



Proposed Bylaw Development Process Consultation Document

Overview:

- A high priority for the Alberta Government is Red Tape Reduction – it is the Alberta Government’s goal to reduce Alberta’s regulations by one-third.
- As part of this goal, the *Marketing of Agricultural Products Act* (MAPA) was amended on July 23, 2020, to provide a more flexible and efficient regulatory framework for Alberta’s Marketing Boards and Commissions, and to also provide the authority for MBCs to make bylaws by 2025.
- Bylaws enable the internal governance-related provisions, such as director terms, producer eligibility and rights, voting and election processes, duties of returning officer, etc., to be amended in a timely and flexible manner following the approval of producers, the Board, and Marketing Council.
- Before these 2020 amendments to MAPA, all provisions in Plan Regulations regarding ALP’s internal governance operations needed to be approved by producers, the Board, Marketing Council, the Minister and, finally, the Alberta Government’s Cabinet.

Proposed Bylaw Development Process:

- The Board is supportive of moving forward with the bylaw development process for ALP, starting with consultation with producers. Discussion on the MAPA changes will be held at ALP’s Annual General Meeting on November 20, 2021.
- On November 20, 2021, if a majority of eligible Alberta Lamb Producers support moving forward with the Plan Regulation amendments and making the bylaws, the Board will work with ALP Legal Counsel and Marketing Council to draft the bylaws. The final bylaws would be approved by the producers.
- Once this has been completed, ALP would move the corresponding Plan Regulation changes to Marketing Council and the Minister as soon as possible. Once the Bylaws have been approved, they will be shared with Producers.

Benefits & Considerations for ALP:

- ✓ ***This proposed bylaw structure, enables ALP to modify the internal governance provisions that once existed in Plan Regulations without involving government decision-makers like the Minister of Agriculture and Forestry or Cabinet who are not directly involved in our industry, while maintaining the process of seeking approval from Producers and Marketing Council.***
- ✓ **Supports the Alberta Government in its goal to reduce Red Tape**, providing greater flexibility to ALP while retaining the Board’s accountability to Producers and Marketing Council.
- ✓ **Producers and Marketing Council maintain authority over changes to bylaws**; any changes to ALP’s bylaws require approval from Producers, the Board, and Marketing Council.
- ✓ **Upholds Requirements in ALP’s Marketing Regulation** for licensing, programs/policies (i.e. On-Farm Food Safety and Animal Care Programs), service charges, penalties, etc., and other administrative and technical matters relevant would not be moved into bylaws.

Please review and refer to the enclosed background for further information.

Bylaw Development Under the *Marketing of Agricultural Products Act*

Introduction and Background Information

The *Marketing of Agricultural Products Act* (MAPA) was established in 1965, enabling all of Alberta's agricultural Marketing Boards and Commissions (MBCs) to establish and regulate specific aspects of the industry's farm-level production and marketing.

MAPA was amended on July 23, 2020, to provide a more flexible and efficient regulatory framework for MBCs to operate under, and to also provide the authority for MBCs to make bylaws. Bylaws can be made at the discretion of the Marketing Board or Commission, and Marketing Council has developed an implementation schedule that allows all MBCs the opportunity to implement bylaws by 2025.

For ALP to establish bylaws, changes will be necessary to ALP's Plan Regulation. ALP's Plan Regulation establishes ALP as an organization and sets out ALP's governance requirements, and guides the operation of the organization. This regulation is made by the Minister of Agriculture and Forestry at the request of Marketing Council.

In developing bylaws for ALP, many of the internal governance-related provisions, such as director terms, producer eligibility and rights, voting and election processes, duties of returning officer, etc., would be removed from the Plan Regulation and moved into bylaws made by ALP upon the approval of producers, the Board, and Marketing Council.

Before these 2020 MAPA amendments, all provisions in Plan Regulations regarding ALP's internal governance operations needed to be approved by producers, the Board, Marketing Council, the Minister and, finally, the Alberta Government's Cabinet. ***With this proposed bylaw structure, ALP would be able to modify the internal governance provisions that once existed in Plan Regulations without the involvement of government decision-makers like the Minister of Agriculture and Forestry or Cabinet, while still maintaining the process of seeking approval from producers and Marketing Council.***

Oversight and accountability are foundational, and that is why Marketing Council will be involved in this process. As the supervisory agency and oversight body for Alberta's MBCs, Marketing Council will be responsible for approving bylaws before they take effect and will be responsible for approving any amendments made to the bylaws once they have been established.

Bylaws

Bylaws are the internal rules made by an organization to regulate or control the actions of its members. Many not-for-profit organizations have bylaws. In Alberta, the Alberta Beef Producers are the only MBC that currently operate with bylaws. Alberta Beef Producers was given the authority to make bylaws through amendments to their Plan Regulation, however the government advised that until MAPA was amended to provide this authority, other MBCs could not do the same. Since MAPA has been amended in 2020, other MBCs can now make bylaws.

