

## 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 Director's Meeting

**Date:** August 15, 2017

**Location:** BCEMB

**BOARD IN ATTENDANCE:** Brad Bond, Chair  
Jennifer Woike, Vice Chair  
Aryn Alibhai, Board Member  
Fred Krahn, Board Member  
Walter Siemens, Board Member

**STAFF IN ATTENDANCE:** Katie Lowe, Executive Director  
Joey Aebig, Manager, Operations & Logistics  
Erin Duetta, Manager, Finance  
April Dicer, Recording Secretary

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#### CALL TO ORDER

Chair, Brad Bond, called the meeting to order at 9:00 am.

#### ADOPTION OF AGENDA

The agenda was adopted with the following additions:

- 4.4g 50<sup>th</sup> Anniversary
- 4.17 National Certification Program
- 5.3 Board Succession

#### **1.0 APPROVAL OF MINUTES**

1.1 Approval of the Minutes of July 20, 2017

**R17-046** It was MOVED and SECONDED

THAT the Board of Directors approve the Minutes of July 20, 2017 as presented.

CARRIED

## **1.0 BUSINESS ARISING/ACTION LIST REVIEW**

### **2.1 Board Calendar**

The Board calendar was presented for information.

### **2.2 Action Items**

The action items document was reviewed for information.

### **2.3 New Business**

#### **2.3a NAFTA**

The BC Egg Farmers Position on the Renegotiation of NAFTA memo sent to Trade Negotiations-North America, was presented for information.

#### **2.3b Price Movements Letter**

The specialty price movements' letters between BCEMB and Golden Valley were presented for information.

## **3.0 STAKEHOLDER ENGAGEMENT**

### **3.1 Selection Process for the National Program Advisory Committee (NPAC)**

Correspondence from MP Lawrence on the selection process for the NPAC was presented for information. Staff noted that this was sent out to producers in the Scrambler.

### **3.2 EFC Interim Housing Standard and Measuring Methods**

EFC has provided their Interim Housing Standards and Measuring methods for feedback. BCEMB supports the development of the interim standards with some questions for clarification. Staff will send the following recommendations to EFC:

- Nest boxes should be measured down the slope in order to be consistent with the cage measurement guidelines as well as the enriched colony floor space guidelines.
- It should be clearly stated whether or not a winter garden can be included as useable litter space. If so, what affect will the training period have on the density calculation. The definition of a winter garden should be clearly defined.
- A standard template should be created by EFC for barn measurements in order to ensure that the process is consistent nationally.
- EFC should have a standard training guide that can be used by provincial boards and/or the EFC auditors to ensure that producers understand the new requirements.

### **3.3 EIAC Grader Representative Replacement**

██████ requested that, due to ████████' heavy scheduling, that ████████ be replaced on the EIAC as a grader representative by ████████. As per the EIAC Terms of Reference, the board will refer this issue to the BCEPC and take their recommendation into consideration when making the final decision.

**Action:** Management to contact ████████ notifying him that his grader representative replacement request has been referred to the BCEPC as per the EIAC terms of reference.

### **3.4 Letter to Minister Popham**

The BCEMB welcome letter to Minister Popham was presented for information.

3.5 UBCM Conference Outreach

The importance of BC Egg having a presence at the UBCM conference was discussed. This conference is a good opportunity to share our story and the benefits of supply management in agriculture.

**Action:** Staff will contact UBCM to discuss how we can participate in upcoming meetings and to get on their mailing list.

3.6 A&W Update

BC Egg met with representatives from A&W on August 3, 2017. This meeting was initiated by A&W after our Visioning Session.

BC Egg gave a brief update on the hen housing transition and how that affects BC Egg producers. Included in this update was our progress to date and our ability to adjust to the market needs, as the market demands it. An overview of our Marketing and Branding programs, including our focus on providing consumers choice was provided as well. BC Egg then updated A&W on the status of our Specialty Certification program and our desire to have producers comply with the new codes as soon as possible. A&W expressed interest in continuing a relationship with BC Egg. They have asked to be included in the quarterly communications [REDACTED] shares with grocery retailers.

