

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: November 20-21, 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
Erin Duetta, Manager Finance
Amanda Brittain, Director of Communications & Marketing
Nicole Thompson, Executive Assistant

CALL TO ORDER

Chair, Gunta Vitins, called the meeting to order at 9:50am on November 20, 2019.

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. Approval of the Minutes of October 29-30, 2019

R19-122 It was **MOVED** by Matt Vane and **SECONDED**

THAT the Board of Directors approve the Minutes of October 29-30, 2019 as amended.

CARRIED

1.2 Approval of the Minutes of October 31, 2019

R19-123 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve the Minutes of October 31, 2019 as presented.

CARRIED

2. BUSINESS ARISING/ACTION LIST

2.1 2019 Board Calendar

The 2019 and 2020 Board Calendars were presented for information.

2.2 New Business

2.2a NPM Act Administrative Penalties

On November 5, 2019, BCFIRB sent the BC commodity boards a letter regarding changes to the Natural Products Marketing (BC) Act (NPMA). The letter was presented for information. BCFIRB has also requested that two people be elected to the NPMA Working Group.

The Board discussed the Act and agreed that Jeff Regier and Katie Lowe should join the Working Group.

2.2b CCFI Notes

Board and staff members attended the Canadian Centre for Food Integrity Conference from November 13-14, 2019. Notes from the conference were presented for information.

The Board reviewed the notes and discussed the key topics.

2.2c EFC December Workshop

EFC will be hosting an Egg Board Workshop on December 10, 2019. The agenda and memo were presented for information.

The Board discussed member attendance for the EFC events.

2.2d PARP December Meeting

BCFIRB will be hosting a PARP update meeting for the BC commodity boards on December 9, 2019. The agenda was presented for information.

The Board discussed member attendance for the meeting.

3. STAKEHOLDER ENGAGEMENT

3.1 Marketing Update and Budget

The 2020 marketing budget was presented for discussion.

The Board reviewed the budget and provided feedback. Options on how to track BC's consumption rate to assist with ensuring we meet our goal and ways to evaluate tradeshow were discussed.

The Board discussed producer concerns regarding farm gate social media posts. The Board agreed that BC Egg should continue to promote all BC farms fairly and consistently.

An update from the November 18, 2019 MarComm Committee meeting was also presented and key topics discussed.

Action: Staff was directed to create an evaluation grid to be completed at each tradeshow.

Action: Staff was directed to include a communications plan going forward.

Action: Staff was directed to provide feedback to the Board on the MarComm Committee members prior to the election.

3.2 EPA & CEIRA Update

M. Siemens joined the meeting at 12:57pm on November 21, 2019.

An update on the 2019 Q3 Financials and 2020 budgets were presented for discussion.

On November 20, 2019, CEIRA held a meeting and a verbal update on the key topics was presented. CEIRA is looking to BC Egg for feedback on ways to decrease SE instances in the province.

M. Siemens left the meeting at 1:21pm on November 21, 2019.

3.3 EFC Update

An update on the draft allocation documents was provided. The EFC allocation is expected to be finalized in early December.

3.4 Strategic Plan Update

BC Egg has completed a 5 year strategic plan in 2019 with Junxion. The final strategic plan was provided on September 16, 2019 and has been presented to the industry at the November 8, 2019 LM producer meeting and at the November 15, 2019 Interior producer meeting.

The creation of a digital version of the strategic plan intended for public distribution is in progress. A draft will be presented at the December BOD meeting.

4. OPERATIONS

4.1 2019 Production Sleeve

The 6% production sleeve is scheduled to end June 30, 2020. At that time, BCEMB has the ability to end, maintain at status-quo, or increase the production sleeve provided to producers in an effort to maximize the utilization of the provincial allocation that is granted to BCEMB's registered producers.

The Board discussed the proposal, LDA process, and additional calculations conducted by staff. It was agreed that the topic would be discussed again at the December meeting, followed by consultation at the December EIAC meeting.

Action: Staff was directed to provide additional analysis for the December meeting.

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 and submitted an appeal to BCFIRB on November 7, 2019. An update was presented for information.

The Board discussed the appeal process and appointed Matt Vane as the board representative should the appeal proceed.

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 on the new housing and flock was presented for information.

The Board discussed the update, provided direction to Staff regarding the flock count and reiterated that the producer will not be deemed in good standing until approved by the Board.

Action: Staff was directed to respond to the producer regarding the flock count.

4.4 Transfer of Layer Quota Requests

Two producers are requesting approval to transfer layer quota. The requests were presented for discussion.

4.4a Producer One

R19-124 It was MOVED by Jon Krahm and SECONDED

THAT the Board of Directors approve the [REDACTED] quota transfer from [REDACTED] [REDACTED] equally to [REDACTED] with an effective date of November 3, 2019.

CARRIED

W. Siemens abstained from the decision.

4.4b Producer Two

The Board discussed the producer's two requests and the additional information required before a fulsome decision can be made on the second request.

