

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: December 1-2, 2020

Location: Video Conference via Zoom

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 9:01am on December 1, 2020.

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 November 9, 2020

R20-142 It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors approve the Minutes of November 9, 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.

The Board agreed to hold BC Egg's AGM on March 5, 2021 virtually.

3.0 STAKEHOLDER ENGAGEMENT

3.1 EFC Update

No meetings or conference calls have been held since the November board meeting, however a meeting will be held in Ottawa in December.

3.2 Ritchie Smith Test Flock Summary for Producers

Ritchie Smith has provided BC Egg with a research flock update that can be shared with the industry. The update was presented for information and will be sent to Producers in the December Scrambler.

3.3 CEIRA and EPA Update

On October 8, 2020, the BCEMB received an email from the BCEPA with two recommendations. The first was for producers to be allowed to lease up to 49% of their quota for up to 5 years in order to smooth the transition from conventional cages. The second recommendation was for producers who experience bird losses to be given the ability to lease out their unused quota or to choose levy abatement until they are able to re-house their full quota (for a maximum of 18 months).

The Board reviewed and discussed the EPA's request and considered historical perspectives.

██████████ *joined the Zoom meeting at 10:02am.*

██████████ presented an update from the CEIRA meeting that he attended last week. The update included information on how CEIRA remains in a strong position, that BC has brought down their gross loss ratio, upcoming coverage updates, and the audit requirements for pullet flocks.

Additional information regarding the rationale for the EPA's two recommendations was also presented to provide clarification for the Board.

██████████ *left the Zoom meeting at 10:33am.*

3.4 Trade Letter to the Minister

On November 19, 2020 the BCEMB sent a letter to the Minister providing an update on trade mitigation and to encourage discussion at the upcoming Federal, Provincial, Territorial Agriculture Ministers' meeting. The EFC requested all provincial boards to contact their Ministers of Agriculture to elevate the issue at the FPT meeting. The letter sent from BC Egg was provided for information.

3.5 BCPA Meeting Notes

A member of the Board attended the BCPA meeting on November 24, 2020 and notes from the meeting, as well as their draft budget, were presented for information.

3.6 Marketing Update

An update on marketing initiatives was presented for information, including an update on holiday initiatives, 2020 cost per impression, marketing campaign evaluation, and CCFI Public Trust Research.

3.7 2021 Marketing Plan

The 2021 Marketing Plan was 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 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 the producer was presented for information.

The Board reviewed the information and discussed the timeline for the transfer request.

4.3 Producer-Vendor NPP Consultation

A consultation on the "producer vendor" definition and the role of the producer vendor in the NPP commenced in September 2020. As part of the consultation, a survey was completed by stakeholders and results have now been reviewed by the EIAC and EPA. Feedback from both were presented for discussion.

The Board reviewed the feedback from the committees, discussed the program further, and confirmed the next steps.

4.4 Quota Transfer Decision Tree

Staff is developing a workbook for producers that will clarify which quota transfers require assessments. The workbook contains 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 new information and provided feedback.

4.5 Transfer Requests

One producer has submitted a letter of intent regarding corporate restructuring and three producers are requesting to transfer layer quota.

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4.5a Producer A

BCEMB has received a letter of intent from a registered producer, which was presented for discussion.

4.5b Producer B

BCEMB has received a quota transfer request from a registered producer.

R20-143 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve the conditional transfer of 6,000 units of layer quota from [REDACTED] to [REDACTED]. This is a transfer among related corporate producers, therefore, in accordance with the Consolidated Order Part V 3(6)(d), a surrender of layer quota is not required.

CARRIED

4.5c Producer C

BCEMB has received a quota transfer request from a registered producer, however there is still additional information required.

5.0 GOVERNANCE

5.1 2021 Levy Recommendation

After reviewing the 2021 budget, four levy scenarios were presented, along with the Audit & Finance Committee's recommendation.

The Board reviewed the scenarios and the committee's recommendation.

R20-144 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors approve the 2021 BCEMB Budget as presented and

THAT the levy rate decrease to \$0.0450 per bird per week (\$0.0882 cents per dozen) effective Week 09, 2021.

This recommendation reflects a reduction of \$0.0025 per bird per week from the 2020 levy rate.

CARRIED

6.0 PERFORMANCE REPORTS

6.3 Financials

6.3a Period 11 Board & Committee Per Diems & Expenses

The Period 11 Board & Committee Per Diems & Expenses were presented for information.

R20-145 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors approve the Period 11 Board & Committee Per Diems & Expenses.

CARRIED

6.3b AR Report

The AR Report was presented for information.

6.3c Period 11 2020 Financial Statements

The Period 11 Financials were presented for information.

The Board reviewed the financial statements and investment account options moving forward.

R20-146 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve the Period 11 2020 Financial Statements as presented.

CARRIED

4.0 OPERATIONS (cont'd)

4.6 Orders/Policies Related to Lease, Abatement & QC Issuance

In response to producer concerns raised over the perception of inconsistency in the application of certain board policies, the Board commenced a fulsome review of these policies. A summary of the current policies and opportunities to lease, earn a levy abatement, or earn quota credits was presented for discussion, including feedback from the EPA and PMC.

