

Marketing Board and Commission **Bylaws**

What are bylaws?

Bylaws are rules adopted by an organization primarily for the governance of its members and the regulation of its affairs, and include operational matters that are internal to the organization. In the case of Marketing Board and Commission (MBC) bylaws made under the *Marketing of Agricultural Products Act* (MAPA), there are specific guidelines regarding what the bylaws can (and should) include.

Why is Marketing Council asking MBCs to transition to bylaws?

Changes to the MAPA

On July 23, 2020, MAPA was amended to introduce the discretionary authority for MBCs to make bylaws, with approval from Marketing Council. Prior to the amendments, with the exception of the Alberta Beef Producers, no other MBC had authority to make bylaws.

Red Tape Reduction (RTR)

Each MBC Plan Regulation has historically set out the MBC's foundational governance and operational requirements. Plan Regulations are made by the Minister of Agriculture and Irrigation (AGI), whereas bylaws are made by the MBC with approval from Marketing Council. The establishment of bylaws is anticipated to allow for more timely operational governance changes when needed, and empower MBCs to govern their internal operations while continuing appropriate checks and balances of Marketing Council as the supervisory agency for Alberta's MBCs.

Ultimately, bylaws will provide MBCs with greater autonomy over their internal governance, allow for

more timely changes to governance provisions, and reduce the burden on government systems by reducing the number of regulatory amendments that require approval from the Minister of AGI.

What goes into the bylaws?

Generally speaking, most governance items from MBC Plan Regulations are able to be moved into bylaws – MAPA sets out specific parameters regarding what may be placed into bylaws:

- The MBC's governance and the management and conduct of its affairs, including the management and carrying out of powers, duties and functions by the MBC;
- Eligibility for membership and general rights of producers;
- The terms of office for directors;
- The appointment or election of the chair and vice chair;
- The removal of a director, chair, or vice chair;
- Procedures for meetings, including notice of meetings, the holding of meetings, and quorum;
- Approval process for bylaws by producers; and
- Any other matter required by Council to be addressed by bylaw.

Plan Regulation requirements

MAPA requires certain aspects of MBC governance (e.g., number of directors and how they are elected) to remain in the Plan Regulation. Marketing Council staff will assist MBCs in determining what may or may not be moved to bylaws.

Marketing Board and Commission Bylaws

All Marketing Boards and Commissions Meeting | October 20, 2022

When and how will each MBC establish bylaws?

Implementation Schedule

Marketing Council has developed an implementation schedule that expects to provide all MBCs the opportunity to implement bylaws by 2025. Marketing Council has also identified a process for establishing bylaws, which will be discussed with the MBC once they have reached their implementation time. For further information about timing for your specific organization, please contact your Marketing Council staff industry liaison.

Drafting the bylaws & new Plan Regulation

Since the implementation of bylaws involves removing governance provisions from each MBC's respective Plan Regulation and moving them into the bylaws, the drafting of an MBC's bylaws and a new Plan Regulation must be done simultaneously. While collaboration on the drafting of both pieces is essential, generally the MBC is responsible for drafting the bylaws while Marketing Council staff are responsible for overseeing the drafting of the new Plan Regulation.

Producer approval

MAPA states that the MBC can identify the process for how producers will approve the bylaws within the bylaws themselves, and so the final draft bylaws should include a provision that identifies the bylaws approval process. A general rule applied to bylaws approval by other non-profit organizations is for bylaws to be approved by a 2/3 majority vote.

If a delegate structure exists with the MBC, it is advisable that delegates, as elected representatives of the producer membership, vote on the bylaws (though all producers and affected stakeholders should be made aware of the draft bylaws and have an opportunity to provide input). If the MBC does not have a delegate structure, it is advisable that the general producer membership vote on the bylaws following the approval process identified in the bylaws (e.g., at the annual general meeting).

Prior to seeking producer approval of bylaws, producers should also be made aware of the newly-

drafted Plan Regulation. This includes highlighting any changes made to either the provisions of the bylaws (that were formerly in the Plan Regulation) or any of the provisions that have remained in the Plan Regulation.

Marketing Council approval

Once the bylaws have been approved by producers, they should be submitted to Marketing Council for approval (from MBC staff to Marketing Council staff). This should also be accompanied by an indication of the MBC board's support for the new Plan Regulation. Marketing Council will consider both the bylaws and new Plan Regulation at a subsequent board meeting, and decide on approval.

Implementation

The initial set of bylaws being implemented needs to come into effect at the same time as the new Plan Regulation to ensure that the provisions are moved seamlessly from one instrument to the other. Since the Plan Regulation requires approval from the Minister of AGI, additional time is needed following Marketing Council's approval before the bylaws can come into effect.

As soon as the bylaws have been approved by Council, the MBC must provide a copy of the bylaws to its producers, processors, and any other person regulated by the MBC (e.g., by posting the bylaws on the MBC website).

Review and amendments

Once an MBC has implemented bylaws, it is the responsibility of the MBC to review them and make any amendments in accordance with the process set out in the bylaws.

Amendments to the bylaws require Marketing Council approval; however, after initial implementation, most governance changes will likely only require bylaw amendments and not a corresponding change to the MBC's respective Plan Regulation. This will provide a more timely and flexible approval process for MBC governance changes.

Marketing Board and Commission Bylaws

All Marketing Boards and Commissions Meeting | October 20, 2022