**Action:** [REDACTED] to add A&W to the quarterly communications contact list

3.7 FPA Committee Meeting Summary

EFC's Federal Provincial Agreement (FPA) committee summary was presented for information.

**4.0 OPERATIONS**

4.1 Rodent Control Update

As reports are received from [REDACTED], staff is forwarding the reports to the owner and the farm manager. A Standard Operating Procedure is being developed to ensure that PLO's will follow up with the producers that are identified as moderate/high risk to ensure that action to mitigate their risk is being taken wherever possible.

The board discussed various avenues to share information, highlight changes, educate and go over key issues such as rodent control, with producers. Using the AGM and having [REDACTED] do a quarterly video were two of the options proposed.

**Action:** Management to work with the PMC to compose a letter to producers adding the seriousness of the rodent control reports. This item will be on the September PMC agenda for discussion.

**Action:** Management to bring a plan back to the board no how can we message the producers more effectively and efficiently.

4.2 SPCA Request – Codes into Legislation

As reported at the July 2017 Board meeting, the BCSPCA has requested that the feather boards jointly support the BCSPCA to incorporate the Recommended Codes of Practice into legislation.

The BCEMC feels that it would be best for industry to move towards code compliance as an industry initiative rather than through legislation

#### 4.3 Catching Update Next Steps

In response to the video released by Mercy for Animals (MFA) that depicted the horrific abuse of chickens during the catching process on broiler farms throughout BC the catching processes are being scrutinized by all stakeholders (processor, producer, government, activist, and public) with the goal of creating a more robust system that will minimize the opportunity for abuse to occur during in the catching process.

BCCMB, its catching committee and other stakeholders are in the process of developing initiatives relative to the standards, training to the standards, implementation and oversight of the standards and government oversight that are going on right now.

BCEMB will continue to perform random audits of the catching process on a monthly basis to ensure that all parties are following the appropriate animal welfare practices and that producers are on-site and monitoring the catching process.

Staff recommends that the BCEMB add an addendum to the fowl removal contract that permits the suspension or cancellation of the contract if any of the parties are found to be in significant contravention with the animal welfare practices outlined in the Codes of Practice or EFC's ACP Handling, Catching and Loading Protocols, develop an emergency response protocol and standard messaging to be better prepared for items such as this in the future, and continue to support progress made by BCCMB.

**Action:** Management was directed to take the issue of a province wide catching licensing program to the EPA and to try and come up with a solution how to best encompass the interior and island regions.

#### 4.4 Marketing Update

##### 4.4a Stamping

One grader will begin stamping eggs as soon as new cartons are available. The cartons will include information that guides the consumer to the BC Egg website so they can enter the code to find the farm page. The website is ready to go once we have individual farm information to add.

##### 4.4b Farm Videos

Five videos are available now. Three more were filmed on Vancouver Island ( [REDACTED] ) in mid-July and they are currently in production. Release of these videos is anticipated by the end of the month. We are looking to film two more videos before the end of the year.

##### 4.4c Media Messaging

BCEMB placed a paid advertisement in Western Grocer magazine; however, in the July/August issue, we were featured in an article on bakery ingredients. The importance of using local eggs and the transition out of cages was the focus.

##### 4.4d Retail Messaging

In addition to the work with Western Grocer magazine mentioned above, BC Egg continues to send quarterly communications to the grocery contacts who have shown an interest. These include:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED] (new this quarter)

As per the EPA's request, BCEMB is taking a break from Ask an Egg Farmer until the fall. It is planned to use our BC Lions sponsorship to bring Lions players with farmers to stores to generate more traffic. [REDACTED] is excited about this idea and fully supports it.