The Board reviewed historical decisions and discussed options for updating the policies.

ADJOURNMENT

It was MOVED by Matt Vane and SECONDED that the meeting be adjourned at 2:30pm on December 1, 2020.

CALL TO ORDER

Chair, Gunta Vitins, called the meeting to order at 8:30am on December 2, 2020.

4.5d Producer D

BCEMB has received a quota transfer request from a registered producer.

R20-147 It was MOVED by Walter Siemens and SECONDED

WHEREAS the Board of Directors recognizes that previous transfers had occurred between spouses. These transfers did not result in an assessment, however if they had, the appropriate assessment would have been implemented retroactively.

THAT the Board of Directors grant conditional approval for the transfer of 14,187 units of layer quota from [REDACTED] to [REDACTED]. This is a transfer to a 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

Action: Staff was directed to send a Fast Fry to inform producers that if common shares are transferred, an assessment may be required and must be brought to the Board for conditional approval.

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4.6 Orders/Policies Related to Lease, Abatement & QC Issuance (cont'd)

A draft policy outline was provided for discussion based on feedback from the previous day's discussion.

The Board reviewed the outline and provided feedback to be incorporated for further review at the January board meeting.

4.6a Producer Decision

On November 15, 2020, there was a fire at a BC layer farm which resulted in the loss of a barn. The producer is requesting to lease the quota for the duration for which he will be unable to house 100% of his quota.

R20-148 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors provide [REDACTED] with the same options as [REDACTED] to either lease or receive a levy abatement.

CARRIED

4.6b Producer Request

In September, a producer submitted a lease request for 6,000 quota units due to an upcoming short placement that occurred in their pullet barn. The lease request was declined and the producer has now requested a levy abatement.

The Board agreed to review the lease request again once the lease policy has been amended.

R20-149 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors approve a levy abatement for [REDACTED] for the amount of leviable quota not in production starting November 10, 2020 until the leviable birds are back in production.

CARRIED

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

4.6c Producer Quota Credit Request

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

The Board reviewed the producer's request, which was received on November 5, 2020.

R20-150 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors allow [REDACTED] to earn quota credits from October 26 to December 16, 2020.

CARRIED

4.7 Quota Credit Policy Review

The quota credit policy is being reviewed in order to refresh the policy and make improvements that will enhance the transparency, understanding, relevance, and longevity of the QC program.

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The Board reviewed the proposed changes and provided feedback to be incorporated for further review at the January board meeting.

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 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. On November 20, 2020, BC Egg provided a proposal to BC grader committee members outlining an updated BC farm gate pick up cost program. Preliminary feedback from the graders was presented.

4.9 WEMA Meeting

The WEMA agreement has not been updated substantively since its inception in 2004. While the other provinces agreed to take part if further study was required, they support BC's decision to postpone further study by JRG at this time.

4.10 EFC EFR

EFC has requested that BC Egg participate in a second round of the Modernized Early Fowl Removal (MEFR) program and remove approximately 180,000 layers from production at the beginning of 2021.

The Board reviewed the program and options for meeting EFC's request.

4.11 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 utilization rate prediction and 2021 inventory projection were presented for discussion.

4.12 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. The topic was discussed at the November 18, 2020 PMC meeting and feedback from the committee was presented for discussion.

4.13 SCSC Pullet Audits

Although not mandatory in BC, almost all BC Egg producers complete their SCSC pullet audit part 1 & 2. The program focuses on Food Safety and Biosecurity which ensures that pullets are sourced from producers who follow good Biosecurity and Food Safety Practices. Recommendations from the EPA and PMC were presented for discussion.

The Board agreed with the direction presented by staff.

Action: Staff was directed to create a fillable form for producers that will meet CEIRA requirements.

4.14 TM1 Update

Staff has received feedback from producers and the Board, which indicates a low producer satisfaction rating with TM1 and that changes must happen to improve usability in the near future. An update on the progress and timeline was presented for information.

5.0 GOVERNANCE (cont'd)

5.2 2021 Election

One board member position is up for election in 2021. The proposed election schedule was presented for discussion.

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The Board agreed with the timeline provided and to appoint BCCOMB as the Independent Elections Officer.

5.3 Committee Minutes

5.3a EIAC Meeting Minutes from September 10, 2020

The EIAC Meeting Minutes from September 10, 2020 were presented for information.

5.3b A&F Meeting Minutes from August 31, 2020

The A&F Meeting Minutes from August 31, 2020 were presented for information.

5.3c PMC Meeting Minutes from September 15, 2020

The PMC Meeting Minutes from September 15, 2020 were presented for information.

5.3d MarComm Meeting Minutes from June 8, 2020

The MarComm Meeting Minutes from June 8, 2020 were presented for information.

6.0 PERFORMANCE REPORTS (cont'd)

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 was presented for information.

6.2c IP Processor Summary Week

The IP Processor Summary 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.

6.4 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

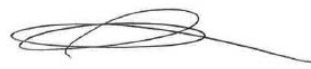
The Meetings Held Appendix B were presented for information.

ADJOURNMENT

It was MOVED by Jon Krahn and SECONDED that the meeting be adjourned at 11:45am on December 2, 2020.



Board Chair



Certified Correct, Secretary