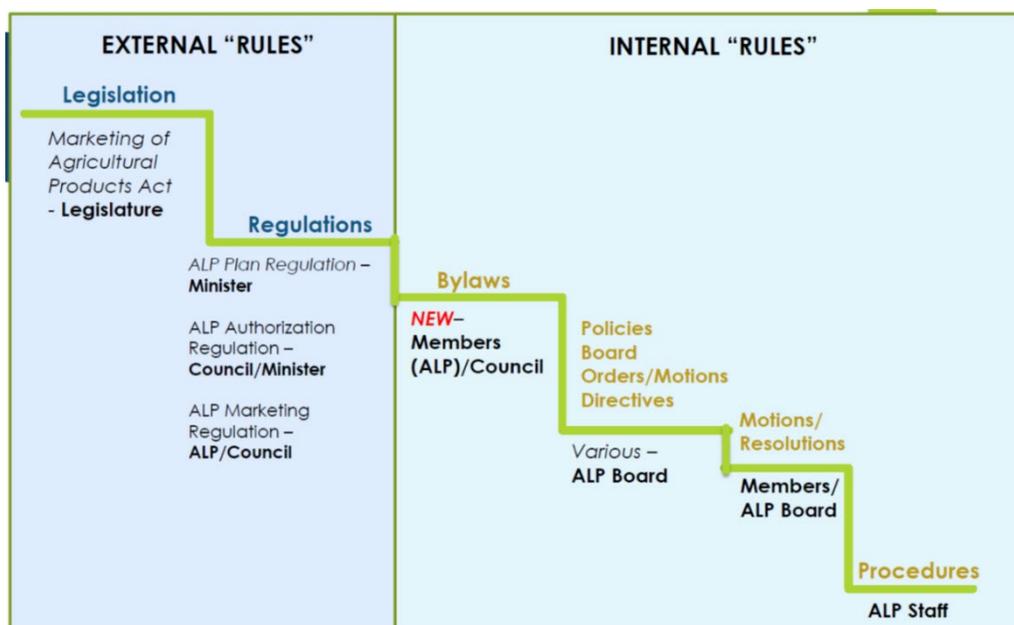
All MBCs are limited in terms of what can put into bylaws. MAPA gives the authority to create bylaws on the following matters:

Items that can be included in bylaws	Items that cannot be included in bylaws
<ul style="list-style-type: none"> ❖ Governance related provisions/requirements within the following sections of current Plan Regulations: <ul style="list-style-type: none"> ○ Definitions applicable to bylaws ○ Functions of Board and governance of its conduct and affairs ○ Remuneration of Board ○ Auditor appointment ○ Chair responsibilities ○ Board meeting quorum ○ Meeting quorums ○ Terms of Office ○ Vacancy ○ Requirements for meetings, including notification ○ Producer rights and eligibility (producers as individuals and producers who are not individual ○ Voting and Elections ○ Board member eligibility ○ Nominations ○ Tie votes ○ Returning Officer duties ○ Amendment, repeal, and replacement process requirements ○ Conflicts ○ Review requirements ❖ Other items will be assessed on a case-by-case basis such as internal operating procedures for voting (elections/resolutions), etc. 	<ul style="list-style-type: none"> ❖ Provisions/requirements outlined in Marketing and Commission regulations made pursuant to sections 26/27 of MAPA. Marketing and Commission regulations outlined requirements for licensing, programs/policies, service charges, penalties/levies/etc., and other administrative and technical matters relevant to each MBC. ❖ Technical/operational policy that is not governance related (e.g., On-Farm Food Safety program/policy requirements). ❖ Provisions required by MAPA to be within Plan Regulations (e.g., MAPA s. 15 and 17).

Regulatory Hierarchy

Another way of looking at the bylaw framework is on a ladder. On the ladder, MAPA is at the top, followed by the Plan Regulation, the Marketing Regulation, Bylaws, and then Policies/Orders/Directives/Resolutions/Motions/Procedures. Each step on the ladder takes authority or direction from the one above; as you move down the ladder, the steps become operational or technical in nature.

A bylaw is the lowest level regulatory instrument - if it conflicts with one of ALP's regulations (Plan or Marketing Regulations), the Act and the regulations will override the



bylaws. If this type of conflict arises, either ALP must change the bylaw to align with the Act and regulations, or, with Marketing Council and legal advisors involved, the Act and/or regulation could also be changed to align with the bylaw.

Bylaws are enforceable. Decisions made or actions (or inactions) under the bylaws could be challenged through MAPA's review and appeal process.

Process and Timing

Marketing Council has developed an implementation schedule that allows all MBCs the opportunity to implement bylaws by 2025. ALP is intending to start its bylaw creation process in December 2021.

In developing bylaws for ALP, many of the internal governance-related provisions, such as director terms, producer eligibility and rights, voting and election processes, duties of returning officer, etc., would be removed from the Plan Regulation and moved into bylaws made by ALP upon the approval producers, the Board, and Marketing Council.

The ALP Board is supportive of moving forward with the bylaw development process for ALP in 2021, starting with consultation with Producers. Discussion on the MAPA changes occurred during the November 27-29 in-person ALP Board meeting and again on March 25, 2021. The consultation, discussion and vote of Producers will take place at ALP's Annual General Meeting scheduled for November 20, 2021.

On November 20, 2021, if a majority of eligible lamb producers support moving forward with the Plan Regulation amendments and making the bylaws, the Board will work with ALP Legal Counsel and Marketing Council in drafting the bylaws. It is anticipated that producer consultation will occur during the Spring of 2022, and if the drafted bylaws are approved, the bylaws will be presented to Marketing Council and then moved to the Minister for the Plan Regulation Changes.

ALP will review our bylaws along with our normal regulatory review process every five years, but if changes are necessary between reviews, ALP will work with producers and Marketing Council to ensure amendments are made.

Any questions or comments on the bylaw creation process can be directed to Ashley Scott, Executive Director by phone at 403-948-8533, or email to info@ablamb.ca.