

## 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:** April 24, 2020

**Location:** Video Conference

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  
Amanda Brittain, Director of Communications  
Joey Aebig, Manger of Operations  
Erin Duetta, Manager of Finance  
Julianne Cox, Executive Assistant

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#### CALL TO ORDER

Chair, Gunta Vitins, called the meeting to order at 9:59am.

#### CONFLICT OF INTEREST

The Board discussed any perceived conflicts of interest with the proposed agenda items.

#### ADOPTION OF AGENDA

It was MOVED by Matt Vane and SECONDED that the agenda be adopted with additions.

3.2 COVID-19 Update

6.3c Period 2 Board & Committee Per Diems & Expenses

6.8 Staff Update

#### 1.0 APPROVAL OF MINUTES

1.1 Approval of the Minutes of March 27, 2020

**R20-056** It was MOVED by Walter Siemens and SECONDED

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THAT the Board of Directors approve the Minutes of March 27, 2020 as presented.

CARRIED

1.2 Approval of the Minutes of March 31, 2020

**R20-057** It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors approve the Minutes of March 31, 2020 as presented.

CARRIED

1.3 Approval of the Minutes of April 3, 2020

**R20-058** It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors approve the Minutes of April 3, 2020 as presented.

CARRIED

1.4 Approval of the Minutes of April 9, 2020

**R20-059** It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors approve the Minutes of April 9, 2020 as presented.

CARRIED

1.5 Approval of the Minutes of April 16, 2020 (COP)

**R20-060** It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors approve the Minutes of April 16, 2020 as presented.

CARRIED

**2.0 BUSINESS ARISING/ACTION LIST**

2.1 2020 Board Calendar

The Board reviewed the calendar of events and action plan items. The Executive Director provided an update to the Board on the action plan items.

2.2 New Business

2.2a Salmonella Risk Assessment- EFC

The Salmonella Risk Assessment report from EFC was presented to the Board. The findings of the report determined that EFC will continue to recognize only SE within the SE Protocol procedures and reactions. However, EFC reserves the right to act in what EFC sees as the best interests of Canadians and the safety of our product.

### 3.0 STAKEHOLDER ENGAGEMENT

#### 3.1 EFC Update

Walter Siemens provided a brief update to the Board from EFC. The Chair provided the Board with an update from the EFC memo sent to the provincial Chairs. It was noted that the egg boards are not to exceed their commitments to the processors at this time.

#### 3.2 Covid-19 Update

The Board discussed the impacts of the Covid-19 outbreaks at the processing plants in the Lower Mainland. The Board also discussed the capacity of processing for BC Egg, the composting alternatives that are being explored in the industry and how the other commodity boards are planning for contingencies.

**Action:** Staff was directed to contact [REDACTED] to discuss their capacities.

#### 3.3 Marketing Update

The Director of Communications provided a marketing update to the Board which included preliminary plans for alternative virtual events in light of the Provincial Health Officer's recent announcement cancelling summer events and large gatherings of events for the summer. The Marketing and Communications team will continue with their advertising campaigns with an additional focus on providing teaching resources and directing some of the marketing to children in the way of education and activities.

The Board and the Director of Communications discussed the communication of Covid-19 information to producers. Fast Fry communications are sent to producers on a frequent basis, highlighting areas of importance and suggested resources. All the Fast Fry communications are on the producer site in an area dedicated to information regarding Covid-19.

#### 3.4 CAF Update

An update was provided to the Board regarding the quote received for the sprinkler system. The Board requested that additional quotes be acquired.

**Action:** Staff was directed to work with the Executive Director of the BCMMB to tender further quotes for the sprinkler system.

### 4.0 OPERATIONS

#### 4.1 Audit Process

The frequency of audits conducted on the farms is an ongoing area of concern for producers. Currently 2/3 of farms are visited 3 times per year while 1/3 of the farms are visited 4 times per year. BCEMB staff has reviewed several options with EFC and supports moving forward with Option 2 where EFC conducts the audits, second SE test and late lay flock count and BCEMB staff conduct the first SE test and early lay flock count. BC Egg's PLOs will conduct the audits of pullet flocks for pullet only producers.

The Board reviewed and supported this direction. Staff will continue working with EFC on the revised auditing program.

#### 4.2 EFC and EFP Audit Response

The 2017/2018 EFC and EFP draft audit results were presented to the Board. These audits are conducted every two years and the results from 2017/2018 audit were recently released to BC Egg.

##### 4.2a BCEMB Audit Report

The BCEMB Audit Report was presented to the Board.

**Action:** Staff was directed to contact EFC for clarification on the pricing comparison information that was presented in the audit.

**Action:** Staff was directed to provide BC Egg's cost per box information back to the Board.

4.2b BCEMB EFP Audit Report

The EFP Audit Report was presented to the Board.