#### 4.4e Advertising

BC Egg has ads in the following magazines:

- Eat Magazine – May/June issue
- Food & Wine Trails Magazine – May/June issue
- BC Living (online) – Four issues each quarter
- Edible Vancouver & Wine Country – Summer issue

There are also advertisements on several radio stations in the Vista family including all of the larger urban markets outside of the Lower Mainland and Capital regions. In the Lower Mainland and Capital regions we advertise on News 1130 and CFX in the form of traffic and/or weather tags. The call to action is to visit our website and Facebook page to 'meet' farmers. EFC is complementing these radio spots with radio advertising of their own in the Vancouver market.

We have established relationships with four bloggers so far this year. One blogger's style is to create unusual recipes that appeal to foodies but to also write detailed explanations about the key ingredients. The other bloggers appeal to the mom target audience and millennials.

We are continuing to post lots of material to our social media channels including Facebook, Twitter, YouTube and Instagram. In addition to these organic posts, we have started to pay to promote various posts on Facebook:

- Farm to Table
- Five 'Meet the Farmer' videos

#### 4.4f Consent

██████████ will work with legal to provide a consent form for Producers who will be showcasing their farms on our website through the egg stamping program.

#### 4.4g 50<sup>th</sup> Anniversary Update

██████████ updated the board on the anniversary party noting that Minister Popham will be there to speak to the attendees then ██████████ and ██████████ will hand out awards to the founding families.

#### 4.5 Grader Audit Update

██████████ has requested that the auditor send over a formal proposal of the audit along with examples of the letters that will be given to BC Egg and ██████████ once the audit has been completed, for their lawyer to review.

#### 4.6 Specialty Audit Certification Update

██████████ gave an update on the progress of the Specialty Audit Certification program. The next steps include confirming update meetings with graders and the processor, finalizing the audit tool and complete auditor training, training specialty producers on the program, media outreach and working with EFC to ensure specialty producers are measured when empty and prior to their third party outreach.

**Action:** Management will write a letter to Retail council and the BC Restaurant & Food assoc. informing them of our program that will be launched in October.

#### 4.7 WEMA Input

WEMA met on August 8, 2017 to discuss the final draft specialty COP report from Serecon and determine next steps.

While the meeting was not successful in having all western provinces commit to price specialty, there was some forward movement in that the provinces have agreed to implement a mechanism to ensure a controlled conversion of production types within provinces that includes grader, board and producer sign-off.

The Board requested that management schedule the next WEMA meeting for November with BCEMB to chair.

#### 4.8 QATR Review

On August 17, 2017 BCEMB will be meeting with BCFIRB to discuss the QATR recommendations put forward in our June 30th submission. Staff provided the Board with a summary of expected questions.

The Board expressed their thanks to [REDACTED] and [REDACTED] for all their hard work on this project.

#### 4.9 Pricing

##### 4.9a Enriched

At the grader meeting on June 6, the conversation around enriched production acknowledged that an incremental cost is present in enriched of about 8-12 cents/dozen. The opinion is that enriched will be the new commodity egg and there is a very small market that is willing to pay more for enriched, therefore, it should be maintained as the commodity product and not a value added product.

As a result of this discussion, [REDACTED] presented his SWOT analysis on pricing for enriched housing. All industry stakeholders will benefit from a smooth and balanced transition; as such, staff recommendation is to take the following concept to the EIAC for discussion:

- Create a separate production class for fully compliant enriched housing production that is paid a \$0.02 premium over conventional housing
- Give enriched housing producers a \$0.04 cent premium on every dozen eggs in fully compliant Enriched production.

**Action:** Management was asked to determine how to administer a program where the price of CAWH is increased in BC to fund the enriched premium.

##### 4.9b Determining Pricing Split

[REDACTED] presented the responses from some provinces on how they price smalls, mediums, peewee and B and C eggs and compared those to BC prices. Responses are still pending from the remaining provinces. Once all responses are received, staff will present the full price comparison to the board at the October meeting with any recommendations regarding possible changes to the pricing calculations between the categories.

##### 4.9c Provincial Specialty Producer Price Comparison

The specialty premium prices for all provinces were presented for information.

