

**B.C. TURKEY ASSOCIATION  
and the  
BRITISH COLUMBIA TURKEY MARKETING BOARD  
2009 ANNUAL GENERAL MEETING  
MARCH 16, 2010**

**AGENDA**

1. Call to Order

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Opening Remarks

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Minutes of 2008 Annual Meeting Pages 1 – 4

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Business Arising from above Minutes

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2. **British Columbia Turkey Marketing Board**

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- Board Chairman's Report Pages 5 – 6
  - General Manager's Report Pages 7 – 8
  - CTMA Director's Report Pages 9 – 10
  - CTMA Presentation
  - Financial Statements Pages 11 - 22
  - Elections
  - Any Other Board Business
- 

3. **B.C. Turkey Association**

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- President's Report Page 23
  - Financial Statements Pages 24 – 31
  - Budget Page 32
  - Elections
  - Any Other Association Business
- 

Speaker – Garnett Etsell – National Food Strategy

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Adjournment

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Lunch

**MINUTES OF THE B.C.TURKEY ASSOCIATION AND THE B.C.TURKEY MARKETING BOARD 2008 ANNUAL MEETING HELD AT THE NEWLANDS GOLF & COUNTRY CLUB, LANGLEY, BC ON MARCH 6, 2009**

There were 51 people in attendance, 23 were registered growers.

The meeting was called to order at 9:30 am with the Association President, Patrick Huestis, welcoming representatives from banks, feed companies, processors, and guests as well as attending growers.

The minutes of the Annual Meeting of the B.C. Turkey Association and the B.C. Turkey Marketing Board held February 25, 2008 were adopted as circulated on a motion by Mike Bose (Medomist Farms Ltd.), and seconded by Jim Pennington (Pennington Holdings Ltd.). Carried.

**BUSINESS ARISING FROM ABOVE MINUTES**

None

**BRITISH COLUMBIA TURKEY MARKETING BOARD**

**Board Chairman's Report**

The Board Chairman's report was read by Ron Charles. Following the reading of this report, Vic Redekop (North Bluff Farms Inc.) moved and Trevor Allen (Skye Hi Farms) seconded a motion to accept this report. Carried

**General Manager's Report**

The General Manager's Report was read by Michel Benoit. Following the reading of this report, Steve Heppell (Rocky Ridge Turkey Farm Ltd. moved and Peter Malowney (Chartimar Farms) seconded a motion to accept this report as read. Carried

**CTMA Director's Report**

The CTMA Director's Report was read by Shawn Heppell. Following the reading of this report, Clarence Flokstra (C.J. Farms Ltd.) moved and Eric Andrew (Andrew Farms) seconded a motion to accept this report as read. Carried.

**CTMA Presentation**

At this time Mr. Heppell introduced Mr. Cameron Lavallee, CTMA Director and Mr. Phil Boyd, CTMA Executive Director.

Messrs. Lavallee and Boyd provided a presentation, highlights of which were:

- The CTMA's name changed to Turkey Farmers of Canada March 26, 2009
- The Agency adopted a formal strategic business plan in March 2008
- Regulations & Policies – review and amendments to.
- On Farm Programing
- Trade
- Storage Stocks, Annual Production, Imports, Supply & Disappearance

Messrs. Lavallee and Boyd responded to questions from the BC turkey growers.

**MINUTES OF THE B.C.TURKEY ASSOCIATION AND THE B.C.TURKEY MARKETING BOARD 2008 ANNUAL MEETING HELD AT THE NEWLANDS GOLF & COUNTRY CLUB, LANGLEY, BC ON MARCH 6, 2009**

Following the CTMA presentation Mr. Heppell thanked Messrs. Lavallee and Boyd for their very informative presentation and for taking the time to attend BC's meeting. A copy of the CTMA presentation is attached to these minutes.

**BTCMB Financial Statements**

Mr. Les Burm presented the Auditor's Report, Balance Sheet and Statement of Revenue and Expenditures for the year ended December 31, 2008.

Following the presentation, Garnet Etsell (Coligny Hill Farms Ltd.) moved and Vic Redekop (North Bluff Farms Inc.) seconded a motion to adopt the Financial Statements as presented. Carried.

**Budget**

Mr. Les Burm presented the proposed budget for the BC Turkey Marketing Board for the 2009 fiscal year. On a motion by Steve Heppell (Rocky Ridge Turkey Farm Ltd.), seconded by Vic Redekop (North Bluff Farms Inc.) the budget was approved as presented. Carried.

**Appointment of Advisory Committee Chair**

Mr. Ron Charles advised that Mr. Tony Greaves had accepted the position of Chair of the BCTMB Advisory Committee for the current year.

**BCTMB Elections**

The Board Chair turned the election process over to the Returning Officer, Mr. Tony Greaves.

**Board Member:** Mr. Greaves advised that only one nomination had been received to fill the position of Board Member, that of Mr. Eric Andrew (Andrew Farms) and therefore Mr. Andrew was elected by acclamation to the position of Board Member for a three year term.

