

## 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:** September 24, 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

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#### **CALL TO ORDER**

Chair, Gunta Vitins, called the meeting to order at 9:43 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 Jeff Regier and SECONDED that the agenda be adopted as presented.

## **1.0 APPROVAL OF MINUTES**

### 1.1 Approval of the Minutes of August 27, 2020

**R20-119** It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve the Minutes of August 27, 2020 as presented.

CARRIED

### 1.2 Approval of the Minutes of September 16, 2020

**R20-120** It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors approve the Minutes of September 16, 2020 as presented.

CARRIED

### 1.3 Approval of the Minutes of September 17, 2020

**R20-121** It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve the Minutes of September 17, 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.

## **3.0 STAKEHOLDER ENGAGEMENT**

### 3.1 EFC Update

An update on the matters of EFC were presented to the Board of Directors, including details regarding program changes to supply more eggs to the table market.

### 3.2 Marketing Update

An update on marketing initiatives was presented for information, including examples of ongoing and upcoming marketing initiatives, plans for World Egg Day, and a Kid's Zone section on the website.

The Board discussed options for the producer Christmas event and agreed to donate to the UGM Poultry Kitchen fund instead of hosting a party. BC Egg will still be accepting toy donations for the Abbotsford Christmas Bureau.

## **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.

**R20-122** It was MOVED by Walter Siemens and SECONDED

WHERE AS the Board of Directors deemed producer ██████████ not in good standing, effective January 3, 2020, until the flock meets all specialty audit requirements, including 120 days access to the outside range.

THAT upon successful completion by the producer of their BC Specialty audit which includes the provision of outdoor access for a minimum of 120 days, the Board of Directors deems producer ██████████ to be in good standing with the Consolidated Order, effective September 24, 2020.

CARRIED

**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 additional information for the producer’s next steps.

After reviewing the SAFETI principals, the Board supports presenting the producer with two options if he wishes to exit the industry.

**Action:** Staff was directed to draft the letter to the producer.

**4.2a** Producer-Vendor NPP Consultation

As part of the producer's 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. An update on the consultation process was presented and it was noted that the survey was disseminated on Sept 21 and informational ZOOM meetings with producers have been scheduled for the week of Sept 29, 2020.

**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. This timeline may be extended depending upon the results of the NPP Producer-Vendor consultation. 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 to consider expanding through the NPP. An update on the progress was presented.

**4.4** Barn Fitness Audit

Prior to approving EPU leases between producers, BCEMB requires the successful completion of a Barn Fitness Review and Audit. At the last board meeting, some changes were recommended to the Barn Fitness Audit Checklist which were presented to the PMC. The PMC supports these changes and the revised checklist will be used for future Barn Fitness Audits.

**4.4a** BFAC Implementation Plan

Now that there is a well defined process in place for conducting barn fitness audits, an implementation plan will be developed to commence audits on those facilities with equipment that is 15 years or older. The policy states that facilities with equipment that is 25 years or older will be audited first. A proposed plan, as well as feedback from the PMC, was presented for discussion.

The Board agreed that the Barn Fitness Audit Committee should conduct Barn Fitness Audits on 3-4 farm sites at least one day each month in 2021 in order to complete the audits on barns whose equipment was installed prior to 2005.

4.5b BFA Request for Lease Extension

A producer has requested a lease extension for a barn that was previously approved for a lease. The details were presented for discussion.

The Board reviewed the request and agreed that a Barn Fitness Audit with a reduced committee is required.

**R20-123** It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors require a Barn Fitness Audit to be conducted prior to the July 2021 placement in accordance with the updated audit process.

CARRIED

4.5 Quota Transfer Decision Tree

BCEMB does not have a clear process for determining the relevant shareholder information required when evaluating quota transfers. A consultation was conducted and a summary of the results, along with the proposed next steps, was presented for discussion.

The Board reviewed the results and agreed with staff's recommendation to create a workbook with examples for producers.

4.6 Quota Transfer Request

4.6a Producer A

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

BCEMB has received quota transfer requests from a registered producer.

**R20-124** It was MOVED by Jeff Regier and SECONDED

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

CARRIED

4.7 Producer Lease Request

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

A producer has submitted a lease request for 6,000 quota units due to an upcoming short placement that occurred in his pullet barn.

