

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: August 27 & 28, 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
Nicole Thompson, Executive Assistant
Amanda Brittain, Director of Communications & Marketing

CALL TO ORDER

Chair, Gunta Vitins, called the meeting to order at 10:01am.

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 Matt Vane and SECONDED that the agenda be adopted with the following amendments:

- 3.6 Grader Update
- 3.7 EPA Update

1.0 APPROVAL OF MINUTES

1.1 Approval of the Minutes of July 23, 2020

R20-108 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve the Minutes of July 23, 2020 as presented.

CARRIED

1.2 Approval of the Minutes of July 27, 2020

R20-109 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors approve the Minutes of July 27, 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.

2.2 Operations Plan Update

The 2020 Operations Plan was presented for information.

2.3 New Business

2.3a EFC COP Study Reference Year

Due to the impacts COVID-19 would have on the COP study, EFC has changed the reference year to 2021 to allow the base results of the study to reflect the “new normal” in the egg industry.

3.0 STAKEHOLDER ENGAGEMENT

3.1 EFC Update

An update on EFC issues and programs were presented to the Board of Directors, including EFC’s Early Fowl Removal Program.

3.2 COVID Long Term Production Project

Board members and staff attended a COVID Long Term Production Project meeting on August 20, 2020 and notes from the meeting were presented for information.

Action: Staff was directed to send the data tables to the Board and add the global report to the agenda going forward.

3.3 Natural Overrun Project Team Update

Board members and staff attended the Natural Overrun Project Team meeting on July 23, 2020. As part of the follow up, comments on the NOPT Proposal were due by August 17, 2020. The responses received were presented for information.

3.4 Animal Activism Roundtable

The Ministry of Agriculture held an Animal Activism Roundtable via Zoom on August 14, 2020 as a follow-up to the July meeting. The Ministry recognizes our concerns and understands the

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industry's request to move faster on the legal aspects. Additional notes from the meeting were presented for information.

3.5 Marketing Update

An update on marketing initiatives was presented for information. Feedback from the PNE regarding the BC Egg display was provided, along with an update from the UGM virtual gala.

3.6 Grader Update

The Board Chair and Executive Director met with graders via Zoom as part of a yearly update. Notes from the meeting and plans for upcoming meetings with additional graders was presented for discussion.

3.7 EPA Update

The Board Chair met with the EPA and notes from the meeting were presented for discussion.

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 and good standing 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. BCFIRB has also provided a decision on the producers appeal and the letter was presented for discussion.

4.2a NPP Consultation

As part of the producer appeal, BC FIRB has directed BCEMB to submit a consultation plan for a revised "producer-vendor" category by September 13, 2020 and potential amendments for recommended changes by December 12, 2020.

The Board discussed Staff's proposed letter to BCFIRB and provided feedback.

Action: Staff was directed to finalize the letter to BCFIRB and create a survey test by September 4, 2020, for the Board to review.

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.

4.4 Research Update

As part of the research agreement, quarterly updates are to be provided. An update from the researcher's second flock was presented for information.

4.5 Barn Fitness Audit

4.5a Revised Checklist

Prior to approving EPU leases between producers, BCEMB requires the successful completion of a Barn Fitness Review and Audit. To ensure greater consistency in the reporting process, the Board requested that an objective scoring checklist be

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developed along with a summary page that is sent to producers following the audit, after the committee, PMC and Board have had a chance to review and provide their recommendations. The revised checklist was presented for discussion.

4.5b Producer A

A Barn Fitness Audit was conducted at a producer's location and the results from the audit, along with the recommendation from the BFAC and PMC committees were presented for discussion.

R20-110 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors provide conditional approval for [REDACTED] to lease EPU [REDACTED] at [REDACTED] from [REDACTED] as requested for one flock cycle (a maximum of 61 weeks), beginning January 2021 subject to the following conditions:

1. The facility must meet the Code requirements which requires the addition of one nipple per cage for water access
2. The cages where the floor bottoms are loose must be repaired

Final approval will be provided upon the conditions being met to the satisfaction of the BCEMB, verified by a second inspection to occur no later than January 1, 2021.

