

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: November 9, 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
Amanda Brittain, Director of Communications & Marketing
Nicole Thompson, Executive Assistant
Erin Duetta, Manager Finance

CALL TO ORDER

Chair, Gunta Vitins, called the meeting to order at 9:03 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 with the following addition:

4.14 Fowl Removal Review

1.0 APPROVAL OF MINUTES

1.1 Approval of the Minutes of October 22-23, 2020

R20-137 It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors approve the Minutes of October 22-23, 2020 as presented.

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 EFC PMC Request for Flock Mortality Response

EFC was requesting BC's flock mortality information. 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 expected growth rates based on table disappearance and the QAC, the EFC levy increase, producer payments for early fowl, and an update on the EFC fund balances.

3.2 Marketing Update

An update on marketing initiatives was presented for information, including the 2020 campaign results.

The Board agreed with the annual report theme of Thank a Farmer.

Action: Staff was directed to bring the Campaign Evaluation Survey results to the December meeting.

3.3 BCFIRB Meeting

BCEMB will be hosting a virtual meeting with BCFIRB on November 16, 2020, which will include a virtual aviary barn tour. The messaging and agenda were presented for information.

The Board agreed with the suggested plan and provided feedback.

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 was provided for information.

4.2 Poducer 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 transfer request.

The Board reviewed the transfer request and discussed the process.

R20-138 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors conditionally approve the Going Concern Sale of 1,295 quota units along with the Independent Production Unit at [REDACTED] from [REDACTED] to [REDACTED] provided that the following conditions are met:

- Evidence is received by the transferor or transferee that the State of Title for the IPU has transferred to the purchaser on the proposed transfer date of January 8, 2021; and,
- That a complete Central Securities Registered is received by [REDACTED]
- The transfer application document is completed and amended where necessary.

As the transfer does not meet any of the exemptions detailed in Part V 3. (6) of the Consolidated Order a surrender of 2,135 quota units is required.

CARRIED

4.3 Producer-Vendor NPP Consultation

As a result of the producer appeal, BC FIRB has directed BCEMB to conduct a fulsome 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, 2020, as per the consultation plan submitted to BCFIRB on September 9, 2020. The final survey results were presented for discussion.

The Board reviewed the results and provided feedback on staff’s recommendations.

Action: Staff was directed to bring the consultation summary to the EIAC for their feedback before reviewing again at the December meeting.

Action: Staff was directed to request an extension from BCFIRB from the original date of December 12, 2020, in order to complete a comprehensive consultation with additional opportunities for stakeholder feedback.

4.4 New Producer Program 2021

BCEMB has committed to hold a NPP draw in winter 2020 or spring 2021. The “producer vendor” consultation will delay this draw to later in 2021. 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 results of the consultation, a summary of understanding was reviewed and approved. Staff is developing a workbook with multiple flow charts which, when completed, will detail as many transfer situations as possible. An update was presented for information, including additional pages that are being added to the booklet.

The Board reviewed the pages presented and reiterated its approval of the approach being taken.

Action: Staff was directed to send the booklet to producers as a work in progress.

4.6 Research Flock Update

In 2018 Ritchie-Smith was granted a research flock. The research flock has now completed two flock cycles and an update on their research was presented for discussion.

████████ joined the meeting via Zoom at 10:00am.

A research flock update was presented, along with their intended plan going forward.

████████ left the meeting at 10:30am.

Action: Staff was directed to obtain an update on the research flock that can be shared with producers.

4.7 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. Using the information from the study, staff have created a draft proposal for revised farm gate pick up costs for BC graders, which was presented for discussion.

The Board reviewed the draft proposal and provided amendments.

Action: Staff was directed to send the amended program proposal to the graders on Friday, November 20, 2020.

4.8 WEMA Meeting

The WEMA agreement has not been updated substantively since its inception in 2004. A meeting with the western provinces was held on October 29, 2020 and a summary document from the meeting was presented for discussion.

The Board reviewed the meeting document, discussed the current program and agreed that as not all western provinces are interested in revising the program at this time, further review can be postponed.

4.9 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.

4.10 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. An update on the EFR program discussed at the last EFC meeting was also presented for discussion.

The Board agreed to include a 1.5% allowance for a BCEMB EFR in its 2021 budget.

Action: Staff was directed to remind producers in the next few Scramblers about quota credit requirements.

