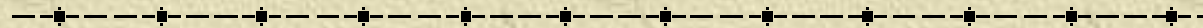




Industry Governance Review

Regional Consultation Meetings



July 17 – August 2, 2007

**Taber, Medicine Hat, Lacombe, Peace River,
Beaverlodge, Cochrane, Barrhead,
Edmonton, Camrose**

Agenda

- ✦ Purpose of Meeting(s)
- ✦ Introductions
- ✦ Background
- ✦ “What we heard...”
- ✦ Draft Principles and Functions
- ✦ “What are others doing?”
- ✦ “What do we need to do?”

Purpose of the Meeting

- ✦ To provide an update on the Industry Governance Review
- ✦ To review the “What we heard...” presentation
- ✦ To receive input regarding the DRAFT principles/functions
- ✦ To learn about what others are doing in industry governance
- ✦ To discuss next steps

Background

Industry Governance Review

-
- ✦ The Marketing of Agricultural Products Act (MAPA) was last reviewed in 1987.
 - ✦ To our knowledge, the overall industry governance has never been reviewed.
 - ✦ The role of government in the agriculture and food industry has changed dramatically since 1987, as has the industry's role.
 - ✦ The demands/responsibilities on all farm and commodity organizations has altered and increased significantly since 1987.
 - ✦ The complexity and impact of the issues that face the industry today are much greater (eg. Industry standards for food safety, environmental enhancement, water use, traceability, etc.)

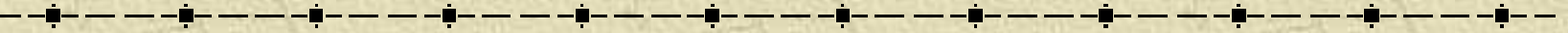
Background

Industry Governance Review

-
- ✦ There are a myriad of government and non-government organizations (provincially and nationally) dealing with many complex issues that commodity/industry organizations are also working on.
 - ✦ There is a shrinking pool of resources upon which the industry can draw (financial, people, time, etc).
 - ✦ The industry is fragmented and has a myriad of industry groups and organizations.
 - ✦ Marketing Council's role and manner of operating is quite different today than in 1987.

Background

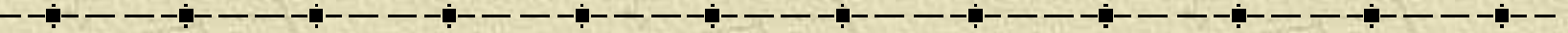
Industry Governance Review



- ✦ Our competitors (globally and domestically) are organizing themselves very differently in an attempt to be more effective and efficient.
- ✦ Collaboration among industry groups and interests has been difficult and driven by issues more than mutual strategies and objectives.
- ✦ Implementation of competitive strategies requires new linkages between and among industry (beyond agriculture as well) and government

Background

Industry Governance Review



✦ “It is your opportunity to co-create your future. I am confident that this review will help to ensure that Alberta’s agriculture and food industry remains competitive and well positioned to respond to future opportunities and challenges.”

“There is so much we can and should do together to make a difference for the future of our industry.”

*George Groeneveld,
Minister of Agriculture and Food*

Industry Governance Review Timeline:



Work Completed to Date:

- Stakeholder Sessions - March 2 and November 16, 2006
- 20 consultations with Boards/Commissions
- 16 consultations with other stakeholder groups (provincial, regional and national)
- 4 consultations with Youth

Work Completed to Date:

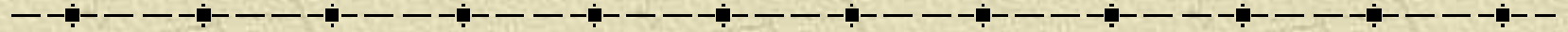
- Communiqué #1 - 3
- Summary of Consultations
- Draft Principles and Functions

Work in Progress:

- Regional summer meetings regarding consultations and draft principles
- Continued consultation with other Alberta/Regional/National interest groups and organizations
- Identification of best practices and governance models outside of Alberta and outside of agriculture
- Co-creation of future governance model(s)
- Indepth review of MAPA based on the proposed model(s)

Source: AAPMC Industry Governance Review, Communications and Engagement Plan, Working Group meetings

What We Heard...



