

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: October 29-30, 2019

Location: Panorama Room, Oceanfront Suites, Cowichan Bay

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 12:30pm.

The Chair acknowledged that the meeting was held on the traditional and unceded territories of the Coast Salish people and Cowichan First Nations.

ADOPTION OF AGENDA

It was MOVED by Jon Krahn and SECONDED that the agenda be adopted as presented.

1.0 APPROVAL OF MINUTES

1.1 Approval of the Minutes of September 19, 2019

R19-108 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve the Minutes of September 19, 2019 as presented.

CARRIED

The Board of Directors of BC Egg Marketing Board

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1.2 Approval of the Minutes of October 2, 2019

R19-109 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors approve the Minutes of October 2, 2019 as presented.

CARRIED

2.0 BUSINESS ARISING/ACTION LIST

2.1 2019 Board Calendar

The 2019 Board Calendars were presented for information.

The Board reviewed the 2020 meeting schedule and provided amendments.

2.1a Sponsorship and Events

Upcoming sponsorship and events were presented for information.

The Board provided its agreement with Staff's direction to create a checklist for determining which events to attend.

2.2 New Business

2.2a SFABC Update

The BC Agriculture Council (BCAC) sent a letter to the Minister on August 23, 2019 regarding concerns over the Metro Vancouver's Emission Regulation Consultation. On September 17, 2019, a response from the Ministry was received. Both letters were presented for information.

2.2b IEC Notes

A board and staff member attended the International Egg Conference in Copenhagen from September 23-26, 2019. Notes from the conference were presented for information.

The Board reviewed the notes and discussed the key learnings.

2.2c Pullet Growers of Canada Letter

Pullet Growers of Canada have sent a second request to present an update to the Board. The email communication was presented for discussion.

The Board reviewed the email and agreed to the request.

Action: Staff was directed to work with Pullet Growers of Canada to determine a date for the presentation.

2.2d PARP Final Report

On October 17, 2019, BCFIRB published the PARP Final Report, which was presented for information.

The Board discussed additional conversations with BC FIRB and commodity boards. BCFIRB is hosting a follow up meeting for the commodity boards in December.

2.2b UEP Conference Notes

Board members attended the United Egg Producers Conference from October 15-16, 2019. Notes from the conference were presented for information.

The Board reviewed the notes and discussed the key topics.

3.0 STAKEHOLDER ENGAGEMENT

3.1 EFC Update

An update on the Transport Code and Liquidated Damages Assessment (LDA) meetings were presented, along with an update on the revised Animal Care Program.

The Board discussed the ACP requirements and clarifications that should be provided to producers.

3.2 LDART Update

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). A revised LDA Policy draft was provided to the egg boards on October 15, 2019 for consultation. The draft was presented for discussion.

The Board discussed the proposed changes and provided its support.

R19-110 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors reaffirms its support of the draft Liquidated Damages Assessment Policy.

CARRIED

3.3 Marketing Update

An update on marketing initiatives and events were presented.

The Board discussed the process of social media, who controls the posts, and provided its support for the 2019 annual report theme.

3.4 Campaign Evaluation Survey

Each year a survey evaluating our annual marketing campaign is conducted. The 2019 survey results were presented for discussion.

3.5 Producer Satisfaction Survey

The Producer Satisfaction Survey has been conducted annually for the last several years to measure producer satisfaction with the performance of BC Egg staff and programs. The 2019 survey results were presented for discussion.

Action: Staff was directed to determine the major steps to conducting additional audits, which can be completed with minimal farm visits (ie. multiple program audits per visit).

3.6 Provincial Egg Farms with Off Farm Work

BC Egg has received a Statistics Canada report that analyzes the number of people in BC that identify as egg operators that also work off farm. The report was presented for discussion.

3.7 Research Flock Project Update

██████████ representatives joined the meeting on October 30 at 9:35am.

The feed company provides an update on their research flock and findings.

██████████ representatives left the meeting at 10:05am.

4.0 OPERATIONS

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4.1 Producer Update

A 2015 New Producer Program winner under the “producer-vendor” category is not fulfilling the producer-vendor requirements per our Consolidated Orders. To ensure that the producer is progressing towards compliance of the producer-vendor requirements in a timely manner, the Board requested monthly updates. The September update was presented for information.

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 of Layer Quota Requests

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

4.3a Producer 1

The Board reviewed the producer’s request.

R19-111 It was MOVED by Matt Vane and SECONDED

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

CARRIED

W. Siemens recused himself from the decision.

Action: Final documents to be presented at the November Board meeting for final approval.

4.3b Producer 2

The Board discussed the producer history and request.

R19-112 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors conditionally approve the transfer of [REDACTED] layer quota from [REDACTED] to [REDACTED] effective November 3 2019.

CARRIED

Action: Final documents to be presented at the November Board meeting for final approval.

