

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: January 14-15, 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
Nicole Thompson, Executive Assistant
Erin Duetta, Manager Finance

CALL TO ORDER

Chair, Gunta Vitins, called the meeting to order at 9:00am on January 14, 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 December 1-2, 2020

R21-001 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors approve the Minutes of December 1-2, 2020 as amended.

CARRIED

1.2 Approval of Minutes of December 17, 2020

R21-002 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors approve the Minutes of December 17, 2020 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.

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 and EFP programs.

3.2 Marketing Update

An update on marketing initiatives was presented for information, including a preliminary review of the annual report outline and draft AGM schedule.

The Board provided its support on the annual report outline and provided feedback on the AGM schedule.

3.3 Producer Satisfaction Survey

The Producer Satisfaction Survey was sent to producers on November 16, 2020 with a deadline of December 7, 2020. Eighty responses were received for a response rate of 41%. The highlights from the survey were presented for discussion.

3.4 EFC Memos

3.4a 2021 National Quota Allocation and Confirmation of EFC Levy Rates Memo

Amendments to the 2021 Quota Regulations for the Federal Quota, Special Temporary Market Requirement Quota (STMRQ), Eggs for Processing Quota (EFP), and Vaccine Quota were prior approved by Farm Products Council of Canada on December 16, 2020 and ratified by the EFC Board of Directors on December 18, 2020. The memo confirmed there are no changes from the 2020 allocation levels.

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3.4b 2021 Feed-Based Margin

Effective December 27th, 2020 (WK01-2021), the feed-based margin used in the calculation of the Feed-Based Price for the EFP Program will be \$0.2260 US per dozen. This is a decrease of \$0.0106 US per dozen from the 2020 feed-based margin of \$0.2366 US per dozen.

3.4c AGM Meeting Request

EFC welcomes the opportunity to meet face to face with each provincial Board of Directors. These meetings will serve as an industry update as well to discuss any matters board members wish to address.

The Board agreed to consider an inperson meeting with EFC at the April board meeting.

3.5 Improving Farm Security in BC

The Ministry has made a commitment to update legislation in BC to deter farm trespassing. An update on discussions with the Minister and industry were provided. It was determined by the industry that a joint letter should be sent to the Minister stating the importance of making modifications to the Trespass Act.

The Board agreed on providing a united front with clear requests to the Minister.

3.6 2020 Statistics Canada Letter

Statistics Canada has been underestimating the farm cash receipts of eggs and broiler chickens in BC. The BC Chicken Marketing Board is requesting that BC Egg collaborate with them to request that Statistics Canada/Federal Minister of Agriculture correct their farm cash receipts. Farm cash receipts for BC egg producers are currently being underestimate by 26% (\$44 million).

The Board agrees to collaborate with BCCMB on this issue.

3.7 Priority Vaccination for Essential Workers

There is a limited supply of COVID-19 vaccinations and essential workers in the food industry have not been identified as a high priority. The SM5 have already sent a letter to the Prime Minister and each Premier. EFC has recommended that each Board write a similar letter to their Premier, Health Minister and Agriculture Minister.

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 Producer-Vendor category recommendations 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 consultation process and proposed program amendments were presented for discussion.

The Board reviewed the recommendations and provided feedback.

Action: Staff was directed to send the amended documents to the Board next week for further review.

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 proposed transfers. Updates to the booklet were presented for discussion.

The Board supports the booklet as presented and agrees that the updated version should be sent to producers.

4.4 Transfer Requests

4.4a Transfer A

The Board of Directors conditionally approved share structure changes for a producer for succession planning on April 24, 2020, and final approval is now being requested.

R21-003 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors provide final approval for the shareholder changes that occurred at [REDACTED]. These changes are transfers 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

4.4b Transfer B

The Board of Directors conditionally approved the simultaneous transfer of 3,000 units of layer Quota on December 17, 2020, and final approval is now being requested.

