

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 processes and decision-making.

Effective: A clearly defined outcome with appropriate processes 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: February 11, 2021

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
Erin Duetta, Manager Finance

CALL TO ORDER

Chair, Gunta Vitins, called the meeting to order at 9:00am on February 11, 2021.

CONFLICT OF INTEREST

The Board discussed any perceived conflicts of interest with the proposed agenda items.

ADOPTION OF AGENDA

It was MOVED by Jon Krahn and SECONDED that the agenda be adopted as presented.

1.0 APPROVAL OF MINUTES

1.1 Approval of Minutes of January 14-15, 2021

R21-014 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve the Minutes of January 14-15, 2021 as presented.

CARRIED

1.2 Approval of Minutes of February 2, 2021

R21-015 It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors approve the Minutes of February 2, 2021 as presented.

CARRIED

1.3 Approval of Minutes of February 5, 2021

R21-016 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors approve the Minutes of February 5, 2021 as presented.

CARRIED

2.0 BUSINESS ARISING/ACTION LIST

2.1 2021 Board Calendar & Action Item

The 2021 board calendars and action item list were presented for information.

2.2 Operations Plan Update

The 2021 Operations Plan 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 updates on the MEFR program, EFP program and SE protocols.

3.1a FPA Update

An update on the FPA program was presented for information, along with proposed meeting details.

3.2 Marketing Update

An update on marketing initiatives was presented for information, including media platform results, event performance, and an AGM schedule update.

Action: Staff was requested to clarify on-line voting process for the AGM.

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3.3 Strategic Plan Refresh

The BC Egg Strategic Plan was developed in 2019 and should be updated on a regular basis. Traditionally, the refresh has been completed by undertaking a moderated stakeholder consultation session followed by a one day Board session.

The Board agreed with the recommendation to do a Strategic Plan refresh, including a roundtable with stakeholders.

Action: Staff was directed to obtain a quote from Junxion to be reviewed at the April board meeting.

3.4 TRQ Submission

Global Affairs Canada has commenced Phase II Consultations on the Administration and Allocation of TRQ's for the Supply Managed Sector. They have provided the public with policy options and are requesting feedback by March 5, 2021. EFC's Key Messages and Options Paper Assessment were presented for discussion.

The Board reviewed EFC's draft comments and agreed with the direction. There are still issues that need to be further investigated.

Action: Staff was directed to obtain further information from EFC for review by the Board and to provide feedback to Global Affairs Canada by the deadline.

3.5 CAF Update

The Central Agriculture Facility had a meeting on February 1, 2021 to review the Financial Statements. An update from the meeting, as well as the Financial Statements were presented for discussion.

The Board discussed repairs scheduled for 2021.

3.6 ULPT Meeting Update

Levy is being collected and remitted in a slightly different manner for each province across Canada. The national team met on January 21, 2021 and notes from the meeting were presented for discussion.

The Board agree with the items that have been presented by the national team to date and reiterated the importance of all provinces being in agreement.

3.7 Eliminating the Potential Risk of Eggs from SE Positive Environments

CFIA has issued three public recalls in November/December 2020 due to SE positive environmental tests. The presentation provided by EFC to the provincial managers on January 28, 2021 was presented for discussion.

The Board discussed possible solutions for BC and the steps that we can begin taking immediately.

4.0 OPERATIONS

4.1 Specialty Producer Penalty 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 2021 NPP & Producer-Vendor NPP Consultation

The BCEMB was directed by BC FIRB to provide its recommendations on the Producer-Vendor category and potential amendments to the Consolidated Order and NPP by February 21, 2021, fully supported by a process consistent with the SAFETI principles. An update on the process and draft proposal were presented for discussion.

The Board reviewed the feedback and support provided by the EPA and EIAC on the proposed recommendations. Their feedback and suggestions were carefully considered by the Board and incorporated into the proposal.

Action: Staff was directed to update the proposal on recommended changes to the Producer-Vendor category, NPP and Consolidated Order and send the latest version to the Board for final review and approval.

4.3 Quota Transfer Decision Tree

BCEMB is working on a Quota Transfer Decision Tree booklet to create a clear and concise process for confirming relevant and required shareholder information for transfers proposed. Updates to the booklet were presented for discussion.

The Board reviewed the additional page and provided feedback.

4.4 Transfer Requests

4.4a Transfer A

The Board of Directors conditionally approved the Going Concern Sale of 1,295 quota units on January 14, 2021 and the final documents were provided for approval.

R21-017 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors provide final approval of the Going Concern Sale of 1,295 quota units along with the Independent Production Unit at [REDACTED] from [REDACTED] to [REDACTED]. 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 was required at the time of transfer.

CARRIED

4.5 Transfer B

A producer whose father passed is going through probate and is requesting clarification on their transferrable quota.

The Board reviewed the request and directions previously delivered by BCFIRB.

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R21-018 It was MOVED by Jon Krahn and SECONDED

THAT the Board recognizes a previous transfer had occurred between shareholders at [REDACTED] in 2016. As there is no provision which would allow a partial transfer of ownership between siblings without assessment in Part V 3.5, an assessment of 4,192 quota units is required.

CARRIED

4.6 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.

R21-019 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve the revised Quota Credit Policy effective February 11, 2021.

CARRIED

4.7 Producer Request

A producer has approached staff with a request for the ability to earn QCs while they are realigning their flocks.

R21-020 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors agree the request from [REDACTED] meets the intent of the QC policy and therefore the producer is able to earn Quota Credits while they are realigning their flocks from June 6, 2021 to December 6, 2021.