4.4 Barn Fitness Audit

Prior to approving EPU leases between producers, BCEMB requires the successful completion of a Barn Fitness Audit. On September 20, 2019, three audits were conducted.

4.4a Audit 1

The Board reviewed the report and discussed the Code requirements and policy amendments. The Board requests that the PMC review the water nipple Code requirement and ways to ensure implementation.

R19-113 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors approve [REDACTED] to lease [REDACTED] from [REDACTED] as requested for the existing flock cycle, beginning

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December 2019. Before the requested flock placement scheduled in June 2020, the following conditions must be met and a second inspection be conducted:

1. The facility must meet the Code requirements which requires the addition of one nipple per cage for water access, and
2. All sharp points on cages must be removed.

The Board encourages the producer to follow through on their plan to decommission the facility after the lease flock has been shipped in 2021. If the producer wishes to continue to use the facility, an additional barn fitness audit will be required at that time.

CARRIED

Action: Staff was directed to bring the water nipple Code requirement to the PMC.

4.4b Audit 2

The Board reviewed the audit report and the PMC's recommendation. The Board discussed the policy and ways to ensure a fair and non-subjective audit.

R19-114 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors approve [REDACTED] to lease [REDACTED] at [REDACTED] [REDACTED] from [REDACTED] as requested for the existing flock cycle, commencement in March 2020, and for the flock placement scheduled in July 2020.

CARRIED

Action: Staff was directed to amend the audit report to include number of years before re-audit.

ADJOURNMENT

It was MOVED by the Chair that the meeting be adjourned at 4:33pm on October 29, 2019.

CALL TO ORDER

Chair, Gunta Vitins, called the meeting to order at 8:57am on October 30, 2019.

4.4c Audit 3

The Board discussed the report and the proposed lease facility history, as well as provided feedback to Staff regarding a written response to the producer.

R19-115 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors deny the request of [REDACTED] to lease [REDACTED] at [REDACTED].

CARRIED

Action: Staff was directed to draft a letter to the producer with the decision.

4.5 Producer Letter

A grader is requesting financial assistance to transport large and extra large Organic production in from out of province to assist with their market need. The producer's letter was presented for discussion.

The Board discussed the producer's request and EFC's freight subsidy program which only provides funding to graders to ship in conventional eggs from another province in times of short supply. BC Egg provides funding to transport eggs between graders in BC, not from out of province.

R19-116 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors deny ██████ request for access to the freight subsidy program.

CARRIED

4.6 Producer Request

A producer is requesting that the Board reconsider their decision communicated to the producer on August 30, 2019. A draft letter to the producer was presented for discussion.

R19-117 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors deny ██████████ request to be deemed in good standing with the Consolidated Orders, and reiterated its support for the decision communicated in the August 30, 2019 letter to the producer.

CARRIED

4.7 Fowl Removal Update

BCEMB has been notified that as of January 1, 2020 the dispatcher that has been coordinating fowl removal in the interior region will no longer euthanize hens. Alternative options have been obtained and were presented for discussion.

The Board discussed the options for removal and pricing. Additional options for fowl removal on the Island were discussed, as well as the producer concerns.

The Board agreed with the draft program and rates for a one year contract with a potential two year extension.

Action: Staff was directed to provide additional analysis at the November board meeting for the Board to review.

4.8 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 situation, including options for creating a fair solution for all producers. The intent of the CETPP is to price enriched in a manner that does not create increased competition between provinces and where the COP is paid for by the market. The next national blended price review will be concluded in Week 9, 2021.

The Board of Directors agree to uphold the Enriched Pricing Program as it is intended. The Board will generate options and impacts to discuss with the EPA.

Action: Staff was directed to create an option sheet for the Chair's meeting with the EPA.

4.9 TAP Review

The application deadline for producers to receive a temporary allotment under the newly approved Pool B of the Temporary Allotment Program (TAP) closed on October 1, 2019. After consideration is given to fulfill all of the applications, BCEMB has 24,650 quota units that remains underutilized within the program.

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The Board reviewed the intent of the program and options for the unutilized quota. As there is a shortage of eggs in BC and the primary intent of this program is to help BC producers meet market demand by utilizing our provincial allocation as effectively as possible, the Board agreed with opening a second round of Pool B.

R19-118 It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors agree to make the 24,650 quota units available for further leasing through the TAP Pool B. The application process will be conducted again for all producers with same administrative rules as Pool B, with the exception that there is no maximum on the amount of quota requested. Producers who have already received quota from Pool B would have the ability to utilize their 1,000 hen temporary allotment effective October 6 and would be able to apply for the second round and receive additional units through the program. Any producers who did not apply for Pool B initially will have the opportunity to apply for a temporary allotment under the Pool B during this second round. Pool A producers would have the option to opt out of Pool A if they felt it would be more advantageous to apply for an allotment under the second round of the Pool B.

CARRIED

4.10 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 proposed a change to quota leasing. At the request of the Board, a pros and cons list was started and presented for discussion.

