

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: August 16, 2021

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
Nicole Thompson, Executive Assistant
Joey Aebig, Manager Operations & Logistics
Erin Duetta, Manager Finance
Amanda Brittain, Director of Communications & Marketing

CALL TO ORDER

Chair, Gunta Vitins, called the meeting to order at 9:33am.

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 Matt Vane and **SECONDED** that the agenda be adopted with the following addition:

3.1a OBM Pilot Project

1.0 APPROVAL OF MINUTES

1.1 Approval of Minutes of July 22, 2021

R21-093 It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors approve the Minutes of July 22, 2021 as presented.

CARRIED

1.2 Approval of Minutes of August 6, 2021

R21-094 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors approve the Minutes of August 6, 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.

The Board discussed the in-person producer meeting scheduled for September.

2.1a Truth and Reconciliation Day

In June 2021, a bill creating September 30th as a statutory holiday was unanimously passed in the Senate. The objective is to create a chance for Canadians to learn about and reflect on a dark chapter in our country's history and to commemorate the survivors, their families and communities. The BC Egg office will be closing for the holiday.

2.2 Response Letters

2.2a Response to Amendment to the Vaccination Requirements within the National SE Protocol

The BCEMB and EFA Response to Amendment to the Vaccination Requirements within the National SE Protocol letters were presented for information.

2.2b Response to National SE Guidance Document Consultation

The BCEMB and EFA Response to National SE Guidance Document Consultation letters were presented for information.

2.2c ILT Permit Letter to BCPA

The BCEMB ILT Permit Letter to BCPA letter was presented for information.

2.2d Response to the National Uniform Levy Policy and MOU

The BCEMB Response to the National Uniform Levy Policy and MOU letter was presented for information.

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2.2e Provincial Mortality Element Addition Responses

The provincial Mortality Element Addition responses to EFC were presented for information as well as an update on the EFC PMC discussions.

2.2f Provincial Free Run Free Range Responses

The provincial Free Run Free Range responses to EFC were presented for information as well as an update on the EFC PMC discussions.

2.3 Letter to AAC re PEFIP

Independent Pullet Growers have not been included in the funding formula for the PEFIP program and are therefore ineligible to receive the trade mitigation funds. PGC has written to each of the Egg Boards regarding their intention to request that AAFC consider independent pullet growers for future compensation programs affecting the egg sector and are asking for provinces to indicate their willingness to co-sign the letter.

The Board reviewed the letter and agreed to stay neutral on the matter.

2.4 National EFP Review

It has been clear for several years that, in many cases, adherence to the national EFP policy has not been consistent and a policy review and revision is urgently needed. The first meeting of the project team will be held on September 23 and the purpose of the meeting will be to review the current and past EFP policies. This virtual review session has been expanded to include three representatives from each board.

The Board agreed that W. Siemens should attend the initial meeting with M. Vane and K. Lowe.

2.5 Specialty Price Information Request

On August 11, 2021, BC Egg received a request from an out-of-province grader for BC's specialty pricing.

The Board reviewed the request and agreed the information is to remain confidential.

3.0 STAKEHOLDER ENGAGEMENT

3.1 EFC Update

An update on the matters of EFC and its committees was presented.

3.1a OBM Pilot Project

The EFC PMC has been working with a poultry welfare scientist to explore alternate options to assess the feed space requirement. Six possible outcome-based measures (OBM) have been identified, and with the cooperation of egg boards, the PMC would like to proceed with a pilot project to trial all the measures on-farm and their assessment during an audit.

The Board reviewed the project and as the Code of Practice is enshrined in BC law requiring all BC egg producers to meet the 2.8" minimum feed space per bird, BC will be unable to participate in the pilot.

3.2 Marketing Update

An update on marketing initiatives was presented for information, including a fair and website update.

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3.3 FOI Request

On July 5, 2021, BC Egg received an FOI request. An update was presented for information.

3.4 Roadside Egg Concepts

In some areas of the province, roadside egg stands are very common and are a concern to registered producers. The Roadside Eggs Survey results indicated that an extra 7-9% of consumers would purchase from roadside stands if they could be assured that the eggs were EQA certified, however, the vast majority of British Columbians do not purchase eggs from roadside stands. Staff have drafted a sign for producers who have a roadside stand that announces they are affiliated with BC Egg and are EQA certified. The concept was presented for discussion.

The Board reviewed the draft sign and provided feedback.

