

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: September 20, 2023

Location: BCEMB Boardroom

BOARD IN ATTENDANCE: Gunta Vitins, Chair
Walter Siemens, Vice-Chair
Jon Krahn, Board Member
Jeff Regier, Board Member
Matt Vane, Board Member

STAFF IN ATTENDANCE: Katie Lowe, Executive Director
Joey Aebig, Manager Operations & Logistics

CALL TO ORDER

The Vice-Chair, Walter Siemens, called the meeting to order at 9:30am.

The Vice-Chair acknowledged Mennonite Heritage Week in recognition of the contributions by the Mennonite community to Canada, especially agriculture in BC.

CONFLICT OF INTEREST

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

Jon Krahn declared a conflict of interest with 4.9a [REDACTED]. Jon Krahn will participate in the initial presentation on behalf of the farm and will recuse himself from the discussion, deliberation, and decision process.

ADOPTION OF AGENDA

It was MOVED by Matt Vane and SECONDED that the agenda be adopted as presented.

1.0 APPROVAL OF MINUTES

1.1 Approval of Minutes of August 16, 2023

R23-080 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors approve the Minutes of August 16, 2023 as presented.

CARRIED

2.0 BUSINESS ARISING/ACTION LIST

2.1 2023 & 2024 Board Calendar & Action Item

The 2023 & 2024 board calendars and action item list were presented for information.

Action: Staff was directed to send calendar invitations to Directors for the tentatively scheduled 2024 Board events.

3.0 STAKEHOLDER ENGAGEMENT

3.1 EFC Update

An update on the matters of EFC and its committees was presented for information. Earlier in morning EFC formally announced the appointment of Drew Black, as their new Chief Executive Officer, effective November 6, 2023. Information regarding EFC finances and preliminary WTO meetings was discussed.

3.2 Regional Reports

Updates from the regional representatives were presented for information and discussion.

3.3 AI Update

Highly Pathogenic Avian Influenza was found in poultry flocks in all Canadian Provinces (except PEI) and throughout the US in 2022 and 2023. An update was provided on control zones, funding available through the farmed animal disease, and federal assistance programs.

On September 10, 2023 a producer in Alberta contacted the CFIA sick-bird line due to concerns with their flock. Subsequently the flock tested positive for HPAI (non-layer). The flock has been removed and the CFIA restrictions on movement will be in effect in primary control zone around the infected premise. The fall harvest is well underway in Alberta and they are reporting significant presence of wild birds in the region, drawn in by the grain harvest and onset of fall southbound migration.

3.4 Farmed Animal Welfare

The Ministry of Agriculture and Food formed an advisory committee tasked with making the framework more explicit and transparent, and ensuring the current framework promotes high standards of farmed animal welfare and supports those involved in delivering these standards on an ongoing basis. The framework and recommendations from the September 11 meeting were presented for information.

3.5 Canadian Organics Standards 2025 Review/CGSB Membership

The Canadian General Standards Board (CGSB) must complete a review of the Organic Standards every five years. This must be completed before December 2025. The CGSB has sent a notice

requesting any organization that is interested in participating in the revision to complete the membership form. [REDACTED] will be attending as the EFC voting representative and [REDACTED] as a non-voting member. EFC's national PMC is creating an internal Organic Standards review team to provide direction to [REDACTED] and [REDACTED]. Due to the considerable amount of Organic production in BC, we are anticipating that at least one producer from BC will be included on the review team. The Board discussed who should attend as the provincial representative so potential representatives are available if contacted.

4.0 OPERATIONS

4.1 Quota Transfers

4.1a Producer A

BCEMB has received a quota transfer request from a registered producer which was presented for review.

R23-081 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors grant final approval for the Going Concern Sale from [REDACTED] to [REDACTED].

CARRIED

4.1b Producer B

BCEMB has received quota transfer requests from a registered producer which were presented for review.

R23-082 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors grant final approval for the transfer of [REDACTED] units of Layer Quota from [REDACTED] to [REDACTED]. [REDACTED] will not be affected by the twelve-month moratorium and will be eligible to participate in any growth allocations as [REDACTED] and [REDACTED] are considered a business unit.

