



Alberta Lamb Producers Transitioning to Bylaws

Backgrounder: November 2021

Alberta Lamb Producer's Regulatory Framework

Alberta Lamb Producers (ALP) is governed by the *Marketing of Agricultural Products Act*, which is often referred to as MAPA. MAPA sets out the powers of ALP as an agricultural Commission and gives ALP authority to collect a refundable service charge from Alberta producers who own sheep or sell wool (of \$1.50 for each sheep or one cent for each pound of wool or 2.2 cents for each kilogram of wool sold).

Acts are law made by a provincial legislature. These are also referred to as statutes or primary legislation. Regulations are rules made to provide detail to Acts. Each Act has its own regulations and the Act provides the decision-making authority for making any regulation pursuant to the Act.

The regulation that creates ALP and sets out its governance structure and related requirements is the **Alberta Lamb Producers Plan Regulation** (Plan Regulation). Currently, the Plan Regulation outlines rights of producers, voting, Board member eligibility, election rules, term limits, and other internal governance related aspects of the ALP.

ALP also administers the following regulations:

- Alberta Lamb Producers Authorization Regulation – sets the regulation-making powers of the ALP.
- Alberta Lamb Producers Regulation – provides the day-to-day requirements of the ALP, including licensing, service charges, quota allocation and governance, reporting and other technical matters.

When a change is required to the Plan Regulation, multiple decision-makers must approve the change before it can take effect, including:

- ALP Board of Directors, following consultation with producers and other key stakeholders.
- Marketing Council.
- Minister of Agriculture and Forestry.

This approval process is often described as time-consuming and limits the flexibility of ALP to make regulatory changes with respect to internal governance and operations in a timely fashion.

Opportunity for Change

In July 2020, MAPA was amended to provide agricultural Commissions like ALP with authority to establish bylaws. This shift means that ALP can move many of the provisions (rules) that currently exist in the Plan Regulation into bylaws that are made by ALP and approved by Marketing Council.

By establishing bylaws, the process for making any change to ALP’s internal governance operations (e.g., voting, term limits, etc.), will be much shorter. ALP anticipates that the approval process would be shortened substantially by establishing this bylaws framework. This framework also empowers ALP with authority over their internal governance and contributes to the Government of Alberta’s current focus on Red Tape Reduction and removing regulatory burden and barriers in Alberta.

Bylaws are a regulatory tool that outline the governing rules of an organization. These are legal instruments that are enabled by MAPA and are enforceable by ALP.

Oversight by Marketing Council as ALP’s supervisory agency will continue to ensure appropriate

The Alberta Agricultural Products Marketing Council (Marketing Council) is ALP’s provincial supervisory agency. Marketing Council oversees the implementation and administration of ALP’s regulatory framework and advises the Minister of Agriculture and Forestry on matters relating to ALP, as well as Alberta’s 19 other agricultural Marketing Boards and Commissions.

checks and balances in the system, alignment of bylaws with regulations and MAPA, and consistency across Marketing Board and Commission bylaws.

Transition to Bylaws

During consultation held virtually over the summer of 2021, producers were informed of this transition to bylaws and provided the opportunity to raise any questions or concerns to the ALP Board. Receiving none, the Board decided to pursue drafting bylaws in consultation with

Marketing Council and its legal counsel presented the final draft bylaws to producers for approval during the November 20, 2021, annual meeting.

Prior to the 2021 AGM, ALP solicited feedback from producers on the final draft bylaws found in 2021 AGM Meeting package starting November 1, 2021. **Producers had until November 15, 2021, no later, to submit proposed changes for consideration before the final draft bylaws were to be presented and voted on during the November 20, 2021, annual meeting.**

During the November 20, 2021, annual meeting, producers were presented an overview of the bylaws and the final draft bylaws, as presented, were voted on by producers. A majority of those voting (2/3) was required in order for the motion “to accept and approve the draft bylaws as presented” to be carried.

Majority support of the draft bylaws from eligible producers was received, and the ALP Board requested that Plan Regulation amendments be made with Marketing Council. The Plan Regulation changes have approved by the ALP Board, Council and the Minister, meaning the ALP bylaws are now in effect.

The ALP bylaws contain things that were in the Plan Regulation. ALP bylaws include rules for the following:

- ✓ Responsibilities and functions of the ALP
- ✓ General rights of licensed producers
- ✓ Requirements for appointing representatives
- ✓ Eligibility for serving on the Board
- ✓ Board member terms
- ✓ Board Executive election/appointment process & quorum for Board meetings
- ✓ ALP meeting procedures, including notification and quorum for meetings
- ✓ Voting procedures, including duties of the Returning Officer
- ✓ Administrative matters such as appointing an auditor and Board member remuneration
- ✓ Bylaws approval process
- ✓ Bylaws review schedule

As mentioned, many of the above elements previously exist within the Plan Regulation. These were proposed to move out (be removed) from the Plan Regulation and have been positioned in many instances in the ALP bylaws word-for-word. Some minor wording changes were made to clarify the rules.

The table below describes each proposed shift, the section where it is currently referenced in the Plan Regulation, and why the change is necessary. This table does not include minor/administrative items such as definitions that will be removed from the Plan Regulation (e.g., auditor, assets, etc.) or establishing a new definition for bylaws in the Plan Regulation.

| Proposed change | Plan Regulation Reference | Why the change is necessary |
|---|---|---|
| The majority of the functions of the ALP outlined in section 9 will move to bylaws. | Section 9. | These provisions outline the main functions and internal governance operations of the ALP and as per section 26(2.1) of MAPA, can be moved to ALP bylaws. |
| Appointment of auditor and fiscal year definition moved to bylaws. | Sections 15 and 16. | Same as above. |
| Election of Chair, term of office for Board members, and removal from office will move to bylaws. | Sections 18, 19, most of section 20. | Same as above. |
| Meetings of directors, quorum for director meetings, directors' role, annual meeting, special meetings, calling of meetings, quorum of producer meetings, producer eligibility and rights, voting, director eligibility and ineligibility, and returning officer will all move into bylaws. | Sections 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 33.1, and 35 | Same as above. |

The draft ALP bylaws also include requirements for approving bylaws and sharing the bylaws with others (e.g., publication), as well as a timeline for review to ensure the bylaws are evaluated on a regular basis.