

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 Director's Meeting

Date: April 28, 2017

Location: Prestige Inn, Salmon Arm - BC

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, Recording Secretary

CALL TO ORDER

Chair, Brad Bond, called the meeting to order at 9:01 am

ADOPTION OF AGENDA

The agenda was adopted with the following additions:

6.8 – Brad Bond Paper

1.0 APPROVAL OF MINUTES

1.1 Approval of the Minutes of March 29, 2017

R17-030 It was MOVED and SECONDED

THAT the Board of Directors approve the Minutes of March 29, 2017 as amended.

CARRIED

2.0 BUSINESS ARISING/ACTION LIST REVIEW

2.1 Board Calendar

The Board calendar was presented for information.

2.2 Action Items

The action item document was reviewed for information.

2.2a Long Term Investment Policy Update

At the March 29 board meeting there were discussions regarding the need for a long term investment policy and if there was one, what would the funds be used for as the reserve policy deals with short term investing in GIC's.

Management will make amendments to the long term investment policy so that the Audit and Finance Committee can discuss (1) if there is a need for long term investments and (2) if there is, do they agree with the recommendations that management will present at the June 15, 2017 meeting. An update will be given to the directors at the June 21, 2017 board meeting.

2.2ai CAF Investment

At the March 29, 2017 board meeting, the directors approved Management's recommendation that the \$1 million maturing GIC funds be used to pay down the CAF Mortgage balance and that CAF will make monthly interest payments to BCEMB based on the interest rate of prime plus 0.5%.

Until the agreement has been drafted, approved, and executed, staff's has requested to re-invest the \$1 million into a 60 day GIC with RBC.

Action: Staff to re-invest \$1 million maturing GIC funds into 60 day GIC with RBC.

2.2d Grader Audit Follow Up

██████████ and ██████████ are having trouble accepting the validity of the items requested be audited by ██████████ on behalf of BC Egg. Discussions are continuing.

Staff is currently looking into meeting with staff at ██████████ to discuss the possibility of an Operational Audit that looks at the controls in place from farm gate to packaging to ensure that a producer's product is being properly accounted for and weighed.

At this time, ██████████ has recommended we work with ██████████ who works in their Governance, Regulatory and Risk department as he has had experience with this type of work for the Dairy and Wheat Boards.

Action: Staff to continue with operational audit of grading stations. The meeting planned for April 20 was postponed; Staff is planning to reschedule the initial meeting with ██████████ and ██████████ on May 3, 2017.

2.2k Quota Assessment Directive

The BC Egg Marketing Board is conducting a Quota Assessment Tools Evaluation. This review was initiated by the Farm Industry Review Board (FIRB) and all five supply managed commodity boards in the province have been directed to develop long-term quota policies that will support industry stakeholders and the public interest for BC residents.

Staff presented a preliminary summary of the survey responses that were received by the board. There is a general consensus amongst the respondents that LIFO and 10/10/10 are negatively impacting quota liquidity. Driven by producer feedback, staff drafted a second survey that will be used to determine the final policy submission in June.

Action: Staff directed to have a company that specializes in surveys review the drafted survey to ensure that the questions presented are clear and concise. A final draft will be sent to the board for approval before Friday, May 5 and sent to producers Monday, May 8, 2017.

Action: Staff directed to send board National NPP program configurations to board.

2.3 Business Arising

2.3a Decision

The letter sent to [REDACTED] as a result of the March 29, 2017 Board meeting was included for information. [REDACTED], [REDACTED] and [REDACTED] have appealed the decision.

A pre-hearing conference is scheduled for May 1, 2017 @ 11:00am.

2.3b SE Positive Follow Up

Staff provided an update to the Board regarding SE positive flocks.

3.0 PERFORMANCE REPORTS

3.1 Dashboard

The dashboard was presented for information.

Action: Staff to add housing report to dashboard

3.1a Feed Mill Participation Report & AAFC Report

The Feed Mill report to the Board for information.

3.2 Quota

3.2a Industry Reserve

The total quota allocated and held in reserve was presented for information.

3.2b IP Report Week 15

The Industrial Product report up to week 15 was presented to the Board for information.

3.2c IP Processor Summary Week 15

The IP Processor report was presented to the Board for information. This report will be going to the processor on a monthly basis.

3.2d EFP Report Week 15

The EFP report as at week 15 was presented for information.

3.2e Quota Utilization Update

The quota utilization report as at week 11, 2017 was presented for information. It was noted that over 50% of the industry accepted the 3.148% issuance to producers in the first two weeks and approximately 80% of producers will have the quota in production before the end of 2018.

3.2f Inventory Report

The inventory report was presented for information. With direction from the board, continual improvements are being made to the inventory forecast. Relevant decisions that require future industry foresight will be supported by this forecast.

3.3 Financials

3.3a Period 3 Board & Committee Per Diems & Expenses

R17-031 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 3 as presented.

CARRIED

3.4 Preliminary COP

The preliminary COP was presented for information.

