

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: January 3, 2020

Location: BCEMB Boardroom

BOARD IN ATTENDANCE: Gunta Vitins, Chair
Walter Siemens, Vice-Chair
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 9:31am.

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 Jon Krahn and SECONDED that the agenda be adopted as presented.

1.0 APPROVAL OF MINUTES

1.1 Approval of the Minutes of December 3, 2019

R20-001 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors approve the Minutes of December 3, 2019 as presented.

CARRIED

1.2 Approval of the Minutes of December 10, 2019

R20-002 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors approve the Minutes of December 10, 2019 as presented.

CARRIED

2.0 BUSINESS ARISING/ACTION LIST

2.1 2020 Board Calendar

The 2020 Board Calendars were presented for information.

The Board reviewed the schedule and finalized the date for the March board meeting.

Action: Staff was directed to send provincial AGM information to the appropriate board member.

2.2 BCPC Schedule

The draft BC Poultry Conference schedule was presented for information.

The Board reviewed the draft schedule and discussed options for meeting with other provincial directors during the conference. Management involvement in the BCPC Steering Committee was also discussed.

Action: Staff was directed to meet with the other commodity Executive Directors to determine their feedback on the conference.

2.3 PARP Meeting Update

Board and Staff members attended the PARP meeting on December 10, 2019. Notes from the meeting were presented for information.

The Board discussed the outcome of the PARP meeting, including clarification of new entrant programs and data categories.

3.0 STAKEHOLDER ENGAGEMENT

3.1 EFC Update

An update on the 2020 quota allocation was provided.

The Board agreed with the Chair attending the February 4, 2020 EFC Egg Board Chairs meeting.

3.2 Marketing Update

An update on marketing initiatives was presented, along with an update on the code of conduct and social media audit.

3.2a Annual Report Copy

The draft Annual Report was presented for discussion.

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 analysis was presented for discussion.

The Board discussed how the study will be used to assist programing such as the 2020/2021 New Producer Program draw once additional analysis is conducted.

3.4 Strategic Plan Update

BC Egg has completed a comprehensive strategic planning process in 2019 with [REDACTED]. The final strategic plan was provided on September 16, 2019. The industry version of the plan was presented for discussion, along with the 2020 draft operations plan for BC Egg.

Additional feedback on the Strategic Plan was provided.

3.5 Young Farmer Program

EFC is in the process of opening the recruitment for the 2020 cycle of the Young Farmer Program. The EPA provided their recommendations for BC's nominee. The program details and nominee recommendations were presented for discussion.

The Board reviewed the BCEPA recommendations, criteria for nomination, and an application process moving forward. After deliberations, the Board agreed to nominate [REDACTED] for the 2020 Young Farmer Program.

Action: Staff was directed to create an application process for 2021, to be included in the February Scrambler with the 2020 nominee information and details on the program.

3.6 Producer Communications

A goal for 2020 is to develop and rollout a producer communications plan which includes quarterly market updates and a 'state of the industry' report. An outline of the upcoming communications were presented for discussion.

The Board agreed with the direction provided and the Executive Director's draft points.

4.0 OPERATIONS

4.1 [REDACTED] Update and Appeal

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 reviewed the update and discussed the situation.

4.2 [REDACTED] 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 flock was presented for information.

4.3 Transfer of Layer Quota Requests

Three producers are requesting approval on layer quota transfers. The requests were presented for discussion.

Action: Staff was directed to work with accountants for further clarification on shareholder classifications.

The Board of Directors of BC Egg Marketing Board

Minutes: Board of Directors Meeting

Date: January 3, 2020

4.3a [REDACTED]

R20-005 It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors provide conditional approval for the transfer request from [REDACTED] to incorporate their partnership from [REDACTED] to [REDACTED], effective January 5, 2020. This deemed transfer is spouses who are requesting to change from a partnership to a corporation; therefore in accordance with the Consolidated Orders Part V 3. (5) (e) a surrender of layer quota is not required.

CARRIED

4.3b [REDACTED]

The Board reviewed the producer's transfer request and raised concerns for the producer with future transfers.

R20-004 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors acknowledges the transfer that occurred at [REDACTED] through the redemption and transfer of [REDACTED] existing Class C.3 and H.1 shares 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

4.3c [REDACTED]

W. Siemens recused himself from the discussion and the following decision.

The Board discussed the transfer request.

