

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: May 31, 2019

Location: BCEMB Boardroom

BOARD IN ATTENDANCE: Gunta Vitins, Chair
Walter Siemens, Board Member
Matt Vane, Board Member
Jon Krahn, Board Member
Jeff Regier, 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 9:25am.

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

It was **MOVED** by Jon Krahn and **SECONDED** that the agenda be adopted with amendments to the order of the items.

1.0 APPROVAL OF MINUTES

1.1 Approval of the Minutes of April 26, 2019

R19-043 It was **MOVED** by Jon Krahn and **SECONDED**

THAT the Board of Directors approve the Minutes of April 26, 2019 as amended.

CARRIED

1.2 Approval of the Minutes of May 14, 2019

R19-044 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors approve the Minutes of May 14, 2019 as presented.

CARRIED

1.3 Approval of the Minutes of May 17, 2019

R19-045 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors approve the Minutes of May 17, 2019 as presented.

CARRIED

W. Siemens abstained from voting.

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's financial situation was provided, as well as an update on EFC committees and their progress.

3.2 2018 Urner Barry Conference Notes

2018 Urner Barry Conference notes will be provided at a later date.

3.3 2019 Urner Barry Conference Notes

Board members attended the Urner Barry Conference from April 28-30, 2019 and notes from the event were presented for information.

3.4 QC AGM

The Chair attended the QC AGM from April 2-3, 2019 and notes from the event were presented for information.

3.5 Organic Standards Review

The Technical Committee on Organic Agriculture held a meeting on Thursday May 16th, during which time some critical issues, such as outdoor access for poultry, were discussed. Notes from the conference call were presented for discussion.

The Board discussed winter gardens and how changes will affect BC producers.

3.6 ELTI Overview

A board member attended the European Layer Training Initiative from April 26 to May 10, 2019 and notes from the event were presented for information.

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3.7 BCFIRB Chair and ED Meeting Update

The Chair and Executive Director attended a BCFIRB meeting on May 22, 2019 and notes from the event were presented for information.

The Chair also attended a dinner with the Minister and Board/FIRB Chairs on May 21, 2019 and a Governing in the Public Interest session on May 23, 2019. A verbal update was presented on both events.

3.8 Pan-Farmed Animal Teleconference

Staff attended the Pan-Farmed Animal teleconference on April 30, 2019 and notes from the call were presented for information.

3.9 BC Poultry Symposium

Staff attended the BC Poultry Symposium on May 15, 2019 and notes from the symposium were presented for information.

3.10 PARP Submission

The final 2018 Public Accountability Report was sent to BCFIRB on May 27, 2019. The final version was included for information.

3.11 Social Media Playbook

One of the recommendations from a social media audit BC Egg had conducted was to create a Social Media Playbook to help guide BC Egg's social media activities. Additionally, in the event of an emergency, any staff member will be able to use the Playbook as a way to continue activity on BC Egg's social channels on a temporary basis. The Playbook was presented for information.

3.12 Consumer Infographic

A Consumer Infographic has been created based on content from the Dashboard with the intent of posting it on the consumer website. The document was presented for information.

The Board provided feedback and discussed options for using the document as a handout at events.

3.13 Egg Donation Program

The Board of Directors previously requested that management determine how Egg Farmers of Ontario implement their Charity Bird program to consider a similar program for BC. An update on the EFO program, as well as the programs BC Egg is currently involved in, was provided for discussion.

The Board discussed the Breakfast Clubs of Canada program and different delivery options to review.

3.14 Fowl Removal

BC Egg staff have met with fowl removal companies to discuss recent concerns and to ensure excellent animal welfare practices are maintained throughout the catching and loading process. One of the concerns raised was the need for loading areas to be modified or improved to ensure the catching process can be carried out safely and efficiently while ensuring adherence to the Codes. Notes from the meeting were presented for discussion.

The Board agreed that with the current and estimated future facility growth, the industry should be developing improved catching options that will provide better animal welfare and strengthen public trust. It was also agreed that the topic should be brought to the PMC for further deliberation.

4.0 OPERATIONS

M. Siemens joined the meeting at 9:56am.

4.1 CEIRA Update

CEIRA has been following BC's increased Salmonella Enteritidis (SE) claims over the past few years and is in the process of conducting a thorough analysis across Canada to determine if a more equitable plan is required. While CEIRA is looking at options to better reflect the risks, they have also reached out to the province to assist in determining solutions. Options were presented for discussion.

The Board discussed potential solutions and steps other provinces have taken. The topic will be reviewed further and solutions provided prior to the CEIRA meeting in November. The Board also requested an update from the CEIRA rep after each face-to-face meeting.

