

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: August 22, 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 9:31am.

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 Walter Siemens and SECONDED that the agenda be adopted as presented.

1. APPROVAL OF MINUTES

1.1 Approval of the Minutes of July 4, 2019

R19-078 It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors approve the Minutes of July 4, 2019 as presented.

CARRIED

1.2 Approval of the Minutes of July 5, 2019

R19-079 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors approve the Minutes of July 5, 2019 as presented.

CARRIED

1.3 Approval of the Minutes of July 9, 2019

R19-080 It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors approve the Minutes of July 9, 2019 as presented.

CARRIED

1.4 Approval of the Minutes of July 10 & 11, 2019

R19-081 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors approve the Minutes of July 10 & 11, 2019 as presented.

CARRIED

1.1 Approval of the Minutes of August 6, 2019

R19-082 It was MOVED by Jon Kran and SECONDED

THAT the Board of Directors approve the Minutes of August 6, 2019 as presented.

CARRIED

2. BUSINESS ARISING/ACTION LIST

2.1 2019 Board Calendar

The 2019 and 2020 Board Calendars were presented for discussion.

2.2 July 22 EMB Thank You Letter

The July 22, 2019 PARP – 2019 First Report Acknowledgement Letter from BCFIRB was presented for information.

BCFIRB will be hosting a meeting with all of the boards in the fall to review the process and make any amendments for next year.

2.3 Letter for PGC Presentation

The July 26, 2019 letter from the Pullet Growers of Canada requesting a meeting with BCEMB was presented for discussion.

The Board reviewed the letter and agreed that at this time, BC Egg is not prepared to pursue a meeting.

3. **STAKEHOLDER ENGAGEMENT**

3.1 **EFC Update**

An update on the FPA committee and their progress was provided as well as the highlights from the EFC producer meeting attended by two board directors.

3.2 **Movement Control Meeting Minutes**

The industry has been working with CFIA since 2015 to maintain programing for surveillance and movement control in an AI situation. As part of the program, a permit process and forms are required. A meeting was held on July 18, 2019 and notes from the meeting were presented for information.

3.3 **WEMA Notes**

Board members and staff attended a WEMA meeting on July 23, 2019 and notes from the meeting were presented for information.

3.4 **Marketing Update**

An update on marketing initiatives and events were presented.

The Board agreed with Staff's suggestion to conduct a half day AGM and EPA meeting, along with a half day producer meeting as part of the 2020 BC Poultry Conference.

3.5 **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. Nielsen is in the process of redoing the audits as part of the first phase of the regionality study. Nielsen completed the second phase of the study and a draft report was presented for information.

Action: Staff was directed to circulate the final report to the Board once received.

3.6 **September 12th Producer Meeting**

The Egg Producers Association is hosting a producer meeting on September 12th. Topics for the board update were presented and discussed.

4. **OPERATIONS**

4.1 **Producer Update and Request**

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 July update was presented for information, in addition to his request for the 2019 growth allocation to be held until he is deemed in good standing.

The July update, 2019 vending plan, and August 5, 2019 letter were reviewed and the Board agreed that since the producer continues to not be in good standing, the December 7, 2018 decision will be upheld. The intent of a producer-vendor is to sell direct to consumers through avenues such as farmers markets as well as through retailers via a producer-retailer relationship. The Board would like to schedule a time during the September board meeting to meet with the producer.

Action: Staff was directed to amend the draft letter to the producer and request a meeting during the September board meeting.

4.2 **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.

4.3 Transfer Application

A producer has submitted a quota transfer request to incorporate their farm. The transfer application documents were presented for discussion.

The Board reviewed the application, confirmed that the proportionate interests in the quota of each shareholder remains the same, and approved the producer's transfer application.

Action: Staff was directed to include a checklist for all future quota transfer applications.

4.4 Organic Standards Review

The Canadian Organic Standards are reviewed every 5 years in accordance with Canadian General Standards Board (CGSB) processes and Canada's international agreements. The 2015 standards are currently undergoing a review process and an updated version of the standards is to be published and in effect by November 2020. A 90 day public comment period is currently underway. Comments are being accepted on the draft revisions until September 30, 2019. The proposed changes were presented for discussion.

The Board discussed additional conversations and clarifications received.

Action: Staff was directed to provide producers with a response to their questions and suggestions for completing the CGSB comment form by the end of August.

4.5 Committee Feedback on Quota Leasing

The current BCEMB Consolidated Orders have strict language for facility and quota leasing. The Production Management Committee (PMC) reviewed the current programs at their August 8, 2019 meeting and propose a change to quota leasing. The letter was presented for discussion.