CARRIED

4.5c Producer B

A Barn Fitness Audit was conducted at a producer's location and the results from the audit, along with the recommendation from the BFAC and PMC committees were presented for discussion.

R20-111 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors provide conditional approval for [REDACTED] to lease EPU [REDACTED] at [REDACTED] as requested for one flock cycle (a maximum of 61 weeks), beginning February 2021 subject to the following conditions:

1. The cage dividers must be repaired

Final approval will be provided upon the conditions being met to the satisfaction of the BCEMB, verified by a second inspection to occur no later than January 1, 2021.

CARRIED

4.6 Pigeon Paramyxovirus Review

On July 24, 2020, AGRI notified CFIA of a non-negative test for Avian Paramyxovirus in pet pigeons and CFIA movement controls were placed on the premises. A timeline of events was presented for information.

4.7 Barn Fire Update

On August 7, 2020, there was a fire at a BC layer farm. An update on the situation was presented for information.

The Board discussed past situations and agreed that a policy should be created to ensure consistency when providing support to producers.

Action: Staff was directed to determine if a policy for these types of situations exists and if not, to draft one.

4.8 Catching Video Update

A video was released to Black Press and Glacier Media on August 14, 2020. Details regarding the situation and a timeline were presented for discussion.

4.9 EFC CAR Process

Some complaints have been received regarding a change in the way CARs are being issued by the EFC Auditor. Staff have looked into the concerns and will bring it to EFC's attention as complaints arise.

4.10 National SE Protocol Update

The National SE Protocol Review Project Team has conducted a review of EFC's SE Protocols. The updated protocols will be implemented on January 1, 2021 and were presented for information.

Action: Staff was directed to update the SE Policy, if required.

4.11 SE Mitigation Strategies

CEIRA has been contemplating increasing the cost of insurance to those provinces who have the highest claims. The EPA and PMC have discussed strategies to mitigate concerns, which were presented for discussion. Progress has been made in BC over the last year and additional strategies will be reviewed if concerns are raised again.

4.12 Inventory Projections and Analysis

BC Egg monitors utilization projections in current year (2020/2021) and next year (2021/2022) to ensure we are using 100% of the layer quota allotted to BC through strategic programming while fully maintaining compliance with national agreements. The updated projection and analysis was presented for discussion.

The Board agrees with Staff's recommendation to continue with the EFC EFR removal.

Action: Staff was directed to include a reminder to producers in the next Scrambler to adjust their CPP if altering their placements.

4.13 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.

Action: Staff was directed to include a reminder in the next Scrambler for producers to notify staff if their barns haven't been measured or scheduled to be measured.

4.14 Organic Standards Update

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.

Action: Staff was directed to include an update on the standards in the next Scrambler.

4.15 Producer Pricing Concerns during COVID

As producers are required to transition out of conventional systems, some are requesting flexibility on the minimum price in order to convert to a production type that is not desired by the grader.

The Board agreed to maintain the current minimum pricing orders and continue to require grading station sign-off on production type changes.

Action: Staff was directed to bring the blended conventional and enriched producer report to the September meeting.

4.16 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.

4.17 Interior Fowl Removal

The party which BCEMB contracted to in January of 2020 to remove fowl in the Interior region of BC has communicated that before purchasing a gas stunning system they will require an additional per bird price increase. An update on the progress was presented for information.

ADJOURNMENT

It was MOVED by Jeff Regier and SECONDED that the meeting be adjourned at 4:30pm on August 27, 2020.

CALL TO ORDER

Chair, Gunta Vitins, called the meeting to order at 10:04am on August 28, 2020.

4.18 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.

The Board discussed several scenarios to see how the assessments played out and how best to provide producers with a clear direction.

4.19 Quota Transfer Request

4.19a Producer A

BCEMB has received a quota transfer request from a registered producer. The request was presented for discussion.

R20-112 It was MOVED by Walter Siemens and SECONDED

Whereas in recognition of the February 19, 2020 transfer of shares of [REDACTED] from [REDACTED] to [REDACTED] and [REDACTED] in accordance with the will of [REDACTED];

THAT the Board of Directors approve the deemed transfer of quota from the [REDACTED] to [REDACTED] on February 19, 2020. This a deemed transfer to children, therefore a surrender of layer quota is not required as per Subsection 3(6)(c) of Part V of the Consolidated Order.