Summary of the consultations held from
January – June, 2007

Several key questions guided this round of industry consultations.

Questions related to:

- Roles and responsibilities of organization(s)
- Responsiveness / adaptation
- Collaboration, partnerships and consolidation
- Industry governance needs specific to organization(s)
- Research and development
- Organization membership
- Funding/Revenue Generation

Source: AAPMC Industry Governance Review, Communications and Engagement Plan, March 2007.

What we heard...Industry in 10 years

-
- ✦ “Bigger farms”, “Less farms”, “We will shrink as an industry”
 - ✦ “Farming is a business...not just a lifestyle”
 - ✦ “Industry is linked from gene to consumer”
 - ✦ “Hope we’re still there – that we’ve survived”
 - ✦ “Globally competitive – know who our customer is and who our competition is”
 - ✦ “Significant opportunity for growth – nationally and internationally”
 - ✦ “More diversified”
 - ✦ “More viable...less reliant on government for ‘handouts’”
 - ✦ “More competitive – especially through R&D”
 - ✦ “More processors in the province”
 - ✦ “Lots of opportunities – health, industrial, etc”
 - ✦ “Responsive to the customer”

What we heard...Challenges/Opportunities

-
- ✦ “Regulatory framework – too rigid and restrictive”
 - ✦ “Role of government (Provincial) not clear”
 - ✦ “International competition – India, China, Brazil, Argentina to just name a few”
 - ✦ “Negative perception of agriculture from the public” – “not connecting food and agriculture”
 - ✦ “Need for interprovincial trade harmonization”
 - ✦ “Transportation system is a mess – CN”
 - ✦ “We can only do so much – too many things need to be looked after”
 - ✦ “Bio-industrial offers a huge opportunity”... “need to survive the biofuels silliness”
 - ✦ “Responding to the consumer – what do they want?”
 - ✦ “How do we keep the rural economy alive?”
 - ✦ “Need to increase the value of our products”

Source: AAPMC Industry Governance Review, Industry Consultations, January - June 2007

What we heard...global focus

- ◆ “We are a national industry...not just an Alberta industry”
- ◆ “Need to enhance our global perspective and presence”
- ◆ “We know our competitors’ price point advantage”
- ◆ “We also need policy to expand domestic use of our product”
- ◆ “Accessing the European Union market is key to our success”
- ◆ “Need harmonization of regulations (including vaccines, pharmaceuticals, pesticides) across borders”
- ◆ “Include the industry when there are international trade missions”
- ◆ “Need to have membership in national and international organizations”
- ◆ “See tremendous value in working with international markets and companies”
- ◆ “Need better access to the global market”

What we heard...strategies to maximize resources

-
- ◆ “Work with others where appropriate”
 - ◆ “Creative advocacy”
 - ◆ “Matchability of funding”
 - ◆ “Be proactive – not just reactive”
 - ◆ “Select strategies that are most effective”
 - ◆ “Field days, annual meetings and farm tours are very important – get the word out there about the good things we are doing”
 - ◆ “Limited resources are a big impediment to not being able to be more influential”
 - ◆ “Have producer members on different committees – not just Board members”

What we heard...receiving input from membership

-
- ◆ “Engage members in our planning processes”
 - ◆ “Website, newsletters, field days, annual general meetings, farm tours”
 - ◆ “We need more input from our members – how do we do a better job of this?”
 - ◆ “Having a transparent organization is very important”
 - ◆ “Need to engage the young people”
 - ◆ “Need to keep the members informed”
 - ◆ “Conduct a survey of our members every few years”