CARRIED

R23-083 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors grant final approval for the transfer of [REDACTED] units of Layer Quota from [REDACTED] to [REDACTED]. [REDACTED] will not be affected by the twelve-month moratorium and will be eligible to participate in any growth allocations as [REDACTED] and [REDACTED] are considered a business unit.

CARRIED

R23-084 It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors grant final approval for the transfer of [REDACTED] units of Layer Quota from [REDACTED] to [REDACTED].

CARRIED

R23-085 It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors grant final approval for the transfer of [REDACTED] units of Layer Quota from [REDACTED] to [REDACTED].

CARRIED

4.1c Producer C

BCEMB has received a quota transfer request from a registered producer which was presented for review.

R23-086 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors grant final approval for the transfer of all layer quota from the partnership of [REDACTED] to [REDACTED].

CARRIED

The Chair, Gunta Vitins, had a prior commitment and joined the meeting at 9:55 AM. The Board finished its discussion at which point Gunta Vitins took over as Chair for the remainder of the meeting.

4.2 MNPT Recommendations

The Market Needs Project Team (MNPT) was established to facilitate collaborative discussions between graders, producers, processor and the Board. The MNPT discussed BC's production and market needs and discussed possible programming and/or production solutions that could be implemented to help align production with market needs.

Through discussions the MNPT made a number of recommendations to the Board on strategies and/or programs. The Board has implemented all of the project team's fully developed recommendations. Three additional production solutions were favored by the project team but require additional administrative work and consultation before a change would be possible. These recommendations were discussed by the Board who determined how to proceed with the project team's recommendations.

The project team has wrapped up the bulk of its project work will now be shifting its focus to meeting quarterly instead of monthly. The next MNPT meeting will be in December 2023.

Action: Staff was directed to consult with EPA on potential solutions for producer-to-producer leasing from long to short production types.

Action: Staff was directed to draft changes to Quota Credits policy which would incorporate the MNPT recommendations for the December Board Meeting.

4.3 Environmental Sampling

When HPAI positive is found, all on-farm visits are halted to reduce the risk of farm-to-farm transmission and extends until the threat of farm-to-farm transmission has passed. As the last PCZ has been removed by CFIA, on-farm visits have resumed. Prior to 2022 HPAI, all on-farm audits/programs required an auditor to be present. At the September PMC meeting, the committee discussed the uncertainty of future HPAI outbreaks and recommended amending BC's

SE Policy to allow Board approved qualified personnel to conduct environmental sampling in exceptional circumstances. Staff presented the recommendation to the Board for consideration.

R23-087 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors approve the September 2023 version of the BC SE Policy document as amended.

CARRIED

Action: Staff to communicate updated SE Policy to producers in the upcoming monthly newsletter.

Action: Staff to create a training video that illustrates the proper procedure for environmental sampling.

4.4 2024 Forecast

The Board discussed a preliminary version of BC Eggs production forecast for 2024. HPAI had a significant impact on BC's production in 2023. At this time we are expecting production levels to return to full utilization in 2024.

Action: Staff to continue to monitor and update the 2024 forecast. The Board requested the up-to-date 2024 forecast be brought back to the Board of Directors at the December 2023 meeting.

4.5 Production Sleeve

As a short province, BC seeks to utilize 100% of its provincially allotted quota each year. Production sleeves have been used as an effective tool to incentivize producers to place additional birds to reach the goal of 100% utilization. The Board completed a preliminary review of the forecasted 2024 quota utilization and discussed potential production sleeves for July 2024 – June 2025. The Board will consult with the EIAC to receive their recommendation. In December, the Board of Directors it will make a decision on the July 2024 – June 2025 production sleeve.

