

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 Directors Meeting

Date: May 25, 2020

Location: BCEMB Boardroom

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

CALL TO ORDER

Chair, Gunta Vitins, called the meeting to order at 9:31am.

The Chair acknowledged that the meeting was held on the traditional and unceded territories of the Kwantlen, Sto:lo, and Lummi First Nations.

CONFLICT OF INTEREST

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

ADOPTION OF AGENDA

It was MOVED by Jon Krahn and SECONDED that the agenda be adopted as presented.

1.0 APPROVAL OF MINUTES

1.1 Approval of the Minutes of April 17, 2020

R20-074 It was MOVED by Walter Siemens and SECONDED

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THAT the Board of Directors approve the Minutes April 17, 2020 as presented.

CARRIED

1.2 Approval of the Minutes of April 24, 2020

R20-075 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors approve the Minutes of April 24, 2020 as presented.

CARRIED

1.3 Approval of the Minutes of May 1, 2020

R20-076 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors approve the Minutes of May 1, 2020 as presented.

CARRIED

1.4 Approval of the Minutes of May 8, 2020

R20-077 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors approve the Minutes of May 8, 2020 with amendments.

CARRIED

1.5 Approval of the Minutes of COP (Period 6), 2020

R20-078 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve the Minutes of COP (Period 6), 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 ILT In Chickens

The ILT in Chickens memo from the BC Chicken Growers Association was presented to the Board for information. The Board discussed the CEO ILT vaccine usage, availability and impacts within the egg industry.

3.0 STAKEHOLDER ENGAGEMENT

3.1 EFC Update

An update on the issues of egg supply in retail and processing were presented to the Board. EFC in-person meetings will resume in June.

3.2 Marketing Update

An update was provided on BC Egg's social media campaigns, communication programs, BC Egg website, and an upcoming school program. The Marketing staff have worked hard to change events to virtual platforms which will assist in reaching diverse audiences. A request to move funds between marketing categories within the marketing budget was also presented for discussion.

The Board reviewed the request and advised staff not to make any transfers within the marketing budget at this time, as some uncertainties from COVID-19 still remain. The Board supported the proposed branding campaign and will review the request further in September.

3.3 Central Agriculture Facility Update

Based on the Board's previous discussions, Staff requested that the CAF committee receive additional quotes for work required to the building. An update on the request was provided and a report from the CAF committee with additional information is forthcoming.

3.4 EFC Call for Nominations

With the recent EFC director changes, a call for nomination has been sent to all to all egg boards for an Atlantic position on the COP and PMC committees.

The Board discussed potential nominees which will be forwarded to EFC.

Action: Staff was directed to provide EFC with the Board's nominations of [REDACTED] for the COP and [REDACTED] for the PMC committees.

4.0 OPERATIONS

4.1 Fowl Removal Trial

There is currently no back-up method for fowl removal if the processor or the stunner are not available. BC Egg would like to have whole barn gassing as a fallback option should no other fowl removal options be available. Staff confirmed that the EOC would not be able to help with funding. The Board is now exploring cost sharing options amongst the other feather boards, excluding turkey as they have chosen to withdraw their interest. Investment Ag Foundation and BCMA will also be explored for funding options. The trial run of the whole barn gassing is currently on pause as staff works on the logistical end. A trial run might be scheduled for the fall. Updates will be provided to the Board as they become available.

4.2 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 gas euthanasia system they will require an additional per bird price increase. Alongside other ongoing issues regarding fowl removal and the cost to producers in the Interior, BC Egg held an Interior producer meeting via Zoom to discuss the issues. From the meeting and the productive discussions, an Interior Producer Committee on fowl removal was created, consisting of producer members. A response from the committee with their suggestions is expected in June.

The Board discussed the additional conversations that will be required to gather further information.

4.3 Producer Update

BCEMB PLO staff visited the producer on May 12, 2020. Staff was able to complete the Start-Clean-Stay-Clean audit, the BC Biosecurity Audit, as well as take environmental swabs from both EPUs. The audits all went very well with no corrective actions indicated. Due to staffing issues at EFC, no EFC representative was on farm at the time of the PLO audits. The Animal Care and Barn Measurements are still pending.

R20-079 It was MOVED by Walter Siemens and SECONDED

WHEREAS producer ██████████ was deemed not in good standing with the Consolidated Order in July 2018 until new facilities are built and all quota is placed in those facilities, with the conditions that all Animal Care and Start Clean Stay Clean requirements are met.

THAT the Board of Directors deems ██████████ in good standing, on a conditional basis, effective May 25th, 2020. The Board recognizes ██████████ successful completion of its 2020 BC Biosecurity and EFC SC-SC program audit. This conditional good standing will be reassessed upon completion of the 2020 program audits for EFC ACP standards as well as EFC's verification of the barn measurements which are expected to occur during each barn's next downtime.

CARRIED.

