

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: December 3, 2019

Location: BCEMB Boardroom

BOARD IN ATTENDANCE: Walter Siemens, Vice-Chair
Matt Vane, Board Member
Jon Krahn, Board Member
Jeff Regier, Board Member

VIA CONFERENCE CALL: Gunta Vitins

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

Vice-Chair, Walter Siemens, called the meeting to order at 9:36am.

ADOPTION OF AGENDA

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

The Vice-Chair reviewed the intended course for the meeting as G. Vitins participated via conference call for some of the agenda items, due to medical reasons.

1.0 APPROVAL OF MINUTES

1.1 Approval of the Minutes of November 20-21, 2019

R19-129 It was MOVED by Gunta Vitins and SECONDED

THAT the Board of Directors approve the Minutes of November 20-21, 2019 as presented.

CARRIED

1.2 Approval of the Minutes of November 26, 2019

R19-130 It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors approve the Minutes of November 26, 2019 as presented.

CARRIED

2.0 BUSINESS ARISING/ACTION LIST

2.1 2019 & 2020 Board Calendar

The 2019 and 2020 Board Calendars were presented for information.

2.2 Christmas Party Update

The upcoming Christmas party event schedule was presented for information.

2.3 Leading in a Diverse and Inclusive Culture

BC Egg will be hosting a Leading in a Diverse and Inclusive Culture course on January 24, 2019 for the Board and management.

3.0 STAKEHOLDER ENGAGEMENT

3.1 EFC Update

An update on the Natural Overrun Project Team meeting was presented.

3.2 Marketing Update

An update on marketing initiatives was presented, along with the 2019 Awareness Campaign report.

3.3 Regionality Study

Investment Agriculture Foundation (IAF) launched the BC Agrifood and Seafood Market Development Program in 2018. In Q4, 2018 BC Egg received funding from Investment Agriculture Foundation (IAF) to conduct a two phased regionality project with Nielsen. The details were presented for information.

Action: Staff was directed to provide the analysis at the January board meeting.

3.4 Strategic Plan Update

BC Egg has undergone a full strategic planning project in 2019 with Junxion. The final strategic plan was provided on September 16, 2019. The public-facing industry version of the plan was presented for discussion, along with the 2020 draft operations plan for BC Egg.

The Board discussed the public industry version of the Strategic Plan.

Action: Staff was directed to bring the agenda item back at the January meeting.

4.0 OPERATIONS

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

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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

A producer is requesting the approval of multiple layer quota transfers. The requests were presented for discussion.

4.3a Producer One

The Board reviewed the transfer summaries and discussed the process.

W. Siemens recused himself from the discussion and the following decisions, R19-138 to R19-144, inclusively.

R19-138 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors acknowledges the transfer that occurred at [REDACTED] through the redemption of [REDACTED] existing Class F shares to which resulted in a change in the proportion of shares held by each shareholder. This deemed transfer is from parent to child and the child's spouse; therefore in accordance with the Consolidated Orders Part V 3. (5) (a) a surrender of Layer Quota is not required.

CARRIED

R19-139 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors acknowledges the transfer that occurred at [REDACTED] through the redemption of [REDACTED] existing Class J shares to which resulted in a change in the proportion of shares held by each shareholder. This deemed transfer is from parent to child and the child's spouse; therefore in accordance with the Consolidated Orders Part V 3. (5) (a) a surrender of Layer Quota is not required.

CARRIED

R19-140 It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors conditionally approve the transfer request of 400 quota units from [REDACTED] to [REDACTED] effective December 7, 2019.

CARRIED

R19-141 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors provide final approval of the transfer of 7500 quota units from [REDACTED] to [REDACTED] with an effective date of November 30, 2019.

CARRIED

R19-142 It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors conditionally approve the transfer request for the addition of [REDACTED] as a shareholder in [REDACTED] effective January 1, 2020.

CARRIED

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The Board reviewed the final transfer requests and the future impacts it could pose to the producer. The Board agreed with Staff's recommendation and with providing additional feedback to the producer.

R19-143 It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors conditionally approves the share addition of [REDACTED] to [REDACTED] effective their requested transfer date of January 1, 2020.

CARRIED

R19-144 It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors conditionally approves the share addition of [REDACTED] to [REDACTED] effective their requested transfer date of January 1, 2020.

CARRIED

4.4 Committee Feedback on Adjacent Facilities

Concern has been raised regarding the SCSC rule surrounding multiple poultry facilities at one address. The topic was reviewed by the Production Management Committee (PMC) and feedback from their meeting were presented for discussion.

The Board reviewed the PMC's feedback and discussed the topic. It was agreed that a letter would be drafted and sent to EFC.

Action: Staff was directed to draft a letter with suggestions for EFC to update the rule.

4.5 SCSC Consultation Memos

EFC has submitted multiple consultation memos for the egg boards to review. The PMC and Board reviewed the memos at previous meetings and the draft feedback response was presented for discussion.

The Board agreed with the draft letter presented.

4.6 CO Amendment 008 Feedback

BC Egg has received feedback from a producer regarding concerns to the Consolidated Orders Amending Order 008 – Downtime Terminology.

The Board discussed the producer's feedback, their future growth plans, and the importance of all producers following program requirements, including biosecurity.

R19-131 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors extend the deadline for [REDACTED] to meet the seven day down time requirement to December 31, 2020. The producer must provide BC Egg with a plan to meet the downtime requirements prior to March 31, 2020.

CARRIED

4.7 2020 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. Additional analysis was presented for discussion.

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The Board reviewed the information provided and agreed with a recommendation to maintain the 6% sleeve for 2020/2021.