The Board reviewed the program and is willing to increase the flexibility of the current leasing policy using the PMC suggestions as a starting point for discussion.

Action: Staff was directed to bring the topic back to the November meeting and to discuss further at the PMC meeting.

4.11 2020 Forecast

To leverage available databases and resources, BC Egg has developed a 2020 forecasting model that reflects a relatively accurate picture of the industry's current position, driving factors, and future direction from both a supply (production) and demand (retail) perspective. The forecast was presented for discussion.

4.12 2020 Budget Assumptions

The 2020 budget assumptions were presented for discussion.

The Board reviewed the budget assumptions, discussed the details, and provided direction to Staff.

4.13 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 the draft policy and provided further direction to Staff.

Action: Staff was directed to provide scenarios and rationale for the Board to review at the November meeting.

5.0 GOVERNANCE

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5.1 QATE Response Review

On August 29, 2019, BCFIRB provided its decision regarding the Quota Assessment Tools Review. This was in response to BC Egg's May 27, 2019 request, which illustrated our intent for implementing their quota assessment directives, including our definition of a Business Unit. A draft response letter and Amending Order were presented for discussion.

The Board agreed with the draft letter presented and discussed options for updating the industry.

Action: Staff was directed to confirm the implementation timeline and provide an update to the industry.

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 committee meeting and historical documentation was presented for discussion.

The Board discussed additional historical program details and next steps.

Action: The Chair will draft a letter to the graders with an update.

5.3 MISC Update

Any producer who does not have insurance for the extraordinary costs for C&D in the event of Notifiable Avian Influenza is a potential risk to the return to orderly marketing for the industry. The final report was presented to BCFIRB at their October 9 board meeting.

5.4 Election 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 comprehensive consultation with stakeholders and submitted a proposal to BCFIRB on September 5, 2019 for the 2019 Election Rules and Procedures. On October 7, 2019, BC Egg staff were copied on an email to BCFIRB from a Vancouver Island producer stating that they may not have received the on-line survey in April and thus were unable to provide their input. Details regarding the on-line survey process and follow up were presented for discussion.

Action: Staff was directed to send a response to the producer addressing their concerns.

5.5 Animal Activism Meeting Update

Board and staff members attended an Animal Activism Meeting organized by the Ministry of Agriculture on October 4, 2019. Notes from the meeting were presented for information.

The Legislative Assembly is currently reviewing the Trespass Act and an update was presented for discussion.

As a group, the animal agriculture commodities have determined next steps to work with the Ministry on the subject. An update was presented for discussion.

6.0 PERFORMANCE REPORTS

6.1 Dashboard

Due to time considerations, this item was put forward to the November 21, 2019 board meeting.

6.2 Quota

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6.2a Industry Reserve

Due to time considerations, this item was put forward to the November 21, 2019 board meeting.

6.2b IP Report Week

Due to time considerations, this item was put forward to the November 21, 2019 board meeting.

6.2c IP Processor Summary Week

Due to time considerations, this item was put forward to the November 21, 2019 board meeting.

6.2d EFP Report Week

Due to time considerations, this item was put forward to the November 21, 2019 board meeting.

6.2e Quota Utilization Update

Due to time considerations, this item was put forward to the November 21, 2019 board meeting.

6.2f Quota Credit Update

Due to time considerations, this item was put forward to the November 21, 2019 board meeting.

6.2g Inventory Report

Due to time considerations, this item was put forward to the November 21, 2019 board meeting.

6.3 Financials

6.3a Period 10 Board & Committee Per Diems & Expenses

The Period 10 Board & Committee Per Diems & Expenses were presented for information.

R19-119 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors approve the Period 10 Board & Committee Per Diems & Expenses.

CARRIED

6.3b Period 10 Financials

The Period 10 Financials were presented for information.

R19-120 It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors approve the Period 10 Financials.

CARRIED

6.3c AR Report

Due to time considerations, this item was put forward to the November 21, 2019 board meeting.

6.4 Preliminary COP

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6.4a Period 11, 2019 COP

Due to time considerations, this item was put forward to the November 21, 2019 board meeting.

6.5 Audit Scores

Due to time considerations, this item was put forward to the November 21, 2019 board meeting.

6.6 Feed Mill Participation

Due to time considerations, this item was put forward to the November 21, 2019 board meeting.

6.7 Fowl Removal Update

Due to time considerations, this item was put forward to the November 21, 2019 board meeting.

7.0 MEETINGS HELD & UPCOMING

7.1 Meetings Held Appendix A

Due to time considerations, this item was put forward to the November 21, 2019 board meeting.

7.2 Meetings Upcoming Appendix B

Due to time considerations, this item was put forward to the November 21, 2019 board meeting.

ADJOURNMENT

It was MOVED by the Chair that the meeting be adjourned at 3:45 pm.



Board Chair



Certified Correct, Secretary