The Board reviewed the PMC's letter and indicated appreciation for the Committee's creative approach to quota leasing. Feedback on the proposal was provided.

Action: Staff was directed to list the pros and cons of the program for the September meeting.

4.6 Implementation of On-Farm Program Changes

On May 29, 2019, the EFC Board of Directors approved all changes to the on-farm programs being implemented once per year. All changes to the on-farm programs will occur once annually, on January 1 of the following year. The EFC memo with the approved amendments was presented for information.

4.7 Implementation of the New Entrant Preliminary ACP Audit

On February 6, 2019, the EFC Board of Directors approved the Annual On-Farm Program Audits Policy. While the timeframe for the initial food safety audit is reasonable, it states that new entrants would be subject to EFC's on-farm program audits during the first flock cycle, but not before the birds are 45 weeks of age, or approximately 6 months after production began. Therefore it was decided it may be prudent to perform a preliminary Animal Care Program audit approximately 4-8 weeks after production has begun. The EFC memo with the approved amendments was presented for information.

4.8 Producer Request

A New Producer Program winner has not been producing 50% of his quota since September 2018 and is requesting an extension on his downtime.

The Board reviewed the communications from the producer and discussed the situation.

Action: Staff was directed to amend the draft letter based on feedback from the Board and obtain a legal opinion.

4.9 SE Testing Process

As of January 1, 2020 SE testing will become a critical care element in the SCSC program. The programs require that environmental sampling and testing for SE be carried out by the egg boards once per pullet flock, and twice per layer flock in accordance with EFC's National SE Protocol. The BCEMB PLO staff do their best to coordinate SE testing with producers, however, it is ultimately the responsibility of the farmer to ensure that their SE testing is completed in accordance to the EFC's Protocols. The changes to the SCSC program were presented for information.

The Board provided feedback on the process and reviewed protocols in other provinces.

Action: Staff was directed to provide an update in the next Scrambler and at the Producer Meeting.

4.10 Barn Fitness Audit

The Board has conditionally granted a producer's request to lease a facility later in 2019, with the requirement that the facility must pass our draft Barn Fitness Audit. While the policy and audit remains incomplete, staff believes that this is a good opportunity to observe, conceptualize and draft the required documents.

4.11 Enriched Requirements

To qualify for the enriched premium under the CETPP being implemented in September, producer's colony density must adhere to all final requirements detailed in the Code of Practice for the Care and Handling of Laying Hens for enriched housing. BCEMB staff are contacting each producer who currently has, or is expected to complete, a facility with enriched colony housing in 2019 to make sure they are aware of the requirements. If a producer does not originally meet the standards, EFC has given BC Egg permission to measure the barn and provide verification to EFC.

4.12 Producer Request

A producer has submitted a request to the board for pre-approval to complete one quota transfer and two barn leases at different locations within the next six months. The request was presented for discussion.

The Board reviewed the producer's request and provided feedback.

R19-085 It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors conditionally approves the transfer of 13,164 quota units from [REDACTED] to [REDACTED] and 13,164 quota units from [REDACTED] to [REDACTED], effective September 9, 2019.

CARRIED

R19-086 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors approve the transfer of hens from [REDACTED] IPU# [REDACTED] to ownership under [REDACTED] with the following limitations:

- No future replacement flocks are permitted in the leased location without the prior approval of the BCEMB Board of Directors.
- The current flocks in the leased facility must be removed within reasonable timing based on the producer's ordinary business cycle (which is observed to be 75 weeks of flock age).
 - The hens in [REDACTED] must be scheduled for immediate removal.

CARRIED

R19-087 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors conditionally approves the facility lease of [REDACTED] at [REDACTED] from [REDACTED] to [REDACTED], subject to the following conditions:

- A. Prior to the placement in the leased facility, the barn must be inspected by representatives appointed by the Board and the Board must be satisfied that the leased facility is suitable to house birds in a manner that accords with the Board's animal welfare expectations.
- B. If approved, the facility lease will expire on the earlier of the following:
 - o The removal of the flock (at no later than 75 weeks)
 - o 18 months after the date of facility approval
- C. Future CPPs will not be approved for any lease facility prior to the producer and facility achieving passing scores for an on-farm program assessment between weeks 35 to 45 within the previous flock cycle. The on farm program assessment may include triggered audits for the Start Clean Stay Clean, Animal Care Program and/or BC Biosecurity Program as well as any other audit program deemed necessary by the board (such as the Barn Fitness test).

