

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: December 6, 2023

Location: BCEMB Boardroom

BOARD IN ATTENDANCE: Al Sakalauskas, 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
Erin Duetta, Manager Finance
Amanda Brittain, Director, Marketing & Communications

CALL TO ORDER

The Chair, Al Sakalauskas, called the meeting to order at 9:29am.

CONFLICT OF INTEREST

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

Jon Krahn declared a conflict of interest with 4.1e and 4.9a [REDACTED].

ADOPTION OF AGENDA

It was **MOVED** by Walter Siemens and **SECONDED** that the agenda be adopted as amended.

5.3 December 14 EFC Meeting

1.0 APPROVAL OF MINUTES

1.1 Approval of Minutes of October 26-27, 2023

R23-109 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve the Minutes of October 26-27, 2023 as presented.

CARRIED

1.2 Approval of Minutes of November 6, 2023

R23-110 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors approve the Minutes of November 6, 2023 as presented.

CARRIED

2.0 BUSINESS ARISING/ACTION LIST

2.1 2023 Board Calendar & Action Item

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

2.2 Business Continuity Plan

BC Egg's business continuity plan was developed in 2022. The Business Continuity Plan has been updated and presented to the Board for review.

R23-111 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve the updated Business Continuity Plan as presented.

CARRIED

3.0 STAKEHOLDER ENGAGEMENT

3.1 EFC Update

An update on the matters of EFC and its committees were presented for information.

3.2 Regional Reports

Updates from the regional representatives were presented for information.

3.3 Committee Reports

Updates from the committee representatives were presented for information.

Action: Staff to send EIAC agenda to Board of Directors for information.

3.4 2024 Conference and AGM Update

An update was provided on keynote speakers, education sessions and sponsorships received.

The draft conference schedule was presented for information.

R23-112 It was MOVED by Jon Krahn and SECONDED
THAT the Board approve the draft AGM schedule as presented.

CARRIED

Action: Staff to present the draft schedule of meetings to be held during the AGM at the January meeting.

3.5 2024 Marketing Plan

On November 17, the Marcomm committee reviewed the 2024 Strategic Marketing plan that included BC Egg's target audience, goals and KPI's. Staff presented the 2024 Strategic Marketing plan for the Boards consideration.

R23-113 It was MOVED by Jon Krahn and SECONDED
THAT the Board of Directors approve the 2024 marketing plan as presented.

CARRIED

3.6 BC Egg Scholarship Update

BC Egg provides annual scholarships to both UBC and UFV agricultural departments. An update was provided for information that included the 2023 recipients.

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.

R23-114 It was MOVED by Walter Siemens and SECONDED
THAT the Board of Directors grant final approval for the transfer of [REDACTED] units of Layer Quota from [REDACTED] to [REDACTED].

CARRIED

4.1b Producer B

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

R23-115 It was MOVED by Jeff Regier and SECONDED
THAT the Board of Directors conditionally approve the proposed partnership change at [REDACTED] and the transfer of [REDACTED] units of layer quota from [REDACTED] to [REDACTED]. This amount is [REDACTED] original interest in [REDACTED]. Therefore, in accordance with Consolidated Order Part V 3(4)(g), a surrender of layer quota is not required. The transfer will not be affected

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by the twelve-month moratorium and both producers will be eligible to participate in future growth allocations.
CARRIED

4.1c Producer C

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

R23-116 It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors conditionally approve the transfer of [REDACTED] units of Layer Quota from [REDACTED] to [REDACTED]. This is a transfer among Related Corporate Producers, therefore, in accordance with the Consolidated Order Part V 3(4)(b), a surrender of layer quota is not required. The transfer will not be affected by the twelve-month moratorium and both [REDACTED] and [REDACTED] will be eligible to participate in future growth allocations.

CARRIED

4.1d Producer D

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

R23-117 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors conditionally approve the transfer of [REDACTED] units of Layer Quota from [REDACTED] to [REDACTED]. This is a transfer among Related Corporate Producers, therefore, in accordance with the Consolidated Order Part V 3(4)(b), a surrender of layer quota is not required. The transfer will not be affected by the twelve-month moratorium and both [REDACTED] and [REDACTED] will be eligible to participate in future growth allocations.