4.4 Producer Letter

The Board reviewed the letter that BC Egg received from a producer on May 9, 2020 requesting an exemption from Amending Order #08 or to be able to receive levy abatement during their downtime. Amending Order #08 indicates that downtime be defined as having an empty barn; during this time quota credits can be earned. The Board noted that the producer's request applies only to the conventional barns on site since the Free Run barns are eligible for the quota credits as outlined.

The Board approved a motion on December 3, 2019 for the producer to have an extension on receiving quota credits until December 31, 2020. During this time, the producer was to provide the Board with their plan to meet the seven-day downtime requirement. The Board discussed and assessed the producer's letter and requests using SAFETI principles, ensuring procedural fairness, overarching BCEMB policies, intent and the Consolidated Order were thoroughly considered in the decision-making process.

R20-080 It was MOVED by Walter Siemens and SECONDED

THAT the Board reaffirms the previous motion from December 3, 2019 to exempt ██████████ from the seven-day downtime requirement to December 31, 2020, in response to the further exemption request received from ██████████ on May 9, 2020.

CARRIED.

Action: Staff was directed to draft a response letter reflecting the Board's decision and SAFETI analysis information for May 29th to be reviewed by the Board before it is sent to the producer.

4.5 Research Update

The Board reviewed a research update on their second research flock and discussed the program moving forward.

Action: Staff was directed to request the outlined plan for flock 3 from the company and present it to the Board at the next meeting.

4.6 Regionality Study

On average, over a five-year period, BCEMB has committed to starting an average of two new entrants each year and distributing up to 3,000 quota units to each new entrant. BCEMB has committed to holding a New Producer Program (NPP) draw in the fall of 2020 or spring 2021.

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In 2019 BCFIRB approved some changes to the NPP program that will allow the BCEMB to vary the amount of quota given to NPP applicants based on their demonstrated regional market demand up to a maximum of 3,000 quota units per producer. Based on the results of regionality study conducted by Nielsen, there is a greater need for egg production in the Northern and the Interior Regions of BC and areas of Vancouver Island where consumer demand for BC eggs clearly exceeds supply.

Staff proposed a strategy and approach for the NPP based on encouraging small lot permit holders of all regions except the Lower Mainland who have an interest in expanding their operations to apply to the New Producer Program during their 2021 small lot program renewal. BCEMB will communicate that it has up to 15,000 quota units available at this time, and NPP applicants could accept between 400 - 3,000 quota units based on their demonstrated market demand. This proposed approach for the NPP would require applicants to apply to the program as producer-graders.

The Board agrees with the recommendations for the New Producer Program for 2021.

Action: Staff was directed to work on the program for Board review and then communicate the proposed NPP to BCFIRB.

4.7 Corporate Quota Workshop

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. An update on the status of the workshop was presented for information.

4.8 Barn Measurement Update

An update on Barn Measurements was provided to the Board. The EFC auditor who was assigned to BC for Animal Care Program Audits and Barn Measurement completion has been on leave over the past year and has since returned to work on a gradual basis. EFC Barn Measuring will begin again as soon as possible. The timelines for implementation of the EFC ACP has been delayed so the original need to complete the measurements by the end of June 2020 is no longer required. A new timeline has not been set.

4.9 Transfer of Layer Quota requests

4.9a Producer 1

The Board reviewed the transfer request from a producer.

R20-081 It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors approve the deemed transfer of quota from [REDACTED] to [REDACTED]. This proposal represents a deemed transfer of one producer's layer quota to a corporate producer and a deemed transfer between spouses, therefore in accordance with the Consolidated Order Part V 3. (5)(e) and (5)(a) a surrender of layer quota is not required.

CARRIED.

R20-082 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors provide conditional approval for the share structure change requests for [REDACTED]. The proposed changes will be deemed transfers between spouses, therefore in accordance with the Consolidated Order Part V 3. (5)(a) a surrender of layer quota is not required.

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CARRIED.

R20-083 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors provide conditional approval for transfer of 5000 units of layer quota from [REDACTED] to [REDACTED]. This is a transfer among related corporate producers, therefore in accordance with the Consolidated Order Part V 3. (5)(b) a surrender of layer quota is not required.

CARRIED.

R20-084 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors provide conditional approval for the share structure change requests for [REDACTED]. This is a transfer to a child and the child's spouse, therefore, in accordance with the Consolidated Order Part V 3. (5)(a) a surrender of layer quota is not required.

CARRIED.

4.10 Code Requirement Update

Staff provided an update to the Board on the discussions with producers regarding the facility requirements of the 2017 Code of Practice. When time is available, staff will continue contacting producers.

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 Order so that Registered Producers who apply are no longer limited by a 1,000 hen limit. The Board supports this change.

R20-085 It was MOVED by Walter Siemens and SECONDED

THAT the board of directors approve the second and final reading of Amending Order #14 – TAP B

CARRIED.

The Board discussed the current and upcoming TAP Pool B programs and the projected increases in quota inventory. The Board reviewed short term and longer-term possible solutions considering all of BC Egg's programs.

