

## 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:** July 23, 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  
Joey Aebig, Manager Operations & Logistics  
Erin Duetta, Manager Finance  
Lynne Dunlop, Temporary Manager Finance  
Amanda Brittain, Director of Communications & Marketing

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#### CALL TO ORDER

Chair, Gunta Vitins, called the meeting to order at 9:30 AM.

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 Walter Siemens and SECONDED that the agenda be adopted as presented.

**1.0 APPROVAL OF MINUTES**

1.1 Approval of the Minutes of June 24, 2020

**R20-102** It was MOVED by Jon Krahn and SECONDED

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

CARRIED

1.2 Approval of the Minutes of July 13, 2020

**R20-103** It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors approve the Minutes of July 13, 2020 as presented.

CARRIED

**2.0 BUSINESS ARISING/ACTION LIST**

2.1 2020 Board Calendar & Action Items

The 2020 Board Calendars and action items were presented for information.

**3.0 STAKEHOLDER ENGAGEMENT**

3.1 EFC Update

An update on the matters of EFC were presented to the Board of Directors. The update included COVID-19's impact on industry, egg supply and demand and EFC's Early Fowl Removal Program.

3.2 COVID Long Term Production Project

Board members and staff attended the first COVID Long Term Production Project meeting on July 16, 2020 and notes from the meeting were presented for information. The project team will be meeting weekly throughout August and is scheduled to make its recommendations to the EFC Executive and EFC Board of Directors by the end of August.

3.3 Natural Overrun Project Team Update

Board members and staff attended the Natural Overrun Project Team meeting on July 20, 2020. The goal of the project team is to investigate how the EFC National Natural Overrun Policy can be used to complement levy in order to maintain the sustainability of the IP Program. Notes from the July 20, 2020 meeting were verbally presented for information.

3.4 Marketing Update

An update on marketing initiatives was presented for information. In Q2 of 2020 BCEMB social media outlets experienced a large uptick in impressions. It is likely that this can be attributed to COVID-19. Many events in 2020 have either been moved to virtual or cancelled.

3.5 Emergency Operations Center Meeting Notes

The Emergency Operations Center meeting notes from June 23, 2020 were presented for information.

3.6 EFO AGM Notes

A board member attended the EFO AGM on June 24, 2020 and notes from the conference were presented for information.

3.7 Animal Activism Roundtable

Staff attended the Animal Activism Roundtable on July 15, 2020 and notes from the meeting were presented for information.

**4.0 OPERATIONS**

4.1 Specialty Producer Penalty Payment Update

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 payment status was provided for information.

4.2 Producer Update and Appeal

A 2015 New Producer Program winner under the “producer-vendor” category is not fulfilling the producer-vendor requirements per our Consolidated Orders. An update on their sales was presented for information.

4.3 Regionality Study – NPP Program

BCEMB has committed to starting an average of two new entrants each year, over a five year period, distributing up to 3,000 quota units to each new entrant. BCEMB has committed to holding a NPP draw in the winter of 2020 or spring 2021. Based on the results and analysis of the 2019 Regionality Study, the Board has directed staff to move forward with a plan to encourage Small Lot Permit holders in all regions, except the Lower Mainland, to consider expanding through the NPP.

As this proposal will encourage New Entrants who are Producer-Graders or Producer-Vendors, the plan development has been delayed pending the outcome of the current Producer-Vendor appeal. If BCFIRB’s decision provides direction for Producer Vendors, the information will be considered in the planning stage for future NPP draws.

4.4 Corporate Structure Workshop

BCEMB is in the process of determining the relevant shareholder information required when evaluating quota transfers through a corporate structure workshop. An update on the status of the workshop and the feedback received to date from accounting firms was presented for discussion.

**Action:** Develop a decision tree that can be used to streamline quota transfer decisions. Provide this draft decision tree to consultation participants for review and present feedback at the August Board of Directors Meeting.

4.5 Quota Transfer

4.5a Producer A

*W. Siemens recused himself from the discussion and the following decision.*

The Board reviewed a proposed transfer which was submitted by the producer.

**R20-104** It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors provide conditional approval for the share structure change requests from [REDACTED], [REDACTED] and [REDACTED]. All of the proposed changes are deemed transfers to the Transferor’s child therefore, in accordance with the Consolidated Orders Part V 3. (6) (c), a surrender of layer quota is not required.

CARRIED

4.6 CIPARS/FoodNet Survey

CIPARS/FoodNet is conducting a survey on food-borne pathogens and antimicrobial use and resistance on egg farms. The testing is scheduled to begin on Sentinel sites in BC, AB, ON and QC. In order to conduct the survey, CIPARS/FoodNet will have a local veterinarian collect fecal samples and have the producer respond to a questionnaire. Participation in the survey is voluntary. The egg board will not receive a list of farms tested and will only be notified of the results if the producer is SE positive.

**Action:** Staff was directed to include the program information on the CIPARS/FoodNet Survey in its upcoming monthly Scrambler.

4.7 Organic Standards Review

The proposed changes to the Canadian Organic Standards have been approved and finalized. At this time, it appears that the Organic Standards will be published in late 2020.

4.8 Transport Code

EFC is requesting information from producers regarding impacts of the proposed changes to the Transport Code of Practice. The proposed changes were reviewed by the BC PMC and comments from the committee were presented for consideration and discussion.

