

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: September 19, 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 9:34am.

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.

1.0 APPROVAL OF MINUTES

1.1 Approval of the Minutes of August 22, 2019

R19-099 It was **MOVED** by Matt Vane and **SECONDED**

THAT the Board of Directors approve the Minutes of August 22, 2019 as presented.

CARRIED

1.2 Approval of the Minutes of August 30, 2019

R19-100 It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors approve the Minutes of August 30, 2019 as presented.

CARRIED

1.3 Approval of the Minutes of September 4, 2019

R19-101 It was MOVED by Matt Vane and SECONDED

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

CARRIED

2.0 BUSINESS ARISING/ACTION LIST

2.1 2019 Board Calendar

The 2019 Board Calendars were presented for information.

2.2 Eggs for Processing Temporary Reduction BCFIRB Letter

On August 23, 2019, BCFIRB provided a response to BC Egg's August 9, 2019 Eggs for Processing letter. The letter was included for information.

2.3 October Board Meeting

The October 30 board meeting will be held in Cowichan Bay and details regarding the schedule were presented for discussion.

3.0 STAKEHOLDER ENGAGEMENT

3.1 EFC Update

An update on the EFC financials, COP, and FPA were provided.

3.2 Marketing Update

An update on marketing initiatives and events were presented, including an update on potential upcoming activist activity.

3.3 Producer Satisfaction Survey

The Producer Satisfaction Survey has been sent annually for the last several years as a way to measure producer satisfaction with the performance of BC Egg staff and programs on an annual basis. The 2019 draft survey was presented for discussion.

The Board reviewed the draft survey and provided feedback.

3.4 Hartman Conference Notes

Staff attended the Hartman Conference on September 12, 2019. The notes from the conference were presented for information.

3.5 Strategic Plan Update

BC Egg has conducted a full strategic planning project with Junxion. The final draft of the 2020 Strategic Plan was presented for review.

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The Board reviewed the final Strategic Plan, provided amendments, and discussed how it will be disseminated to the industry.

R19-102 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve the 2020 Strategic Plan as amended.

CARRIED

3.6 Distribution List

BC Egg currently has specific e-distribution lists depending on the type of communication and the content.

The Board discussed an appropriate distribution list for different situations.

Action: Staff was directed to create a list with pertinent allied trades.

Action: Staff was directed to provide a list of lists to the Board.

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. To ensure that the producer is progressing towards compliance of the producer-vendor requirements in a timely manner, the Board requested monthly updates and a refreshed business plan.

The Board reviewed the producer's letter and discussed the situation.

The producer joined the meeting at 1:52pm.

The producer provided an update on his business plan and answered questions from the Board. The Board provided feedback and suggestions to the producer to assist with meeting the requirements.

The producer left the meeting at 2:30pm.

Action: Staff was directed to provide a follow up email to the producer.

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 Producer Request

A New Producer Program winner has not been producing 50% of his quota since September 2018. An update on the situation was provided for discussion.

The Board discussed the producer's situation and agreed on a direction for a letter to the producer.

Action: Staff was directed to draft a letter to the producer to be reviewed in two weeks.

4.4 Producer Request

A 2018 NPP winner is requesting to change production types from organic to free-range. Details regarding his request and the NPP draw requirements were presented for discussion.

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The Board discussed the situation and the producer's history.

R19-103 It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors approve [REDACTED] request to change from organic to free-range production.

CARRIED

4.5 Quota Credit Policy Update

The Quota Credit Policy has not been updated since 2011 and should be refreshed in order to make improvements that will ensure the relevance, equitability and longevity of the program. Suggested amendments to the policy were presented for discussion.

The Board reviewed the policy suggestions proposed by Staff and provided direction for an amended policy.

Action: Staff was directed to update the Quota Credit policy based on Board feedback.

4.6 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 discussed options for a quota leasing program.

Action: Staff was directed to begin a pros and cons list that can be expanded by the Board for a comprehensive review of program options.

4.7 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). LDART has drafted a policy that 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. EFC has requested that boards provide their feedback on the proposed changes. A draft response was presented for discussion.

The Board discussed the policy, reviewed the draft letter, and provided feedback.