#### 4.10 Audit Enforcement & CPP Follow Up

Some producers have commented that a point based scoring system on our national audit programs (SCSC, CSCP, & ACP) risk a misalignment with public expectations and should be strengthened. As a supply managed commodity BCEMB has the unique ability to apply and enforce a more rigorous scoring system.

Since our last board meeting staff has spoken with EFC and our PLOs regarding the implementation and procedure that surround our audit instruments. Staff is in agreement regarding the roles and responsibilities surrounding our audit instruments and are beginning to enforce compliance with greater rigor.

#### 4.10a Penalty Policy

Virtually all producers are compliant with their audit requirements, however, as staff it is critical that we are ensuring that corrective actions are completed in a timely manner and the penalty policy is the tool we should be using to ensure compliance.

Staff has now created a standard operating procedure for enforcing the penalty policy.

#### 4.10b CPP Follow Up

As a supply managed industry in a period of transition and growth; it is critical that we diligently track our inventory. Staff will be comparing the production codes that are in our inventory with the information submitted from grading stations to investigate and update flock information in our current inventory where required.

In the September scrambler staff will include a reminder to producers regarding the importance of accurate CPP's.

#### 4.10c Audit Enforcement – Specific Producer

A producer is currently not in compliance with our audit requirements. Staff feels confident that the Producer will complete his CARs. Staff will assist the producer to ensure their compliance with the audit requirements. Should the producer not complete their CARs than this matter will be forwarded to the PMC for their consideration.

The audit enforcement process was discussed and it was decided that a formal written protocol will be updated in the penalty policy to include who is writing each letter and noting the point where we notify the Board and graders.

#### 4.11 Specialty Production Needs

Staff is still waiting for more accurate specialty production requirements from a grading station prior to determining if a special program is needed at this time.

#### 4.12 Allocation Options

The 3.148% allocation was conditionally approved by BCFIRB in February with the explicit instruction that BCEMB will be required to perform a Quota Allocation Consultation before any new allocations are approved.

BCEMB has committed to consulting on its Quota Allocation methods this September.

The current plan involves consulting with producers and stakeholders to explore our methodology surrounding allocations to brainstorm if there is a preferred mechanism for the allocation of growth quota that adheres to the SAFETI principles. The board discussed several options that ██████████ presented for consideration.

The goals for this consultation process are:

1. To maintain an efficient industry (producer to grader)
2. To maintain economic viability of the farm
3. To maintain 120-150 producers
4. Organizational capacity
5. Equitable and fair distribution

**Action:** Management will expand on the 5 goals developed at the Board meeting and circulate to the Board.

#### 4.13 Quota Credit EFC/BC Program

BC and EFC have two unique Quota Credit programs. By gaining a better understanding of the intricacies of EFCs QC policy we can adopt new policies allowing BC producers to better leverage their production by stabilizing our utilization when required.

Staff made recommendations to the board to change BC's quota credit program. After much discussion the board asked that staff reconsider how we could develop a program where BC can use EFC's quota credit system in a manner where, to a producer, it is just like using BC's Quota Credit program.

#### 4.14 ██████████ Contract Renewal Plan

██████████ updated the board on the status of the ██████████ contract presenting the following recommendations moving forward in the renewal process:

- (1) Speak with the other processors in the Interior and Vancouver Island again and see if they are interested and/or able to remove the product in those regions.
- (2) Schedule meeting with ██████████ for mid to late September to negotiate the terms for the 2017-2020 Spent Hens Contract incorporating the following:
  - Premium for Specialty and Brown Birds
  - Using ██████████ for catching in all regions
  - 3<sup>rd</sup> Processor interested in product but has not yet confirmed capacity
- (3) Catching Crews – if ██████████ is unable to supply catching crews for the Interior and Vancouver Island regions, more investigation into the available crews in each area will have to be done.
- (4) Work with legal to add a clause to the contract regarding Animal Welfare and the ramifications that the catching crews will face if there is animal abuse during removals.
- (5) Work with ██████████ and ██████████ to update the wording of the contract as per legal's recommendations last fall.