CARRIED

4.1e Producer E

J. Krahn recused himself at 11:30am

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

R23-118 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors conditionally approve the proposed partnership change at [REDACTED] and the deemed transfer of [REDACTED] units of Layer Quota from [REDACTED] to [REDACTED], [REDACTED] and [REDACTED]. The deemed quota transfers are initially transfers among Related Corporate Producers and then transfers from a parent to children. Therefore, in accordance with Consolidated Order Part V 3(4)(a) and 3(4)(b), a surrender of layer quota is not required. The deemed transfers will not be affected by the twelve-month moratorium and [REDACTED] will be eligible to participate in future growth allocations.

CARRIED

J. Krahn rejoined the meeting at 12:23pm

Action: Staff to submit a request to FIRB regarding transfers similar to [REDACTED].

4.2 Quota Credit Yearly Report

In July 2023 BC Egg's Quota Credit Policy was updated. A key change to the policy included a defined expiry date on quota credits issued. BC Egg's IT database, which is currently being rebuilt, will automate and track QC expiry dates to accommodate this change. In the interim, staff will be manually tracking and communicating each farm's QC balance to producers.

4.3 2024 Forecast

The 2024 Egg Forecast was presented that incorporates the impact of HPAI on future production expectations.

Action: Staff to resend the December 6, 2023 Board of Director agenda package to include the handouts.

4.4 2024 Production Sleeve

Each year in December, the Board reviews market conditions and predicted utilization to determine if a production sleeve is appropriate for the upcoming year. In July 2023, the Board approved the production sleeve to decrease from 7% to 6% effective January 1. Staff presented information on estimated utilization rates from 2023 – 2026 and the Board discussed industry needs and market requirements.

R23-119 It was MOVED by Walter Siemens and SECONDED

WHEREAS the Board of Directors have approved a production sleeve of 6% from December 31, 2023 until July 6, 2024.

THAT the Board of Directors maintain the production sleeve at 6% from July 7, 2024 until December 29, 2024 when it may be reduced to 3%.

CARRIED

4.5 Quota Allocation

Upon approval from FPCC, a National increase to our federal quota will occur Week 1, 2024. If the increase is approved by FPCC, BC would receive a provincial allocation that will need to be distributed to registered producers. The Board reviewed current market conditions and considered potential allocation distribution options.

R23-120 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors approves option 1, pro-rata and equal distribution, to be considered by the EIAC and EPA as part of the consultation process.

CARRIED

Action: Staff to consult with the EIAC and EPA for their recommendation on a pro-rata & equal distribution quota allocation.

4.6 STTMQ Follow Up

A request has been received from a grading station for expansions or alterations of the STTMQ program to meet their market demand.

- R23-121** It was MOVED by Matt Vane and SECONDED
THAT the Board of Directors approve the December 2023 version of the BC STTMQ Program as presented.

CARRIED

4.7 Grader Supply Request

A quote has been received from a grader for BC Egg to purchase grader supplies. No formal request was submitted by the grader. The Board discussed the quote received and staff will respond to the grader.

4.8 HPAI Update

A second wave of HPAI commenced on October 20, 2023. BC industry has been working with the Ministry of Agriculture and CFIA on the response. The Fund Management Committee has determined it would be beneficial to start an HPAI Think Tank composed of Board Executive Directors, [REDACTED] and a representative from each Board.

The Board supports Jeff Regier as the representative for BC Egg.

4.8a HPAI IP Recovery Program

Between October 20, 2023 and December 1, 2023, there has been a total of 48 cases of HPAI detected in poultry flocks, 11 of the 48 HPAI Infected Premises house layers or layer pullets. Staff presented a HPAI IP Recovery program for the Boards consideration.

- R23-122** It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve the December 2023 HPAI IP Recovery Program as presented.

CARRIED

4.9 Appeal Updates

4.9a Appeal A

At the June 8 meeting, the Board declined the going concern transfer request between [REDACTED] and [REDACTED] as it did not meet the criteria for a going concern sale. The virtual hearing took place on October 30, with the written decision being available within 45 working days.