3.5 BC SPCA Farm Compliance Inspections

The BCSPCA has announced that they will begin conducting random farm inspections. BC Egg has been working closely with the other commodity boards, BCAC and the Ministry to clarify the SPCA's intent and obtain further details. An update from the meetings that have taken place was presented for discussion.

The Board reviewed the timeline and notes from the meetings. The Board also discussed the opportunity for regional representatives should there be an inspection on the Island or in the Interior.

Action: Staff was directed to contact the EPA for regional representative nominees.

4.0 OPERATIONS

4.1 2021 NPP

The 2021 New Producer Program Draw has been announced and two applicants will be selected in a December draw. An update on the timeline and feedback from the public were presented for discussion.

4.2 Producer A

A producer was deemed not in good standing on August 30, 2019. Effective March 18, 2020, the producer met most of the requirements and obtained conditional good standing. As of June 15, 2021, all steps required to be considered in good standing have been completed and an update was presented for discussion.

R21-095 It was MOVED by Walter Siemens and SECONDED

WHEREAS due to the exceptional circumstances related to the COVID-19, the Board of Directors deemed [REDACTED] in good standing effective March 18, 2020 on a conditional basis subject to the successful completion of the 2020 program audits for the Canadian Organic Standards, EFC SCSC and EFC ACP standards as well as verification of the barn measurements.

THAT the Board of Directors recognize the satisfactory completion of their March 18, 2020 conditional elements and deem [REDACTED] in good standing with the Consolidated Order effective August 16, 2021.

CARRIED

4.3 EFP Update

BC Egg ended its EFP program effective Week 8, 2021. There appears to be a potential opportunity for the BC processor and registered producers in the Free Run white category. An update on the steps taken and a preliminary program plan were presented for discussion.

The Board reviewed the preliminary plan and provided its support.

Action: Staff was directed to review the EFP percentage at the same time as the allocation.

4.4 TAP C Update

On July 7, 2021, the Board launched a pilot program called the Temporary Allotment Pool C (TAP C) in response to the significant bird losses, and thus drop in production, from the June heat dome event. From July 7 – 14, 2021, the Board accepted applications from both Lessors and Lessees. An update on the program was presented.

4.5 Quota Sale Processes

At the July 22, 2021 board meeting, the Board asked that staff review the going concern and quota transfer processes in other provinces and commodities. A summary of the requested information was presented for discussion.

The Board review the provincial processes and discussed BC's rule that a producer cannot hold more than 5% of the provincial quota.

4.6 Producer Intervener Status

BCFIRB received farm practice complaints against a producer related to flies and noise generated from operations on the farm. On July 26, 2021, BC Egg applied for intervener status which was granted on August 4, 2021. The letters were presented for information.

4.6a Producer BFA Update

A producer received a Barn Fitness Audit on April 29, 2021. An update on the timeline was presented for information. The producer sent a letter to BC Egg on August 13, 2021 with questions regarding their business plan.

The Board reviewed the letter and provided direction to staff.

4.7 Quota Transfer Applications

4.7a Producer A

A producer is looking to sell their farm as a going concern sale. The application was presented for discussion.

R21-096 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors conditionally approve the Going Concern Sale of 3,686 quota units along with the Independent Production Unit at [REDACTED] from [REDACTED] to [REDACTED] provided that the following conditions are met:

- Evidence is provided by the transferee that a registered Form A transfer for the property at [REDACTED] has been submitted to the Land Title Office by April 25, 2022;

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- An updated State of Title Certificate for the IPU is provided when available and no later than June 30, 2022; and
- 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. (5) of the Consolidated Order a surrender of 557 quota units is required.

CARRIED

4.7b Producer B

BCEMB has received a quota transfer request from a producer that was presented for discussion.

R21-097 It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors grant conditional approval for the transfer of all layer quota from the partnership of [REDACTED] to [REDACTED]. The shareholders of [REDACTED] have the same proportionate interest as the partners in the partnership of [REDACTED]. Therefore, in accordance with the Consolidated Order Part V 3(5)(e), a surrender of layer quota is not required.

CARRIED

4.7c Producer C

BCEMB has received a quota transfer request from a producer that was presented for discussion.

R21-098 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors grant conditional approval for the transfer of 3,000 units of layer quota [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(5)(a), a surrender of layer quota is not required.

