

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: October 22-23, 2020

Location: Vancouver Island Ballroom - Hotel Grand Pacific, Victoria

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
Amanda Brittain, Director of Communications & Marketing

CALL TO ORDER

Chair, Gunta Vitins, called the meeting to order at 9:00am on October 22, 2020.

The Chair acknowledged that the meeting was held on the traditional territories of the Songhees and Esquimalt 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 as presented.

The Board of Directors of BC Egg Marketing Board

Minutes: Board of Directors Meeting

Date: October 22-23, 2020

1.0 APPROVAL OF MINUTES

1.1 Approval of the Minutes of September 21, 2020

R20-128 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors approve the Minutes of September 21, 2020 as presented.

CARRIED

1.2 Approval of the Minutes of September 24, 2020

R20-129 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve the Minutes of September 24, 2020 as amended.

CARRIED

2.0 BUSINESS ARISING/ACTION LIST

2.1 2020 Board Calendar & Action Items

The 2020 and 2021 Board Calendars were presented for information.

2.2 EFC Consultation Letters

2.2a Consultation for Amendments to the SC-SC® Program

EFC requested feedback on three amendments to the SCSC Program. The response letter sent to EFC was presented for information.

2.2b Euthanasia Methods 2020 AVMA Guidelines

EFC requested feedback on a change to the Euthanasia Plan for the Animal Care Program. The response letter sent to EFC was presented for information.

2.2c Free Range Standards

EFC requested that Egg Boards provide input on the notion of EFC developing free range standards that could be consistently applied across Canada. The response letter sent to EFC was 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, including COVID supply issues, national buyback discussions, and the EFP program.

3.2 Marketing Update

An update on marketing initiatives was presented for information, including results from World Egg Day, an update on the producer satisfaction survey, and child friendly content for social media.

3.3 EQA and Farm Gate Sales

Many consumers prefer to buy eggs from roadside stands not knowing that these eggs may not meet the rigorous standards required of our producers. Consumers will need a quick and easy way to recognize whether or not the eggs are produced to these standards.

The Board reviewed options to increase customer awareness, including expanded use of the Egg Quality Assurance (EQA) label by registered producers, and agreed to use our own resources to monitor the situation moving forward.

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 certification 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 Order. An update on their sales data was presented for information, along with a letter from the producer explaining their intention to sell.

The Board deliberated on the producer’s options to sell and exit the industry in a way that meets SAFETI principles and the best interest of the industry.

R20-130 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors allow ██████████ to sell their quota on the quota exchange or their farm and quota as a Going Concern Sale with only the restrictions allowed in the Consolidated Order.

CARRIED

Action: Staff was directed to notify the producer of the Board’s decision.

4.3 Producer-Vendor NPP Consultation

As a result of the producer appeal, BC FIRB has directed BCEMB to conduct a fullsome consultation for a revised producer-vendor” category and submit potential amendments for recommended changes by December 12, 2020. The BCEMB completed the on-line stakeholder consultation survey on October 21, as per the consultation plan submitted to BC FIRB on September 13, 2020. The preliminary survey results were presented for discussion.

Action: Staff was directed to present the survey summary and analysis at the next meeting.

4.4 New Producer Program 2021

BCEMB has committed to hold a NPP draw in the winter 2020 or spring 2021. The “producer-vendor” consultation will delay this draw. Staff will be developing a program policy as well as a distribution list for when the NPP notification is sent.

4.5 Quota Transfer Decision Tree

BCEMB is developing a clear process for determining the relevant shareholder information required when evaluating quota transfers. Based on the consultation, a summary of understanding was agreed to and staff has begun its work to create a book with multiple flow charts which, when completed, will detail as many transfer situations as possible. The draft book was presented for discussion.

Action: Staff was directed to continue working on the booklet and to flag any new pages that have been added since the last board review.

Action: Staff was directed to send an update to producers in a Fast Fry.

4.6 Quota Transfer Request

4.6a Producer A

BCEMB has received quota transfer requests from a registered producer.

R20-131 It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors approve the share structure changes for [REDACTED]. All of the changes are deemed transfers to the Transferor's children, therefore, in accordance with the Consolidated Order Part V 3(6)(c), a surrender of layer quota is not required.

CARRIED

4.6b Producer B

BCEMB has received quota transfer requests from a registered producer.

R20-132 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors approve the share structure changes for [REDACTED]. All of the changes are deemed transfers to the Transferor's child and the child's spouse, therefore, in accordance with the Consolidated Order Part V 3(6)(c), a surrender of layer quota is not required.

CARRIED

4.7 Enriched Production Concerns

In the last month, two irregular situations have occurred that fall outside of our current operating guidelines.

4.7a Renovating a Conventional Facility

Early in September BCEMB became aware that a producer had added a row of enriched colonies into an existing barn. Details regarding the situation were presented for discussion.

The Board reviewed the situation and confirmed that the CETPP states "flock" and therefore a partial flock would not qualify for the enriched producer price.

4.7b Overstocking an Enriched Facility

BCEMB became aware that a producer had placed more birds in their facility than indicated on their measurement certificate. Details regarding the situation were presented for discussion.