4.0 STAKEHOLDER ENGAGEMENT

4.1 Website Changes Update

Within the next year or two, it will be necessary to do a complete website redesign.

In the interim, staff plans to overhaul the Resources section, continue to update the In the Community and Farm to Table sections. Our Recipe section will be getting some new recipes thanks to our partnership with a food blogger. A large number of broken links, images, and widgets have been fixed already.

Action: Staff directed to have BC Egg website redesigned by end of 2018

4.2 Enriched Housing Stakeholder Engagement Timeline

On June 6, 2017 the Board is meeting with the graders of BC and the Chair of the EIAC to discuss Enriched Housing along with a few additional items.

Post this discussion, BCEMB staff will communicate with the Western Provinces, Ontario and Quebec regarding each provinces desire to price Enriched. Some are already providing incentives or separate prices as outlined in the March 29 decision sheet. A conversation will help to gain more background knowledge on the intent of the price differential and for those provinces who do not have a price, why.

4.3 Forecasting Plan – BC's Story

The approach taken to forecast future market conditions last year unveiled that BC and its egg industry stakeholders have a lot to be proud of. Management is to support our data findings with some positive dialogue to demonstrate to other provinces that their producers will benefit if their boards price Specialty Eggs The success story of our unique approach in BC will be completed and shared in the near future.

4.4 Meeting with CEIRA

For an industry that is rapidly transitioning away from conventional housing and towards a variety of specialty production types the insurance coverage is currently limited to conventional housing.

BC has asked CEIRA to expand their coverage to include specialty coverage options; this will be discussed at future CEIRA executive and board meetings.

The Board of Directors of BC Egg Marketing Board

Minutes: Board of Director's Meeting

Date: April 28, 2017

4.5 Marketing & Communications Committee Notes

The Marketing & Communications Committee met April 6. This was the committee's first meeting; it is chaired by [REDACTED] and includes talent from outside industry. The committee discussed the current industry situation and challenges; and potential marketing efforts that might address these challenges.

The committee members commented on the marketing plan, offered suggestions for tweaks to make this year, and suggestions for changes to include in next year's plan.

4.6 IEC Monte Carlo Notes

[REDACTED] presented his report from the IEC Monte Carlo conference attended April 2-4.

IEC Monte Carlo had a wealth of talented speakers. The following topics were discussed: Industry technological advancements, consumer trends, sustainability improvements, feed management, industry transition, trade, biosecurity and AI.

4.7 EPA April 12 Meeting Feedback

The Fraser Valley EPA held their AGM on April 12, 2017. Staff in attendance was [REDACTED] and [REDACTED].

The chair and board are impressed with the wealth of work that is being accomplished by the EPA and applaud their efforts as ambassadors for this industry.

4.8 Grader Letter

With the RCC announcement committing the industry transition to cage-free, there is no doubt there are some challenging times ahead for the egg industry. Working towards a successful transition, BCEMB has invited the grading stations to meet in an effort to start an open dialogue with hopes create and agree on common goals and objectives. BCEMB is committed to working with industry stakeholders to manage the transition.

BCEMB and the grading stations will be meeting June 6, 2017.

4.9 EIAC producer FIRB meeting April 13

BC FIRB invited the EIAC, 2 Producers, [REDACTED], and [REDACTED] to their last Board meeting. The discussion included topics covering the viability of the NPP allotment size, quota allocations and pro-rata issuances and upcoming industry issues.

A summary of the meeting discussion was presented by [REDACTED] to the Board.

4.10 Correspondence from [REDACTED], Egg Farmers of Ontario

EFO has requested that the provinces support their National Certification Program at the EFC strategic planning session on May 8, 2017.

A program that outlines and directs standards at a National Level should be managed at a National Level, not by a provincial board office. This ensures that all provinces are able to have meaningful input in the direction of the program.

BCEMB supports the collaboration and development of a national certification program, but only if it is being managed by EFC.

Action: [REDACTED] to draft a letter to [REDACTED].

4.11 FPA Agreement Update

EFC has undertaken a review of the FPA and is requesting each provincial Board to make them aware of any issues they feel need to be addressed by the committee by May 15, 2017.

Action: Staff was directed to draft a letter and send to the board.

5.0 OPERATIONS

5.1 Free Range Standards

The Board reviewed the Specialty Audit Certification Program requirements and provided comments to the EPA after the March 28, 2017 meeting. The EPA has subsequently approved the recommended changes.

A certification symbol is to be designed and the Board encouraged management to retain an outside graphic artist to do this work and share with them the EFO research. Meantime staff will continue to move forward with the with rolling out a mandatory Specialty Certification with a 6 month implementation period for paperwork standards and an 18 month implementation period for structural changes.

Two in person training sessions will be held at the beginning of June in the Lower Mainland. A third training session will be held by webinar to include Vancouver Island and Interior Specialty Producers. All training materials will be made available on the producer site.

Throughout the month of June we will ensure that all of our grading stations and processor are aware of the program and the standards we are following. Plans include information sessions that will be held for specialty conventional and enriched producers for the Codes of Practice standards as well.