CARRIED

4.8 EFC Memos

4.8a Proposed Re-Tooling Criteria

EFC has requested comment on their proposed addition to the retooling criteria. The proposal, as well as the PMC's feedback were presented for discussion.

The Board raised concerns with the 5% clause.

4.8b Amend Measuring Protocol

EFC has requested comment on their proposed amendments to the measuring protocol for free run/free range production. The proposal, as well as the PMC's feedback were presented for discussion.

The Board reviewed the proposal and provided additional feedback.

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4.9 Hatching Egg Farm Gate Sales

The Board is concerned about a registered producer selling eggs to a hatching egg producer for sale at a retail store. An update on the steps taken by BC Egg were presented for information.

The Board reviewed the information and provided additional feedback regarding the situation.

Action: Staff was directed to include a section in the next Scrambler to producers reminding them of the regulations.

4.10 Administrative Monetary Penalties

BCFIRB has requested feedback on the draft AMP Framework prior to February 26, 2021. The draft framework was presented for discussion.

The Board agreed with the direction and timeline presented by staff.

4.11 Fowl Removal Update

There are a number of projects and concerns with Fowl Removal in BC. An update on the Interior and Lower Mainland projects was presented for discussion, including feedback from the PMC regarding potential load out area options.

The Board discussed potential amendments to the Fowl Removal contract and how they would like to proceed with the load out area options.

4.12 EFC MEFR Update

EFC has requested that BC Egg participate in a second round of the Modernized Early Fowl Removal (MEFR) program and an update on the process was presented for information.

4.13 2020/2021 Inventory Review

An updated Inventory Review was presented to monitor utilization projections in the current year and next year.

4.14 EFP Cost Analysis

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 and requests by EFC were presented for information.

The Board reviewed EFC's request to send some product to the table market and options for amending the program. The EFP program will be reconsidered again in summer 2021.

R21-021 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve the reduction of the EFP Issuance to producers from the remaining 18,018 hens to zero.

CARRIED

Action: Staff was directed to provide an update on the program to producers.

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4.15 PFGC Update

The graders have requested an increase in the Post Farm Gate program allowance. A meeting with the graders has been scheduled for March 31, 2021 to review BC Egg's proposal sent on November 20, 2020.

4.16 Period 3 Pricing

For Period 3, the provinces worked together to implement a \$0.15 price increase to the Market Producer Price for Grade A Large. An update on the pricing changes was presented for information.

5.0 GOVERNANCE

5.1 Director Per Diems

Based on discussions regarding changes to the EFC Director Per Diems, the Director Per Diem policy has been updated and the draft amended version was presented for discussion.

R21-022 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors approved the amended Director Per Diem Policy as amended.

CARRIED

5.2 Election Update

One board member position is up for election in 2021, as well as the CEIRA Voting Delegate. An update on the elections was presented for discussion.

5.3 Committee Elections

There are multiple committee positions up for election in 2021. A summary of the positions and the election process was presented for discussion.

5.3a EFC Nomination Process

EFC has sent out their call for nominations, which was presented for information.

5.4 Board Performance Survey

The Governance Policy Manual requires that the Board conduct an annual self-evaluation to determine whether the Board and its committees are functioning effectively. The survey results were presented for discussion.

5.5 BOD Committee Meetings

5.5a EIAC – November 19, 2020

The meeting minutes from the EIAC's November 19, 2020 meeting were presented for information.

5.5b PMC – November 19, 2020

The meeting minutes from the PMC's November 18, 2020 meeting were presented for information.

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5.5c Audit and Finance Committee – November 20, 2020

The meeting minutes from the A&F's November 20, 2020 meeting 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 report was presented for information.

6.2b IP Report

The IP Report was presented for information.

6.2c IP Processor Summary

The IP Processor Summary was presented for information.

6.2d Egg Import Information

The Egg Import reports was presented for information.

6.2e Quota Utilization Report

The Quota Utilization Report was presented for information.

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 13 Board & Committee Per Diems & Expenses

The Period 13 Board & Committee Per Diem & Expenses report was presented for information.

R21-023 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors approve the Period 13 Board & Committee Per Diem & Expenses as presented.

CARRIED

6.3b AR Report

The AR Report was presented for information.

6.3c 2020 Financials

PWC has completed the 2020 auditing process and provided BC Egg with their Audited Financial Statements.

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R21-024 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors approve the 2020 Financial Statements.

CARRIED

R21-025 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors approve the 2020 Audited Financial Statements as prepared by PWC for signature and submission to Producers as presented.

CARRIED

6.3ci 2020 Audited Financial Report

The PWC Audited Financial Report was presented for information.

6.3cii PWC Audit Response

PWC identified two items during their audit and a response was presented for information.

6.4 COP

The COP report was presented for information.

6.5 Audit Scores

The Audit Scores report was presented for information.

6.6 Feed Mill Participation Report & AAFC Report

The Feed Mill Participation Report & AAFC Report was presented for information.

6.7 Fowl Removal Update

A brief Fowl Removal update was provided.

6.8 CETPP Production Comparison

A CETPP Production Comparison report was presented for information.

6.9 Producer Utilization Update

The Producer Utilization update was presented for information.

7.0 MEETINGS HELD & UPCOMING

7.1 2021 Meetings Held

The 2021 held meetings were presented for information.

7.2 2021 Meetings Upcoming

The 2021 upcoming meetings were presented for information.

7.2a Annual Meeting Updates

Invitation and meeting updates received from the other provincial boards were presented for information.

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ADJOURNMENT

It was MOVED by Matt Vane and SECONDED that the meeting be adjourned at 3:12pm.



Board Chair



Certified Correct, Secretary