What we heard...leadership capacity

-
- ✦ “The pool of leaders is shrinking”
 - ✦ “Hard to recruit new Board members each year”
 - ✦ “Need to tap into the Youth pool”; “Need young people”
 - ✦ “Need to invite young producers to the Board to observe”
 - ✦ “For every other job you get training – why not for the job of being on a Board?”
 - ✦ “Need leadership courses”
 - ✦ “Labor shortages make it difficult to dedicate time to the Board”
 - ✦ “Having adjunct directors is a viable option”
 - ✦ “Need a governance workshop for new entrants on the Board”

What we heard... provincial/national/int'l collaboration

-
- ✦ “Collaboration is key to our survival”
 - ✦ “Need to be involved at the National level – our colleagues around the country”
 - ✦ “Our group needs a National organization!”
 - ✦ “Having a National voice would strengthen our industry and its influence”
 - ✦ “Maybe need to set up a national or international Oilseeds Commission”
 - ✦ “Need cross-commodity collaboration too”
 - ✦ “Need to partner on common issues across the industry”
 - ✦ “Need to be involved in trade missions”

What we heard...building linkages and markets

-
- ✦ Overall, we heard that MAPA has not stood in the way of making this happen but at the same time, it has not been helpful.
 - ✦ Was MAPA intended to enable building linkages and establishing markets?
 - ✦ Perhaps there are other ways to make this happen but MAPA/legislation can help to enable industry to do this better.

What we heard...develop and implement policy

-
- ✦ Overall, we heard that MAPA has not stood in the way of making this happen but at the same time, it has not been particularly helpful to organizations in developing and implementing their policies. What about organizations outside of MAPA?
 - ✦ Was MAPA intended to enable the development and implementation of policy?
 - ✦ Maybe there are other ways to make this happen. Maybe MAPA can help enable some organizations to do this better.

What we heard... Current version of MAPA working for next 10 years?

✦ Overall, most of the groups we spoke with said that MAPA generally works quite well for those organizations that it covers.

- ◆ “MAPA is a beautiful piece of legislation”
- ◆ “We haven’t run into any barriers because of MAPA”

✦ In looking at whether or not changes are needed for the next 10 years, there was overall consensus that some changes are needed – some groups would like to see more changes than others.

What we heard...names of MAPA and Marketing Council (MC)

The current names of MAPA and MC no longer seems to “fit”:

- ◆ The name for MAPA and Marketing Council are not reflective of what the Act or Marketing Council actually does.

Name suggestions:

- ◆ Agriculture Association Act
- ◆ Agricultural Products Act (APA)
- ◆ Name should link to national organizations for consistency

What we heard...role of Marketing Council

- ◆ “Marketing Council should only concern itself with making sure the Boards/Commissions live up to the regulations”
- ◆ “Be a liaison between government and the Boards/Commissions”
- ◆ “Help us deal with unhappy producers”
- ◆ “Provide facilitation, governance and education services”
- ◆ “Noses in...fingers out!”
- ◆ “Be a facilitator”
- ◆ “Should have the breadth and scope to help us with the issues that we face”
- ◆ “MC needs to focus...lots of old issues are still burning and new ones are coming”
- ◆ “Need to be enabling – but are you really? Need to be more proactive and work faster!”
- ◆ “You aren’t the police anymore!”
- ◆ “Be there for us”