**BCTMB Advisory Committee:** Mr. Greaves asked if the individuals who currently served on the advisory committee would let their name stand for re-election and then called for nominations from the floor. There being no further nominations the following were elected to the BCTMB Advisory Committee for a one-year term.

Grower Holding New Entrant Quota	Trevor Allen (Skye Hi Farms)
Grower Holding Multiplier Breeder Quota	Marvin Friesen (Jaedel)
Grower Holding less than 500,000 kgs quota	Jack Froese (JD Farms)
Grower Holding more than 500,000 kgs quota	Ralph Volkmann (Fernridge)

**Other Board Business**

Mr. Charles advised that the CTMA is requesting the provincial turkey board's support a resolution with regard to the WTO Negotiations. A copy of this resolution was distributed to the members. It was moved by Peter Malowney (Chartimar Farms) and seconded by Jim Pennington (Pennington Holdings Ltd.) that the BC Turkey Marketing Board support the resolution as presented. (A copy is attached to these minutes.)

## **MINUTES OF THE B.C.TURKEY ASSOCIATION AND THE B.C.TURKEY MARKETING BOARD 2008 ANNUAL MEETING HELD AT THE NEWLANDS GOLF & COUNTRY CLUB, LANGLEY, BC ON MARCH 6, 2009**

Mr. Pennington is leaving the turkey industry and the growers wished him well in his future endeavors. Mr. Peter Malowney recognized Mr. Jim Pennington for his years of service to the turkey industry as a grower and as a board member.

Mrs. Linda Beckstead was recognized for her 20 years of dedicated service to the BC turkey industry, by both Mr. Ron Charles and Mr. Shawn Heppell.

### **B.C. TURKEY ASSOCIATION**

#### **President's Report**

The B.C.T.A. report was read by Mr. Patrick Huestis. Following the reading of this report, Shawn Heppell (Mountain View Poultry Ltd.) moved and Trevor Allen (Skye Hi Farms) seconded a motion to accept this report. Carried.

#### **Financial Statements**

Mr. Steve Heppell presented the Auditor's Report, Balance Sheet and Statement of Revenue and Expenditures for the year ended December 31, 2008.

Following the presentation, Clint Heppell (C & S Farms Ltd.) moved and Jim Pennington (Pennington Holdings Ltd.) seconded a motion to accept the Financial Statements as presented. Carried.

#### **Audited/Reviewed Financial Statements**

Mr. Steve Heppell advised that due to increased costs to have the BC Turkey Association's statements audited it was suggested that they be reviewed instead. He advised that because the BCTA's financials are fairly simple the costs savings would be sufficient to warrant a change to reviewed statements. In addition Mr. Heppell advised that no changes would be required to the BCTA constitution or bylaws. Mr. Heppell then moved that the BC Turkey Association's financial statements be changed to reviewed rather than audited by the BCTA auditors, seconded by Vic Redekop (North Bluff Farms Ltd.). Carried.

#### **Budget**

The B.C. Turkey Association budget for the 2009 fiscal year was presented by the Secretary-Treasurer, Mr. Steve Heppell. On a motion by Les Burm (Forestry Turkey Farms Ltd.) seconded by Garnet Etsell (Coligny Hill Farms Ltd.) the budget was accepted as presented.

#### **Elections**

The Association president turned the election process over to the Returning Officer, Mr. Tony Greaves.

#### **Election of Association Directors**

The Returning Officer advised that there were three positions vacant for directors of the B.C. Turkey Association for a two year term for 3 registered growers. The Nominating Committee presented nominations for Mr. Trevor Allen, Mr. Garnet Etsell and Mr. Stan Thiessen.

The Returning Officer then called for nominations from the floor. There being no further nominations, the Returning Officer declared Messrs. Trevor Allen, Garnet Etsell and Stan Thiessen elected.

**MINUTES OF THE B.C.TURKEY ASSOCIATION AND THE B.C.TURKEY MARKETING BOARD 2008 ANNUAL MEETING HELD AT THE NEWLANDS GOLF & COUNTRY CLUB, LANGLEY, BC ON MARCH 6, 2009**

**Presentation – Emily MacNair, - Coordinator of the BC Agri-food Sector Climate Action Initiative**

Ms. MacNair gave a power point presentation highlighting a brief background on the context for climate action, the risks and opportunities for industry and what the Climate Action Initiative is hoping to accomplish.

Mr. Huestis thanked Ms. MacNair for her presentation and taking time to speak to the BC Turkey Industry.

**ADJOURNMENT**

There being no further business on a motion by Les Burm (Forestry) the meeting was adjourned at 11:45 am.