4.9b Appeal B

J. Krahn had recused himself from the meeting at 11:30am

[REDACTED] has appealed the Boards decision from July 25, 2023 which declined their request to moult a flock in summer 2024. The Pre-Hearing Conference was held on November

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10, 2023 and the report was presented for information. The appeal hearing will be held in person on January 11 & 12, 2024 in Langley.

On December 4, 2023, ██████████ submitted a request for Board reconsideration of its decision. The decision referenced current market conditions where HPAI has significantly impacted BC Eggs production capacity. The board discussed the producers request and possible placement scenarios regarding the timeline of pullets to be placed. When the producer had submitted the original request, there were no extenuating circumstances that would warrant moulting. We are now in the second round of HPAI and have lost over 400,000 pullets and layers.

R23-123 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors approve Walter Siemens and Katie Lowe as the witnesses for the appeal.

CARRIED

R23-124 It was MOVED by Walter Siemens and SECONDED

WHEREAS in July 2023 the Board of Directors declined ██████████ request for the opportunity to moult a flock of ██████████ laying hens in the summer of 2024 for flock realignment purposes.

WHEREAS in July 2023 current market conditions and flock projections did not precipitate exceptional need in summer 2024.

WHEREAS in fall 2023 HPAI has significantly impacted BC Egg's production capabilities and graders are requesting product for the table market through summer 2024 and BC Egg has approved the 2023 HPAI recovery program.

WHEREAS moulting this flock will increase pullet capacity in BC.

WHEREAS Inventory projections in July 2023 were at 104% for summer 2024 and as of December 2023 are projected to be at 94% for 2024.

THAT the Board of Directors approve ██████████ request for the opportunity to moult a flock of ██████████ laying hens in the summer of 2024 under the 2023 HPAI Infected Premises Recovery Program.

CARRIED

J. Krahn rejoined the meeting at 12:23pm

4.10 2023 Producer Rebate Recommendation

BC Egg implemented a producer rebate policy in 2018 with the objective to ensure levies collected in a year are used to fund the day-to-day operations of BC Egg as set out in the approved yearly budget and excess funds to be considered as levies that were collected but exceeded funds disbursed in that year to be rebated to producers. Each year, the Audit & Finance Committee will assess the overall financial position and make a recommendation to the Board of Directors.

Based on the levy reduction in 2023 and BC Egg's cash position, a producer rebate will not be issued for 2023.

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4.11 2024 Budget and Levy Rate Recommendation

The 2024 Budget and Levy Rate recommendation from the Audit & Finance Committee was presented for the 2024 fiscal year.

R23-125 It was MOVED by Matt Vane and SECONDED

THAT the Board of Directors approve the 2024 BCEMB Budget as presented and THAT the BC Levy rate decrease to \$0.0450 cents per bird per week (\$0.0882 cents per dozen) effective Week 09, 2024.

This recommendation reflects a decrease of \$0.0030 cents per bird per week from the 2023 levy rate.

CARRIED

5.0 GOVERNANCE

5.1 Committee Minutes

5.1a A&F September 8, 2023 Minutes

The September 8, 2023 A&F minutes were presented for information.

5.1b Marcom June 20, 2023 Minutes

The June 20, 2023 Marcom minutes were presented for information.

5.2 2024 Election

One board member position is up for election in 2024. Historically, BC Egg has used BC Council of Marketing Boards/COGA as the independent elections officer.

R23-126 It was MOVED by Jeff Regier and SECONDED

THAT the Board appoint [REDACTED], General Manager of the BC Council of Marketing Boards, as the Independent Elections Officer for the 2024 BC Egg Marketing Board election.

CARRIED

5.3 Dec 14 EFC meeting

There is an EFC meeting being held on December 14 with provincial Chairs and Executive Directors. The intent of the meeting is to discuss egg board concerns and ways to drive costs out of the system.

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 report was presented for information.

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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.

6.4 CETPP Production Comparison

A CETPP Production Comparison report was presented for information.

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.

7.2 2023 Meetings Upcoming

The 2023 upcoming meetings were presented for information

7.2i 2024 Meetings Upcoming

The 2024 upcoming meetings were presented for information

ADJOURNMENT

It was MOVED by Walter Siemens and SECONDED that the meeting be adjourned at 4:06pm.



Board Chair



Certified Correct, Secretary