

## Meeting of the Board of Directors

250 – 32160 South Fraser Way  
Abbotsford, BC V2T 1W5

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**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.

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### MINUTES of Board of Directors Meeting

**Date:** June 24, 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  
Amanda Brittain, Director of Communications & Marketing  
Erin Duetta, Manager Finance  
Nicole Thompson, Executive Assistant

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#### **CALL TO ORDER**

Chair, Gunta Vitins, called the meeting to order at 9:58am.

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 May 31, 2019

**R19-052** It was **MOVED** by Jon Krahn and **SECONDED**

THAT the Board of Directors approve the Minutes of May 31, 2019 as amended.

CARRIED

1.2 Approval of the Minutes of June 7, 2019

**R19-053** It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors approve the Minutes of June 7, 2019 as amended.

CARRIED

1.3 Approval of the Minutes of June 11, 2019

**R19-054** It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve the Minutes of June 11, 2019 as presented.

CARRIED

**2.0 BUSINESS ARISING/ACTION LIST**

2.1 2019 Board Calendar

The 2019 and 2020 Board Calendars were presented for discussion.

**3.0 STAKEHOLDER ENGAGEMENT**

3.1 EFC Update

An update on the FPA and LDA committees and their progress was provided.

3.2 Marketing Update

An update on the marketing initiatives conducted to date, as well as upcoming events were presented for information.

3.3 BCFIRB Meeting Debrief

The Board and Staff attended a meeting with BCFIRB on June 13, 2019, and notes from the meeting were verbally presented for information.

3.4 CPEPC Conference Debrief

The Board and Staff attended the Canadian Poultry and Egg Processors Council (CPEPC) conference on June 10-12, 2019, and notes from the event were presented for information.

3.5 Farm Animal Care Meeting

Staff attended a Pan Farmed Animal Care meeting on June 18, 2019, and notes from the meeting were presented for information.

Attendees of the Pan Farmed Animal Care Meeting agreed that the best approach is to coordinate efforts through the BC Agriculture Council if possible. BCEMB has also agreed to draft a letter to be sent to the Minister of Agriculture.

**4.0 OPERATIONS**

4.1 EFP Program

Historically low Urner Barry prices are impacting the viability of the Eggs for Processing (EFP) program. There has been a small increase in the UB price in the last few weeks, which will help to mitigate the effects. Staff has also discussed the situation with the processor.

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The Board discussed the conversation with the processor and the option to temporarily decrease the number of hens in production in the EFP program.

**Action:** Staff was directed to obtain additional information regarding the EFC High Low Program to be presented at the July meeting.

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.

The Board reviewed the producer's situation and lease request. The Board will not consider the lease request until the producer's outstanding balance with the BCEMB is paid.

4.3 Producer Update

A 2015 New Producer Program winner under the "producer-vendor" category is not fulfilling the producer-vendor requirements per our Consolidated Orders. The producer is required to provide monthly updates for the Board. The May update was presented for information.

The Board expressed concern with the producer's "producer-vendor" compliance and discussed next steps should sales and marketing not improve.

4.4 Downtime Terminology

Downtime is not defined in the Consolidated Orders, however, it is referenced in the Consolidated Orders Part VIII – Quota Credits. At the April 26, 2019 board meeting, the Board reviewed the PMC's feedback and agreed with Staff's direction to define downtime as a barn being empty for a minimum of seven days. An amendment to the Consolidated Orders was drafted and presented for discussion.

**R19-055** It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve the second reading of the Amending Order 008 – Downtime Terminology as presented.

CARRIED

**Action:** Staff was directed to draft a communication to producers to be reviewed by the Board prior to sending.

4.5 EPU/IPU Requirements

The current BCEMB Consolidated Orders prevents producers from jointly producing from an independent production unit. Based on the feedback received from the Board, PMC and EIAC, staff developed a draft policy for the purpose of ensuring facilities are only being leased to address a temporary market need and the barns being leased meet animal welfare standards. The draft policy was presented for discussion.

Feedback from the PMC committee was verbally presented. The Committee will be drafting a letter to provide to the Board.

4.6 Regionality Study

Investment Agriculture Foundation (IAF) launched the BC Agrifood and Seafood Market Development Program in 2018. The program includes partial funding for market information and research projects. BC Egg requested funding for a two-phased project. The first phase reviewed where consumers buy eggs, what type of eggs, and the origin of the eggs (BC or other). Concerns with the final reports, including information gaps, were noted and discussed with Nielsen. Nielsen is reviewing the information and will be providing BCEMB with an update shortly.

4.7 BC Specialty Audit

BC Egg has been working towards creating and implementing the BC Specialty Certification Program, which will provide consumers with the reassurance that all BC free range producers are following the same standards, particularly regarding range access. On June 9, 2019, two final NSF test audits were completed. Overall feedback from the two producers who had the specialty audit was positive.