4.11 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.

4.12 Production Sleeve

The 6% production sleeve is scheduled to end July 4, 2021. Options for the program as well as EIAC's recommendation were presented for discussion.

R20-139 It was MOVED by Walter Siemens and SECONDED

THAT effective July 4, 2021 the Board of Directors reduce the Production Sleeve to 0% until July 2, 2022. The production sleeve will be reviewed in November 2021 to determine the July 3, 2022 production sleeve.

CARRIED

4.13 Quota Credit Policy Review

The quota credit policy has not been updated since 2011 and it may be time to refresh the policy and make improvements that will enhance the transparency, understanding, relevance, and longevity of the QC program.

The Board reviewed staff's recommendations and provided feedback to be incorporated and brought back to the December board meeting for further discussion.

4.14 Fowl Removal Update

The catching company has asked for BC Egg's assistance to determine further options to better shelter birds during the catching process.

Action: Staff was directed to bring the topic to the upcoming PMC meeting for their feedback.

5.0 GOVERNANCE

5.1 EPA Budget Presentation

██████████ joined the call via Zoom at 2:00pm.

The 2021 draft Egg Producer Association budget was presented.

██████████ left the call at 2:08pm.

5.2 Budget Presentation

The 2021 draft budget and methodology were presented, as well as two options for the marketing budget.

The Board reviewed the budget and recommended that the Covid marketing plan presented be included in the 2021.

5.3 CAF Update

A facility assessment has now been completed on the Central Agriculture Facility property and the report was presented for discussion.

6.0 PERFORMANCE REPORTS

6.1 Dashboard

Due to time considerations, this topic was moved to the December 1, 2020 board meeting.

The Board of Directors of BC Egg Marketing Board

Minutes: Board of Directors Meeting

Date: November 9, 2020

6.2 Quota

6.2a Industry Reserve

Due to time considerations, this topic was moved to the December 1, 2020 board meeting.

6.2b IP Report Week

Due to time considerations, this topic was moved to the December 1, 2020 board meeting.

6.2c IP Processor Summary Week

Due to time considerations, this topic was moved to the December 1, 2020 board meeting.

6.2d Food Bank Donation Report

Due to time considerations, this topic was moved to the December 1, 2020 board meeting.

6.2e Egg Import Information

Due to time considerations, this topic was moved to the December 1, 2020 board meeting.

6.2f Quota Utilization Report

Due to time considerations, this topic was moved to the December 1, 2020 board meeting.

6.2g Quota Credit Update

Due to time considerations, this topic was moved to the December 1, 2020 board meeting.

6.2h Inventory Report

Due to time considerations, this topic was moved to the December 1, 2020 board meeting.

6.3 Financials

6.3a Period 10 Board & Committee Per Diems & Expenses

The Period 10 Board & Committee Per Diems & Expenses were presented for information.

R20-140 It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors approve the Period 10 Board & Committee Per Diems & Expenses.

CARRIED

6.3b AR Report

The AR Report was presented for information.

6.3c Period 10 2020 Financial Statements

The Period 10 Financials were presented for information.

R20-141 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve the Period 10 Financial Statements.

CARRIED

6.4 COP

Due to time considerations, this topic was moved to the December 1, 2020 board meeting.

6.5 Audit Scores

Due to time considerations, this topic was moved to the December 1, 2020 board meeting.

The Board of Directors of BC Egg Marketing Board

Minutes: Board of Directors Meeting

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6.6 Feed Mill Participation

Due to time considerations, this topic was moved to the December 1, 2020 board meeting.

6.7 Fowl Removal Update

Due to time considerations, this topic was moved to the December 1, 2020 board meeting.

6.8 CETPP Production Comparison

Due to time considerations, this topic was moved to the December 1, 2020 board meeting.

6.9 Producer Utilization Update

Due to time considerations, this topic was moved to the December 1, 2020 board meeting.

7.0 MEETINGS HELD & UPCOMING

7.1 Meetings Held Appendix A

Due to time considerations, this topic was moved to the December 1, 2020 board meeting.

7.2 Meetings Upcoming Appendix B

Due to time considerations, this topic was moved to the December 1, 2020 board meeting.

ADJOURNMENT

It was MOVED by Jon Krahn and SECONDED that the meeting be adjourned at 4:30pm.



Board Chair



Certified Correct, Secretary