

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: June 26, 2024

Location: BCEMB Boardroom

BOARD IN ATTENDANCE: Al Sakalauskas, Chair
Walter Siemens, Vice-Chair
Jon Krahn, Board Member
Jeff Regier, Board Member
Derek Janzen, Board Member

STAFF IN ATTENDANCE: Katie Lowe, Executive Director
Joey Aebig, Manager Operations & Logistics
Erin Duetta, Manager Finance
Nicole Thompson, Executive Assistant

CALL TO ORDER

The Chair, Al Sakalauskas, called the meeting to order at 9:02am.

ADOPTION OF AGENDA

It was **MOVED** by Derek Janzen and **SECONDED** that the agenda be adopted with the following addition:

4.1c Quota Calculation

CONFLICT OF INTEREST

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

1.0 APPROVAL OF MINUTES

1.1 Approval of Minutes of May 9-10, 2024

R24-061 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve the Minutes of May 9-10, 2024 as presented.

CARRIED

2.0 BUSINESS ARISING/ACTION LIST

2.1 2024 Board Calendar & Action Item

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

2.1a October Board Meeting

The Board will be holding their October board meeting on Vancouver Island.

R24-062 It was MOVED by Derek Janzen and SECONDED

THAT the Board of Directors agree to hold the October board meeting at the Westin Bear Mountain Golf Resort on October 7-8, 2024.

CARRIED

3.0 STAKEHOLDER ENGAGEMENT

3.1 EFC Update

An update on the matters of EFC and its committees were presented, including an update on the COP and Natural Overrun.

3.2 Regional Reports

Updates from the regional representatives were presented.

The Board discussed a potential option for fowl removal in the Interior.

3.3 Committee Reports

Updates from the committee chairs and representatives were presented, including an update on the CAF building.

3.4 Strategic Planning Update

BC Egg has commenced a full refresh of its Strategic Plan. The draft plan based on feedback from the June sessions was presented for review.

The Board agreed with the draft and the next steps.

Action: Staff was directed to present the process and draft document to BCFIRB.

3.5 Advocacy Support Request

BC Egg received an email from the City of Abbotsford looking for support. The request was presented for discussion.

The Board agreed to send the request to the EPA.

3.6 National Pullet Committee Letter

On May 14, 2024, EFNB sent a letter to EFC requesting that EFC facilitate a national pullet working committee what would have representation from every province and territory. Additional provincial response letters were also presented for discussion.

The Board agreed to discuss the topic at the upcoming WEMA meeting.

4.0 OPERATIONS

4.1 Quota Transfers

4.1a Producer A

W. Siemens recused himself from the topic.

A producer has submitted a going concern transfer request. The supporting documents were presented for review.

R24-063 It was MOVED by Jon Krahn and SECONDED

WHEREAS [REDACTED] currently holds [REDACTED] quota units.

WHEREAS [REDACTED] plans to submit a Going Concern Transfer which does not meet any exemptions detailed in Part V 3(3) of the Consolidated Order; requiring a surrender of [REDACTED] quota units on the proposed July 7, 2024 transfer date.

WHEREAS the Consolidated Order Part V 2(9) only allows a Registered Producer to transfer up to 80% of their total Layer Quota holdings through a Going Concern Sale.

WHEREAS the transferrable amount of [REDACTED] is less than 80% of the total Layer Quota holdings.

THAT the Board of Directors conditionally approve the Going Concern Sale of [REDACTED] quota units along with the Egg Production Unit at [REDACTED] through the transfer of [REDACTED] shares from [REDACTED] to [REDACTED] provided that the following condition, if necessary, is met:

- An updated State of Title Certificate for the property at [REDACTED], [REDACTED] is provided no later than August 16, 2024 showing that the property is owned solely by [REDACTED].

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

CARRIED

4.1b Producer B

A producer has submitted a quota transfer request. The supporting documents were presented for review.

R24-064 It was MOVED by Jeff Regier and SECONDED

THAT the Board of Directors conditionally approve the proposed transfer of quota from [REDACTED] to [REDACTED]. The transfer is between siblings and the quota will remain with the associated Egg Production Unit. Therefore, in accordance with Consolidated Order Part V 3(3)(c), a surrender of layer quota is not required;

The transfer will not be affected by the twelve-month moratorium and [REDACTED] will be eligible to participate in future growth allocations.