4.6 STTMQ Request

The Board received requests from two graders for expanded programming allowances within the ongoing Special Temporary Table Market Quota (STTMQ) program. One grader requested the leasing opportunity for Classic Production be extended to Christmas 2023 to ensure egg supply when high demand is expected. Another grader requested the STTMQ lease opportunity be provided to producers who change production type from Free Run Brown to Free Run White. To accommodate the requests the Board would need to amend its current STTMQ Policy document. The two requests were discussed and considered by the Board of Directors.

R23-088 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve the September 2023 version of the BC STTMQ Program as amended.

CARRIED

4.7 2023 NPP Update

The 2023 New Producer Program is complete. The winners of the 2023 New Producer Program are Christopher Grohmueller and Sajid Hameed. The Board is anticipating that the New Producers Program winners will place their first commercial flocks in 2024.

Feedback from a grader on future NPP draws was presented. The next NPP draw timeline will be discussed at a future meeting.

4.8 WEMA Comparison

WEMA payments are made quarterly to Manitoba based on an agreement established by the Western Provinces. Staff presented the factors for the calculation as well as the 2023 difference between the COP and Producer Price for information. Under the agreement, potential payments are assessed on a quarterly basis.

4.9 Appeal Update

4.9a Appeal A

At the June 8 meeting, the Board declined the Going Concern Transfer Request between ██████████ ██████████ and ██████████ as it did not meet the criteria for a Going Concern Sale. BC Egg's documents were disclosed on August 12, 2023 and the appellant, ██████████, is required to have its documents and witness list to BCFIRB by September 20, 2023. The appeal will take place virtually over 1.5 days from October 30 to 31.

4.9b Appeal B

Jon Krahn recused himself at 12:59PM.

In July 2023, ██████████ submitted a request to moult a flock in the summer of 2024. The request was declined by the Board as it did not meet the requirements in the Consolidated Order. A Notice of Appeal was sent to BCFIRB on August 18, 2023.

██████████ representing ██████████ requested to meet with the Board to present additional information and request the Board to reconsider its decision.

██████████ and ██████████ *joined the meeting at 1:00PM.*

██████████ and ██████████ *left the meeting at 1:32PM.*

The Board deliberated the new information received from ██████████ and considered various options. The Board will be responding to the appellant.

Action: Staff was directed to respond to the Producer and request further information and commitments prior to reconsidering its decision.

Jon Krahn rejoined the meeting at 1:50PM.

4.10 PARP and Audit Reporting

BCFIRB has introduced new mandatory reporting requirements in its PARP on New Entrant Producers. Additionally, new mandatory reporting requirements are now required by all commodity boards on various statistics from yearly audits that will detail compliance and enforcement requirements and processes. The new reporting requirements were discussed and will be included in BC Egg's 2022 PARP report.

4.11 BART

EFC is currently reviewing the Buyback provided for product shipped to the processor. The aim of the review team is to examine and identify remittance practices across the country and develop a uniform national policy. To date, the buyback procedures in each province have been reviewed and EFC has approved the proposal put forward for grader data collection. The project is underway. The results of this study are expected for the November 14, 2023 meeting. A BART meeting was held on September 15, 2023 and a verbal update was provided.

4.12 EFC Buyback

The buyback is added to the lesser of COP and producer price, paid to the provincial boards. On July 11, 2023 the EFC Board approved an increase in the buyback from \$0.04 to \$0.08. The increase is retroactive to Jan 1, 2023 and EFC will soon be notifying provincial boards of their payment amount. The Board deferred the decision regarding the amount of buyback funds to be paid to the graders until funds have been received from EFC. WEMA would like to meet to discuss the intentions of each province to provide consistency.

Action: Staff to coordinate a WEMA meeting, possibly in coordination with other EFC meetings (FRIT).

4.13 Fowl Removal Update

The current Interior fowl removal contractor gave notice that they intend to terminate the fowl removal contract with BC Egg at the end of September 2023. On July 25, 2023 the Board approved [REDACTED] to provide their services for fowl removal in the interior effective October 1, 2023. The new contractor was trained at a fowl removal that occurred in September. Everything went well and they are looking forward to taking over and providing their services beginning October 2023.