Prepared by:

Approved by:

\_\_\_\_\_  
Linda Beckstead, Administration - BCTMB

\_\_\_\_\_  
Ron Charles, BCTMB Chair

\_\_\_\_\_  
Susan Mallory, Secretary – BCTA

\_\_\_\_\_  
Patrick Huestis, BCTA President

**BRITISH COLUMBIA TURKEY MARKETING BOARD  
CHAIRMAN'S REPORT  
to the 2009 Annual General Meeting**

Ladies and Gentlemen, Honoured Guests and Turkey Growers

I welcome you on behalf of the board and staff to today's events. I am pleased to have been appointed Chair of the B.C. Turkey Marketing Board on January 14, 2010. I look forward to working with all of you over the coming years. Although my tenure to date has been brief it is clear to me that you have a talented board and a very capable staff all of whom have made my first few months a pleasant experience. Thanks to the board and staff for a warm welcome.

Although our industry was spared somewhat from the full force of the economic downturn in 2009, we did see a reduction in turkey production and wholesale turkey prices while at the same time the industry was faced with increases in turkey storage stocks.

The decrease in production accompanied with great turkey consumption last Thanksgiving and Christmas (which was positively affected by low retail prices) has adjusted the inventories but challenges do remain for this year.

Faced with uncertainty in future consumption and knowing that processors took a significant hit to their bottom line in 2009, the Board has decided to continue the temporary price decrease currently in effect until the end of April.

The calendar year 2009 did not start on a positive note for our BC poultry sector. Three farms (2 turkey farms and one hatching egg farm) tested positive for low path AI in January of last year. The incident was disruptive for the industry and caused significant turmoil for all affected. Many things could have been done differently once the disease was detected but there were significant improvements at all levels when we compare this incident to previous AI outbreaks. There were numerous lessons learned and valuable experience was gained by the industry and government agencies as a result of this incident. We will continue to work with various organizations in order to ensure that the lessons learned last year are not forgotten in the future.

As of March 1st, 2010, the Board adopted new Biosecurity and On Farm Food Safety program enforcement policies. These new enforcement policies were developed in conjunction with FIRB and are consistent with the other BC poultry industry Marketing Boards and Commission. In summary, the enforcement measures can result in growers who are not in compliance and who refuse to make appropriate corrective measures to bring their farm into compliance to lose their licence.

It is also very likely that within a few years, the industry will adopt a mandatory farm animal care program. The Turkey Farmers of Canada (TFC) currently has a voluntary program and this program will form the basis of any mandatory program adopted in BC. The TFC program was developed in conjunction with government agencies, veterinarians, and animal rights groups.

Growers have recently received in the mail the changes to the assessment method used by the Board to generate allocation for the new entrant program. This was not an easy decision for the Board but the result is a system that is more transparent, that affects those who choose to make transfers and unlike the previous system will not affect growers that did not transfer quota.

**BRITISH COLUMBIA TURKEY MARKETING BOARD  
CHAIRMAN'S REPORT  
to the 2009 Annual General Meeting**

Since the TFC has adopted its new allocation policy, the Board has been working with the Association Directors and the Processors in an attempt to improve our own allocation policy. Up to now, the Board has not been able to create a better allocation policy than what is currently in place or one that does not inadvertently create new issues that are bigger than the ones we are trying to solve. As a result, the Board will continue to maintain, for the time being, the current allocation policy.

Although the WTO talks appear to be going nowhere, it is very important for all of us to remind all our politicians at every opportunity we have about the importance of supply management to our communities and our Province and that without our current level of protection, it will be very difficult for these five agricultural industries to operate in the future.

Finally, the Board would like to thank the members of the industry advisory committee for their input over the years. At this time, the Board has decided to discontinue the committee and it will rely instead on the formation of ad-hoc committees or direct consultation with stakeholders when seeking feedback on certain issues.

Again, I would like to say thank you for your warm welcome and I look forward to meeting many of you personally in the near future.

Respectfully submitted,  
Ralph Payne  
Board Chair

BRITISH COLUMBIA TURKEY MARKETING BOARD  
GENERAL MANAGER'S REPORT  
to the 2009 Annual General Meeting

Good morning and thank you for attending our 43<sup>rd</sup> Annual General Meeting of the British Columbia Turkey Marketing Board.

Turkey consumption decreased in 2009 due to economic issues, the Listeriosis incident in Ontario and higher input costs which resulted in higher consumer prices. In an effort to offset these negative impacts, the Turkey Farmers of Canada (TFC) reduced whole bird production by 5 million kgs last year. This resulted in BC grower allocation being reduced to 86.1% in 2009 compared to an allocation of 91.2% in 2008.

While processors in other Provinces have reduced their Further Processing (FP) requests in 2009/2010 (which automatically lowers their grower's production), BC growers continue to benefit from Further Processing requests that were granted to our processors (80% of these FP requests were submitted by Sunrise).

Biosecurity and On-Farm Food Safety Program audits have now been completed for all farms. While most had little difficulty in meeting the program requirements some deficiencies still remain on a few farms. Those with outstanding deficiencies have recently been contacted as the Board has now adopted new Biosecurity and On Farm Food Safety non-compliance orders. These orders have been developed in conjunction with the other Poultry Boards and Commissions with input from BCFIRB. It was felt that it was important to ensure that all poultry growers were equally treated in the case of Biosecurity non compliance. Failure to comply with these program requirements can result in the suspension of a grower's licence.