**R20-125** It was MOVED by Jeff Regier and SECONDED

WHEREAS [REDACTED], lost 6,000 hens due to situations under management control,

THAT the Board of Directors have decided to decline the Quota Lease Request as it does not meet the requirements of the Consolidated Order.

CARRIED

4.8 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 Western Provinces on September 11, 2020. The Board will resume meetings with the Graders as the agreement from 2016 expires in 2021.

The Board reviewed the information provided and discussed the next steps.

**Action:** Staff was directed to draft a PFGC proposal for review by the Board.

4.9 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.

4.10 EFC Consultations

4.10a Consultation for Amendments to the SC-SC® Program

EFC is requesting feedback on three amendments to the SCSC Program. The amendments, as well as feedback from the PMC, were presented for discussion.

The Board reviewed the draft response letter presented and provided amendments.

4.10b Euthanasia Methods 2020 AVMA Guidelines

EFC is requesting feedback on a change to the Euthanasia Plan for the Animal Care Program. The amendments, as well as feedback from the PMC, were presented for discussion.

The Board supports the feedback provided by the PMC and staff.

4.10c Free Range Standards

EFC is requesting that Egg Boards provide input on the notion of EFC developing national free range standards that could be consistently applied across Canada. The proposal, as well as feedback from the PMC, were presented for discussion.

The Board supports the feedback provided by the PMC and staff.

4.10d Merging all Parts of SCSC Programs

EFC is completing a consultation which proposes to merge the SCSC Part 1 & 2 audit with the Part 3 audit which is currently being conducted separately. The proposal, as well as feedback from the PMC, were presented for discussion.

The Board supports the feedback provided by the PMC and staff.

4.11 Fowl Removal Update

BCEMB is gathering information on purchasing a gas stunning machine to service the Interior region. BCEMB has a meeting on October 1, 2020 with the Processor and Catching Crew. The proposed agenda and discussion topics were presented for review.

4.12 EFR Update

Based on the declining need of nest run product and a grader's continued backup of Product earlier in the pandemic, EFC requested that BC Egg participate in an Early Fowl Removal (EFR) program and remove approximately 250,000 layers from production. BCEMB's

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final EFR Flock was removed on September 10, 2020. No additional flocks have been scheduled and EFC has reimbursed BCEMB for additional costs.

4.13 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. Commencing in week 18, BC Egg started sending EFP production to Foodbanks BC and reducing the number of EFP hens in the barns. The market has shifted and EFC has requested that the EFP eggs be shipped to the grader. Options for the EFP Service Fee were presented for discussion.

**R20-126** It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors have agreed to reduce the EFP Service Fee to \$0.0000 effective Week 39, 2020 and maintain EFP production at 18,018 hens.

CARRIED

4.14 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.

4.15 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 were presented for discussion.

The Board agreed to maintain the EFC QC process as is but to review options for next year.

4.16 2021 Market Forecast

BCEMB leverages information from available databases and resources to develop a forecasting model that reflects a relatively accurate picture of the industry's current position, driving factors, and future direction from both a supply (production) and demand (retail) perspective. The 2021 market forecast 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 was 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. 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 was approved and project activity will be commencing soon.

**5.0 GOVERNANCE**

5.1 Whistleblower Complaint

An update on a whistleblower complaint were presented for update.

The Whistleblower Complaint received on September 7, 2020 has been reviewed and steps have been taken to resolve the situation.

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5.2 Committee Minutes

5.2a June 23, 2020 PMC Meeting Minutes

The PMC meeting minutes from June 23, 2020 were presented for information.

5.2b May 28, 2020 EIAC Meeting Minutes

The EIAC meeting minutes from May 28, 2020 were presented for information.

5.2c May 26, 2020 Audit & Finance Meeting Minutes

The A&F meeting minutes from May 26, 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 36 was presented for information.

6.2c IP Processor Summary Week

The IP Processor Summary Week 36 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 8 Board & Committee Per Diems & Expenses

The Period 8 Board & Committee Per Diems & Expenses were presented for information.

**R20-127** It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors approve the Period 8 Board & Committee Per Diems & Expenses.

CARRIED

6.3b AR Report

The AR Report was presented for information.

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6.3c Period 8 2020 Financial Statements

The Period 8 Financials were presented for information.

6.4 Preliminary COP

6.4a Period 9, 2020 COP

The Period 9, 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.

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 4:18 pm.



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Board Chair



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Certified Correct, Secretary