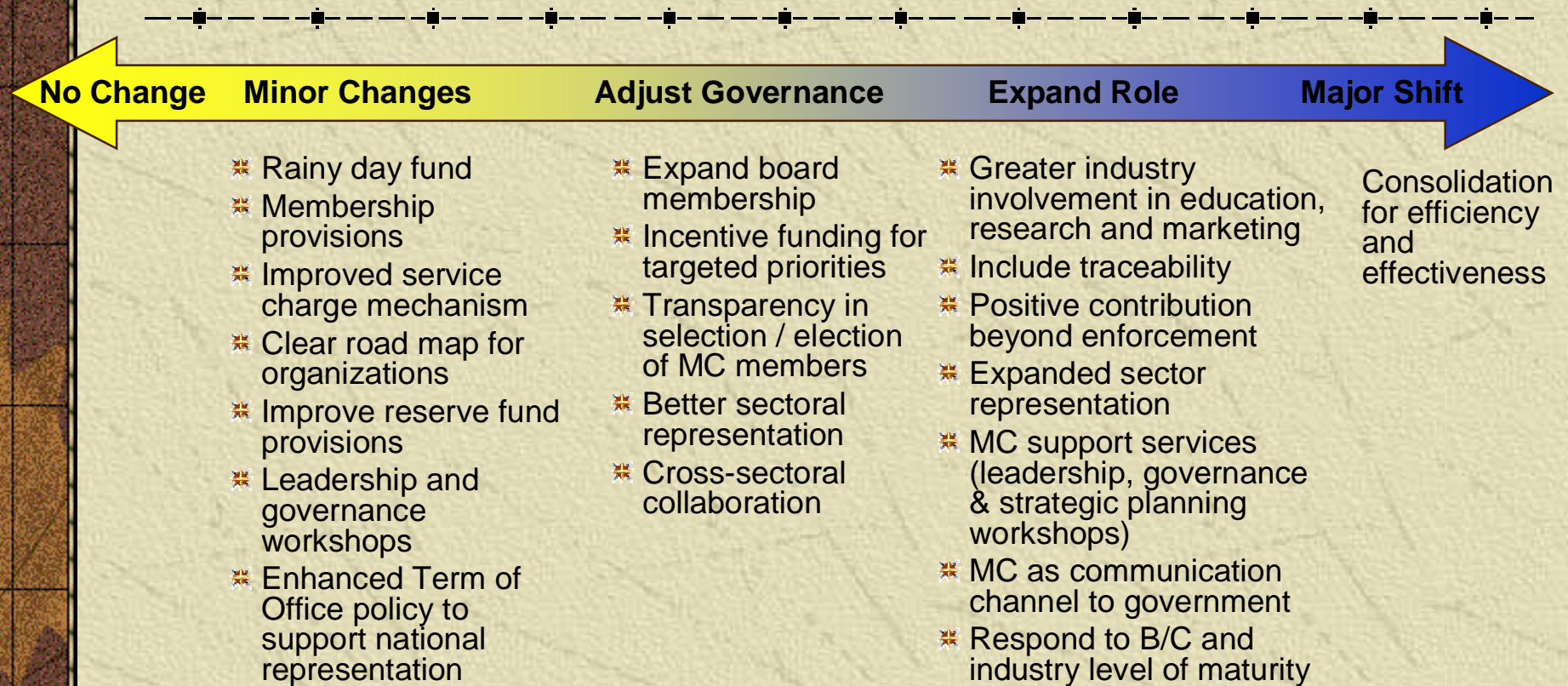
What we heard...role of Gov't

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- ✦ “Government doesn’t know what our industry needs”
 - ✦ “Need a direct link with government”
 - ✦ “Government structure needs to support the industry – need a clear point of contact in the department”
 - ✦ “Government should not stand in the way of creating an effective over-arching farm organization” – “if that is what industry wants/needs, let’s create it!”
 - ✦ “Government needs to support the supply-managed industries – currently it does not seem to – seems to be ashamed of it”
 - ✦ “Government services are not visible to the Boards and Commissions” (i.e. how can they get involved in trade missions? how do they utilize the Consulate offices?)
 - ✦ “AF seems to support the processors more than the producers”