CARRIED

4.1c Quota Calculation Update

A producer was given conditional approval for a going concern sale, however there was an error in the quota calculation.

The Board supports the two options provided by staff as they are in line with the requirements of the Consolidated Order.

Action: Staff was directed to obtain a legal opinion on the situation.

4.2 Going Concern Sale Considerations

With the recent volume of going concern sales some concerns have been brought forward.

The Board provided direction to staff and discussed an option for programming.

R24-066 It was MOVED by Jeff Regier and SECONDED

WHEREAS with the new Going Concern Sale requirements, the purchasing producer is responsible for the flock existing at takeover with 20% less quota;

WHEREAS the purchasing producer may be responsible for the next flock that is larger than their current quota value;

THAT the Board of Directors approve the implementation of a leasing program for going concern transfers for the 20% or more quota lost for up to a year for the purchasing producer at a rate of a dollar a bird per month, effective Week 1 2024.

CARRIED

W. Siemens recused himself from the decision.

Action: Staff was directed to draft a going concern sale lease program.

4.3 Quota Exchange Review

Some questions have arisen regarding the quota exchange rules that should be clarified prior to the quota exchange in September 2024.

The Board agreed with staff's understanding and will review the process and the results from the 2024 quota exchanges in 2025.

4.4 2025 Production Sleeve

A semi-annual review of the production sleeve is conducted to determine if the BC Egg Production Sleeve running from December 29, 2024 through to June 28, 2025 needs to be adjusted, or can remain at its current rate (6%). Additional analysis was presented for review.

The Board reviewed the analysis and how future allocations could affect the sleeve decision.

R24-065 It was MOVED by Jeff Regier and SECONDED

WHEREAS in December 2023 the Board of Directors made the decision to maintain the production sleeve at 6% from July 7, 2024 until December 29, 2024 when it may be reduced to 3%.

WHEREAS market conditions changed and BC Eggs strategic objectives were considered.

THAT the Board of Directors increase the production sleeve to 9% from December 29, 2024 to June 28, 2025.

CARRIED

Action: Staff was directed to include an education session at a producer meeting regarding quota programs and processes.

4.5 BC Capital Reinvestment

An action item from the May Board of Director meeting was for staff to conduct additional analysis on barn data. The additional analysis was presented for review.

The Board agreed to review the analysis bi-annually.

4.6 NPP Draw Update

The Board of Directors approved a 2024 draw to select up to two New Producer Program applicants. The submissions were scored by the NPP Review Committee on June 6, 2024 and the results were presented for review.

R24-067 It was MOVED by Derek Janzen and SECONDED

WHEREAS 60% of the New Producer Program applicants did not accurately complete the sworn statutory declaration in their application;

THAT the Board of Directors grant the three New Producer Program applicants five business days to complete their sworn statutory declaration.

CARRIED

4.7 NPP Quota Request

On June 13, 2024, a 2023 NPP winner requested his second increase for his NPP quota allotment.

R24-068 It was MOVED by Jon Krahn and SECONDED

WHEREAS [REDACTED] were successful in BC Eggs 2023 NPP program granting their farm eligibility for a maximum NPP program allotment of 3,000 quota units.

WHEREAS [REDACTED] has successfully vended 75% or more of their production on a rolling average basis over the last 12-month period.

THAT the Board of Directors approve [REDACTED] proposal to receive their full 3,000 quota allotment. Per the 2023 NPP Policy guidelines, to maintain their NPP allotment [REDACTED] will be required to maintain 75% of their production on a rolling average basis over a 12 month period.

CARRIED

4.8 NPP Relocation Request

A 2016 NPP producer has requested permission to relocate their layer operation from the Lower Mainland to the Interior.

R24-069 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve [REDACTED] Quota Relocation request from [REDACTED] to [REDACTED] provided that the following condition is met:

- An updated State of Title Certificate for the Egg Production Unit is provided, detailing [REDACTED] as the sole owner of the new property prior to the first flock placement.

