

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: February 17, 2017

Location: BCEMB

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

STAFF IN ATTENDANCE: Katie Lowe, Executive Director
Erin Duetta, Manager, Finance
Amanda Brittain, Manager, Communications & Marketing
April Dicer, Recording Secretary

CALL TO ORDER

Chair, Brad Bond, called the meeting to order at 9:00 am
To increase transparency, going forward the board will add select reports to the agenda for publication when posting on the public and producer only websites.

ADOPTION OF AGENDA

The agenda was adopted with the following additions:

6.8 Verbal recommendation from PMC for Producer of the Year

1.0 APPROVAL OF MINUTES

The board invited [REDACTED] to make a presentation to the Board regarding his forecasting but have yet to receive a response.

1.1 Approval of the Minutes of January 25, 2017

R17-012 It was MOVED and SECONDED

THAT the Board of Directors approve the Minutes of January 25, 2017 as amended.

CARRIED

2.0 BUSINESS ARISING/ACTION LIST REVIEW

2.1 Board Calendar

The Board calendar was presented for information.
August 16th will be the BCEMB 50th anniversary celebration.

2.2 Action Items

The action item document was reviewed for information.

2.2a Investment Policy Update

█████ gave a verbal update on the Investment policy. The committee discussed following a policy similar to EFC with \$3.5 million as minimum trigger point and \$4 million as max trigger point.

It was also noted that █████ has resigned from the committee to pursue his career out of province. There was discussion around having an external party join the committee. █████ has asked for feedback from the board with recommendations for a new committee member for appointment in the spring.

2.2d Grader Audit

Staff is waiting for the auditors to send a response regarding why they still need to go into the grading stations, before we contact the graders who have not done their audit at this point.

3.0 PERFORMANCE REPORTS

3.1 Dashboard

The dashboard was presented for information.

3.1a Feed Mill Participation Report & AAFC Report

█████ presented the Feed Mill report to the Board for information noting that three farms are now participating.

3.1b EFP Feed Base Price

The EFP feed base price report from EFC was presented for information. It was noted that the average for 2017 is 0.69 CAN.

3.2 Quota

3.2a Industry Reserve

The total quota allocated and held in reserve was presented for information. Staff to include research permits on the dashboard.

3.2b IP Report Week 4

The Industrial Product report up to week 4 was presented to the board for information.

█████ and guests, █████ joined the meeting at 9:57 am

4.2 Creston New Producer

█████ joined the meeting to talk to the Directors about his request for new entrants in the Creston Area. █████'s request to the Board is two more new entrant quotas of 3000 birds for Creston, in order to supply the demand for local eggs in the area.

█████ thanked █████ and guests for their presentation and assured them the Board would discuss their proposal in length.

█████ and guests left the meeting at 10:34 am

3.2c IP Processor Summary Week 4

The IP Processor report was presented to the Board for information. [REDACTED] advised the board that [REDACTED] has seen this as directed.

3.2d EFP Report Week 4

The EFP report as at week 4 was presented for information.

3.2e Quota Utilization Update

The quota utilization report as at week 04, 2017 was presented for information.

3.2f Inventory Report

The inventory report was presented for information. Staff was directed to create a report to accompany the inventory report on a go forward basis. This additional document will provide information that assesses our inventory position and the effectiveness and producer buy in of our current programs that BCEMB uses as tools to avoid liquid damages.

3.3 Financials

3.3b Period 1 Board & Committee Per Diems & Expenses

R17-013 It was MOVED and SECONDED

THAT the Board of Directors approve the Directors', General Manager's, and Committee members' per diem and expenses for period 1 as presented.

CARRIED

3.4 Preliminary COP

The preliminary COP was presented for information. There was a concern from producers regarding the increase in levy and how it pertains to the COP decisions.

Action: Management to write a letter to producers regarding the reasoning behind the COP increase.