4.14 System Migration

BC Egg's current IT system has become dated and is not adaptable to our reporting needs. Three companies provided proposals and demos for the Board to view the proposed platforms. After reviewing each system and the estimated costs, the Board approved Converge/Newcomp for the system migration. A Statement of Work was presented for the Board's consideration.

Action: Staff to have legal counsel review the Converge/Newcomp Statement of Work and bring back the contact for Director review and decision at the October Board meeting.

5.0 GOVERNANCE

5.1 Committee Minutes

5.1a June 29, 2023 PMC Minutes

The June 29, 2023 PMC minutes and meeting summary were presented for information.

5.1b February 1, 2023 A&F Minutes

The February 1, 2023 A&F minutes and meeting summary were presented for information.

5.2 CAF Update

On September 1, 2023 CAFL accepted a letter of intent offer on the building and land. Staff presented information on the potential sale for information.

5.3 Consolidated Order Update

The Consolidated Order is required to be reviewed every five years. The current document was last reviewed in 2017. In 2022/2023 BCEMB completed a consultation and submitted the proposed updates that may impact quota, which therefore require prior approval, to BCFIRB.

BCFIRB has prior approved the changes to Going Concern Sales (Part V) and the Quota Exchange (Part IV). BCFIRB has stated that they do not need to prior approve any changes to the TAP Programs (Part VII). BCFIRB requested that BC Egg choose one term to consistently describe quota throughout Part IV and has required BC Egg to assess and report on whether there is an increase in volume of quota on the exchange and any unanticipated impacts on Going Concern Sales by September 5, 2024. The Consolidated Order has been updated to ensure consistency using the term Layer Quota (not Quota) and Layers (not hens).

R23-089 It was MOVED by Walter Siemens and SECONDED

THAT the Board approve the third and final reading of the December 31, 2023 Consolidated Order effective Week 1, 2024.

CARRIED

Action: Staff to post the December 31, 2023 Consolidated Order on the BCEgg.com website. The updated Consolidated Order to be communicated to producers in its monthly newsletters.

5.3a EFC Free Range Standards

At the summer meeting in July 2023, Egg Farmers of Canada approved a national Free-Range Program. The national standard is based on the Canadian Organic Standards and the BC Free Range Program. EFC is planning to include the Free-Range audit as part of the Animal Care Audit Program Audit effective July 1, 2024.

Once the EFC Free Range standard becomes operational on July 1, 2024, the BC and National Free-Range Program will be nearly identical. The current Consolidated Order requires specialty producers to be Certified in a Board Approved Program for that Egg Class. To be acceptable for the BC Egg Operational Standards, the Board must recognize and adopt the EFC Free Range Program.

R23-090 It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors adopt the EFC Free Range Standards as the Board Approved Program for Free Range production in BC effective July 1, 2024. At that time, the BC Specialty Audit Program will be retired.

CARRIED

6.0 PERFORMANCE REPORTS

6.1 Quota Reports

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 balance was presented for information.

6.1e Inventory Report

The Inventory Report was presented for information.

6.2 COP

The COP report was presented for information.

6.3 Feed Mill Participation Report & AAFC Report

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

Action: Staff to request the AAFC Report includes all commodity details for future reporting.

6.4 CETPP Production Comparison

A CETPP Production Comparison report was presented for information.

Action: Staff to follow up with the irregular production where necessary on the comparison analysis.

6.5 Producer Utilization Update

The Producer Utilization update was presented for information using the weighted average as requested.

6.6 Active Leases

The Active Leases report was presented for information.

6.7 Barn Capacity

The Barn Capacity report was presented for information.

7.0 MEETINGS HELD & UPCOMING

7.1 2023 Meetings Held

The 2023 meetings held were presented for information.

The Board of Directors of the BC Egg Marketing Board

Minutes: Board of Directors Meeting

Date: Sept 20, 2023

7.2 2023 Meetings Upcoming

The 2023 upcoming meetings were presented for information.

ADJOURNMENT

It was MOVED by Walter and SECONDED that the meeting be adjourned at 3:13pm.



Board Chair



Certified Correct, Secretary