The Board continues to encourage turkey consumption and awareness within the Province by attending trade shows (where delicious samples are provided to consumers with the support from Lilydale and JD Farms who donated product and prepared the samples for us). We also encourage consumption by printing and distributing recipe booklets and brochures and by advertising to the general public. You may have seen our ads on television this past Christmas Season on five different stations. Due to the competitiveness among the television stations and price reductions in advertising, we now can advertise on CTV, CITI and CBC without increasing our marketing costs.

Over the last two years, the Board has also moved towards direct sponsorship of food bank campaigns and charity events particularly those occurring during Thanksgiving and Christmas. For example, we have become the lead sponsor for the Granville Island Turkey Trot occurring on Thanksgiving Day. This event attracts over 2,000 participants and as part of our sponsorship package, we are provided with advertising for one month prior to Thanksgiving throughout Granville Island as well as in various media outlets. We wish to thank JD Farms for their donations and support in providing food for the runners and door prizes for the event. This is a great fundraiser for the Vancouver Food Bank and we are pleased to be associated with it.

We also teamed up with Sunrise this year and participated in Ag in the Classroom's "Take a Bite of BC Chef Development Program". Sunrise donated turkeys to 14 high schools across the lower mainland for their chef development classes. Teaching Chefs were particularly pleased by the donation as they usually do not have the opportunity to teach students with actual turkey products. The turkey was cooked and served in their cafeterias last October.

BRITISH COLUMBIA TURKEY MARKETING BOARD  
GENERAL MANAGER'S REPORT  
to the 2009 Annual General Meeting

I would like to thank the Board for providing me with employment that I truly enjoy and I would also like to thank Linda and Susan for all that they do and in their help in making the office an enjoyable place to go to every work day.

Respectfully submitted,  
Michel Benoit  
General Manager

BRITISH COLUMBIA TURKEY MARKETING BOARD  
TFC DIRECTOR'S REPORT  
to the 2009 Annual General Meeting

Ladies and Gentlemen, honoured guests and fellow growers it has been my pleasure to be your representative at the Turkey Farmers of Canada once again this year.

Like most years we as directors of TFC face many challenges, those that are planned in advance through our strategic planning process and those that arrive suddenly and without much warning. Our strategic plan has helped our organization and given us a timeline to review policies and allow for critical thinking of emerging trends and threats. Our newly formed Supply Policy Committee has worked well at addressing many of the issues dealing with our current policies and has also been effective in identifying many of the emerging issues that the larger board needs to be aware of.

The issues that arrive without warning such as the discontinuation of turkey processing at the Nova Scotia plant, have also been addressed effectively by a very functional TFC board of directors. As long time turkey growers we are all aware that this has never been a rapidly growing market, we are used to a little up and a little down but not radical change. This past year has definitely been a year of downward pressure on our market. Both our whole bird and further processing (FP) sectors have taken a hit this past year. Through a cut of 5mkg to our whole bird allocation we have been able to bring that portion of the market back inline. Unfortunately the FP side of the business is still long on product and has been slow to turn around since the listeriosis issue of 08. This segment of our market will need to be monitored closely to ensure that we provide it with the right allocation in the coming year. All these factors have had an adverse effect on more than just the throughput of your farms, the processing sector has also struggled to adapt to these new market trends. It would seem for the immediate future that the deli side of the business will continue to be hardest hit. Storage of breast meat and cut up hit 8.6mkg on January 1<sup>st</sup> one of the highest on record. This is a segment of the market that had been the engine for growth for many companies in recent years and is now needing to be scaled back to bring it back to profitability.

Although this past year has certainly been a challenge we can take some comfort that our supply managed system does work. This past year gave us one of the largest down turns in the economy in recent times that led to reduced consumption which ultimately led to the high stock levels we have seen. The good news is that through our system we were able to make coordinated adjustments to our production turning the situation around as fast as possible. I do believe the big cuts are behind us and our future will be brighter. We have already turned the corner on the whole bird side and are well on our way to having the FP side of the business in line in the next few months. The stability in the feed markets will also help in giving more predictability to both growers and processors.

BRITISH COLUMBIA TURKEY MARKETING BOARD  
TFC DIRECTOR'S REPORT  
to the 2009 Annual General Meeting

At TFC we do more than just attend to issues around quota, we are also trying to build a healthy industry for years to come. Our attention to on farm food safety, animal care issues, trade and marketing all help to develop an industry you can be proud of. In keeping with the generous nature of our members we also supported Food Banks Canada this past year by purchasing turkey products to stock their shelves for needy families. This is a new initiative that we plan to continue in future years. On the marketing front we have taken the time and money to update the nutrient value data for turkey. It has been some time since the last study was done and we plan on using this information to promote what we know to be the healthiest white meat available.

As always I want to take this opportunity to thank my partners in representing BC at the national table, Rick Andrew and Michel Benoit, their insight and experience help to insure that BC is a valued asset to the TFC team.