4.3 Interior Fowl Removal

The party which BCEMB contracted in January of 2020 to remove fowl in the Interior region of BC has communicated that before purchasing a whole barn gassing system they will require an additional per bird price increase. A video conference meeting has been organized with BC Egg and the Interior Producers to discuss their concerns, perspectives and possible solutions.

The Board supports the Interior Producer meeting. Staff will bring the results from the interior consultation to the Board for review and feedback on May 25, 2020.

4.4 Producer Update

The monthly progress report from a producer was presented to the Board. There is an upcoming audit at the facility on May 12<sup>th</sup>. The producer has raised some concerns with having their audit on that date.

**Action:** Staff was directed to follow up with the producer on the pending audit.

4.5 Producer Update

The Board had conditionally approved a producer for a barn lease and directed the producer to provide the Board with a long-term plan for their facility as it could not be used in its present state for an extended period of time. BC Egg received the proposed plan from the producer moving forward and it was presented to the Board for review. The plan indicated that the producer will be renovating their current barn to be an enriched facility. The next scheduled flock is for June and the producer is anticipating the repairs being completed by then.

The Board supports the plan proposed by the producer assuming all repair requirements and timelines are met.

4.6 Corporate Quota Workshop Consultation

BCEMB seeks to have a more defined process for determining the relevant shareholder information required when evaluating quota transfers. A corporate quota transfer workshop is being planned that will include experts in their field to review the current quota assessment procedures as well as the new procedures that will come into effect January 1, 2022.

Staff presented the workshop outline and timeline to the Board. Based on the timeline, the workshop consultations should be completed by July. The Board reviewed the documents and provided their feedback. Staff will make the proposed revisions and continue moving forward based on the timeline.

4.7 Small Lot Permit Application

BC Egg staff noticed that the application for a small lot permit had been changed without Board approval or direction likely in 2017. A requirement was omitted on the application form. The Board reviewed the overall intent of the program and discussed various industry concerns. Staff will gather additional information and details to be presented at the next Board meeting for further discussion.

4.8 EFP Update

The processor has informed BC Egg that due to the pandemic, their demand for eggs has decreased significantly and they are unable to process any eggs from the EFP program until further notice. In addition, the COVID-19 pandemic has put thousands of people out of work and has increased the number of people needing help from the food banks in BC. Staff provided the Board with various options of how to store or find alternative markets for the EFP products.

The Board discussed and reviewed the options provided and supported the BC Egg Covid-19 small egg donation program. The program will begin the following week with the support of the grading stations in the province.

**R20-061** It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors approve the BC Egg COVID-19 small egg program, where the EFP allotment is donated to Food Banks of BC.

CARRIED.

**Action:** Staff was directed to provide information to the Board on reducing the EFP moving forward and the revised service fees to offset the costs of the donation program.

4.9 Transfer of Layer Quota requests

The Board reviewed the process to evaluate and assess layer quota transfer requests. The role of the Board is to ensure that quota transfers are in accordance with the Consolidated Orders and that assessments are applied appropriately.

4.9a Producer 1

The Board reviewed the quota transfer request from [REDACTED]

**R20-062** It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors acknowledges the transfer that occurred at [REDACTED] through the redemption and transfer of [REDACTED] and [REDACTED] existing Class A and D Preferred 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.

4.9b Producer 2

The Board reviewed the quota transfer request from [REDACTED]

**R20-063** It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors conditionally approve the share structure change at [REDACTED] through the redemption and purchase of [REDACTED] and [REDACTED] existing Class A Non- Voting and D Preferred shares which resulted in a change in the proportion of shares held by each shareholder. This proposal represents a deemed transfer from parent to child, therefore in accordance with the Consolidated Orders Part V 3. (5) (e) a surrender of layer quota is not required.

CARRIED.

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4.9c Producer 3

*Walter Siemens recused himself for this item.*

The proposed transfer is in relation to a previous transfer request in December of 2019.

**R20-064** It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors provide conditional approval for the share structure changes requests from [REDACTED] [REDACTED] and [REDACTED]. All of the proposed changes are deemed transfers between Spouses, therefore in accordance with the Consolidated Orders Part V 3. (5) (e) a surrender of layer quota is not required.

CARRIED.

4.10 Code Requirement Update

Staff provided an update to the Board regarding the phone calls to producers to discuss facility requirements based on the 2017 Code of Practice. When time is available, staff will continue the outreach to producers. In the interim, whenever producers call staff, they take that opportunity to also discuss code requirements.

4.11 Temporary Allotment Pool B Review

BCEMB is now approaching the second period for the TAP B program (June 2020 to July 2021). Staff presented the adjusted wording in the TAP B section of the Consolidated Orders so that Registered Producers who apply are no longer limited by a 1,000 quota limit. The Board supports this change.

**R20-065** It was MOVED by Walter Siemens and SECONDED

THAT the board of directors approve a first reading of Amending Order #14 – TAP B.