4.0 STAKEHOLDER ENGAGEMENT

4.1 PMC Meeting with [REDACTED] Update

The PMC invited [REDACTED] and [REDACTED] to their last meeting to discuss some concerns they had expressed and determine if there was a way in which the PMC could assist. The committee expressed their willingness to work with the catchers to make the aviary systems safer for catching hens. The PMC will look at how a covered loading area can be provided to assist in keeping birds dry as they are loaded. It was noted that removal of hens is rarely a factor considered when producers are constructing barns.

Both [REDACTED] and [REDACTED] were thankful for the invite.

1. The PMC recommends that the BCEMB ensure all producers are aware of the concerns regarding bird removal when they are constructing or renovating their barns.
2. The PMC will meet with Elite at least once a year to discuss issues and keep the lines of communication open.

Action: Staff and the PMC Chair to write a letter to producers noting concerns regarding transporting birds and barn construction.

It was also noted that [REDACTED]'s term on the PMC is up. In order to have time to look for an appropriate replacement, [REDACTED] has volunteered to stay on the committee for one more year.

R17-014 It was MOVED and SECONDED

THAT the Board of Directors approve that [REDACTED] be placed on the Production Management for one more year.

CARRIED

4.2 Creston New Producer

The Board discussed the Creston presentation and their allocation request. Various options were discussed as to how BCEMB can meet the needs in this area in a fair and just way.

Action: Staff was directed to write a letter thanking [REDACTED] for his presentation and offering some suggestions as to how he can guarantee viability of product need in the Creston area.

4.3 Forecasting Model Update

[REDACTED] expressed his intentions of building a story around the forecast model. He shared his rough proposed presentation with the board for input.

The ultimate goal is to prove to consumers that supply management is meaningful to their values, and that our production aligns with those values.

4.4 FPCC Letters

FPCC has sent a series of letters to the four supply managed feathered commodities at a National level as well as the provincial supervisory boards requesting information regarding quota management.

While the reason for the request remains uncertain, it is believed to stem from a mandate letter from the federal Minister for Agriculture dated August 31, 2016. While most of our Boards have this information available on our websites, BCFIRB is requesting that the four boards work with them in order to determine the steps moving forward in answering the questions.

Staff noted that they will provide the BC specific information to BCFIRB as required.

4.5 FPA Renewal and FIRB Notification

EFC has undertaken a review of the Federal Provincial Agreement (FPA). In order for a new FPA to come into effect, it requires signatures from the Provincial Egg Board, the Provincial Supervisory Board and the Provincial Minister of Agriculture.

In order to reduce the time to sign once an agreement is met, it is important that the Ministry remains aware of the status of the various items up for discussion and the positions of both the BCEMB and the BCFIRB.

BCFIRB has been invited to the discussions. Providing an update from the BCEMB's perspective after the meetings ensures that our voice is heard.

After the Board meeting, following an FPA meeting, BCEMB staff will review the major issues, as defined at the BCEMB Board Meeting, with BCFIRB and the BC Ministry Representative by way of conference call or email.

4.6 Bare Trust Agreement

The Board reviewed the Bare Trust Agreement request from a new producer. After some deliberation it was determined that this Agreement does not meet SAFETI principles and therefore this request will be declined.

5.0 OPERATIONS

5.1 Quota Credit Policy Update

The current Quota Credit policy is outdated, unclear, and under distributed. BCEMB has an opportunity to address all three of these issues by updating the current version of the QC Policy. The objective of this updated QC policy is to provide clear definitions to producers regarding the opportunities and limitations available for Quota Credits. [REDACTED] submitted the proposed changes to the board noting that this presentation is to get the conversation started and staff is requesting Board input. The next step is to create a survey to send to producers for feedback on the changes to the policy.

The Board advised staff that they will bring their feedback to the March Board meeting.

Action: Staff was directed to create an avenue for BCEMB to get new allocation out without any roadblocks and to bring this report to the March Board meeting.

[REDACTED] were deemed to be in a conflict and were asked to excuse themselves from the above discussion. Upon their return to the meeting a Motion was made and they were not eligible to vote.