R19-127 It was MOVED by Jon Krahm and SECONDED

THAT the Board of Directors conditionally approve the transfer request of 7,500 quota units from [REDACTED] to "[REDACTED]" effective November 30, 2019.

CARRIED

W. Siemens recused himself from the discussion and decision.

Action: Staff was directed to obtain additional information for the December meeting.

4.5 Barn Fitness Audit

Prior to approving EPU leases between producers, BCEMB requires the successful completion of a Barn Fitness Audit. An update on the process was presented for information.

The Board discussed the suggestion for an audit service fee. To obtain a partial cost recovery, the Board agreed to a \$1,000 fee effective January 1, 2020, to be paid at the time of application.

The Board also discussed feedback provided by the PMC.

Action: Staff was directed to provide a proposal for the service fee for final review at the December board meeting.

4.5a Producer One

R19-125 It was MOVED by Matt Vane and SECONDED

The Board of Directors of BC Egg Marketing Board

Minutes: Board of Directors Meeting

Date: November 20-21, 2019

THAT the Board of Directors require completion of the following facility repairs prior to approving the EPU lease request from [REDACTED] for [REDACTED] from [REDACTED]:

1. All sharp points in their cages are addressed and fixed
2. All cages checked to ensure that cage floor bottoms are secure and maintenance completed as required
3. Any gaps in exterior walls are sealed

Upon repair completion, the facility will be re-inspected by a designate of the Board. The matter will be brought back to the Board on December 3, 2019 for further consideration. Approval will be granted upon a positive re-inspection report.

CARRIED

4.6 SCSC Consultation Memos

EFC has submitted multiple consultation memos for the egg boards to review. The memos were presented for discussion.

Action: Staff was directed a draft response memo for review at the December board meeting.

4.6a SCSC Rating Forms

The Board agreed with the feedback from the PMC and discussed national training for PLOs.

4.6b New Critical Control Elements

The Board discussed the recommendations and agreed with the feedback from the PMC.

4.6c Pullets Sourced from SCSC Program Participants

The Board agreed with the PMC's recommendation and provided additional feedback.

4.6d Humidity Level in Refrigerated Storage

The Board agreed with the feedback from the PMC.

4.6e On-Farm Feed Mixing

The Board agreed with the feedback from the PMC.

4.7 Redeveloped ACP Requirement and Corrective Action Request

The EFC PMC has proposed non-conformance categories for the requirements in the redeveloped ACP and their associated Corrective Action Request (CAR). The memo requesting consultation was presented for discussion.

The Board agreed with the feedback from the PMC.

4.8 Agricultural Environmental Management Code (AEM)

On February 28, 2019, the Code of Practice for Agricultural Environmental Management replaced the Agricultural Waste Control Regulation (AWCR). According to the Ministry, the new regulation has been built with the understanding that not all agricultural operations are the same, and not all regions of the province are the same. Various rules will apply to different agricultural operations depending on the location, size and type of activity. Additional information was presented for discussion.

4.9 Code Requirement

The Code of Practice for the Care and Handling of Pullets and Laying Hens was revised and published in 2017. With the revision, a number of enhanced requirements were established. BCEMB must ensure that all facilities are fully compliant with all requirements from the 2017 Code of Practice.

The Board discussed the process staff is taking to ensure compliance.

Action: Staff was directed to draft a proposal for the December board meeting.

4.10 TAP Review

On November 1, 2019, BCEMB announced the second round of TAP Pool B with a deadline of 4pm on Thursday, November 14, 2019. An update on the applications received was presented.

The Board discussed the process for allocating the Pool B round two.

ADJOURNMENT

It was MOVED by Matt Vane and SECONDED that the meeting be adjourned at 4:43 pm on November 20, 2019.

CALL TO ORDER

Chair, Gunta Vitins, called the meeting to order at 12:55pm on November 21, 2019.

4.11 SE Testing Review

The EFC PMC is currently reviewing the SE testing policy. An update was presented for discussion.

The Board discussed BC's high standards compared to the EFC standards.

Action: Staff was directed to only conduct SE tests within the actual production area, as this is EFC protocol.

4.12 Quota Credit Policy Update

The current Quota Credit Policy is outdated, unclear, and under-distributed. BC Egg has an opportunity to address all three of these issues while updating the QC Policy. Based on discussions from the last board meeting, an updated draft was presented for discussion.

The Board reviewed multiple scenarios, debated the options, and agreed to review the selected scenarios further.

4.13 Audit Process

Provincial audit processes were discussed at EFC and the highlights were presented for discussion.

The Board discussed options for conducting audits in BC and requested additional information for further review in January.

Action: Staff was directed to provide additional consultation for the January board meeting.

4.14 Fowl Removal Update

BCEMB has been notified that as of January 1, 2020 the dispatcher, which has been coordinating fowl removal in the interior region, will no longer operate the stunner. An update on the process was presented for discussion.

The Board discussed the equipment that has been historically used in the Interior and options for it going forward.