**Action:** Staff was directed to send BCEMB's feedback on the changes proposed in the Transportation Code to EFC.

4.9 SCSC Pullet Program

EFC has updated the SCSC Pullet Program and has requested feedback from the provincial boards prior to September 18, 2020. At the June board meeting, staff was directed to draft a letter requesting that the Critical Control Elements be included in the Animal Care Program instead of requiring a separate SCSC Program. The draft letter was presented for discussion.

**Action:** Staff was directed to incorporate the feedback from the Board of Directors and send BCEMB's feedback to EFC regarding the changes proposed to its SCSC Pullet Program.

4.10 Barn Measurement and Code Requirement Update

All unmeasured barns in BC are scheduled to be measured by the end of spring 2021. This will ensure that BC producers have time to correct any deficiencies during their next flock change, prior to the final deadline for the revised Animal Care Program implementation. An update on the measurement process and code requirements were presented for information.

4.11 CETPP Update

An update on the CETPP program was presented for information. The report shows the current flocks which are in production and flocks that will be coming online in the coming months. In July, BCEMB staff submitted its preliminary projections to EFC for the 2021 year. Staff will continue to work with EFC to ensure its projection is as accurate as possible.

4.12 EFC EFR Program

EFC has requested that all provinces, including BC Egg, participate in an Early Fowl Removal (EFR) program. An update on the removals and levy were presented for discussion. The initial phase of the EFR program, requiring the 250,000 hen removal to be maintained at a rolling steady state, will be extended to week 35, 2020. The Enhanced EFR program requires 121,000 hen removal at a rolling steady state from week 36, 2020 to week 52, 2020. As of the July update BCEMB had successfully maintained its provincial EFR target of an ongoing 250,000 hen reduction.

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The project appears to having the intended impact as the temporary national egg inventory surplus (due to COVID-19) has begun to decline and eggs are moving interprovincially, lessening the temporary oversupply.

**Action:** Staff to work with EFC to ensure that producers are receiving timely reconciliations of compensation for flocks which are removed under this program.

### 4.13 Update COVID Expenses

Due to the COVID-19 Pandemic, some of BC Egg's program and administration costs are increasing. An update on the costs were presented for discussion.

### 4.14 PFGC Update

BC Egg and EFA contracted JRG Consulting to undertake a study on farm gate pick up costs and associated programs. The study report was shared with graders on June 16, 2020, followed by a Zoom meeting on June 30<sup>th</sup> to discuss and verify the study findings. The Board discussed next steps.

### 4.15 BCEMB Pricing Recommendation

The egg boards across Canada have agreed to follow a National Pricing Schedule where the opportunity for producer price changes will occur 3-4 times a year instead of monthly. At this time it appears that many provinces are considering an increase to their price in the upcoming COP period. The Board of Directors had a preliminary discussion on the BC posted producer price for Period 9.

### 4.16 EFC Quota Credits

EFC has a National QC Policy which, if used effectively, could maximize BCEMB's ability to produce its quota over a number of years. An update on analysis conducted on the program was presented for discussion. Moving forward, staff will present potential flocks with extended downtimes that may qualify for the EFC QC program to the Board for approval.

## 5.0 GOVERNANCE

### 5.1 Whistleblower Complaint

In June a complaint was received electronically via our Whistle Blower Program. The written complaint as well as information on staff process, investigation, and action taken was presented to the Board of Directors. There is one more follow up item that staff intends to complete in August before the complaint file is closed.

### 5.2 HR Update

An HR update was provided to the Board for information purposes.

### 5.3 FOI Update

A request was received at the BC Egg office on March 31, 2020 pursuant of the Freedom of Information Act requesting information relating to exemptions of quota. An update on the status of the request was provided.

## 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.

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6.2b IP Report Week

The IP Report Week 28 was presented for information.

6.2c IP Processor Summary Week

The IP Processor Summary Week 28 was presented for information.

6.2d Food Bank Donation Report

The Food Bank Donation Report was presented for information.

6.2e Quota Utilization Update

The Quota Utilization Update 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.

**Action:** Staff was directed to add analysis into the inventory projection to show how inventory would have been impacted if the EFR flocks had not been shipped early.

6.3 Financials

6.3a Period 6 Board & Committee Per Diems & Expenses

The Period 5 Board & Committee Per Diems & Expenses were presented for information.

**R20-105** It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve the Period 6 Board & Committee Per Diems & Expenses.

CARRIED

6.3b AR Report

The AR Report was presented for information.

6.3c Period 6 2020 Financial Statements

The Period 6 Financials were presented for information.

**R20-106** It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors approve Period 6 Financials as presented.

CARRIED

**Action:** Staff was directed to add consideration to its policy manual on how the premium for Enriched production is handled on farm gate sales.

6.4 Preliminary COP

6.4a Period 5, 2020 COP

The Period 5, 2020 COP was presented for information.

6.5 Audit Scores

The Audit Score Report was presented for information.

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6.6 Feed Mill Participation

The Feed Mill Participation Report was presented for information.

6.7 Fowl Removal Update

The Fowl Removal Update was presented for information.

**Action:** Staff was directed to bring catching considerations to the PMC for a discussion at its next meeting.

**7.0 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.

**ADJOURNMENT**

It was MOVED by Walter Siemens and SECONDED that the meeting be adjourned at 4:17 pm.



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Board Chair



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Certified Correct, Secretary