Respectfully submitted,  
Shawn Heppell



# BC TURKEY MARKETING BOARD

## Financial Statements

December 31, 2009

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**BC Turkey Marketing Board**  
106-19329 Enterprise Way  
Surrey, BC V3S 6J8

## **MANAGEMENT'S STATEMENT OF RESPONSIBILITY**

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To the Members of:  
**BC Turkey Marketing Board**

The accompanying financial statements of BC Turkey Marketing Board were prepared by the management of the board. The statements have been prepared in conformity with Canadian generally accepted accounting principles and, as such, include amounts based on informed estimates and judgments of management with consideration given to materiality. Any departures from Canadian generally accepted accounting principles are appropriately disclosed in the notes to the financial statements.

Management has established internal control systems to ensure that the board's assets are safeguarded and that the financial information is objective and reliable. The financial statements have been audited by the independent auditing firm: Friesen Pankratz & Associates LLP, Certified General Accountants, whose report outlines the scope of their examination and their opinion on the financial statements.

The board's management has met with the auditor to satisfy itself on the adequacy of internal controls and to review the financial statements and auditor's report. The auditor has discussed with management the results of his examination and his opinions on the adequacy of internal controls and the quality of financial reporting.

The management reports its recommendations and findings to the Board Members for its consideration.

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**Michel Benoit**  
**General Manager**

Surrey, BC  
February 03, 2010



# **FRIESEN PANKRATZ & ASSOCIATES LLP**

**Certified General Accountants and Business Advisors**

300, 2692 Clearbrook Road, Abbotsford, BC, V2T.2Y8 Tel:604.854.3733 Fax:604.854.6433 www.fpallp.com

## **AUDITORS' REPORT**

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To the members of:

### **BC TURKEY MARKETING BOARD**

We have audited the balance sheet of **BC TURKEY MARKETING BOARD** as at December 31, 2009, and the statements of excess of revenue, net assets and cash flow for the year then ended. These financial statements are the responsibility of the board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the board as at December 31, 2009 and the results of operations and cash flow of the board for the year then ended, in accordance with Canadian generally accepted accounting principles.

*Friesen Pankratz & Associates LLP*

### **CERTIFIED GENERAL ACCOUNTANTS**

Abbotsford, BC  
February 03, 2010



**BC TURKEY MARKETING BOARD**  
**Statement of Excess of Revenue**  
**For the year ended December 31, 2009**

	<b>Operating</b>	<b>Capital</b>	<b>Restricted</b>	<b>2009</b>	<b>2008</b>
<b>REVENUE</b>					
Levies	\$ 1,018,876	\$ -	\$ -	\$ 1,018,876	\$ 1,154,870
Promotions	47,055	-	-	47,055	47,055
License income	10,700	-	-	10,700	8,970
Interest income	13,168	-	-	13,168	29,480
Miscellaneous	-	-	-	-	5,139
	1,089,799	-	-	1,089,799	1,245,514
<b>OPERATING EXPENSES</b>					
CTMA Levies	389,927	-	-	389,927	441,878
Wages & benefits	238,960	-	-	238,960	224,945
Promotion expenses	111,706	-	-	111,706	126,974
Meeting & conventions	54,226	-	-	54,226	29,931
Per diems	50,838	-	-	50,838	44,725
Professional fees	40,284	-	-	40,284	53,279
Office supplies	31,818	-	-	31,818	31,460
Rent & property costs	29,861	-	-	29,861	29,699
BCTMA Grants	24,372	-	-	24,372	27,617
Amortization	-	6,680	-	6,680	11,457
Miscellaneous	604	-	-	604	1,114
	972,596	6,680	-	979,276	1,023,079
<b>EXCESS OF REVENUE BEFORE OTHER ITEMS</b>					
Unrealized loss on investments	(17,976)	-	-	(17,976)	-
	117,203	(6,680)	-	110,523	222,435
<b>EXCESS OF REVENUE</b>					
	\$ 99,227	\$ (6,680)	\$ -	\$ 92,547	\$ 222,435



**BC TURKEY MARKETING BOARD**  
**Statement of Net Assets**  
**For the year ended December 31, 2009**

	<b>Operating</b>	<b>Capital</b>	<b>Restricted</b>	<b>2009</b>	<b>2008</b>
<b>NET ASSETS - Open</b>	\$ 488,483	\$ 26,970	\$ 576,968	<b>\$ 1,092,421</b>	\$ 869,986
Excess of Revenue	99,227	(6,680)	-	<b>92,547</b>	222,435
Invested in capital assets	(2,515)	2,515	-	-	-
Transfers (Note 7)	(173,032)	-	173,032	-	-
<b>NET ASSETS - Close</b>	\$ 412,163	\$ 22,805	\$ 750,000	<b>\$ 1,184,968</b>	\$ 1,092,421