R20-003 It was MOVED by Matt Vane and SECONDED

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

CARRIED

4.4 Canada Summer Job Grant

In 2019, BC Egg obtained funding through the Government of Canada's Summer Job application for a Small Lot Producer Liaison Officer who visited the vast majority of BC Small Lot permit holders (SLPH). As the position was a success, staff would like to replicate it for 2020.

The Board agrees with the direction provided by Staff.

4.5 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. The analysis was presented to the Egg Industry Advisory Committee and their recommendation was presented for discussion.

R20-006 It was MOVED by Walter Siemens and SECONDED

The Board of Directors of BC Egg Marketing Board

Minutes: Board of Directors Meeting

Date: January 3, 2020

THAT the Board of Directors approve an extension to the current 6% Production Sleeve until July 3, 2021 for all producers who meet the previously established program qualifications. The production sleeve will be reviewed in November 2020 to determine the July 4, 2021 production sleeve.

CARRIED

4.6 Specialty Producer

BC Egg has become aware of a specialty producer who is receiving a premium on Free Range Eggs but may not be adhering to the program requirements. Additional information was presented for discussion.

The Board reviewed the producer's situation and specialty audit results. As the producer is not meeting the Specialty Audit requirements or the Consolidated Order's definition for Free Range Eggs, the Board agreed the producer is no longer in good standing.

R20-007 It was MOVED by Walter Siemens and SECONDED

WHEREAS producer [REDACTED] is not compliant with the BC Specialty Audit requirements for Free Range Production as the hens are unable to utilize the range due to lack of fencing, and

WHEREAS producer [REDACTED] has been paid a premium for Free Range Production since October, 2018;

THAT the Board of Directors deem producer [REDACTED] not in good standing, effective January 3, 2019, until the flock meets all specialty audit requirements, including 120 days access to the outside range.

CARRIED

Action: Staff was directed to invite the producer to the February board meeting.

Action: The Board will consider penalties for non-compliance and/or unearned premium at the next board meeting.

4.7 Barn Fitness Audit

Prior to approving EPU leases between producers, BCEMB requires the successful completion of a Barn Fitness Audit. On December 16, 2019, the Barn Fitness Audit Committee (BFAC) conducted an audit at a producer's facility.

R20-008 It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors approve [REDACTED] to lease [REDACTED] from [REDACTED] as requested for one flock cycle, beginning August 2020 and ending in September 2021, if the following conditions are met to the satisfaction of the BCEMB upon a second inspection to occur no later than February 1, 2020:

1. The facility must meet the Code requirements which requires the addition of one nipple per cage for water access
2. All gaps in the exterior doors and walls be repaired
3. That each EPU have an average light intensity of five lux
4. The cages that are damaged due to carts must be repaired
5. The facility must be completely locked down

The Board of Directors of BC Egg Marketing Board

Minutes: Board of Directors Meeting

Date: January 3, 2020

The producer must also provide a written plan for their future production upon lease termination. This plan must be submitted to the BCEMB no later than April 1, 2020.

CARRIED

4.8 Activist Update

In the fall/winter months BC Egg producers have experienced an elevated amount of activist posts targeting BC farmers. An update was presented for information.

The Board reviewed the letter presented and provided feedback.

4.9 Organic Standards Review Update

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. An update on the progress was presented for information.

4.10 QC Egg Stamping

BC Egg has been working with the graders for a number of years to incorporate egg stamping in to the grading process. A history of egg stamping in BC was presented along with an update from the process used in Quebec.

The Board reviewed the BC timeline and discussed the process being conducted in other provinces. It was agreed that BC Egg should develop a plan and initiate discussions with the Ministry to begin the process of stamping specialty eggs in BC.

Action: Staff was directed to develop a plan for specialty egg stamping and to discuss the topic at the March grader meeting.

4.11 Uniform Levy Project Team

On November 7, 2019, the EFC Board of Directors approved the Uniform Levy Project Team (ULPT). As part of the planning phase, the ULPT will require information from each egg board regarding their processes to determine, collect, and remit levies to EFC. This information will facilitate the identification of areas of common ground in order to develop a recommendation for the application of uniform national practices for levy collection and remittances. The survey was presented for discussion.

The Board reviewed the draft survey answers and provided feedback.

4.12 Fowl Removal Contract

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 progress was presented for discussion.

The Board reviewed the contracts, provided amendments, and discussed the process moving forward.