The Board discussed the audit and provided final amendments.

**R19-056** It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors approve the BC Specialty Audit program and audit as amended, mandatory for free-range producers, with an implementation date of July 1, 2019, to be reviewed annually.

CARRIED

4.8 BC Poultry Biosecurity Guide

The BCPA Biosecurity Committee has been working on revising and updating the BC Poultry Biosecurity Manual since last summer. This is the first complete revision since the manual was first published in 2007. Many of the changes to the manual are simplifications, updates to current practices, and removal of redundancies. It also incorporates the new Agricultural Environmental Management Code of Practice. The revised manual will be published as the second edition and was presented for discussion.

**R19-057** It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors approve the 2nd Edition of the BC Poultry Biosecurity Program Manual for implementation on July 1, 2019.

CARRIED

4.9 Producer Request

A producer is asking the Board for approval of a temporary lease of quota between barns while they build a new facility. The formal request was presented for discussions.

The Board reviewed the request and agreed that a policy should be created to provide direction to the industry.

**Action:** Staff was directed to draft an interim policy for review at the July meeting.

4.10 Producer Sleeve While Building

The 6% production sleeve will only be eligible to producers who have accepted all of their quota increases. Right now BCEMB has a number of producers who are building and BCEMB has a quota increase pending BCFIRB approval. Once the allocation is approved by BCEMB, some of these producers who are proactively building/transitioning may lose their ability to utilize the sleeve unless an exception is allowed.

The Board reviewed Staff's direction to allow producers to utilize the production sleeve while building, renovating, or retooling and agreed with the amendment.

**R19-058** It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors approve the Producer Sleeve policy change as presented.

CARRIED

W. Siemens and J. Krahn recused themselves from the conversation and motion.

4.11 SE Testing Protocol

The national Salmonella Enteritidis (SE) environmental sampling protocol for egg layer barns and pullet barns is intended to provide guidance to the provincial and territorial boards in the application of a minimum protocol in Canada. Part of the EFC SE Protocol requires Egg Boards to have a written protocol outlining their procedures for taking and handling the samples and procedures for training staff. The draft protocol was presented for discussion.

The Board reviewed the protocol and agreed with the direction.

**R19-059** It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors approve the BCEMB SE Testing Protocol, effective June 24, 2019.

CARRIED

4.12 Corporate Structure Workshop

To properly assess transfer requests, BCEMB must understand corporate structures from a legal standpoint. A legal firm will be conducting a workshop on June 25 for the BCEMB Board and staff to review the pertinent information.

**Action:** Staff was directed to take notes during the workshop to be presented at the July meeting.

4.13 CEIRA Letter

CEIRA has been following BC's increased Salmonella Enteritidis (SE) claims over the past few years and is in the process of conducting a thorough analysis across Canada to determine if a more equitable plan is required. While CEIRA is looking at options to better reflect the risks, they have also reached out to the province to assist in determining solutions. A draft letter to CEIRA informing them of the work being conducted in BC was presented for discussion.

The Board reviewed the letter and provided its support.

4.14 SE Testing Protocol Follow Up

BCEMB recently received an environmental sample that was positive for SE on the egg packer only, while the barn environment (belts and walls) where the birds are located tested negative for SE. This situation has never happened before in BC nor has ever been reported by other provinces. Additional tests have since been conducted on the connected barns and the egg collector that had previously tested positive. All tests were negative for SE.

The Board reviewed additional information provided by staff and agreed that the correct measures were taken to assess the situation.

4.15 Producer Quota Transfer Request

This transfer application has been withdrawn at the request of the producer.

## 5.0 GOVERNANCE

### 5.1 QATR Submission and Amending Order

BCFIRB released their Quota Assessment Tools Supervisory Review on February 2, 2018. BCEMB, along with the other supply managed Boards have been given the discretion to change the assessment tools applied on all non-exempt quota transfers. The final QATR submission request was submitted to BCFIRB on May 27, 2019.

The Amending Order second reading has been tabled until BCFIRB provides approval of the QATR submission.

### 5.2 Allocation Policy Update

BC Egg conducted extensive consultation with stakeholders during the development of the allocation policy and new producer program review. Both the NPP and Temporary Allotment programs require updates to be made to the Consolidated Orders. The draft amendments have been sent for a legal opinion.

### 5.3 Sustainability Business Impact Assessment

To better understand sustainability issues and respond to stakeholder requests, Egg Farmers of Canada (EFC) is conducting a formal materiality assessment to identify sustainability issues of greatest significance to our farmers and stakeholders. Egg boards are invited to complete a Sustainability Business Impact Assessment on the Canadian egg farming industry to inform the project. The assessment form was presented for discussion.

