



Transitioning to Bylaws

Background: February 2023

Alberta Hatching Egg Producer's Regulatory Framework

The Alberta Hatching Egg Producers (AHEP) is governed by the *Marketing of Agricultural Products Act*, which is often referred to as MAPA. MAPA sets out the powers of AHEP as an agricultural Marketing Board and gives AHEP authority to collect a non-refundable service charge from Alberta producers and licensed hatcheries.

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 AHEP and sets out its governance structure and related requirements is the **Alberta Hatching Egg Plan Regulation** (Plan Regulation). Currently, the Plan Regulation outlines the rights of producers, voting, Board member eligibility, election processes, term limits, and other internal governance related aspects of AHEP.

AHEP also administers the following regulations:

- Alberta Hatching Egg Producers Authorization Regulation – sets the regulation-making powers of the AHEP.
- Hatching Eggs Regulation – provides the day-to-day operations of AHEP, including licensing, service charges, producer quotas, information requirements 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:

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

This approval process is often described as time-consuming and limits the flexibility of AHEP 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 AHEP with authority to establish bylaws. This shift means that AHEP can move many of the provisions (rules) that currently exist in the Plan Regulation into bylaws that are made by AHEP and approved by Marketing Council.

By establishing bylaws, the process for making any change to AHEP's internal governance operations (e.g., voting, term limits, etc.), will be much shorter. AHEP anticipates that the approval process would be shortened substantially by establishing this bylaws framework. This framework also empowers AHEP 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 AHEP.

Oversight by Marketing Council as AHEP's supervisory agency will continue to ensure

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

appropriate 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 July 13, 2021 producers were informed of this transition to bylaws and provided the opportunity to raise any questions or concerns to the AHEP Board. The transition to bylaws was conceptually approved by majority of producers on August 23, 2022 in Red Deer. The Board decided to pursue drafting bylaws in consultation with Marketing Council and its legal counsel and have presented the draft bylaws to producers for review during this February 28, 2023, annual meeting and via email for producer consideration.

Following majority support from producers, via electronic vote/email consultation, AHEP will request changes to AHEP's Plan Regulation for these bylaws to become effective. The bylaws will not take effect until further changes to the Plan Regulation are made as many provisions currently in the Plan Regulation will need to be repealed in order for the bylaws to take effect.

A draft of the bylaws has been developed and sent out to producers for review and approval by AHEP's eligible producers. The draft bylaws contain things that are currently in the Plan Regulation. AHEP bylaws include rules for the following:

- ✓ Responsibilities and functions of the AHEP
- ✓ General rights of producers
- ✓ Requirements for appointing representatives
- ✓ Eligibility for serving on the Board
- ✓ Board member terms
- ✓ Board Executive election/appointment process & quorum for Board meetings
- ✓ AHEP 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 currently exist within the Plan Regulation. These are proposed to move out (be removed) from the Plan Regulation and have been positioned in many instances in the AHEP bylaws word-for-word. Some minor wording changes were made to clarify the rules.

The draft AHEP 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.

Next Steps

Pending majority support of the draft bylaws from eligible producers (two-thirds of producers who vote/support the bylaws via electronic/email means the AHEP Board will request that Plan Regulation amendments be made and will work with Marketing Council to ensure this happens.

Once the Plan Regulation changes have been drafted and approved by the AHEP Board, Council and the Minister, the AHEP bylaws will then take effect. The bylaws will not take effect until changes are made by the Minister to the Plan Regulation and are filed with the Registrar of Regulations, Legislative Counsel Office.

If producers have concerns, please contact Bob Smook at the AHEP board office.