CARRIED

4.13 Producer Appeal

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 transfer application cancelled. As the producer has appealed the Board's decision, details regarding the appeal process and timeline were presented for information.

The Board confirmed that Jon Krahn will represent the Board of Directors at the appeal.

4.14 Fowl Removal

BCEMB has been notified that as of January 1, 2020 the contractor who has been providing fowl removal services in the interior region will no longer operate the stunner. BCEMB is in contact with a new party who is interested in coordinating fowl removal in the interior region. As this is a new arrangement there may be an opportunity to establish a new methodology for on farm fowl removal. BC Egg will be working with veterinarians and animal welfare specialists to certify any new methodology.

The Board discussed additional updates on options being reviewed for fowl removal in the Interior.

4.15 Quota Allocation Follow Up

The 2019 quota allocation of 5.217% and the equal distribution approved by the Board of Directors was distributed last month. An update was presented for information.

4.16 IPU Lease Requests

Two producers have requested to lease Independent Production Units (IPU).

4.16a Producer A

The producer's formal request was presented for discussion.

The request was discussed as part of agenda item 4.12.

4.16b Producer B

The producer's formal request was presented for discussion.

R19-088 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors conditionally approve the facility lease of [REDACTED] at [REDACTED] from [REDACTED] to [REDACTED], subject to the following conditions:

- A. Prior to the placement in the leased facility, the barn must be inspected by representatives appointed by the Board and the Board must be satisfied that the leased facility is suitable to house birds in a manner that accords with the Board's animal welfare expectations
- B. If approved, the facility lease will expire on the earlier of the following:
 - o The removal of the flock (at no later than 75 weeks)
 - o 18 months after the date of facility approval
- C. Future CPPs will not be approved for any lease facility prior to the producer and facility achieving passing scores for an on-farm program assessment between weeks 35 to 45 within the previous flock cycle. The on farm program assessment may include triggered audits for the Start Clean Stay Clean, Animal Care Program and/or BC Biosecurity Program as well as any other audit program deemed necessary by the board (such as the Barn Fitness test).

CARRIED

4.17 Extended Fowl Removal Request

Two producers have requested prior approval for an extended fowl removal.

4.17a Producer A

The producer's formal request was presented for discussion.

R19-089 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors approve [REDACTED] request for an extended downtime of 14 months to fit within his three flock placement schedule commencing September 2019.

CARRIED

J. Krahn recused himself from the motion. The Chair determined there were no other significant conflicts present.

4.17b Producer B

The producer's formal request was presented for discussion.

R19-090 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve [REDACTED] request for an extended downtime of 70 weeks to fit within his three flock placement schedule commencing on August 2020.

CARRIED

4.17 Liquidated Damages Assessment Policy Consultation

The Liquidated Damages Assessment Review Team (LDART) was created in March 2018 by the EFC Board of Directors to conduct a review of Sections 5.1 and 5.2 of the CEMA Resolution Respecting Hen Inventories (LDA Resolution). The draft LDA policy provides an update to the rules to protect the production discipline pillar of supply management, which have previously

been established by the 1984 FPA Amendment, the LDA Resolution, and other EFC policies. Given that some of these rules have not changed since 1984, the review of the production discipline rules is an opportunity to determine what is appropriate and relevant to the current Canadian egg industry. The draft was presented for discussion.

The Board discussed the policy changes, what it means for the industry, and agrees with its direction.

Action: Staff was directed to draft a response for review at the September board meeting.

5. GOVERNANCE

5.1 Allocation Reduction Process

This item was postponed until the September meeting.

5.2 TAP Review

The Temporary Allotment Program (TAP) has been approved by BC FIRB and needs to be distributed. A summary of the quota available was presented and discussed. The intent to maximize the amount of quota that is available for producers in Pool B so additional local eggs can be provided to BC consumers.

The Board discussed the details and agreed with the direction.

R19-091 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors to approve the use of 60,000 quota units for the Temporary Allotment Pool B program.

CARRIED

5.3 NPP Amending Order

BC Egg conducted an extensive consultation process to engage stakeholders in the allocation and New Producer Program (NPP) review process. As of July 3, 2019, BCFIRB has approved the amendments to the NPP.

R19-092 It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors approve the second reading of Amending Order 009 – New Producer Program.

CARRIED

5.4 Agriculture and Poultry Boards MOU

The Ministry of Agriculture has updated their Provincial Premise ID Database to allow for increased functionality for Poultry Boards. All four commodity boards have an MOU with the Ministry of Agriculture regarding how the data will be used. The current MOU has expired. The MOU has been reviewed and updated as the contact information for producers has now been added to the program.