CARRIED

R20-113 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors provide conditional approval for the proposed transfer of quota from [REDACTED] and [REDACTED] to [REDACTED]. This proposal represents a deemed transfer from children to a parent, therefore in

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accordance with Section 3 of Part V of the Consolidated Order, a surrender of layer quota in the amount of 3,518 is required.

CARRIED

4.20 Producer QC Request

A producer who is currently building a new barn has requested to earn QCs.

R20-114 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors allow [REDACTED] to earn quota credits from July 29 to December 16, 2020.

CARRIED

1 abstention

4.21 EFR Update

On August 19, 2020 EFC sent a memo to Egg Boards which communicated that nationally, a shift in higher demand has created a significant shortage and has led to imports. The latest reports from industry suggest that demand could remain at these elevated levels. To address the current under-supply situation, EFC is now requesting that egg boards refrain from submitting any new EFR flocks. An update on EFR flocks in BC was presented for information.

4.22 EFP Update

A Summary of the EFP costs to Week 32 was provided for discussion.

4.23 Updated COVID Expenses

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

4.24 Poultry Sector Review

COVID-19 has impacted the poultry industry by disrupting various components of the supply chain, from breeders through hatcheries, production, processing and grading. BCBHEC submitted an application to IAF for funding to complete a study that will review the poultry industries response plans and actions during the first stage of the COVID-19 pandemic. As part of that application, all four feather boards committed to supporting and taking part in the project. The project funding was approved by IAF and the project will commence soon.

4.25 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 30th to discuss and verify the study findings.

The Board discussed the next steps.

4.26 TM1 Update

An update on the TM1 updates was presented for information.

5.0 GOVERNANCE

5.1 Whistleblower Complaint

Two complaints have been received electronically via our Whistle Blower Program over the past 2 months. The written complaints as well as information on staff process, investigation, and actions taken were presented for discussion.

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For the first whistleblower complaint, received on June 25, 2020, follow up by the PLO was conducted and the file was closed. The second whistleblower complaint, received on July 30, 2020 was also followed up by the PLO to ensure the producer complies to BCEMB programs and industry expectations.

Action: Staff was directed to include a reminder to producers in the next Scrambler to clean conveyor belts even though they are not tested for SE under the SCSC Program.

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.

5.4 PARP Report

BCFIRB requires commodity boards to complete an annual PARP report by September 15, 2020. BCEMB's report was provided for review and any comments from the Board will be incorporated before being sent to BCFIRB by the deadline.

5.5 Board Evaluation

BCFIRB requires the Boards to submit their annual Board and Chair performance evaluations. Annual board evaluations have been conducted since 2016, however a chair evaluation has not been conducted since 2015. COMB will be conducting a chair evaluation on behalf of BCEMB.

Action: Staff were directed to ask COMB to send the chair evaluation survey.

5.6 Committee Minutes

5.6a April 2 PMC Meeting Minutes

The PMC meeting minutes from April 2, 2020 were presented for information.

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.

6.2b IP Report Week

The IP Report Week 32 was presented for information.

6.2c IP Processor Summary Week

The IP Processor Summary Week 32 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.

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6.2f Quota Credit Update

The Quota Credit Update 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

The Period 7 Board & Committee Per Diems & Expenses were presented for information.

R20-115 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve the Period 7 Board & Committee Per Diems & Expenses.

CARRIED

6.3b AR Report

The AR Report was presented for information.

6.3c Period 7 2020 Financial Statements

The Period 7 Financials were presented for information.

R20-116 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors approve Period 7 Financials as presented.

CARRIED

6.4 Preliminary COP

6.4a Period 6, 2020 COP

The Period 6, 2020 COP was presented for information.

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 Update

The Fowl Removal Update was presented for information.

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 Jeff Regier and SECONDED that the meeting be adjourned at 2:02pm on August 28, 2020.

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Board Chair



Certified Correct, Secretary