CARRIED

4.9 Producer Audit Request

A producer has raised concerns regarding EFC's Measurement Protocols which impact the EFC Redeveloped Animal Care Program. Feedback from the PMC was presented for review.

The Board agreed with the PMC's recommendation to send a letter to the EFC PMC.

Action: Staff was directed to send a letter to the EFC PMC.

4.10 EFC CAR Issue

EFC staff have communicated their interpretation of a memo EFC sent to Egg Boards, which could significantly impact producers unless carefully monitored and addressed. Feedback from the PMC was presented for review.

The Board agreed with the PMC's recommendation to add a question to BC's Fowl Removal email and to send a letter to EFC PMC requesting a meeting.

4.11 EFC Free Range Standards

EFC is planning to include the Free-Range audit as part of the Animal Care Audit Program Audit. Initially this was to be effective July 31, 2024, however the EFC PMC has identified a few items associated with the standards that require additional consultation. At this time, BC Egg has not contracted the new third party auditor to conduct Free Range audits.

The Board agreed with staff's direction.

4.12 Barn Fitness Update

An objective of the Board is to complete and maintain its Barn Fitness Review program on layer facilities which have equipment that is 20 years or older. At this time, the Barn Fitness Committee requires a veterinarian. Options for the veterinarian were presented for review.

The Board agreed with the two names presented.

4.13 SE Update

The Atlantic provinces have requested that EFC advocate for a more science based, targeted approach to SE testing. Feedback from the PMC was presented for review.

The Board is in agreement with the Atlantic provinces.

Action: Staff was directed to send a letter of support to EFC.

4.14 Allocation Policy Consultation

BC Egg has completed its three-year multi-allocation plan. Presently we do not have an allocation policy if another allocation is received. A consultation was sent to the EIAC and the EPA and the results were presented for review.

The Board agreed with the survey as presented.

4.15 Fowl Removal QC Consultation

The MNPT recommended that the Board consider a potential Fowl Removal Quota Credit program. With the Board potentially playing a more proactive role in downtime on long production types, the MNPT discussed how the Board could remove barriers that would otherwise disincentivize participation. Feedback from the MNPT and the EPA were presented for review.

Action: Staff was directed to bring additional analysis back to the August meeting.

4.16 Producer to Producer Leasing Consultation

The MNPT recommended that the Board explore potential Producer to Producer Leasing options. In the past, producer-to-producer (P2P) leasing has not been expanded due to the restrictive rules set out in the Consolidated Order that were meant to deter inactive farming. A consultation was sent to the EPA and the feedback presented.

Action: Staff was directed to bring additional analysis back to the August meeting.

4.17 EOC Update

The EOC Director has proposed a change to the current EOC structure. The Chairs and Managers held a meeting on June 6, 2024 with the EOC Director to discuss the proposal further.

The Board agreed with the direction presented.

4.18 Fowl Removal

Updates on fowl removal in the regions was presented, along with feedback from the PMC.

The Board agreed with forming a Fowl Removal Committee and discussed next steps.

Action: Staff was directed to contact the EPA for nominees to the Fowl Removal Committee and draft a terms of reference for review in August.

4.19 CEIRA Letter

CEIRA is undergoing a stakeholder consultation on their business interruption insurance options. The EPA's feedback was presented for discussion.

Action: Staff was directed to forward the feedback to CEIRA.

4.20 Rodent Control Trial

██████████ has developed a rodent trap and have requested assistance in finding farms that would be willing to trial the technology. The PMC provided its support of the trial.

The Board is in support of the trial and agreed to forward the request to the EPA for participants.

4.21 BC Egg Fiscal Policies and Procedures

The format of the Fiscal Policies and Procedures document has been updated and a change is being recommended regarding the CRA Authorized Representative.

R24-070 It was MOVED by Derek Janzen and SECONDED

THAT the Board of Directors approve the amendments to the Fiscal Policies and Procedures as presented.

CARRIED

4.21a CRA Representatives

Currently there is only one person associated with the BC Egg staff or Board authorized to access our CRA account and make changes.

The Board agreed with staff's proposal.

R24-071 It was MOVED by Walter Siemens and SECONDED

THAT the Board of Directors approve ██████████ be added as BC Eggs CRA owner.