See accompanying Notes to Financial Statements and Auditor's Report



**BC TURKEY MARKETING BOARD**  
**Statement of Financial Position**  
**For the year ended December 31, 2009**

	Operating	Capital	Restricted	2009	2008
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash & short term deposits	308,921	-	-	<b>308,921</b>	491,141
Marketable securities (Note 4)	159,632	-	750,000	<b>909,632</b>	610,674
Accounts receivable (Note: 5)	37,352	-	-	<b>37,352</b>	72,030
Prepaid expenses	3,514	-	-	<b>3,514</b>	6,315
	509,419	-	750,000	<b>1,259,419</b>	1,180,160
<b>CAPITAL ASSETS (Note: 2.a)</b>					
Computer software	-	10,456	-	<b>10,456</b>	10,456
Furniture & fixtures	-	136,308	-	<b>136,308</b>	133,793
Leasehold improvements	-	36,899	-	<b>36,899</b>	36,899
	-	183,663	-	<b>183,663</b>	181,148
Less: accumulated amortization	-	(160,858)	-	<b>(160,858)</b>	(154,177)
	-	22,805	-	<b>22,805</b>	26,971
	\$ 509,419	\$ 22,805	\$ 750,000	<b>\$ 1,282,224</b>	\$ 1,207,131

**LIABILITIES & NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable & accruals	\$ 87,126	\$ -	\$ -	<b>\$ 87,126</b>	\$ 94,965
Wages & source deductions payable	4,316	-	-	<b>4,316</b>	3,777
Deferred income	-	-	-	<b>-</b>	10,000
GST payable	5,814	-	-	<b>5,814</b>	5,968
	97,256	-	-	<b>97,256</b>	114,710
<b>NET ASSETS</b>	412,163	22,805	750,000	<b>1,184,968</b>	1,092,421
	\$ 509,419	\$ 22,805	\$ 750,000	<b>\$ 1,282,224</b>	\$ 1,207,131

**APPROVED ON BEHALF OF THE BOARD:**

"Eric Andrew"

Director

"Les Burm"

Director



**BC TURKEY MARKETING BOARD**  
**Statement of Cash Flow**  
**For the year ended December 31, 2009**

	Operating	Capital	Restricted	2009	2008
<b>OPERATING ACTIVITIES</b>					
Excess of Revenue from operations	\$ 99,227	\$ (6,680)	\$ -	\$ 92,547	\$ 222,435
Add: non-cash items affecting operations					
Amortization	-	6,680	-	6,680	11,457
Accounts receivable	34,679	-	-	34,679	9,512
Prepaid expenses	2,801	-	-	2,801	(1,627)
Accounts payable & accruals	(7,838)	-	-	(7,838)	10,675
GST payable	(155)	-	-	(155)	112
Deferred revenue	(10,000)	-	-	(10,000)	10,000
Payroll taxes payable	540	-	-	540	(2,159)
	119,254	-	-	119,254	260,405
<b>FINANCING ACTIVITIES</b>					
Repayment of long-term debt	-	-	-	-	(33,706)
<b>INVESTING ACTIVITIES</b>					
Acquisitions of capital assets	-	(2,515)	-	(2,515)	(5,892)
<b>INCREASE IN CASH OR EQUIVALENTS</b>					
	119,254	(2,515)	-	116,739	220,807
<b>INTERFUND TRANSFERS</b> (Note 7)	(175,547)	2,515	173,032	-	-
<b>CASH - OPEN</b>	524,847	-	576,968	1,101,815	881,008
<b>CASH - CLOSE</b>	\$ 468,554	\$ -	\$ 750,000	\$ 1,218,554	\$ 1,101,815
<b>CASH REPRESENTED BY:</b>					
Cash on hand and in banks	\$ 308,922	\$ -	\$ -	\$ 308,922	\$ 491,141
Marketable securities	159,632	-	750,000	909,632	610,674
	\$ 468,554	\$ -	\$ 750,000	\$ 1,218,554	\$ 1,101,815



## **1. DEFINITION OF ENTITY**

The Board is authorized under the Natural Products Marketing (BC) Act and functions under the British Columbia Turkey Marketing Scheme. The Board's function includes setting production policy, processing and marketing turkeys within British Columbia.

## **2. ACCOUNTING POLICIES**

### **(a) Amortization**

Capital assets are recorded at cost and are being amortized on the declining balance basis at the following rates:

Computer software	50 %
Furniture and fixtures	20 %

Leasehold improvements are being amortized on the straight-line basis over their estimated useful life.

### **(b) Revenue Recognition**

The Board recognizes revenue using the restricted fund method of accounting for contributions. Restricted contributions are recognized as revenue in the applicable fund in the current period. Unrestricted contributions are recognized as revenue when received or receivable in the general fund, if the amounts to be received can be estimated and collection is reasonably assured.

### **(c) Use of estimates**

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements, as well as reported amounts of revenues and expenses during the reporting period. These estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

### **(d) Marketable securities**

The board holds a portfolio of fixed income securities which are recognized as held-for-trading at the date of acquisition and which are measured at fair value in the financial statements. Income is recognized according to the effective interest rate method and any difference between the carrying amount and fair value is recognized as an unrealized gain (loss) in the statement of income. When the investments are sold or redeemed the unrealized gain (loss) is reversed and the realized portion of the gain (loss), if any, is recognized in the statement of income.