R17-015 It was **MOVED** and **SECONDED**

THAT the Board of Directors approve that until utilization is less than 100% all quota credit licenses must be approved before the birds go in the barn; and

THAT no Quota Credit licences will be approved 9 months ahead of time; and

THAT for the purposes of retooling and rebuilding producers may earn Quota Credits for a max of 6 months at which time leasing will come into effect.

ABSTAINED
[REDACTED]
[REDACTED]

CARRIED

5.2 Rodent Control Program Update

[REDACTED] presented the rodent control program to the Board for information.

R17-016 It was **MOVED** and **SECONDED**

THAT the Board of Directors approve that the BC Egg Marketing Board implement an outside rodent control program on all farms in the Lower Mainland on a test basis in 2017, with a start date of April 1st or sooner, funded by the board.

CARRIED

5.3 Se levy Abatement and EFP Impact

Management is waiting for CEIRA to provide the birds that each producer was covered so that they can communicate with them and let them know that they will receive a refund for the IP Levy and GST paid.

R17-017 It was MOVED and SECONDED

THAT the Board of Directors approve that Se positive producers will receive a refund for the IP levy, EFP service fee and GST paid on those hens that were removed due to Se.

CARRIED

ABSTAINED
██████████

5.4 Specialty Audit Committee Standards Feedback Update

██████████ shared the feedback received on the specialty audit committee standards for information. The overall principle of the feedback is that changes that may increase welfare risk should not be mandatory requirements.

5.5 Quota Assessment Workshop

BCFIRB held a workshop with all supply managed commodities in BC to discuss the 2005 Specialty Review Directives. The purpose of the workshop was to review the different situations arising with each commodity and determine what consultation questions should be asked of stakeholders.

BCFIRB recognizes that the directives given in 2005 may not meet the needs of 2017, while the overarching objectives are still pertinent. Those objectives are:

- 1) To have quota available for free to new or established producers to meet changing markets
- 2) To have quota available for free to new producers to reduce barriers to entry
- 3) Ensure quota is being produced by those who have received it

Any recommendations put forth by the BCEMB must show how our recommendation meets the above objectives. In addition, we must prove that we have completed an appropriate amount of consultation with stakeholders and other Boards/Commission that the changes may affect.

Action: Staff will consult with the Milk Board and compare their quota assessment policies, then reconfigure their recommendations and bring it back to the Board.

5.6 Unregulated Product

Over the last few months, BC Egg has received a few emails regarding ungraded eggs at retail. The most recent came as a complaint to BCFIRB from a "concerned citizen" in Burton.

Staff will continue to work BCFIRB, the Ministry of Agriculture and the SE Working Group regarding ungraded eggs. Staff is preparing some messaging for the website and a communication plan regarding the importance of purchasing graded eggs.

Staff is also preparing a paper on health risks of ungraded eggs for the Ministry to further our discussions.

5.7 CPEPC Letter

For the price change starting in Week 5, all provinces except Ontario released their price on Wednesday as per the regular protocol. Ontario decided to release their price a week prior in order to give their grading stations some lead time.

The current timeline is followed as the provinces price as soon as the COP is made available to us. We are aware of the issues that this causes Grading Stations.

Staff has responded to CPEPC to state that we have received the letter and it will be discussed at the Board level. Staff has also sent a request to EFC to determine the timeline used for the COP and if there is any ability for it to be received earlier. At this time, staff feels that it is best if the provinces have a joint response so we are all sending the same message.

Action: Staff will draft a letter once a response is received from EFC regarding the timelines.

6.0 GOVERNANCE

6.1 Marketing Plan

After conducting our own consumer research and using information from EFC, staff has put together a marketing plan with three main goals:

- Increase Consumption of Specialty Eggs/Ease Transition to Cage-Free
- Increase Trust in BC Egg Farmers
- Increase Knowledge of BC Egg

The addition of two marketing/communications staff members and a supportive Board has made this the right time for a strategic marketing plan. In addition, BC Egg would like to take advantage of a number of recently presented opportunities in order to grow our brand and promote BC Egg farmers.