What we heard...role of Gov't

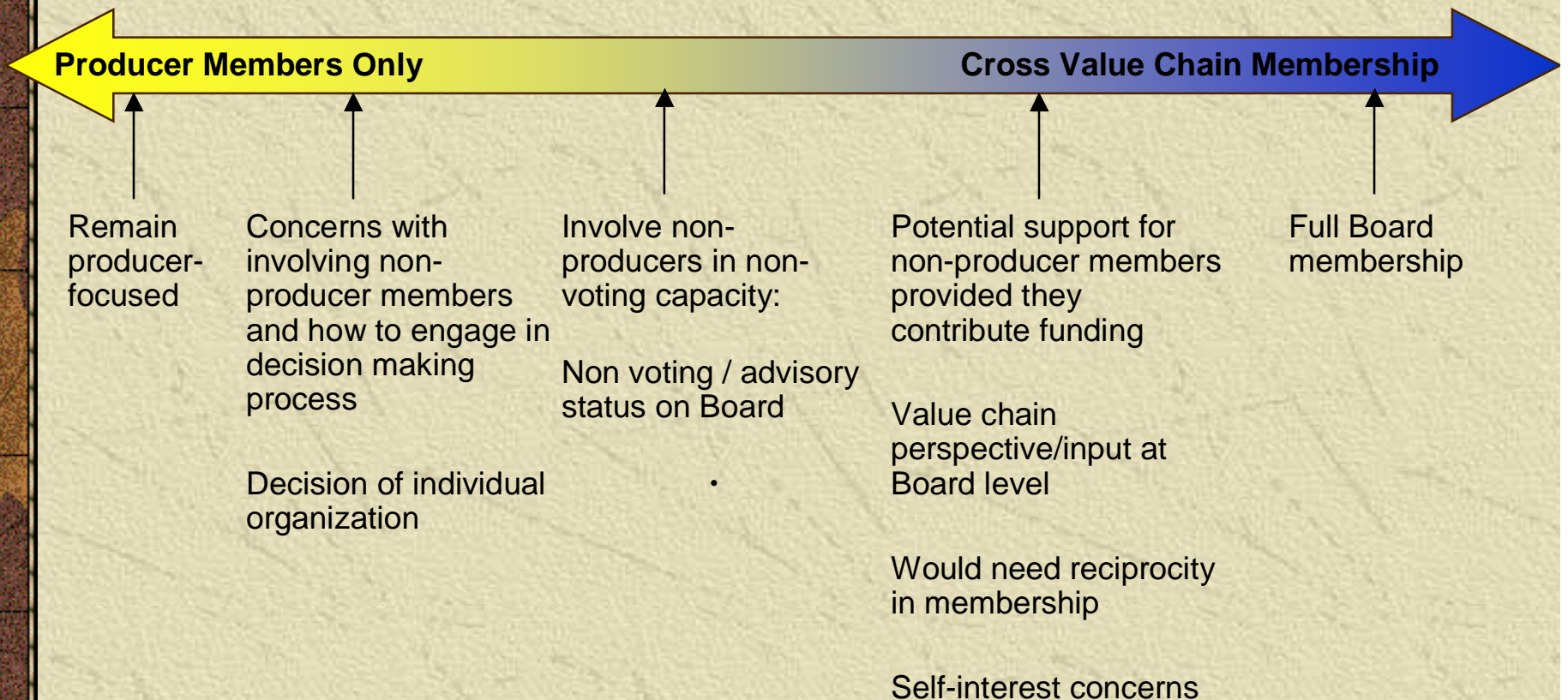
- ✦ “There are too many NGOs and it forces each of the Boards and Commissions to be a part of them to have ‘influence’ – GOA is asking too much of the Boards and Commissions “
- ✦ “Lead, follow or get out of the way!” “Quit interfering!!!”
- ✦ “Don’t give us a hand out...we need a heads up!”
- ✦ “Don’t make decisions that are positive for one industry and detrimental for others – talk to all involved before making decisions”
- ✦ “AF staff are no longer accessible to us”
- ✦ “AF staff say that they don’t have an advocacy role anymore”
- ✦ “R&D structures that were in place were effective because they were industry-led but then government interfered with setting priorities and we no longer have an industry-led R&D system.”