#### 4.15 Se Follow Up

SE results have serious financial consequences for the affected producer. As an industry, positive results threaten our provincial ability to get eggs on the table, which is a particular concern in December when demand is high.

Staff is actively promoting rigor in biosecurity programs through consistent messaging and communication with producers. This is achieved through BCEMB's Scrambler, Fast Fry and PMC committee.

Staff has also engaged a pest control company to conduct rodent control audits intended to give producers a thorough and professional opinion to identify opportunities to strengthen their rodent control program.

To help producers understand the process followed from a positive Se test, staff will create a pamphlet (1-2 pages) that will detail everything that encompasses SE, including:

- How to prevent SE
- Industry risks
- What happens when you have SE
- SE insurance
- Compensation breakdown and explanation (LQM)
- What happens after the affected flock is removed

**Action:** ██████████ to create an Se information pamphlet for Board feedback at the October board meeting



4.16 Service Fee Addendum

EFC sent out an updated service fee agreement with an addendum after their consultation with the provincial egg boards.

BCEMB will send an email in response to the addendum that we have reviewed the addendum and are prepared to sign once all provinces agree to sign.

4.17 National Certification Program

The goal for the National Certification Program is to identify the high standards that are used Canadian eggs. BC's goal is to identify local BC product for consumers. There is a lack of space on the cartons for all this information which reinforces the fact that BC can provide consumers with the reassurance that they are purchasing a locally produced product through a provincial stamping program.

**5.0 GOVERNANCE**

5.1 Quota Transfers

The number of quota transfers by year was presented for information.

5.2 Visioning Session Recap

The amalgamated group session notes from the visioning session of July 19, 2017 were presented for information.

5.3 Board Succession

This will be discussed in camera.

5.4 Producer Information

The board requested a list of BC producers with pertinent information that will aid when the board is asked to make decisions that will affect producers.

**Action:** Staff will send a confidential producer information list to the board.

**6.0 PERFORMANCE REPORTS**

6.1 Dashboard

The dashboard was presented for information.

6.1a Feed Mill Participation Report & AAFC Report

The Feed Mill report was presented to the Board for information.

6.2 Quota

6.2a Industry Reserve

The total quota allocated and held in reserve as of week 32, 2017 was presented for information.

6.2b IP Report Week 32

The Industrial Product report up to week 32 was presented to the Board for information.

6.2c IP Processor Summary Week 32

The week 32 IP Processor report was presented to the Board for information.

6.2d FFP Report Week 32

The FFP report as at week 32 was presented for information.

**The Board of Directors of BC Egg Marketing Board**

Minutes: Board of Director's Meeting

Date: August 15, 2017

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6.2e Quota Utilization Update

The quota utilization report as at week 32, 2017 was presented for information.

6.2f Quota Credit Report

The quota credit report was presented for information.

6.2g Inventory Report

The Inventory report was presented for information.

6.3 Financials

6.3a Period 7 Board & Committee Per Diems & Expenses

**R17-047** It was MOVED and SECONDED

THAT the Board of Directors approve the Directors', Executive Director's, and Committee members' per diem and expenses for Period 7 as presented.

CARRIED

6.3b Financial Dashboard

The Financial dashboard was presented for information.

6.4 Preliminary COP

The preliminary COP was presented for information.

**7.0 MEETINGS HELD AND UPCOMING**

7.1 Meetings Held Appendix A

Meetings attended since the last Board meeting were reviewed.

7.2 Meetings Upcoming Appendix B

Attendance and participation in upcoming meetings was discussed and approved.

7.2a November Island Board Meeting and Farm Tours


At the November board meeting scheduled to take place on Vancouver Island, the board would like to include tours of several island farms.

**Action:** Staff to make arrangements to visit four farms on Vancouver Island to coincide with the scheduled November board meeting.

**ADJOURNMENT**

The meeting was adjourned at 3:44 pm

  
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Board Chair

  
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Certified Correct, Secretary