R19-093 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve the Premises Identification Information Sharing Agreement Memorandum of Understanding.

CARRIED

5.5 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. The Committees met on July 22, 2019 and notes from the meetings were presented for information.

The Board discussed the committee meetings and how to address BCEPC's requests.

5.6 Strategic Plan Update

BC Egg is undergoing a comprehensive strategic planning project with Junxion. An updated project schedule was presented for information.

5.7 Election Voting Rule Review

BCEMB's Election Voting Rules must be reviewed prior to December 31, 2019, as per the review process indicated in our 2016 Election Rules and Procedures. Staff have drafted a submission to BCFIRB that was presented for discussion.

The Board discussed the PMC, EIAC, and EPA feedback and agreed with the committees' recommendations to have one board member be designated as the contact person for each region.

Action: Staff was directed to provide the draft proposal to the Board next week for submission to BCFIRB for their September meeting.

5.8 FPA Committee Documents

The FPA Committee and EFC Board of Directors have approved using a principles-based approach to the FPA rather than the current two-phased process. An update on the committee's progress was presented for information.

The Board reviewed the documents and provided feedback.

5.9 Quota Transfer Definition Comparison

As a follow up from the Corporate Structure Workshop, Staff was directed to confirm if there is consistency within the BC commodity boards in regards to the quota transfer definition. The definitions for the majority of the Boards is similar to BCEMB's where any change in shareholder structure would equate to a transfer. The major difference is BCTMB which focuses on the majority voting shares.

The Board agreed that a QATR response from BCFIRB should be received before any additional changes are discussed.

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. With the Period 9 COP, a CETPP test run was conducted and an update on the progress was presented for information.

The Board reviewed the information and provided feedback.

5.11 COP Update

The updated COP will be implemented on September 8, 2019 along with the implementation of the Enriched Premium and Market Producer Price. Possible national pricing options were presented for discussion.

The Board reviewed the provincial COP pricing options and options for BC pricing.

5.12 Producer of the Year Program

The Production Management Committee (PMC) has reviewed the Producer of the Year (POY) program and suggested changes. A draft program with the PMC's amendments was presented for discussion.

The Board reviewed the amended program and provided its support.

5.13 Trade Issues – Next Steps

The Deputy Minister of Agriculture held a meeting on August 8, 2019 on the TRQ Consultation currently being conducted by Global Affairs Canada with supply managed commodities. Details from the meeting were presented for discussion.

The Board discussed the meeting, the TRQ, and the next steps.

Action: Staff was directed to provide the draft response to the Board for submission on Friday, August 23.

5.14 Committee Minutes

5.14a PMC June 6, 2019 Meeting Minutes

The minutes from the Production Management Committee June 6, 2019 meeting were presented for information.

5.15 Service Fee Fund Transfer and Early Remittance

On July 12, 2019, EFC sent out a letter to all egg boards requesting that egg boards process an early remittance of 25% of their 2019 estimated Service Fee prior to the start of Period 10 (September 8, 2019).

The decision was deferred until a decision is made on the Period 10 Producer Price and Levy.

Action: Staff was directed to bring this item back to the August 30 conference call.

6. PERFORMANCE REPORTS

6.1 Dashboard

An updated 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 32 was presented for information.

6.2c IP Processor Summary Week

The IP Processor Summary Week 32 was presented for information.

6.2d EFP Report Week

The EFP Report Week 32 was presented for information.

6.2e Quota Utilization Update

The Quota Utilization Update was presented for information.

The Board reviewed the Quota Utilization Update and discussed the jump in utilization since the last update.

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 7 Board & Committee Per Diems & Expenses

The Period 7 Board & Committee Per Diems & Expenses were presented for information.

R19-083 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors accept the Period 7 Board & Committee Per Diems & Expenses.

CARRIED

6.3b Period 7 Financials

The Period 7 Financials were presented for information.

R19-084 It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors accept the Period 7 Financials as presented

CARRIED

6.3c AR Report

The AR Report was presented for information.

6.4 Preliminary COP

6.4a Period 9, 2019 COP

The Period 9, 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. 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.

The Board has approved Gunta, Walter and Matt to attend the upcoming FPA meeting.

ADJOURNMENT

It was MOVED by Jon Krahn and SECONDED that the meeting be adjourned at 5:33 pm.

The Board of Directors of BC Egg Marketing Board

Minutes: Board of Directors Meeting

Date: August 22, 2019



Board Chair



Certified Correct, Secretary