The survey was completed by the Board to be forwarded to EFC.

### 5.4 Levy Increase

The EFC Board approved a levy increase of 10 cents/dozen at the last meeting effective period 8 due to the low Urner Barry price. Two conference calls have been held with the Western Provinces and one with the General Managers across Canada. Notes from the conference calls were presented for discussion.

The Board discussed the situation and possible next steps.

### 5.5 PFGC and SBB Committees

The BC Egg Processors Council (BCEPC) have asked that a review of the Post Farm Gate Cost (PFGC) and Specialty Buyback (SBB) programs be conducted. Two committees have been created to review the programs and a pre-meeting was held on June 21 to discuss the program details.

The Board reviewed discussions from the June 21 meeting, including costs and possible program changes.

**Action:** Staff was directed to create an information package prior to the committee meetings.

### 5.6 Strategic Plan Update

BC Egg has contracted Junxion Strategy to facilitate and support the development of BC Egg's strategic plan in 2019. The project will engage the staff, Board of Directors, and other stakeholders across the industry to develop a new strategic plan that will outline BC Egg's priorities for the next three to five years, starting in January 2020. An update was provided for information.

The Board discussed feedback from the June 19, 2019 workshop. Based on the conversations held, BCEMB is aligned with the industry's expectations for the future.

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5.7 Election Voting 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 survey that was sent to all producers, allied trades, industry stakeholders, and was posted on the website. A summary of the survey and suggested amendments to the rules were presented for discussion.

The Board reviewed the summary results and provided additional feedback regarding regional board positions.

**Action:** Staff was directed to draft a proposal to BCFIRB to be presented at the July board meeting.

5.8 CETPP Update

The CETPP (Conventional to Enriched Transition and Producer Price) Project is a National committee, supported by EFC. The aim of the project is to develop and implement an optimal commodity Producer Price structure that accommodates the transition from conventional to enriched housing by July 2019. The final MOU, which the Board agreed to via email on June 17, 2019, was presented for information.

5.9 Allocation Reduction Process

While the current market is experiencing unprecedented growth, a method for allocation reduction within the province is required to mitigate producer uncertainty in the event of a declining market. It has become more of a concern with the changes to the allocation process where growth quota is no longer allocated on a straight pro-rata basis. The objective of the allocation reduction process is to keep production levels as stable as possible and reduce negative impacts to producers.

The Board discussed the suggested process and agreed with the direction.

**Action:** Staff was directed to draft a formal Allocation Reduction Policy.

5.10 Director Insurance

The Directors and Officers liability insurance is due to be renewed on September 5, 2019.

**R19-060** It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approved continuing with \$5 million coverage for the 2019 D&O Insurance renewal.

CARRIED

5.11 Committee Minutes

5.11a MarComm Committee January 4, 2019 Meeting Minutes

The minutes from the Marketing and Communications Committee January 4, 2019 meeting was presented for information.

5.11a PMC Committee April 3, 2019 Meeting Minutes

The minutes from the Production Management Committee April 3, 2019 meeting was presented for information.

**6.0 PERFORMANCE REPORTS**

6.1 Dashboard

The Dashboard was presented for information.

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6.2 Quota

6.2a Industry Reserve

The Industry Reserve was presented for information.

6.2b IP Report Week

The IP Report Week 24 was presented for information.

6.2c IP Processor Summary Week

The IP Processor Summary Week 24 was presented for information.

The Board discussed the processors current product backlog.

6.2d EFP Report Week

The EFP Report Week 24 was presented for information.

The Board discussed that an EFP audit is expected this year.

6.2e Quota Utilization Update

The 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 agreed with Staff's direction to compare the information with chick sales reports.

6.3 Financials

6.3a Period 4 Board & Committee Per Diems & Expenses

The Period 4 Board & Committee Per Diems & Expenses were presented for information.

**R19-061** It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve the Period 4 Board & Committee Per Diems & Expenses.

CARRIED

6.3b Period 4 Financials

The Period 4 Financials was presented for information.

**R19-062** It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors approve the Period 4 Financials.

CARRIED

6.3c AR Report

The AR Report was presented for information.

6.4 Preliminary COP



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6.4a Period 7, 2019 COP

The Period 7, 2019 COP was presented for information.

6.5 Audit Scores

The Audit Score Report was presented for information.

6.6 Feed Mill Participation Report & AAFC Report

The Feed Mill Participation Report & AAFC Report was presented for information.

6.7 Fowl Removal Update

The Fowl Removal Report 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.

**ADJOURNMENT**

It was MOVED by Jon Krahn and SECONDED that the meeting be adjourned at 4:35pm.



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Board Chair



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Certified Correct, Secretary