5.2 SE Response

The PMC has requested a review of the EFC National Microbiological Sampling Protocol, EFC Post-Positive Se Protocol and EFC Further Se Surveillance.

Staff presented a letter detailing ten recommended changes and two additional recommendations were added after the board's discussion. BCEMB feedback will be sent before April 30, 2017.

Action: Staff to incorporate additions and send BC's SE feedback to EFC.

5.3 Rodent Control Update

██████████ will be receiving their biosecurity training on April 27, 2017 from staff.

A notice will be sent to all producers in the May Scrambler with an article outlining the Rodent Control Program and names of the auditors. ██████████ will start contacting producers at the beginning of May.

5.4 Specialty Pricing in Other Provinces Campaign

One of the three pillars of supply management is to ensure that producers are being paid a fair price for their production. It costs more to produce specialty eggs, yet currently BC the only province nationally that is fulfilling the pricing mandate entrusted to the board.

There are merits to our approach in BC; the board will be sharing information and lobbying our provincial partners to see the importance of our mission.

5.5 Quota Exchange Process

Staff is planning to conduct a consultation on the Quota Exchange now that three successful exchanges have occurred. This consultation is scheduled to happen in early fall, however it may move that to June if needed.

The consultation will focus on accessibility and potentially limiting the rate of price change that the industry has experienced since its implementation.

6.0 GOVERNANCE

6.1 BCEMB 50th Celebration Producer Recognition

50 years ago, a group of farmers pioneered what was known then as the BC Egg Marketing Scheme. The BC Egg Marketing Scheme was later adopted nationally and is one of the legislative foundations of supply management. January 2017 marked the 50th anniversary and there are 20 families still farming today that were a part of the original group of farmers from 1967. These farmers will be recognized at our celebration later this year.

6.2 Committee TOR Review

██████ sent out an email to all committee chairs requesting they review their Terms of Reference, no requests for change were received.

6.3 BCEMB Spokesperson Policy

As we enter a new era of transparency and engagement, there will be many stakeholders that will want to have ongoing dialogue with us to retrieve information. These requests can come through the Board Office, the EPA or individual producers and should be directed to a common person to ensure that we are not duplicating efforts.

A Spokesperson Policy is needed to be jointly developed with the EPA and sent to our Producers in order to clarify who is acting as a spokesperson and when. It can also ensure that all parties are aware of the spokesperson's engagements. This will also provide producers with a process to follow when they receive a request to be a spokesperson.

A Spokesperson Policy was presented that outlines the process taken when a request is received for a spokesperson by a producer, the EPA, Board Members or Board staff. This policy differentiates between external non-political stakeholders, political contacts and community events.

6.4 EIAC Direction

The board discussed the important role that the EIAC plays in our industry as a critical communication outlook to our stakeholders. The board also asked the that Chair of EIAC to facilitate the grader meeting in July to whereby enriched pricing and product transition will be discussed.

6.5 A&F Committee New Member

Excellent candidates applied to sit on the A&F committee. After meeting the candidates, the committee chair felt that there are two strong candidates with different career experience that will offer unique approaches to the committee. After some discussion, the board decided to amend the TOR for the A&F committee so both candidates could be appointed.

R17-032 It was MOVED and SECONDED

THAT the Board of Directors amend the TOR for A&F Committee to allow for 3 or 4 members with chair and at least one external body.

CARRIED

R17-033 It was MOVED and SECONDED

THAT the Board of Directors approve ██████████ and ██████████ as external bodies to sit on the A&F Committee

CARRIED

The Board of Directors of BC Egg Marketing Board

Minutes: Board of Director's Meeting

Date: April 28, 2017

6.6 Board Minute Transparency

As part of our transparency initiative, the board and chair wanted to ensure that we are doing our due diligence and posting the minutes for public viewing as soon as possible.

Minutes and supporting documentation are posted publically after they have been board approved at the following board meeting.

6.7 BCPA

After sitting on the BC Poultry Association for some time, the position is going to be rotated and a new member of the board will sit on the BCPA meetings to provide input. The board thanks [REDACTED] for his time and effort, working on behalf of our producers sitting on the BCPA. [REDACTED] has volunteered to sit on the committee and welcomes the exposure that the meetings will provide.

R17-034 It was MOVED and SECONDED

THAT the Board of Directors appoint [REDACTED] to the BCPA committee as the BCEMB representative.

CARRIED

6.8 Brad Bond Paper

A rough draft of a report written by [REDACTED] exploring the Egg industry 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 Travel and Registration Booking Process

BCEMB staff is now making travel arrangements and registering the Board for conferences and other events.

In order to make this process easy, and to ensure all members are registered accordingly, staff has come up with a proposed procedure that was presented to the board for consideration.

The board noted that communication is key and the new procedure will be implemented and adjusted if required.

ADJOURNMENT

The meeting was adjourned at 3:25 pm



Board Chair



Certified Correct, Secretary