4.15 Enriched Pricing Payment Update

The enriched producer price was implemented in September to all producers that are fully enriched. Since the implementation, BC Egg has become aware of additional producers that plan to switch to enriched, however BC Egg was not notified about their intentions and therefore did not budget for the additional production. An update on the pricing change was provided.

The Board discussed the calculations presented and requested additional analysis.

Action: Staff was directed to provide additional analysis to the Board via email.

4.15a CETPP Committee Representative

Now that the CETPP program is launched, a new board member should be elected to take the previous member's place.

The Board agreed Matt Vane should be appointed to the committee.

4.16 2020 Budget Assumptions

An updated 2020 Budget Assumptions was presented for discussion.

The EFP process and fowl removal costs were discussed by the Board.

Action: Staff was directed to conduct additional fowl removal analysis.

5. GOVERNANCE

5.1 2020 Quota Allocation

At the November EFC Open Board Meeting, the EFC Board approved an allocation request of 27,538,882 hens for Canada, representing an overall increase of 105,965 which includes 14,916 hens for BC.

The Board deliberated on multiple options for the 2020 allocation and provided direction for Staff regarding additional analysis for review at the December board meeting.

Action: Staff was directed to conduct additional analysis for the December board meeting.

5.2 PFGC Update

The BC Egg Processors Council (BCEPC) have asked that a review of the Post Farm Gate Cost (PFGC) program be conducted. An update on the project was presented, along with a draft letter to update the BCEPC.

The Board reviewed the letter and agreed with the direction. A letter with SAFETI analysis and distribution plan will be provided for review at the December meeting.

5.3 Election Rules

As per the review process in our 2016 BC Egg Election Rules and Procedures, the rules must be reviewed prior to December 31, 2019. On November 12, 2019, BCFIRB provided its decision on the 2019 election rules and procedures review, which was provided for discussion.

The Board reviewed BCFIRB's decision and discussed an error in BCFIRB's letter, which stated that Egg Board members have been elected by acclamation since 2011 when in fact an election between two candidates was held in 2015 for the Lower Mainland position. BC Egg will have a verbal discussion with BCFIRB regarding the information.

R19-126 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve the second reading of Amending Order 012- Election Rule Review as amended.

CARRIED

Action: Staff was directed to provide an update to the industry prior to the call for election nominations.

5.3a 2020 Election Timeline

There is one board position that is up for election in 2020. The election process will be conducted by COMB and a proposed timeline was presented.

The Board agreed with the timeline provided.

5.4 EFC LDART Levy Working Group

At the November EFC Board meeting, the EFC Board passed a motion to establish a working group to determine a levy process with the new LDA rules.

The Board selected Walter Siemens and Katie Lowe for the working group, with Walter as the voting representative.

5.5 Committee Minutes

5.5a PMC Minutes from August 8, 2019

The minutes from the August 8, 2019 Production Management Committee (PMC) meeting were presented for information.

6. PERFORMANCE REPORTS

6.1 Dashboard

Due to time considerations, this item was put forward to the December 3, 2019 board meeting.

6.2 Quota

6.2a Industry Reserve

Due to time considerations, this item was put forward to the December 3, 2019 board meeting.

6.2b IP Report Week

Due to time considerations, this item was put forward to the December 3, 2019 board meeting.

6.2c IP Processor Summary Week

Due to time considerations, this item was put forward to the December 3, 2019 board meeting.

6.2d EFP Report Week

Due to time considerations, this item was put forward to the December 3, 2019 board meeting.

6.2e Quota Utilization Update

Due to time considerations, this item was put forward to the December 3, 2019 board meeting.

6.2f Quota Credit Update

Due to time considerations, this item was put forward to the December 3, 2019 board meeting.

6.2g Inventory Report

Due to time considerations, this item was put forward to the December 3, 2019 board meeting.

6.3 Financials

The Board of Directors of BC Egg Marketing Board

Minutes: Board of Directors Meeting

Date: November 20-21, 2019

6.3a AR Report

Due to time considerations, this item was put forward to the December 3, 2019 board meeting.

6.4 Preliminary COP

6.4a Period 12, 2019 COP

Due to time considerations, this item was put forward to the December 3, 2019 board meeting.

6.5 Audit Scores

Due to time considerations, this item was put forward to the December 3, 2019 board meeting.

6.6 Feed Mill Participation

Due to time considerations, this item was put forward to the December 3, 2019 board meeting.

6.7 Fowl Removal Update

Due to time considerations, this item was put forward to the December 3, 2019 board meeting.

7. MEETINGS HELD & UPCOMING

7.1 Meetings Held Appendix A

Due to time considerations, this item was put forward to the December 3, 2019 board meeting.

7.2 Meetings Upcoming Appendix B

Due to time considerations, this item was put forward to the December 3, 2019 board meeting.

ADJOURNMENT

It was MOVED by Matt Vane and SECONDED that the meeting be adjourned at 4:43 pm on November 21, 2019.



Board Chair



Certified Correct, Secretary