

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: May 10, 2022

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

The Chair, Gunta Vitins, called the meeting to order at 9:30am.

The Chair acknowledged that the meeting was held on the ancestral and unceded territory of the Semá:th First Nation and Mathxwí First Nation of the Stó:lō people.

CONFLICT OF INTEREST

The Board discussed any perceived conflicts of interest with the proposed agenda items, including potential conflicts with transfers. The Board agreed that declaring a conflict will be up to the board member depending on the situation.

ADOPTION OF AGENDA

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

1.0 APPROVAL OF MINUTES

1.1 Approval of Minutes of April 13, 2022

R22-046 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve the Minutes of April 13, 2022 as presented.

CARRIED

1.2 Approval of Minutes of April 14, 2022

R22-047 It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors approve the Minutes of April 14, 2022 as presented.

CARRIED

2.0 BUSINESS ARISING/ACTION LIST

2.1 2022 Board Calendar & Action Item

The 2022 board calendars and action item list were presented for information.

2.1a BCEMB/BCFIRB Board to Board Meeting

BCEMB and BCFIRB will be holding a board to board meeting on July 26, 2022. Draft agenda items were presented for discussion.

2.2 BC Egg Ops Plan Update

The Operational Plan was presented for information.

3.0 STAKEHOLDER ENGAGEMENT

3.1 EFC Update

Updates on the matters of EFC and its committees were presented, including the STMRQ, a financial update and EFP.

3.2 Regional Reports

An update from each regional delegate was presented for information. The Board received a letter from Vancouver Island producers which was presented for discussion.

The Board discussed a response to the Vancouver Island producers.

Action: Staff was directed to draft a response letter to the producers.

3.3 Marketing Update

A marketing update was presented for information, including media campaigns, communications, events and an update on the Food Banks BC sponsorship.

3.4 EFC BART

On February 8, 2022, the EFC Board of Directors approved the formation of a Buyback Assessment Review Team (BART). The aim of the project is to examine and identify buyback

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remittance practices across the country, in order to develop and apply a uniform national policy. The in-person session is scheduled for June 21, 2022.

3.5 Research Flock Update

A follow up from the quarterly update on a research flock was presented for discussion.

3.6 Meeting Notes

3.6a Quebec AGM

The Chair and board members attended the April 20-21, 2022 Quebec AGM. Information on plant tours were presented.

3.6b IEC

The Chair and board members attended the April 26-27, 2022 IEC meeting in Nice, France. Notes from the meeting were presented for information.

The Board discussed the international AI conversations at the conference.

3.6c Urner Barry

Board members attended the Urner Barry meeting in Las Vegas, NV from May 1-3, 2022. Notes from the meeting were presented for information.

The Board discussed exploring alternative conferences going forward.

4.0 OPERATIONS

4.1 Quota Transfers

4.1a Producer A

BCEMB has received a quota transfer request from a registered producer. The details were presented for discussion.

R22-048 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors acknowledge the shareholder transfers from estate of [REDACTED] to [REDACTED]. These are transfers to a spouse. Therefore, in accordance with the Consolidated Order Part V 3(4)(a), a surrender of layer quota is not required.

CARRIED

4.1b Producer B

BCEMB has received a going concern sale request from a registered producer. The details were presented for discussion.

R22-049 It was MOVED by Jeff Regier and SECONDED

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

- The transfer application document is amended where necessary;

- Evidence is provided by the transferee that a registered Form A transfer for the property at [REDACTED], [REDACTED] has been filed by August 5, 2022; and
- An updated State of Title Certificate for the IPU is provided when available and no later than September 16, 2022.

As the transfer does not meet any of the exemptions detailed in Part V 3. (4) of the Consolidated Order a surrender of 3,127 quota units is required.

CARRIED

4.2 Producer Grader Pickup

A grader has informed a producer that when their next flock is placed and begins producing they will not pick up the eggs. The producer is asking for the Board to intervene and direct the grader to pick up the eggs. Letters from both parties were presented for discussion.

