as a mentee. The BC nominees have accepted and their information has been forwarded to EFC.

4.14 Producer Quota Transfer

A producer has sent in a transfer request for the Board's approval. The request was presented for discussion.

R19-035 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors approve the [REDACTED] quota transfer as presented.

CARRIED

4.15 Third Party Environmental SE Sampling

A BCEMB producer contracted a veterinarian to complete their own environmental SE samples for their four layer barns. The producer would like for BCEMB to accept the negative samples that were done third party in lieu of BCEMB completing its regular environmental sampling at their barns.

The Board agreed to accept the test conducted by the producer's veterinarian, however, going forward BC Egg will update its policy to no longer allow producers to hire a veterinarian to conduct testing on the producer's behalf.

Action: Staff was directed to create an addendum to the SE testing process.

5.0 GOVERNANCE

5.1 QATR Update

BCFIRB released their Quota Assessment Tools Supervisory Review on February 2, 2018. BCEMB, along with the other supply managed commodities have been given the discretion to change the assessment tools applied on all non-exempt quota transfers. After further clarification was received by BCFIRB on February 26, 2019, Staff has drafted amendments to the Orders, which were presented for discussion.

R19-036 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve the first reading of the Quota Assessment Tools Amending Order.

CARRIED

5.2 Allocation Policy Update

BC Egg is currently conducting an extensive consultation with stakeholders in the development of the allocation policy and new producer program review. A list of the consultations conducted and feedback received was provided, including the results from the on-line survey.

The Board reviewed the survey results and provided additional comments.

Action: Staff was directed to draft an Amending Order for the May board meeting.

5.2a 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 draft policy was presented for discussion.

5.2b 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 draft policy was presented for discussion.

5.2c 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 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.

5.2d Quota Allocation

BC Egg is developing a multi-year 3 allocation policy to distribute growth quota 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.

5.3 Governance Manual

The Governance Manual has now been updated. BC Egg updated the format and completed any policy updates made by the Board. The updated manual was presented for information.

5.4 Quota and Succession Planning Amending Order

After reviewing a gap in our Orders regarding the transfer of quota upon the death of a

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Producer, the Board requested that Staff to draft an Amending Order that clarifies the process. The draft Amending Order was presented for discussion.

R19-037 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve the first reading of the Quota and Succession Planning Amending Order.

CARRIED

5.5 PARP Update

The first commodity board Public Accountability and Reporting (PARP) documents are due to BCFIRB no later than June 1, 2019. The draft documents were presented for discussion.

The Board agreed with Staff's direction for the submission.

5.6 MISC Joint Submission

The Mandatory Insurance Steering Committee (MISC) created a joint submission that has been posted on the public website for over 30 days and the final conclusions and path forward are required to be provided to BCFIRB. The draft submission was presented for discussion.

R19-038 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve the joint submission and signing the MOU as presented.

CARRIED

5.7 Committee Minutes

5.7a PMC January 28, 2019 Meeting Minutes

The minutes from the PMC January 28, 2019 meeting was presented for information.

5.7b EIAC January 22, 2019 Meeting Minutes

The minutes from the EIAC January 22, 2019 meeting was presented for information.

5.8 CETPP Update

The CETPP (Conventional to Enriched Transition and Producer Price) Project is being completed by 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. The final draft administrative processes and project summary has been sent to the Egg Boards, EFC and CPEPC for review. EFC is seeking feedback by April 23, 2019.

The Board provided their support of the direction.

6.0 PERFORMANCE REPORTS

6.1 Dashboard

The Dashboard is under construction and a new version will be provided at the May meeting.

6.2 Quota

6.2a Industry Reserve

The Industry Reserve was presented for information.

6.2b IP Report Week

The IP Report Week 15 was presented for information.

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6.2c IP Processor Summary Week

The IP Processor Summary Week 15 was presented for information.

6.2d EFP Report Week

The EFP Report Week 15 was presented for information.

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 3 Board & Committee Per Diems & Expenses

The Period 3 Board & Committee Per Diems & Expenses were presented for information.

R19-039 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve the Period 3 Board & Committee Per Diems & Expenses.

CARRIED

6.3b Period 2 Financials

The Period 2 Financials were presented for information.

R19-040 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors approve the Period 2 Financials.

CARRIED

6.3c AR Report

The AR Report was presented for information.

6.4 Preliminary COP

6.4a Period 5, 2019 COP

The Period 5, 2019 COP was presented for information.

6.5 Audit Scores

The Audit Score Report was presented for information.

6.6 Feed Mill Participation Report & AAFC Report

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

6.7 Fowl Removal Update

The Fowl Removal Report was presented for information.

The Board discussed the catching process and ways to address working with the company to improve the process.

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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.

ADJOURNMENT

The meeting was adjourned at 3:50pm.



Board Chair



Certified Correct, Secretary