What we heard...Degree of Change Required



What we heard...Membership

A range of opinions was heard with no apparent consensus



What we heard... Overarching General Farm Organization

-
- ◆ “We desperately need some mechanisms to have a united voice for our industry”
 - ◆ “Need mechanisms to debate issues across commodity lines”
 - ◆ “Need to enable the industry to succeed rather than create divisions in the industry”
 - ◆ “Need a strong voice to address common issues and lobbying”
 - ◆ “The Intensive Livestock Working Group is a great example of a model that works – need to build on models like that”
 - ◆ “Need to build something like the UPA – Quebec model”
 - ◆ “It is important but need to be very careful as to what issues they focus on”
 - ◆ “Too easy to get focused on divisive issues”
 - ◆ “Not realistic due to the many divisive issues”

What we heard...Terms of Office

-
- ✦ There was no consensus among the Boards and Commissions on the management of terms of office – who should determine this.
 - ✦ Some would like to have the Boards/Commissions self-manage terms of office while others do not want to put that responsibility into the hands of the Boards/Commissions as it easily enables the creation of “the old boys club that stays for 25 years.”
 - ✦ There was consensus on the need to increase the number of terms from 2 to 3 for those groups who have representatives on national organizations AND for those who wish to adopt this policy – not required by all!
NOTE: this policy change has been approved by Marketing Council (April 3, 2007)
 - ✦ The length of term varies among each group – some have a 1 year term, others 2 years, and others 3 years.

Strong support for R&D

R&D Priorities

- ◆ Industry should help set overall direction / priorities and government should be more collaborative
 - Marketing Council could be a facilitator
 - Government voice in priority setting is welcomed
- ◆ Industry should focus on near term (1-2 year) applied research (production / application / value added / market and customer focused) while government and universities should focus on longer term basic research and serving the public interest (e.g. food safety)
- ◆ Also need market research about demand to support research investment priorities

R&D Funding

- ◆ Industry should fund with government leverage / support
- ◆ Industry Board of Director leadership and participation is KEY
- ◆ Need government to increase funding while respecting industry need to drive priorities where they are involved in funding
- ◆ A more stable, longer term approach with endowments / foundations is required
- ◆ Need value chain partners contributing to R&D with funds

Ideal R&D Structure

- ◆ Vision and plan is required to define and manage R&D priorities
- ◆ Current R&D efforts are unclear; more coordination, oversight and reporting required
- ◆ Need better transfer of R&D results to stakeholders

Intellectual Property

- ◆ Boards / Commissions should be able to hold IP and earn royalties; remove limits on research investment / ownership

Next Generation Producers Feedback

✦ “INVOLVE US MORE”

- ◆ Succession planning is a big issue
- ◆ Money is the biggest barrier to entering a career in agriculture
- ◆ There is a lack of awareness about opportunities in agriculture
- ◆ Transportation/railways are a big issue
- ◆ Love farming because of the lifestyle – being your own boss
- ◆ The future of agriculture in Alberta will have fewer, bigger farms with specialized skill sets
- ◆ Our cheap food policy is a huge impediment – we don't value quality food
- ◆ Need an united voice for agriculture in Alberta/Canada
- ◆ Public education about agriculture is critical to improving the public's perception of agriculture

Next Generation Producers Feedback on Organizations

- ◆ Overall – limited understanding of the existence/roles of Boards and Commissions
- ◆ Uncertain as to the usage of service charge
- ◆ No to virtually no communication to/from the Boards and Commissions
- ◆ Perceived to be ‘an old boys’ club’
- ◆ Uncertain as to whether or not their input would be heard if they spoke up – one who was involved said that it does get better with time
- ◆ Perceived lack of time to be involved in industry organizations – seen as a huge time commitment
- ◆ The producers who are involved are generally not representative of what most producers are like
- ◆ Perception that the current structure is not working – the Boards and Commissions are not representing their membership