R21-004 It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors provide final approval of the December 29, 2020 simultaneous transfer of 3,000 units of layer quota from [REDACTED] and 3,000 units of layer quota from [REDACTED] to [REDACTED]. The first transfer 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. The second transfer is 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

4.4c Transfer C

BCEMB has received a letter of intent and quota transfer application from a registered producer.

R21-005 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors provide conditional approval for the transfer of layer quota from [REDACTED] to [REDACTED]. This transfer is among related corporate producers, therefore, in accordance with the Consolidated Order Part V 3(6)(d), a surrender of layer quota is not required. Furthermore, [REDACTED] will not be impacted by the twelve-month moratorium as the moratorium is only applicable to the transferor.

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CARRIED

4.4d Transfer D

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

R21-006 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors grant conditional approval for the transfer of 8,576 units of layer quota from [REDACTED] (owned by [REDACTED] d) to [REDACTED] (owned by [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. Furthermore, [REDACTED] will not be impacted by the twelve-month moratorium as the moratorium is only applicable to the transferor.

CARRIED

4.4e Transfer E

The Board of Directors conditionally approved the quota transfer on December 1, 2020, and the final approval request has now been received.

R21-007 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors grant final 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

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

Staff is in the process of reviewing the current opportunities to lease, earn a levy abatement, or earn quota credits. An updated Draft Table for Quota Credits, Leasing, and Levy Abatement Opportunities document was presented for discussion.

The Board agreed with the information presented in the Table for Quota Credits, Leasing and Abatement Opportunities and provided amendments to the Amending Order. The policy review originated as part of an EPA request and the updated policies and Consolidate Order will provide a fair and transparent program for all producers.

R21-008 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors approve the first reading of Amending Order #017 of the 2017 Consolidated Order as amended.

CARRIED

4.5a Producer Request

A producer is requesting that the Board reconsider its previous decision that required them to pay back the full premium which was unearned while a barn was producing at a density which exceeded the maximum allowable density for enriched production systems as outlined in the Code of Practice.

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The Board of Directors upheld its October 22, 2020 decision to collect [REDACTED] in overpayment from producer [REDACTED] for the BC CETPP fund. It is the producer's responsibility to know the density limits for their facilities.

Action: Staff was directed to contact EFC for an updated list of producer barn measurement certificates that can be distributed to producers to ensure accuracy.

4.6 Quota Credit Policy Review

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

The Board reviewed the draft program, including QC calculations, and agreed with the direction..

4.7 SCSC Pullet Program

The SCSC pullet audit is not mandatory in BC and may be required for full insurance coverage. The BCEPA supports moving to mandatory pullet audits with the condition that it is implemented with a one page form for producers to complete that contains all of the pullet audit requirements.

The Board supports creating a robust program with longevity.

Action: Staff was directed to bring the program back to the PMC for further review.

4.7a Amending Order

The draft Amending Order was presented for discussion.

4.7b Draft Checklist

A draft SCSC Pullet Producer Calendar was presented for discussion.

4.8 Producer Request

A producer is requesting compensation of \$2,500 from BCEMB for 50 birds which were lost due to a pile up that occurred shortly after BC Egg and EFC conducted an audit.

The Board reviewed the producer's request and history from previous audits. BC Egg PLOs have been trained on how to properly move through a flock. Staff will continue to monitor and review complaints regarding hen concerns during PLO site visits to ensure proper protocols are followed by all parties.

R21-009 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors declines [REDACTED] December 12, 2020 request for monetary compensation of hens that died due to a pile up during a regular, mandatory inspection.

CARRIED

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, with an updated report shared with the graders in July. On November 20, 2020, BC Egg provided a proposal to the BC grader committee members outlining an updated BC farm gate pick up cost

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program. On January 7, 2021, a meeting with one of the graders was held. Notes from the meeting were presented for discussion.

Action: Staff was directed to draft a letter requesting a meeting with the Grader committee members in late March or early April.