R19-132 It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors recommend to the Egg Industry Advisory Committee that the production sleeve remain at 6% from July 5, 2020 to July 3, 2021.

CARRIED

4.8 Barn Fitness Audit

Prior to approving EPU leases between producers, BCEMB requires the successful completion of a Barn Fitness Audit. On November 8, 2019, the Barn Fitness Audit Committee (BFAC) conducted an audit at a producer's facility.

R19-133 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors approve the EPU lease request for [REDACTED] at [REDACTED] from [REDACTED] for one flock cycle beginning December 11, 2019 and ending approximately January 2021 as the producer fully satisfied the requirements set out in the November 26, 2019 EPU Lease Request letter.

CARRIED

4.9 Enriched Pricing Payment Update

The enriched producer price was implemented in September 2019 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. Additional analysis regarding the program budget were presented for discussion.

The Board reviewed the budget and discussed past and future processes. As there were gaps in the list of producers planning to switch to enriched prior to the program implementation, BC Egg will fund those producers who have made their changes known since the implementation. BC Egg staff will be contacting producers by telephone to confirm their production intentions for 2020 and 2021. During the calls, staff will inform all producers that failing to disclose any production changes after that point will result in not receiving enriched pricing until the blended price calculation is updated again.

The Board agreed producers should be called yearly to ensure any production changes are duly recorded with BC Egg.

R19-134 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors agree to pay the enriched premium to producers for all enriched production up to week 8, 2021 regardless of whether or not they had previously informed BCEMB of their intention to switch production types in a timely manner.

CARRIED

Action: Staff was directed to draft a response to the EPA's letter.

Action: Staff was directed to include a production change question in the annual License Application Form.

4.10 2020 Budget & Levy

The 2019 year to date review, proposed 2020 budget, and Audit & Finance Committee's recommendations were presented for discussion.

The Board agreed with the Audit & Finance Committee recommendations and with the budget and levy presented.

R19-135 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors approve the 2020 BCEMB Budget as presented and to increase the levy rate to \$0.0475 per bird per week effective Week 01, 2020.

CARRIED

5.0 GOVERNANCE

5.1 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. An update on the proceedings in Alberta was also presented.

The Board reviewed the draft letter and provided approval of the direction.

5.2 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 hens which includes 14,916 hens for BC. Additional analysis was presented for discussion.

The Board agreed to further discuss and analyze options at the January 3, 2020 board meeting and that the options will be presented to the EIAC for their feedback.

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. The draft response to BCFIRB, along with the amended PMC and EIAC Terms of References were presented for discussion.

The Board reviewed the documents and provided its approval.

R19-136 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors approve the amendments to the Terms of Reference for the EIAC and PMC.

CARRIED

5.4 Committee Minutes

5.4a MarComm Minutes from June 3, 2019

The minutes from the June 3, 2019 MarComm Committee meeting were presented for information.

5.4b Audit & Finance Committee Minutes from September 5, 2019

The minutes from the September 5, 2019 Audit & Finance Committee meeting were presented for information.

5.5 Quota Transfer Review Process

Quota transfer requests are reviewed by the Board at board meetings upon the timely receipt of complete information, as per standard practice. The review process, including expected timelines, is currently not detailed as a formal policy.

The Board agreed with the direction to create a detailed review policy and an improved and refined process for quota transfer requests.

Action: Staff was directed to confirm the quota transfer process used by each supply managed board.

5.6 A&F Committee Membership

An Audit and Finance Committee member is not abiding by the confidentiality clause set out in the BCEMB Committee Member Declaration.

The Board agreed with the direction and the draft letter.

R19-137 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors remove [REDACTED] from the Audit and Finance Committee as of December 3, 2019.

CARRIED

6.0 PERFORMANCE REPORTS

6.1 Dashboard

The Dashboard was presented for information.

The Board discussed a year to date trend for housing reports.

6.2 Quota

6.2a Industry Reserve

The Industry Reserve was presented for information.

6.2b IP Report Week

The IP Report Week 45 was presented for information.

6.2c IP Processor Summary Week

The IP Processor Summary Week 45 was presented for information.

6.2d EFP Report Week

The EFP Report Week 45 was presented for information.

6.2e Emerging Market Quota Utilization Update

The Emerging Market 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 discussed the mortality rate.

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6.3 Financials

6.3a AR Report

The AR Report was presented for information.

The Board discussed an outstanding balance and the process going forward.

6.4 Preliminary COP

6.4a Period 11, 2019 COP

The Period 11, 2019 COP was presented for information.

6.4b Period 12, 2019 COP

The Period 12, 2019 COP was presented for information.

6.4c Period 13, 2019 COP

The Period 13, 2019 COP was presented for information.

6.5 Audit Scores

The Audit Score Report was presented for information.

6.6 Feed Mill Participation

The Feed Mill Participation Report was presented for information.

6.7 Fowl Removal Update

The Fowl Removal Update 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.

The Board discussed attendance for upcoming meetings and agreed to pay the balance for J. Krahn to attend the April 2020 IEC as part of the National Young Leaders Program.

Activist Update

The Abbotsford Police Department has been in contact with a producer regarding additional activist images. The images have been sent to BC Egg to assist in identifying the barn.

Multi-Tiered Facility

An update on a producer's request for clarification on their multi-tiered facilities was provided. Clarification was received from EFC and an update has been provided to the producer.

ADJOURNMENT

It was MOVED by Jon Krahn and SECONDED that the meeting be adjourned at 2:59 pm.



Board Chair

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Certified Correct, Secretary