The Manager of Communications and Marketing will provide a quarterly report outlining activities undertaken, progress on longer-term projects, and achievements to date. The new Marketing and Communications Committee will oversee and monitor all work in this plan.

6.2 Poultry Conference and AGM Update

██████████ handed out the schedules and agendas binder for the Board in preparation for the AGM and Poultry conference to be held March 1-3, 2017.

6.3 Board Expense Policy

██████████ reviewed the expense policy changes and recommendations. The board gave their input which will be incorporated into the policy and then added to the Governance Manual.

R17-018 It was MOVED and SECONDED

THAT the Board of Directors approve the Expense Policy for addition to the Governance Manual effective March 1, 2017.

CARRIED

6.4 Vehicle Policy and Procedure

As part of BC Egg's goal to formalize processes in the organization, management has created a vehicle policy and procedure for consideration. The policy will address such issues as safety and road use, visual identity, maintenance, acquisitions and disposals of BC Egg owned vehicles.

In order to standardize practices for vehicle acquisitions and disposal, management requested at the December 5, 2016 Audit and Finance Committee meeting that they review and recommend to the Board of Directors to approve the Vehicle Policy and Procedure for addition to the BCEMB Policy and Procedures manual effective immediately.

The Audit and Finance Committee recommends that the Vehicle Policy and Procedure be added to the BCEMB Policy and Procedures manual.

R17-019 It was MOVED and SECONDED

THAT the Board of Directors approve that the Vehicle Policy and Procedure be added to the BCEMB Policy and Procedures manual.

CARRIED

6.5 Fixed Asset Policy

Management brought a computer hardware disposal policy for the board to review at the April 21, 2016 meeting and was approved by the board of directors.

This updated policy submitted for consideration incorporates the disposal policy approved, but also addresses such issues as tagging purchased assets, additions and expands the procedures for disposal.

In order to standardize practices for fixed asset acquisitions and disposal, management recommended at the December 5, 2016 Audit and Finance Committee meeting that they review and recommend to the Board of Directors to approve the Asset Policy for addition to the BCEMB Policy and Procedures manual effective immediately.

R17-020 It was MOVED and SECONDED

THAT the Board of Directors approve that the Asset Policy be added to the BCEMB Policy and Procedures manual.

CARRIED

6.6 Respectful Workplace Policy

The BCEMB has recently reworked the Bullying and Harassment Policy and renamed it to 'Respectful Workplace Policy'. With the update in the policy, it was decided this would be a good time to provide the Respectful Workplace program to all Directors and, in turn, retraining for all employees.

6.7 Board Officer & Committee Elections

The Board anonymously voted on their officer and committee representatives with the following results:

EFC Representative- Walter Siemens
EFC Alternate – Jen Woike
BCEMB Vice Chair – Jen Woike
BCEMB Secretary – Fred Krahn
PMC Chair – Fred Krahn
Audit & Finance Committee Chair – Aryn Alibhai
EIAC Chair – Marv Friesen
CAF rep – Aryn Alibhai
COMB rep – Aryn Alibhai

At this time the board also submitted their EFC committee representative nominations for submission to EFC.

6.8 Producer of the Year

The Producer of the year recommendation was brought forth to the Board. The winner of this year's award will be announced at the AGM. Hy-Line will once again offer a travel gift card to go along with BC Egg's contribution of the same.

7.0 MEETINGS HELD AND UPCOMING

7.1 Meetings Held Appendix A

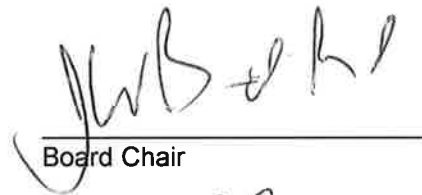
Meetings attended since the last Board meeting were reviewed.

7.2 Meetings Upcoming Appendix B

Attendance and participation in upcoming meetings was discussed and approved.

ADJOURNMENT

The meeting was adjourned at 5:15 pm



Board Chair



Certified Correct, Secretary