## **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### (e) Fund Accounting

The board uses fund accounting procedures to account separately for resources that have been designated for specific purposes and to maintain stewardship responsibility. Established funds are as follows:

#### Operating

A central fund that bears the costs of conducting the board's primary functions, into which all unrestricted funds flow.

#### Capital

A fund in which the resources are intended for use in capital improvements or to acquire and finance new capital assets.

#### Restricted

A self-imposed restricted fund intended for two purposes. Firstly, the fund is to accrue to a maximum of \$750,000 for use in the case of an emergency involving an outbreak of a contagious infection that has, or could possibly have, an affect on commercial turkeys raised in British Columbia, and cover errors or omissions which may result from any on-farm audits.

## **3. FINANCIAL INSTRUMENTS**

Financial instruments are defined as a contractual right to either receive or deliver cash or another financial instrument to another party. The board's financial instruments consist of the following items:

- Cash
- Accounts receivable
- Accounts payable & accruals
- Wages & source deductions payable
- Marketable securities

### **Fair Value**

The carrying amount of cash, marketable securities accounts receivable, accounts payable and accrued liabilities approximates their fair value because of the short-term nature of these items. The fair value of marketable securities is determined by prices quoted in an active market at balance sheet date.



**FINANCIAL INSTRUMENTS (Continued)**

The carrying amount of assets held-for-trading approximates fair value as established by prices quoted on prescribed public exchanges, and all gains and losses are included in net income (loss) in the period in which they arise.

**Credit Risk**

The board's financial assets that are exposed to credit risk are accounts receivable and marketable securities. Marketable securities are composed of fixed income instruments due from provincial governments and Canadian banks. 29% of the portfolio is invested in debt securities of the Bank of Montreal and another 28% of the portfolio is invested in debt securities of the Province of Ontario. The board believes that each of the debt instruments held meet the preservation of principal criteria for investments of the Board and all amounts will be collected in full upon maturity of the instruments.

**Interest Rate Risk**

The investment portfolio is composed of fixed income investments and is sensitive to fluctuations in interest rates. For each 1% increase in the market yield of the portfolio, the investment portfolio will decline in value by 3.77% or approximately \$29,027.

**Market Risk**

As the investment portfolio is traded on active securities markets, changes in market prices could change the value of the portfolio significantly

**4. MARKETABLE SECURITIES**

Marketable securities include bonds and debentures which compose 86% of the portfolios value. The average yield of the bonds at the date of acquisition was 2.45% and the average yield at balance sheet date was 2.92%. The average duration of the bonds held is 4.5 years.

The fixed income trust units hold a diversified portfolio of Canadian short term bonds.

	2009		2008	
	Fair Value	Cost	Fair Value	Cost
Bonds & debentures	\$ 779,437	\$ 794,182	\$ -	\$ -
Fixed income trust units	127,600	130,830	-	-
Cash held in investment account	2,596	2,596	-	-
Guaranteed investment certificates	-	-	610,674	610,674
	<b>\$ 909,633</b>	<b>\$ 927,608</b>	<b>\$ 610,674</b>	<b>\$ 610,674</b>



## **5. ACCOUNTS RECEIVABLE**

Accounts receivable are subject to a general assignment of book debts in favour of the bank and are shown net of allowance for doubtful accounts of \$216 (2008 \$NIL).

## **6. INCOME TAXES**

The board was created pursuant to the Natural Products Marketing (BC) Act and, as such, is not subject to income taxes.

## **7. INTERFUND TRANSFERS**

During the year the board transferred \$2,515 from the general fund to the capital asset fund to assist with the purchase of new capital assets. In addition the board transferred \$173,032 from the general fund to the internally restricted fund in accordance with its policy as described in Note 2(e).

## **8. LEASES**

The Board has contractual obligations under an operating lease for office equipment and a lease for office space requiring the following minimum payments, plus applicable taxes..

Under the terms of the leases, the minimum annual lease payments required are:

<b>Year</b>	<b>Operating</b>
<b>2010</b>	\$ 26,063
<b>2011</b>	\$ 2,063
<b>2012</b>	\$ 1,547

## **9. RELATED PARTY TRANSACTIONS**

During the year the Board made rental and grant payments to a related party, the BC Turkey Association. The rental payments of \$24,000 (2008 \$24,000) is based on the carrying amount of the transaction. The grant payment of \$24,372 (2008 \$27,617) is based on provincial turkey production.



**BC TURKEY MARKETING BOARD**  
**Notes to Financial Statements**  
**For the year ended December 31, 2009**

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**10. CONTINGENT LIABILITIES**

The Board has estimated liquidated damages for the 2008/2009 quota year to be NIL. The final liability will be based on actual production up to the end of the quota year and will be recorded at that time.

The Board has issued an irrevocable letter of credit in favour of the Turkey Farmers of Canada in the amount of \$96,785 expiring in November 11, 2010.