Action: Staff was directed to draft a document with potential solutions to be reviewed by the Board prior to submittal to CEIRA.

M. Siemens left the meeting at 10:22am.

4.2 EFP Program

The Eggs for Processing (EFP) program began in 2015 as a requirement by BC FIRB as part of the allocation approval. 100,000 EFP birds were distributed pro-rata to producers in order to help the processor further meet their market needs. Although producers are not charged levy on the EFP birds, a weekly service fee of \$0.02 per issued quota bird is charged. As of week 20, the Urner Barry Price is \$0.28 USD causing our EFP program to have a greater deficit than what was originally budgeted for in 2019.

The Board discussed options for the EFP program and reviewed the feedback from the Audit and Finance Committee.

Action: Staff was directed to meet with the processor to explore options for the EFP program.

4.3 Producer Update

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

4.4 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 April update was presented for information.

4.5 Downtime Terminology

Downtime is not defined in the Consolidated Orders, however, it is referenced in the Consolidated Orders Part VIII – Quota Credits. At the April 26, 2019 board meeting, the Board reviewed the PMC's feedback and agreed with Staff's direction to define downtime as a barn being empty for a minimum of seven days. An amendment to the Consolidated Orders was drafted and presented for discussion.

R19-046 It was **MOVED** by Walter Siemens and **SECONDED**

THAT the Board of Directors approve the first reading of the Amending Order 008 – Downtime Terminology as presented.

CARRIED

4.6 EPU/IPU Requirements

The current BCEMB Consolidated Orders prevents producers from jointly producing from an independent production unit. Based on the feedback received from the Board, PMC and EIAC, staff developed a draft policy for the purpose of ensuring facilities are only being leased to address a temporary market need and the barns being leased meet animal welfare standards. The draft policy was presented for discussion.

The Board reviewed the policy, provided feedback, and agreed it should be adopted at the same time as the Business Unit definition.

4.7 Quota Utilization Update

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

The Board discussed staff's recommendation and provided feedback.

Action: Staff was directed to provide producers with a one time correspondence informing them of their 2018 utilization rates.

4.8 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.

T. Preast joined the meeting at 1:28pm.

The producer provided background information on the transfer situation and answered questions from the Board.

T. Preast left the meeting at 2:12pm.

The Board reviewed all supporting information obtained by BC Egg and deliberated on the issue. Although conflicting information has been presented, the Board agreed that the producer has been conducting business as though the transfer had already occurred.

Action: Staff was directed to seek a final legal opinion on the Board's decision and motions and on a draft letter to be sent to the producer, all of which are to be provided to the Board for final approval.

4.9 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, partially completed in April, reviewed where consumers buy eggs, what type of eggs, and the origin of the eggs (BC or other). Phase two will research consumer buying habits. The results from phase one were presented for information.

The Board reviewed the data and awaits additional information.

4.10 BC Specialty Audit

A Specialty Audit Certification Program was developed 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

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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 two test audits will be conducted on June 5-7, 2019. The final draft audit was presented for discussion.

The Board reviewed the updated checklist and provided feedback.

4.11 BC Poultry Biosecurity Guide

The BCPA Biosecurity Committee has been working on revising and updating the BC Poultry Biosecurity Manual since last summer. This is the first complete revision since the manual was first published in 2007. Many of the changes to the manual are simplifications, updates to current practices, and removal of redundancies. It also incorporates the new Agricultural Environmental Management Code of Practice. The revised manual will be published as the second edition and was presented for discussion.

The Board agreed the document should be brought to the PMC prior to approving its implementation.

4.12 Small Lot Producer Liaison Officer

BCEMB submitted a funding request through the Government of Canada Summer Job application for a Small Lot Producer Liaison Officer. On April 23, 2019, BCEMB received approval for partial funding which includes minimum wage for eight weeks, 35 hours a week. BCEMB has hired a student who started on May 21, 2019. The contract will end when the Fall school semester begins.

4.13 SE Testing Protocol Follow Up

BCEMB recently received an environmental sample that was positive for SE on the egg packer only, while the barn environment (belts and walls) where the birds are located tested negative for SE. This situation has never happened before in BC nor has ever been reported by other provinces. Additional tests have since been conducted on the connected barns and the egg collector that had previously tested positive. All tests were negative for SE.

The Board discussed the current protocols and the need to strengthen protocols in unique situations.

R19-042 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors agree to strengthen BCEMB's Salmonella Enteritidis (SE) protocol by having barns five through eight at [REDACTED] tested during the week of June 10, 2019.