THAT the Board of Directors approve the following people be removed from BC Eggs CRA account:

- ██████████
- ██████████
- ██████████
- ██████████
- ██████████

CARRIED

4.22 Financial Statement Comparison

At the March 11 board meeting, staff were requested to review financial statements and notes from other provinces to compare how BC presents information. A comparison was presented for review.

4.23 Migration Update

BC Egg's current system is out of date and does not meet reporting needs. A new system is being created and staff have begun testing the system as well as working on reconciling the balances between the two systems. An update on the progress and next steps were presented.

5.0 GOVERNANCE

5.1 Board and Chair Performance Surveys

Each year the Board completes Board and Chair Performance Reviews. The survey results were presented for information.

Action: Staff was directed to provide the survey results to BCFIRB.

5.2 EXW Amending Order

A question was asked during the Board Hot Seat at the 2024 AGM regarding ownership of the eggs after pick up. To ensure clarity in the Consolidated Order, an Amending Order has been proposed.

R24-073 It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors approve the Second Reading of Amending Order 001 of the 2024 Consolidated Order as presented.

CARRIED

5.3 Committee Meeting Minutes

5.3a April 4, 2024 PMC Minutes

The April 4, 2024 PMC minutes were presented for information.

5.3b November 17, 2023 MarComm Minutes

The November 17, 2023 MarComm minutes were presented for information.

5.3c December 19, 2023 EIAC Minutes

The December 19, 2023 EIAC minutes were presented for information.

5.3d January 25, 2024 EIAC Minutes

The January 25, 2024 EIAC minutes were presented for information.

5.3e May 10, 2024 BC Egg and NPP Producer Meeting Notes

The May 10, 2024 BC Egg and NPP Producer meeting notes were presented for information.

5.4 EIAC Committee Composition

At the May 9-10 board meeting, the Board rescinded the appointment of the EIAC chair. A review of the committee composition was also requested.

The Board reviewed the proposed Terms of Reference amendments and discussed options for additional committee members.

R24-074 It was MOVED by Derek Janzen and SECONDED

THAT the Board of Directors approve the Egg Industry Advisory Committee Terms of Reference as amended.

CARRIED

Action: Staff was directed to bring the EIAC committee composition back to the August meeting.

5.5 PMC Committee Composition

As of June 23, 2024, a producer will be selling as a going concern. The producer is currently on the PMC with his term expiring in March 2025. The PMC Terms of Reference require that the committee be made up of four producers.

The Board reviewed the situation and discussed the next steps.

5.6 AMP Decision

On May 16, 2024, BCFIRB sent its AMPs Revised Approach Decision to the boards. The decision, included in the supporting documents, confirms that BCEMB does not require AMPs.

6.0 PERFORMANCE REPORTS

6.1 Dashboard

The Industry Reserve report was presented for information.

6.2 Financials

6.2a Period 4, 2024 Board & Committee Per Diems and Expenses

The Period 4 Board & Committee Per Diems & Expenses were presented for review.

R24-072 It was MOVED by Jon Krahn and SECONDED

THAT the Board of Directors approve the Period 4,2024 Board & Committee Per Diems & Expenses as amended.

CARRIED

6.2b AR Report

The AR Report was presented for information.

6.2c Period 5, 2024 Financial Statement

The Period 5, 2024 financial statements were presented for information.

Action: Staff was directed to bring the amended statements back to the August meeting.

6.2d Grader Incentive Program

An update on the grader incentive program was presented for information.

6.2e ULPT

The summary detailing levy remitted to EFC under their updated Uniform Levy Project Team was presented for information.

Action: Staff was requested to break out the SE and AI levy and birds.

6.3 Industrial Product

6.3a IP Report

The IP Report was presented for information.

6.3b Specialty Production

The summary detailing dozens specialty dozens graded over the past five years versus shipped to the processor was presented for information.

6.3c Specialty Buyback and Egg movement

The summary detailing dozens downgraded under the Specialty Buyback Program and interprovincial trades was presented for information.

7.0 MEETINGS HELD & UPCOMING

7.1 2024 Meetings Held

The 2024 held meetings were presented for information.

7.2 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 4:01pm.



Board Chair



Certified Correct, Secretary