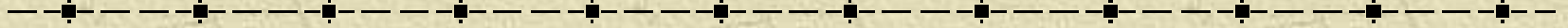
New Generation Producers Feedback – Change is Needed

-
- ◆ Need help with ensuring effective farm transfers
 - ◆ Need to increase level of education and awareness (K-12, post secondary) regarding agriculture and the opportunities in agriculture
 - ◆ Need to have 1 or 2 spots on each Board/Commission/Organization dedicated for the next generation producers
 - ◆ Need to work with colleges/universities to create awareness of the opportunities to sit on organization boards
 - ◆ Need to have a united voice of producers in Alberta

National/Regional Organizations

- ✦ Numerous legislation challenges that limit effective collaboration
- ✦ Perceived competition among regions/provinces
- ✦ Confusion of roles/duplication of roles between provincial, regional and national organizations
- ✦ High degree of fragmentation in the industry continues at the regional and national levels as well as the provincial level

Principles



Principles

-
- ◆ Statements about one's fundamental beliefs and/or mode of operation/behavior
 - ◆ They are relatively static
 - ◆ They are often used as a benchmark – do our actions support our principles?
 - ◆ Need to have agreement on principles

Industry Governance Principles

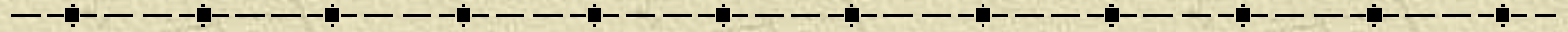
✦ For each of the stakeholders...

- ◆ Producers
- ◆ Working Groups/Task Teams
- ◆ Industry Organizations
- ◆ Government-Supported Industry Organizations
- ◆ Marketing Council
- ◆ Government
- ◆ Overall agricultural and ag-related industry

Your input...

- ✦ **Are these the right principles** – are they based on what we've heard?
- ✦ **Ideas on role/function...**
- ✦ **Questions to consider** – thoughts/reactions
- ✦ **Models to look at** – improvements/lessons learned
- ✦ **What are we missing?**

Producers



✦ Principles

✦ Elements to Consider

✦ Models

Working Groups/Task Teams

✦ Principles

✦ Role/Responsibilities

✦ Elements to Consider

✦ Models

Industry Organizations



✦ Principles

✦ Role/Responsibilities

✦ Elements to Consider

✦ Models

Government-supported Industry Organizations

✦ Principles

✦ Role/Responsibilities

✦ Elements to Consider

✦ Models

Marketing Council



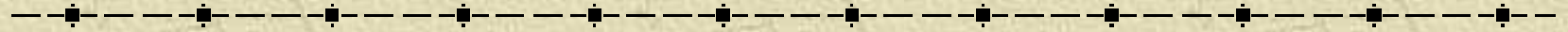
✦ Principles

✦ Role/Responsibilities

✦ Elements to Consider

✦ Models

Government



✦ Principles

✦ Role/Responsibilities

✦ Elements to Consider

✦ Models

Overall Agricultural Industry

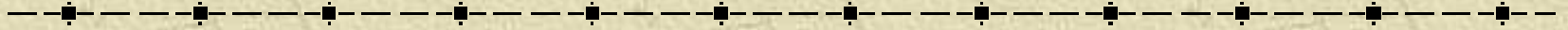
✦ Future state of the industry – 2015

✦ Principles

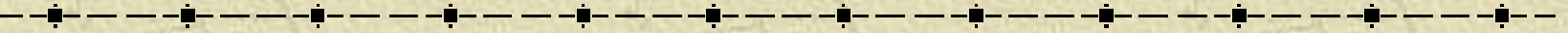
✦ Elements to consider

✦ Models

Others?



What do we need to do?



- ✦ What should the governance system for the industry look like?

- ✦ Top three things you would change tomorrow?