The Board discussed the situation and the details for a response letter.

Action: Staff was directed to write a response letter to the producer and both grading stations that are affected.

4.3 Assessment Calculation Clarification

Due to the new quota assessment rules that began on January 1, 2022, the Last In First Out (LIFO) no longer applies on quota transfers. There have been questions as to how the assessments on issued quota to both the transferor (seller) and the transferee (buyer) should be when quota is transferred. Additional information was presented for clarification.

4.4 Operations Programs

4.4a STMQR Program

EFC is increasing the Special Temporary Market Requirement Quota (STMQR) from zero to 1.1 million hens. This is expected to be ratified and implemented in May 2022. An update on the program was presented for information, including a complaint raised from a producer.

The Board discussed the producer's letter and agreed to uphold the program intentions.

4.4b EFP Program

BCEMB has 100,000 EFP quota units currently allotted. At this time the EFP allotment has been leased to EFC who is utilizing the EFP quota to ramp up their STMQR program while awaiting FPCC approval. An update on the program was presented for information.

4.4c Production Sleeve

As a further response to the STMQR and the Avian Influenza (AI) situation in Canada, the Board is seeking to fully utilize 100% of our provincial quota allotment. As of April 13, 2022, the Board has increased the production sleeve to 7% from July 3, 2022 to December 31, 2022. An update on the program was presented for information.

4.4d TAP B

The policy of the Board is to review the Temporary Allotment Pool B (TAP B) Program in May/June of each year to determine if it should be implemented in July. A review of inventory and allocation was presented to determine if there is an opportunity for the Board to utilize this program.

R22-050 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors authorize the TAP Pool B program for usage from July 3, 2022 to July 1, 2023 for 79,777 quota units.

CARRIED

4.5 CETPP Update

An update on the CETPP program and fund was presented for information.

4.6 Freight Subsidy Program

In the event that a grader is unable to fill their market due to a temporary shortage of product from their contracted producers, BC Egg will provide freight reimbursement to the grader procuring the eggs from another BC grader. Amendments to the policy discussed at the last meeting were presented for discussion.

The Board reviewed the policy amendments.

R22-051 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors approve the revised Freight Subsidy Policy as presented and that the changes are effective as of January 1, 2022.

CARRIED

4.7 EFC Memo: Free Range Standards Feb 2022

The EFC PMC has developed a proposal for free range standards that could be applied on Canadian egg farms that wish to become "Free Range Certified." Feedback from the BC PMC was presented for discussion.

The Board discussed the proposal and provided feedback for the response to EFC.

4.8 Process for Review of the PAL

At the April BOD Meeting, questions arose regarding how the Provincial Administration Levy (PAL) was determined. The PAL was last updated effective week 1 2020.

The Board agreed that the program should be reviewed every year.

4.9 Period 7 Pricing

Due to increases in the COP, the National Chairs group have initiated discussions regarding a possible price change effective June 12, 2022 (Period 7). A verbal update was presented for discussion.

The Board reviewed the Week 21 preliminary COP and discussed options for the increase. A letter from the BCEPA regarding brown premiums was also discussed and the Board agreed to bring the topic back at the June meeting.

4.10 Farm Gate Pick Up

An update on Farm Gate Pick Up across Western provinces was presented for discussion.

4.11 PFGC Update

The graders have requested an increase in the PFGC allowance. The next meeting is scheduled for May 18, 2022.

The Board reviewed the program and provided feedback regarding its implementation.

4.12 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. Concerns regarding fowl removal on Vancouver Island were also addressed.

4.13 AI Update

Highly Pathogenic Avian Influenza has been found in poultry flocks across Canada, including BC. An update was provided for discussion, including proposed amendments to primary control zones, the proper process for suspect cases, euthanasia options and new cases.

Action: Staff was directed to create a written process for suspect cases, including the wild bird contact, to be sent to producers and small lot operators

4.14 Producer Request

A producer has submitted their new barn plans and want to confirm that they will be able to earn Quota Credits on the facility once their barn is complete. The barn plans were presented for discussion.