Action: Based on the discussion and proposed solutions, staff was directed to formulate scenarios and recommendations for the Board to review at the May 29th Board weekly meeting.

4.12 Specialty Producer Penalty Payment

BC Egg has penalized a specialty producer who was receiving a premium on Free Range eggs, when the hens did not have access to a range. An update on the penalty payments was provided to the Board. Staff will continue providing updates on the penalty payment repayments at the monthly board meetings.

4.13 Updated Covid Expenses

An update on the expenses incurred by BC Egg due to COVID-19 were presented to the Board. The two main areas of additional expenses were regarding the fowl removal process where the stunner has been used in the Lower Mainland due to lack of capacity at processing plants. With the processing plants re-opening, fowl removal should move back to normal in the coming weeks. The second area of additional expenses is from the Food Bank donations that BC Egg is providing with product that would normally go through the EFP program. Staff noted that some invoices are still pending and an update report will be presented at the next regular board meeting.

4.14 GAC TRQ

The Global Affairs Canada TRQ updates were presented to the Board for information. The Board noted that CUSMA is being implemented on June 1, 2020 which means that up to 1.7 million dozen eggs could be brought in under the agreement in 2020. These imported eggs will displace eggs produced by Canadian egg farmers at a time when we are in a surplus situation as the restaurant and food service sector are not using eggs at the normal levels.

4.15 EFC Quota Credits

Staff provided the Board with EFC's National Quota Credit Policy to highlight areas that BC Egg could utilize the program more effectively.

The Board reviewed the policy and discussed its benefits for BC Egg. The Board also discussed EFC's Early Fowl Removal program.

4.16 PFGC Update

The Board discussed JRG Group's proposal to prepare a presentation and public document of the post farm gate cost (PFGC) analysis that was recently completed. The Board supports the proposal and budget.

Action: Staff was directed to contact EFA to confirm the minutes and action items from the joint meeting.

4.17 EFC Early Fowl Removal

Based on the declining need of nest run product and continued product surplus, EFC has recommended that BC Egg consider the EFR of 90k birds. The Board discussed the approach for the early fowl removal. Staff will contact producers to confirm early fowl removal, and provide a list of producers that will be impacted by the removal to the Board by May 29th.

5.0 GOVERNANCE

5.1 Organic Livestock Standards Review Update

A brief update on the Organic Livestock Standards Review was presented to the Board for information.

5.2 HR Update

An HR update was provided to the Board for information.

5.3 PARP Extension

The PARP extension was presented to the Board for information.

5.4 FOI Request

A request was sent to BC Egg on March 31st, 2020 pursuant of the Freedom of Information Act requesting information related to quota exemptions. Staff have sent a letter to the privacy commission for further direction. The response timeline is on hold until a response is received from the privacy commission.

5.5 Minister's Meeting

The BC Egg Chair and Executive Director will be attending a Minister's meeting on May 28th to discuss the stability of the sector. The Board reviewed the suggested discussion topics and provided additional comments. The suggested topics are Agri-recovery, on-farm euthanasia practices, a COVID plan for processors, funding programs for capital expenditures for social distancing requirements, egg carton/packaging shortages and the potential business opportunity in BC.

PERFORMANCE REPORTS

6.1 Dashboard

The Dashboard was presented for information. The Board reviewed the quota allocation.

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 19 was presented for information.

6.2c IP Processor Summary Week

The IP Processor Summary Week 19 was presented for information.

6.2d Food Bank Donation Report

The Food Bank Donation Report Week 20 was presented for information.

6.2e Quota Utilization Report

The Quota Utilization Report for week 19 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 and requested more information in Next Steps and recommendations for the Board at the next meeting.

6.3 Financials

6.3a Period 4 Board & Committee Per Diems & Expenses

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

R20-086 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 AR Report

The AR Report was presented for information. Staff provided an update on the GST Refund that was received.

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6.3c Period 3 Financial Statements

The Period 3 Financial Statements were presented for information.

R20-087 It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors approve the Period 3 Financial Statements.

CARRIED.

6.4 Preliminary COP

6.4a Period 4, 2020 COP

The Period 4, 2020 COP was presented for information. The Board noted the gap in market and enriched price of the enriched brown is higher than organic and would like to look into this further.

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. The processing plants are now open and able to take BC Egg product for rendering. As previously discussed, Staff are working on the early fowl removal process.

6.0 MEETINGS HELD & UPCOMING

7.1 Meetings Held Appendix A

The Meetings Held Appendix A were presented for information.

7.2 Meetings Upcoming Appendix B

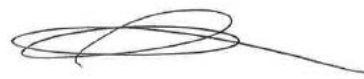
The Meetings Held Appendix B were presented for information. The Board discussed upcoming meeting dates for July and August.

ADJOURNMENT

It was MOVED by Walter Siemens and SECONDED that the meeting be adjourned at 4:25pm.



Board Chair



Certified Correct, Secretary