CARRIED.

4.12 Producer Update

The Board reviewed the producers monthly sales report. The producer has asked BC Egg for advice on how to manage their relationship with their grading station as there have been ongoing concerns from the producer.

**Action:** Staff was directed to prepare a written response to the producer that reiterates previous conversations to the producer which indicated that BC Egg does not intervene in producer and grader relations unless the producer or grader is in contravention of the Consolidated Orders.

4.12a Producer Vendor Update

The producer update was presented to the Board.

4.13 CETPP Update

The Board reviewed the CETPP update provided. Staff will provide regular updates on the CETPP moving forward.

4.14 Producer Request

The producers from [REDACTED] attended the Board meeting to discuss their concerns and questions regarding Amending Order 008 – Downtime Terminology.

[REDACTED] *joined at 1:55pm*

█████ joined at 1:58

████████████████████ presented their concerns about their facility and geographic limitations for being compliant with the downtime regulations to be eligible for quota credits. ██████ is seeking exemption of the downtime regulations or a levy abatement.

The Board recognized the role that ██████ plays within northern BC and is appreciative of all their efforts within the industry. The Board requested that ██████ provide an official written request clarifying their requests and concerns so that the Board can review and respond accordingly.

████████████████████ left at 2:27 pm

## **5.0 GOVERNANCE**

### **5.1 FOI Request**

BC Egg received a Freedom of Information Act request on March 31st, 2020 for information related to quota exemptions. Staff is working with legal council on the next steps. Staff will provide an update to the Board once more information is made available.

### **5.2 Committee Minutes**

#### **5.2a PMC Minutes of January 22, 2020**

The PMC minutes were presented to the Board.

### **5.3 Economic Impact Study**

Serecon has provided a proposal for an economic impact study that will quantify costs the poultry industries have incurred due to COVID-19. The data is intended to be used to identify and recover costs through government funding programs such as the Agri Stability or Agri Recovery program

The Board supports the economic impact study proposal and would like to explore further to see if other agriculture industries in BC would like to combine efforts.

**Action:** Staff was directed to contact the grading companies and processor to inquire about their interest.

### **5.4 Per Diems for Appeals**

The Board reviewed the proposed per diems for Board members who had taken part in the most recent BC Egg appeal process. The Board supported a half per diem for each conference call relating to the appeal.

The Board also supported a half per diem for Walter Siemens' ULPT conference call.

### **5.5 Expense Policy Update**

Per Diems for Directors for video and conference calls have been included in the Board Governance Manual.

**R20-066** It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors approve the changes to the BCEMB Board Per Diem and Expense Policy, as presented.

CARRIED.

## 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. The Board reviewed the quota amounts and quota in reserve.

#### 6.2b IP Report Week

The IP Report Week 15 was presented for information. The Board reviewed the industrial product comparison and the impact of the higher specialty buyback,

#### 6.2c IP Processor Summary Week

The IP Processor Summary Week 15 was presented for information.

#### 6.2d EFP Report Week

The EFP Report Week 15 was presented for information. Moving forward, this report will no longer be included in the Board packages in the short term as EFP products have been sent to alternative markets.

#### 6.2e Quota Utilization Report

The Quota Utilization Report for week 15 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 inventory and allocation information.

### 6.3 Financials

#### 6.3a Period 3 Board & Committee Per Diems & Expenses

The Period 3 Board & Committee Per Diems & Expenses were presented for information.

**R20-067** It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors approve the Period 3 Board & Committee Per Diems & Expenses.

CARRIED.

#### 6.3b AR Report

The AR Report was presented for information.

Staff noted that the AGM invoices are not reflected on this period and will be reflected in the following period. Final reconciliation from ICI is pending.

**Action:** Staff was directed to look into alternate phone and data plans as video conferencing will be using significantly more data. .



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6.3c Period 2 Board & Committee Per Diems & Expenses

The Period 2 Board & Committee Per Diems & Expenses were presented for information.

**R20-068** It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors approve the Period 2 Board & Committee Per Diems & Expenses.

CARRIED.

6.4 Preliminary COP

6.4a Period 3, 2020 COP

The Period 3, 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

Staff provided an update to the Board on fowl removal scheduling. There have been some cancellations that were rescheduled for the following week. More cancellations are pending and staff is looking into alternative solutions.

6.8 Labour

The Board reviewed the emergency fund that is available through the Government of Canada. This is not required at the moment as all staff are working their full-time hours from home and no hours have been reduced at this time.

**7.0 MEETINGS HELD & UPCOMING**

7.1 Meetings Held Appendix A

The Meetings Held Appendix A were presented for information. The Board agreed to continue the weekly Board meetings to discuss industry related items as they arise in a timely manner.

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 3:43 pm.



Board Chair



Certified Correct, Secretary