The Board reviewed the plan and recommended the request be sent to the PMC.

4.15 BFA Producer

A Barn Fitness Audit was first conducted on a facility on October 8, 2021. A letter outlining the next steps was sent to the producer on April 22, 2022. The producer responded with additional questions which were presented for discussion.

The Board discussed a response to the producer.

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

5.0 GOVERNANCE

5.1 AMP

BC Egg developed a draft Administrative Monetary Penalties (AMP) Policy and Procedures document outlining our intentions for the program. The second survey has been sent with a deadline of May 16, 2022. The results will be brought to the June meeting.

5.2 Consolidated Order Review

The Consolidated Order is required to be reviewed every five years. The current document was last reviewed in 2017. An update on the review was presented for information.

Action: Staff was directed to conduct zoom meetings for each of the surveys to provide background information to producers and answer questions.

5.3 Strategic Plan Review Proposal

The Board requested that the five year strategic plan (2020 – 2025) be reviewed in the second half of 2022. Two proposals were presented for discussion.

The Board agreed to move forward with the proposal to conduct a refresh of the strategic plan.

R22-052 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors approve the [REDACTED] proposal to conduct a Strategic Plan refresh.

CARRIED

5.4 Expense Policy

Staff are proposing amendments to the Expense Policy to update the mileage and gratuity rates.

The Board reviewed the amended policy and provided feedback.

R22-053 It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors approve updating the mileage rates in the Staff, Committee and Board Expense Policies to the Federal Automobile Allowance Rate for the year of travel, effective May 1, 2022.

CARRIED

R22-054 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors approve amending the gratuity in the Staff, Committee and Board Expense Policies to 15-20%, effective May 1, 2022.

CARRIED

5.5 Young Farmer

One board member is also part of the IEC Young Farmer program. The Board has agreed that BC Egg will pay his per diems for the work days, including meetings and industry receptions, but not for travel days.

5.6 Quota Allocation Approval

On May 3, 2022 BCFIRB provided BC Egg with a Quota Allocation Approval. The letter was presented for information.

5.7 Board Declarations

Every BC Egg Board and Committee member must complete a yearly declaration form. The declarations were completed by all members.

6.0 PERFORMANCE REPORTS

6.1 Quota

6.1a Industry Reserve

The Industry Reserve report was presented for information.

6.1b Egg Import Information

The Egg Import reports was presented for information.

6.1c Quota Utilization Report

The Quota Utilization Report was presented for information.

6.1d Quota Credit Update

The Quota Credit update was presented for information.

The Board discussed options for reducing the Quota Credit balance.

6.1e Inventory Report

The Inventory Report was presented for information.

6.2 COP

The COP report was presented for information.

6.3 Audit Scores

The Audit Scores report was presented for information.

6.4 Feed Mill Participation Report & AAFC Report

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

6.5 Fowl Removal Update

A brief Fowl Removal update was provided.

6.6 CETPP Production Comparison

A CETPP Production Comparison report was presented for information.

6.7 Producer Utilization Update

The Producer Utilization update was presented for information.

6.8 Active Leases

The Active Leases report was presented for information.

6.9 Barn Capacity

The Barn Capacity report was presented for information.

6.10 Quota Exchange

Lower Mainland and Interior quota has been made available on the June Quota Exchange. Questions from producers were presented for discussion. The Board acknowledged that the quota exchange consultation was currently in progress, as part of the Consolidated Order review.

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The Board reviewed the producers' questions and agreed that applications must have grader sign off for the June 2022 Quota Exchange in adherence to the current Consolidated Order.

7.0 MEETINGS HELD & UPCOMING

7.1 2022 Meetings Held

The 2022 meetings held were presented for information.

7.2 2022 Meetings Upcoming

The 2022 upcoming meetings were presented for information.

ADJOURNMENT

It was MOVED by Walter Siemens and SECONDED that the meeting be adjourned at 4:31pm.



Board Chair



Certified Correct, Secretary