4.10 ULPT Meeting Update

Levy is being collected and remitted in a slightly different manner for each province across Canada. A national meeting was held on December 4, 2020 and notes from the meeting were presented for discussion. The Team unanimously agreed that the optimal option would be to calculate the levy remittance using the previous year quota allocation.

The Board reviewed the options brought forward by the national team for the levy abatement process and agreed to be flexible based on what staff believe would make the most administrative sense.

ADJOURNMENT

It was **MOVED** by Matt Vane and **SECONDED** that the meeting be adjourned at 2:58pm on January 14, 2021.

CALL TO ORDER

Chair, Gunta Vitins, called the meeting to order at 9:00am on January 15, 2021.

4.11 EFC MEFR Update

EFC has requested that BC Egg participate in additional rounds of the Modernized Early Fowl Removal (MEFR) program. An update on the program was presented for information.

The Board reviewed the updated request and discussed feedback from graders on current short production and options moving forward, particularly regarding market needs and specialty production.

4.12 CETPP Update

The most recent EFC Quarterly Review for the CETPP Program for BC and nationally, as well as the expected blend rates for 2020 and 2021 for each province, were presented for information.

4.13 Fowl Removal Update

BCEMB has been approved for funding through IAF for a CO2 machine. The project can start as early as January 4, 2021, as such the unit has been ordered. A Fast Fry was also sent to producers in December outlining the three things that producers can do to ensure the catching process runs smoothly, particularly in aviary systems.

The Board reviewed the information and agreed that a meeting should take place with Superior to discuss the fee increase requests further.

4.14 2020/2021 Inventory Review

An updated 2020/2021 Inventory Review was presented for information.

5.0 GOVERNANCE

5.1 Director Per Diems

A letter from FPCC regarding changes to the EFC Director Per Diems was provided as well as the updated Director Per Diems for the Egg Boards across Canada and the commodity boards in BC

Action: Staff was directed to update BCEMB's per diem policy based on changes to the EFC Director Per Diems for consideration at the February meeting.

5.2 Election

One board member position is up for election in 2021. The Notice of Election has now been sent and an updated timeline was presented.

5.3 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 draft survey was presented for discussion.

The Board agreed with the draft survey and process.

4.0 OPERATIONS (Continued)

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

The revised Amending Order #017 was presented for review.

R21-010 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve the second reading of Amending Order #017 of the 2017 Consolidated Order as presented.

CARRIED

3.0 STAKEHOLDER ENGAGEMENT (Continued)

3.5 Chair/Ministry Meeting Notes

On December 17, 2020, Minister Popham and her staff met with the Board Chair over Zoom to discuss the Minister's new mandate and COVID issues impacting the egg sector. Board members also attended a BC Council of Marketing Boards zoom meeting and notes from the meeting were presented for discussion.

The Board reviewed key topics and discussion points that should be brought up at the upcoming meeting with the Minister on January 21, 2021.

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.

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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 12 Board & Committee Per Diems & Expenses

The Period 12 Board & Committee Per Diems & Expenses report was presented for information.

R21-011 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors approve the Period 12 Board & Committee Per Diems & Expenses as presented.

CARRIED

Action: Staff was directed to look in to the Flight Pass credits and if/when they will expire.

6.3b AR Report

The AR Report was presented for information.

6.3c Period 12 2020 Financial Statements

The Period 12 2020 Financial Statements were presented for information.

R21-012 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors approve the Period 12 2020 Financial Statements as presented.

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6.4 COP

The COP report was presented for information.

6.5 Audit Scores

The Audit Scores report was presented for information.

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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 Upcoming

The 2021 upcoming meetings were presented for information.

7.1a AG Gala Invitation


The AG Gala Invitation was presented for information.

ADJOURNMENT

It was MOVED by Walter Siemens and SECONDED that the meeting be adjourned at 12:00pm on January 15, 2021.



Board Chair



Certified Correct, Secretary