4.8 Barn Fitness Audit

A producer requested to lease a facility in winter of 2019. The Board conditionally granted the Producer's request, with the requirement that the facility must pass the draft Barn Fitness Audit. The Barn Fitness Review Team conducted the audit and an update was presented for discussion.

The Board agreed that Staff should proactively conduct a Barn Fitness Audit for all producers requesting a facility lease and bring the committee's recommendation back to the Board for review.

The Board reviewed the results from the August audit, along with the PMC's recommendation.

R19-104 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors approve the lease of [REDACTED] at [REDACTED]

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██████, for the flock scheduled to be placed in December 2019 under the following conditions:

- 1) The manure be removed once the current flock is removed, and
- 2) A second inspection must be conducted when the December flock is between 30-40 weeks of age to ensure the barn conditions remain appropriate.

CARRIED

4.9 Organic Standards Review

The Canadian Organic Standards are reviewed every 5 years, and the 2015 standards are currently undergoing a revision process for a new version of the standards set to be published by November 2020. Staff provided producers with an update and example consultation form on Friday, September 6.

The Board discussed the BC Egg and PMC draft submissions.

4.10 Pricing Update

There was a variety of changes to Producer Pricing in Period 10, 2019. A summary and review of the changes was presented for discussions.

The Board discussed feedback received from the industry and retailers regarding the price changes.

4.11 IPU Lease Request

A producer has requested to lease an Independent Production Unit (IPU). The application was presented for discussion.

The Board discussed the producer's request. Staff will conduct the Barn Fitness Audit at the facility and bring recommendations back to the Board for approval.

4.12 Premiums for Unbudgeted Enriched Facilities

As of September 8, 2019, a national implementation of the CETPP established a separate pricing category for enriched producers. BC Egg must now determine a way to manage producer pricing for producers who, within the next 16 months, will house hens in an unexpected Enriched facility that BCEMB was not notified about and therefore did not budget for.

The Board discussed the situation at length.

Action: Staff was directed to request EFC that provinces conduct the first review and price update in Period 3, 2020 instead of 2021.

5.0 GOVERNANCE

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. The letter from BCFIRB was presented for discussion.

The Board reviewed BCFIRB's direction and discussed options for amending the Business Unit definition. The Board agreed with Staff's recommendation.

Action: Staff was directed to draft a letter for board review.

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 was presented for discussion.

The Board discussed feedback from the last meeting and the intentions for the upcoming meeting.

5.3 Producer Appeal Update

On September 11, 2019, BCFIRB provided BC Egg with a formal dismissal for the producer appeal, at the producer's request. The formal letter was presented for information.

5.4 Committee Minutes

5.4a EIAC June 26, 2019 Meeting Minutes

The Minutes from the June 26, 2019 Egg Industry Advisory Committee meeting were presented for information.

5.4b A&F May 7, 2019 Meeting Minutes

The Minutes from the May 7, 2019 Audit & Finance Committee meeting were presented for information.

5.4c PMC June 6, 2019 Meeting Minutes

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

6.0 PERFORMANCE REPORTS

6.1 Dashboard

The Dashboard was presented for information.

The Board reviewed the document and provided feedback.

6.2 Quota

6.2a Industry Reserve

The Industry Reserve was presented for information.

The Board discussed the report and an update on the temporary allotment programs.

6.2b IP Report Week

The IP Report Week 36 was presented for information.

6.2c IP Processor Summary Week

The IP Processor Summary Week 36 was presented for information.

6.2d EFP Report Week

The EFP Report Week 36 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.

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6.2g Inventory Report

The Inventory Report was presented for information.

6.3 Financials

6.3a Period 9 Board & Committee Per Diems & Expenses

The Period 9 Board & Committee Per Diems & Expenses were presented for information.

R19-105 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve the Period 9 Board & Committee Per Diems & Expenses.

CARRIED

6.3b Period 9 Financials

The Period 9 Financials were presented for information.

R19-106 It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors approve the Period 9 Financials.

CARRIED

6.3c AR Report

The AR Report was presented for information.

6.4 Preliminary COP

6.4a Period 10, 2019 COP

The Period 10, 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, along with an update on the Interior fowl removal situation.

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

It was MOVED by Walter Siemens and SECONDED that the meeting be adjourned at 6:08 pm.

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Board Chair



Certified Correct, Secretary