CARRIED

W. Siemens recused himself from the conversation and motion.

4.14 SE Testing Situation

As per the EFC National Microbiological Sampling Protocol, the first sampling should take place in a pullet flock after 5 weeks of age or later if the birds have been recently vaccinated, and in an egg layer barn after hens are 19 weeks of age. A situation occurred where a pullet flock was tested too early and received a positive test result. The flock will be tested again once the correct age is reached. As this is a pullet flock, there is no immediate risk to food safety.

The Board discussed that further analysis on SE positive tests is required.

Action: Staff was directed to conduct a risk assessment for SE positive situations as part of the SE protocol.

Action: Staff was directed to ensure producers are aware of the timeline for SE and determine questions PLOs should be asking producers prior to testing.

5.0 GOVERNANCE

5.1 QATR Submission and Amending Order

BCFIRB released their Quota Assessment Tools Supervisory Review on February 2, 2018. BCEMB, along with the other supply managed Boards have been given the discretion to change the assessment tools applied on all non-exempt quota transfers. The final QATR submission request was submitted to BCFIRB on May 27, 2019.

5.2 Allocation Policy Update

BC Egg conducted extensive consultation with stakeholders during the development of the allocation policy and new producer program review. The final allocation policy request was submitted to BCFIRB on May 27, 2019.

5.3 Sustainability Business Impact Assessment

To better understand sustainability issues and respond to stakeholder requests, Egg Farmers of Canada (EFC) is conducting a formal materiality assessment to identify sustainability issues of greatest significance to our farmers and stakeholders. Egg boards are invited to complete a Sustainability Business Impact Assessment on the Canadian egg farming industry to inform the project. The assessment form was presented for discussion.

Action: Staff was directed to create a fillable PDF to provide to the Board and inform EFC that BC Egg will provide a late submission.

5.4 July 18, 2019 EFO Meeting

EFO has invited the BCEMB Board to view a catch in Ontario as well as meet with their board members if required. Additional details regarding the invitation were presented for discussion.

The Board discussed additional industry members who should be invited to attend.

5.5 June 13, 2019 BCFIRB Meeting

A meeting with the BCEMB and BCFIRB board members is scheduled for June 13, 2019, which will include barn tours and a meeting to discuss BCEMB's allocation request, and other topics, time permitting. Additional details were presented for discussion.

The Board reviewed the agenda and provided feedback.

5.6 PFGC and SBB Committees

The BC Egg Processors Council (BCEPC) have asked that a review of the Post Farm Gate Cost (PFGC) and Specialty Buyback (SBB) programs be conducted. Two committees have been created to review the programs and information regarding the committees was presented for discussion.

The Board discussed the committees and the past appeal decisions with BCCMB.

Action: Staff was directed to schedule pre-meetings with the BCEMB committee members.

5.7 Quota and Succession Planning Amending Order

A producer requested clarification on how to "will" someone their quota which identified a gap in our Consolidated Orders. The Amending Order has been drafted and underwent a legal review.

R19-047 It was MOVED by Jeff Regier and SECONDED

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

CARRIED

5.8 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 in January 2020. An update was provided for information.

Action: Staff was directed to follow up with the producers who have not RSVP'd to the June workshop.

5.9 Election Voting Rule Review

As per the review process in our 2016 BC Egg Election Rules and Procedures, the rules must be reviewed prior to December 31, 2019. BC Egg conducted a survey that was sent to all producers, allied trades, industry stakeholders, and was posted on the website. The survey closed on May 17th with 49 responses. The results were presented for discussion.

The Board reviewed the survey results and provided additional feedback.

Action: Staff was directed to complete additional analysis of the survey responses and to begin drafting a submission to BCFIRB.

5.10 CETPP Update

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. The final details of the CETPP project are wrapping up. The next major item is for the provinces and territory to enter into an MOU that outlines what we have agreed to.

5.11 Committee Minutes

5.11a A&F Committee February 8, 2019 Meeting Minutes

The minutes from the Audit & Finance Committee February 8, 2019 meeting was presented for information.

6.0 PERFORMANCE REPORTS

6.1 Dashboard

The Dashboard 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 20 was presented for information.

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6.2c IP Processor Summary Week

The IP Processor Summary Week 20 was presented for information.

6.2d EFP Report Week

The EFP Report Week 20 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.

The Board reviewed the report and provided feedback.

6.3 Financials

6.3a Period 4 Board & Committee Per Diems & Expenses

The Period 4 Board & Committee Per Diems & Expenses were presented for information.

R19-048 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors approve the Period 4 Board & Committee Per Diems & Expenses.

CARRIED

6.3b AR Report

The AR Report was presented for information.

6.4 Preliminary COP

6.4a Period 6, 2019 COP

The Period 6, 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.

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.

ADJOURNMENT

The meeting was adjourned at 5:05pm.

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Board Chair



Certified Correct, Secretary