THAT should [REDACTED] complete the requested transfer, [REDACTED] will be ineligible and permanently forfeit any growth allocations issued by the Board on or after January 1, 2022 until the twelve-month anniversary date of the quota transfer. [REDACTED] is not affected by the twelve-month moratorium and will be eligible to participate in future growth allocations.

CARRIED

4.8 Producer Barn Fire

On July 27, 2021, a barn fire occurred at a producer's facility in Chilliwack. An update on the situation and the producer's plan to rebuild was presented for information.

Action: Staff was directed to provide options for a board report identifying active leases.

4.9 PFGC Update

The graders have requested an increase in the Post Farm Gate program allowance. BC Egg's program proposal was sent on November 20, 2020 and the committee has been meeting regularly since. The next meeting is scheduled for September 13, 2021.

The Board discussed a grader's request for a meeting prior to the September 13, 2021 meeting.

4.10 Fowl Removal Update

There are a number of projects concerning fowl removal in BC. Updates on the Interior and Lower Mainland projects were presented for discussion, including an update on the CO2 machine and options for a covered loading area.

4.11 TM1 Update

A priority for BC Egg is to update the TM1 system. An update on the progress and timeline was presented for discussion.

The Board reviewed the Barn Measurement Cube and discussed the project.

5.0 GOVERNANCE

5.1 2021 BCEMB Levy Rate Update

Throughout 2021, COVID has impacted BC Egg's budget resulting in a surplus that meets the guidelines for a producer rebate. Options for the surplus, as well as the Audit & Finance Committee's recommendation, were presented for discussion.

The Board reviewed the options and agreed to notify producers of the rebate in November.

Action: Staff was directed to provide an update on the timeline to the Audit & Finance Committee.

Action: Staff was directed to add a note about the 2021 allocation in the September Scrambler.

5.2 PWC Audit Fees

PWC advised BC Egg on June 18, 2021 of a fee increase for the 2021 fiscal year audit. Because of the timing, BC Egg will continue with PWC for 2021 and RFP's have been sent to auditing firms for the 2022 fiscal year audit.

The Board reviewed the communications with PWC and agreed with the next steps.

5.3 Director's Liability Insurance Renewal

The D&O insurance is due to be renewed on September 5, 2021 and details regarding the renewal were presented for discussion.

R21-099 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve the 2021-2022 D&O Insurance renewal amount remain at \$5m.

CARRIED

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5.4 IBM Renewal

Historically, BC Egg renews its IBM user license on an annual basis. Options for the renewal, along with feedback from the Audit & Finance Committee, were presented for discussion.

5.5 A&F Committee Membership

Based on the Terms of Reference, the A&F Committee requires three producer members and one external member, all appointed by the Board of Directors. There is currently an opening for an external member.

R21-100 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors appoint ██████████ as the interim Audit and Finance Committee external committee member until the 2022 AGM conference.

CARRIED

5.6 UGM Golf Tournament

BC Egg is one of the key sponsors of the Egg Turkey golf tournament scheduled for August 17, 2021. Questions have arisen on the process for reviewing auction items was raised.

Action: Staff was directed to create an auction item policy for review by the Board.

6.0 PERFORMANCE REPORTS

6.1 Dashboard

The Dashboard was presented for information.

The Board reviewed the report and requested additional information.

6.2 Quota

6.2a Industry Reserve

The Industry Reserve report was presented for information.

The Board reviewed the report and provided additional feedback.

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.

Action: Staff was directed to provide a summary of the IPV program at a future meeting.

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.

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6.2g Inventory Report

The Inventory Report was presented for information.

The Board discussed the forest fire concern in the Interior and that a preliminary plan should be created.

Action: Staff was directed to create a preliminary plan in the event a producer is affected by the forest fires.

6.3 Financials

6.3a Period 7 Board & Committee Per Diems & Expenses

The Period 7 Board & Committee Per Diem & Expenses report was presented for information.

R21-101 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors approve the Period 7 Board & Committee Per Diem & Expenses as presented.

CARRIED

6.3b AR Report

The AR Report was presented for information.

6.3c Period 6, 2021 Financials

The Period 6, 2021 Financials were presented for information.

R21-102 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve the Period 6 Financial as presented.

CARRIED

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.

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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.

Action: Staff was directed to confirm the US COVID travel policies in September.

ADJOURNMENT

It was MOVED by Jon Krahn and SECONDED that the meeting be adjourned at 4:07pm.



Board Chair



Certified Correct, Secretary