R20-133 It was MOVED by Jon Krahn and SECONDED

WHEREAS Producer [REDACTED] did not meet the enriched requirements from week 22 – week 40, 2020; and,

And WHEREAS the EFC CETPP MOU states that "If, at any time, a farmer receives the enriched producer price and it is later determined that the production on which the price was paid did not qualify as enriched in accordance with section 2.5.a or 2.5.b (as applicable), then the conventional to enriched producer price difference must be repaid to the egg board for the period of non-compliance.";

That the Board of Directors collect \$15,331.81 in overpayment from producer # [REDACTED] for the BC CETPP fund.

CARRIED

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4.7c Aviary System

BCEMB became aware that there is a producer who has a unique system and some concerns were brought up regarding the barn measurement process. The Board discussed the situation and the next steps to ensure it meets all requirements.

4.8 Natural Overrun Fee Program

The Natural Overrun Fee Program MOU has been sent to the Provincial Boards for signature and are due back to EFC by October 30, 2020. The program details were presented for discussion.

R20-134 It was MOVED by Walter Siemens and SECONDED

THAT the BCEMB Chair sign the BCEMB/EFC Natural Overrun Free Program MOU prior to October 30, 2020.

CARRIED

VI EPA Meeting

Members of the Vancouver Island Egg Producers Association met with the Board of Directors from 2-3pm. The Board provided an update and answered any questions from the EPA.

4.9 PFGC Update

BC Egg and EFA contracted JRG Consulting to undertake a study on farm gate pick up costs and associated programs. The study was presented to the graders on June 30th, 2020. A revised report was shared with the graders in July and was presented to the Western Provinces at a meeting on September 11, 2020. Staff have drafted a proposal for BC graders, which was presented for discussion.

The Board recognizes the graders' challenges and agreed with the proposal presented.

Action: Staff was directed to start negotiations with graders in mid-November and to change the category of smaller farm size to farms with 6,000 quota units or less.

4.10 WEMA Meeting

The WEMA agreement has not been updated (except for names and timing) since its inception in 2004. A meeting with the western provinces has been scheduled for October 29 with the intent to begin reviewing the principles behind the WEMA agreement and the formula.

The Board reviewed the agenda and discussed options to review further.

4.11 EFC PMC Request for Flock Mortality

The national PMC is conducting a consultation asking provinces to share their flock cycle mortality levels. The request, responses from other provinces, and BC's numbers were presented for discussion.

The Board reviewed EFC's request and agreed to decline.

ADJOURNMENT

The meeting was adjourned at 4:45pm on October 22, 2020.

CALL TO ORDER

Chair, Gunta Vitins, called the meeting to order at 8:45 am on October 23, 2020.

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4.12 Fowl Removal Update

BCEMB is gathering information on purchasing a portable CO2 euthanasia machine to service the Interior region. The funding application process is now open with IAF and staff is finalizing information for the application. The application is due by October 30, 2020.

The Board also discussed the general fowl removal process, including concerns that were raised by the processor.

4.13 EFR Update

From May-September 2020 EFC requested that BC Egg participate in an Early Fowl Removal (EFR) program and remove approximately 250,000 layers from production. An update on the program was presented for information.

4.14 EFP Update

Due to the COVID-19 Pandemic and the resulting decrease in demand for processed product, the EFP program was halted in Week 15. An update on the program was presented for information.

4.15 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.

4.16 2021 Inventory Projections and Forecast

BCEMB's goal is to use 100% of the layer quota allotted to BC through strategic programming while fully maintaining compliance with national agreements. An updated 2020 rolling average prediction and 2021 inventory projection was presented for discussion.

4.17 Updated 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.

4.18 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. The IAF funding application was approved for a study to review the poultry industries response plans and actions during the first stage of the COVID-19 pandemic and the review will be held on November 12, 2020.

5.0 GOVERNANCE

5.1 Budget Presentation

The 2021 draft budget was presented for discussion.

E. Duetta joined the meeting via conference call at 4pm on October 22, 2020.

The Board reviewed the draft budget and provided feedback.

E. Duetta left the meeting via conference call at 4:30pm on October 22, 2020.

6.0 PERFORMANCE REPORTS

6.1 Dashboard

The Dashboard was presented for information.

6.2 Quota

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6.2a Industry Reserve

The Industry Reserve was presented for information.

6.2b IP Report Week

The IP Report Week 40 was presented for information.

6.2c IP Processor Summary Week

The IP Processor Summary Week 40 was presented for information.

6.2d Food Bank Donation Report

The Food Bank Donation Report was presented for information.

6.2e Egg Import Information

The Egg Import Information was presented for information.

6.2f Quota Utilization Report

The Quota Utilization Report was presented for information.

6.2g Quota Credit Update

The Quota Credit Update was presented for information.

6.2h Inventory Report

The Inventory Report was presented for information.

6.3 Financials

6.3a Period 9 Board & Committee Per Diems & Expenses

The Period 9 Board & Committee Per Diems & Expenses were presented for information.

R20-135 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve the Period 9 Board & Committee Per Diems & Expenses.

CARRIED

6.3b AR Report

The AR Report was presented for information.

6.3c Period 9 2020 Financial Statements

The Period 9 Financials were presented for information.

R20-136 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors approve the Period 9 Financial Statements as presented.

CARRIED

6.4 COP

The Cost of Production details were 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.

6.8 CETPP Production Comparison

The CETPP Production Comparison was presented for information.

6.9 Producer Utilization Update

The Producer Utilization 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 Matt Vane and SECONDED that the meeting be adjourned at 10:23am.



Board Chair



Certified Correct, Secretary