R20-009 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors approve the two Fowl Removal Contracts and that they be signed by the BCEMB Chair.

CARRIED

Action: Staff was directed to confirm liability insurance with the insurance underwriter regarding the contracts.

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.

The Board discussed feedback received from the graders and agreed to work with other provinces to determine true costs associated with grading and post farm gate.

BCEMB also met with the national graders separately on December 4 and 5, 2019. Notes from the meetings were presented for discussion.

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 which includes 14,916 hens for BC. The BCEMB prepared an analysis of various options for quota allocation which was presented to the Egg Industry Advisory Committee for consideration. The EIAC's recommendation was presented for discussion.

The Board reviewed the quota allocation options and the EIAC's recommendation. After further deliberations, the Board agreed to move forward with EIAC's recommended option three which is to place the 14,916 quota units in the Reserve to be made available for use by all producers through Temporary Allotment Pool B in July 2020. At the next EFC allocation, these quota units will be combined with new quota units to ensure that all qualifying producers will receive 150 birds for the equal distribution portion, as per BCEMB's original multi-allocation proposal. .

R20-010 It was **MOVED** by Walter Siemens and **SECONDED**

THAT the Board of Directors agree to move forward with option three as recommended by the EIAC at their meeting on December 5, 2019, for the 2020 quota allocation.

CARRIED

Action: Staff was directed to draft a proposal document for further consultation with EPA.

5.3 ██████████ Appeal

A producer has informed BCFIRB and BCEMB that they intend to appeal. The fee has been submitted to BCFIRB however the formal Notice of Appeal document has not been received. An update on the process was presented for information.

5.4 Performance Survey

The Governance Policy Manual requires that the Board conduct an annual self-evaluation to determine whether the Board and its committees are functioning effectively. Based on the last survey completed by the Board, a 2019 Performance Survey was drafted and presented for review.

The Board agreed the Executive Assistant will administer the survey via Survey Gizmo.

5.5 Committee Minutes

5.5a EIAC Minutes from August 29, 2019

The minutes from the August 29, 2019 Egg Industry Advisory Committee meeting were presented for information.

The Board of Directors of BC Egg Marketing Board

Minutes: Board of Directors Meeting

Date: January 3, 2020

5.6 Fee Schedule

When the Consolidated Orders were updated in 2017, Schedule 4 was replaced with Part XI - Levies & Fees, which states that fees will be published periodically. A proposed fee schedule was presented for discussion.

The Board reviewed the fee schedule and agreed with the direction, including the Barn Fitness Audit cost, however, the motion was tabled until further information could be provided at the February meeting.

Action: Staff was directed to bring the updated Barn Fitness Audit policy and the fee schedule to the February board meeting.

6.0 PERFORMANCE REPORTS

6.1 Dashboard

The 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 50 was presented for information.

6.2c IP Processor Summary Week

The IP Processor Summary Week 50 was presented for information.

6.2d EFP Report Week

The EFP Report Week 50 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.

6.3 Financials

6.3a Period 11 Board & Committee Per Diems & Expenses

The Period 11 Board & Committee Per Diems & Expenses were presented for information.

R20-011 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors approve the Period 11 Board & Committee Per Diems & Expenses.

CARRIED

6.3b Period 12 Board & Committee Per Diems & Expenses

The Period 12 Board & Committee Per Diems & Expenses were presented for information.

R20-012 It was MOVED by Jon Krahn and SECONDED

The Board of Directors of BC Egg Marketing Board

Minutes: Board of Directors Meeting

Date: January 3, 2020

THAT the Board of Directors approve the Period 12 Board & Committee Per Diems & Expenses.

CARRIED

6.3c Period 12 Financials

The Period 12 Financials were presented for information.

R20-013 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors approve Period 12 Financials as presented.

CARRIED

6.3d AR Report

The AR Report was presented for information.

6.4 Preliminary COP

6.4a Period 1, 2020 COP

The Period 1, 2020 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 agreed to cover the charge for the Chair to travel to Quebec in March in between EFC & EFO meetings in Ontario to save cross-country travel costs.

ADJOURNMENT

It was MOVED by Jon Krahn and SECONDED that the meeting be adjourned at 4:05 pm.



Board Chair

The Board of Directors of BC Egg Marketing Board

Minutes: Board of Directors Meeting

Date: January 3, 2020



Certified Correct, Secretary