**B.C. TURKEY ASSOCIATION  
PRESIDENT'S REPORT  
to the 2009 Annual General Meeting**

Ladies and Gentlemen, fellow Turkey Growers and Honoured Guests,

The year of 2009 has been a year of challenge in our turkey industry as it entailed a cut in our annual production. This is not an encouraging way to grow an industry, but this was a necessary measure to lower our inventories and put our industry on solid ground for the coming year.

In April our industry lost Walter Nickel, a vital and contributing member of our industry. Walter served as a board member and CTMA representative for many years, and he will be missed.

In June we welcomed a new agricultural minister, Steve Thomson. He brings with him an understanding of the concerns and problems that the agricultural community faces and we are encouraged by a minister that will stand behind our industry. We need to promote our industry and take every opportunity given us to speak with all levels of government to gain support and understanding of the value of supply management.

Bio-security continues to be an ongoing issue that we will address on a regular basis. We are currently going through our second round of audits, and this will be a process that allows us to fine tune the details of our protocols and implement them.

Animal care is an issue that I believe is worth spending some time and money on. We need to make every effort to positively influence and educate the general public on who we are and what we do. We need to be proactive in getting the message out that we care about the well being of the animals we raise. Unfortunately, this type of education will cost us some money, but we will benefit from the results and should see an increase in turkey consumption. I think the egg producers have been an excellent example for us to follow.

In September we held our joint annual golf tournament with the BC Egg Producers. Thanks to the participation of our growers and allied trades participation we raised \$34,000 for turkey and egg products to be supplied to the Union Gospel Mission.

In February of this year, we all received the news that the Lilydale board had accepted an offer of sale by Sofina Foods. This is big news as it will end an era of grower owned processing. It will be interesting to see how 2010 evolves with these significant changes on the horizon.

I would like to acknowledge Garnet Etsell's contribution and many hours of service to the Poultry Association. Thank you, Garnet for your efforts on behalf of our industry and your continued involvement on the BCAC board. I would also like to thank the other directors on the Turkey Association and to Linda and Susan at the office. It has been a pleasure working with all of you.

Respectfully submitted,  
Steve Heppell  
President



# BC TURKEY ASSOCIATION

## Unaudited Financial Statements

December 31, 2009

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# **FRIESEN PANKRATZ & ASSOCIATES LLP**

**Certified General Accountants and Business Advisors**

300, 2692 Clearbrook Road, Abbotsford, BC, V2T.2Y8 Tel:604.854.3733 Fax:604.854.6433 www.fpallp.com

## **REVIEW ENGAGEMENT REPORT**

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To the members of  
**BC TURKEY ASSOCIATION**

We have reviewed the balance sheet of **BC TURKEY ASSOCIATION** as at December 31, 2009 and the statements of excess of revenue and net assets for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the Association's management.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

*Friesen Pankratz & Associates LLP*

**CERTIFIED GENERAL ACCOUNTANTS**

Abbotsford, BC  
February 03, 2010



**BC TURKEY ASSOCIATION**  
**Unaudited Statement of Excess of revenue**  
**For the year ended December 31, 2009**

	General	Capital	Restricted	2009	2008
<b>REVENUE</b>					
Golf tournament	\$ -	\$ -	\$ 46,765	\$ 46,765	\$ 43,114
BC Turkey Marketing Board Grant	24,372	-	-	24,372	27,618
Rental income	24,000	-	-	24,000	24,000
Interest income	968	-	-	968	1,786
	49,340	-	46,765	96,105	96,518
<b>OPERATING EXPENSES</b>					
Golf tournament	-	-	45,532	45,532	34,879
Directors - Per Diem	13,000	-	-	13,000	12,000
BC Poultry Committee	12,174	-	-	12,174	12,174
Directors - Expenses	3,993	-	-	3,993	2,435
Amortization	-	3,908	-	3,908	3,909
Sustainable poultry farming	2,915	-	-	2,915	2,860
BCAC	1,418	-	-	1,418	-
Professional fees	1,114	-	-	1,114	3,526
Maintenance & repairs	539	-	-	539	-
Annual general meeting	238	-	-	238	1,248
Bank charges & interest	182	-	-	182	155
Miscellaneous	150	-	-	150	25
	35,723	3,908	45,532	85,163	73,211
<b>EXCESS OF REVENUE</b>	<b>\$ 13,617</b>	<b>\$ (3,908)</b>	<b>\$ 1,233</b>	<b>\$ 10,942</b>	<b>\$ 23,307</b>



**BC TURKEY ASSOCIATION**  
**Unaudited Statement of Net Assets**  
**For the year ended December 31, 2009**

	<b>General</b>	<b>Capital</b>	<b>Restricted</b>	<b>2009</b>	<b>2008</b>
<b>NET ASSETS - Open</b>	\$ 76,135	\$ 101,602	\$ 18,818	\$ <b>196,555</b>	\$ 173,248
Excess of revenue	13,617	(3,908)	1,233	<b>10,942</b>	23,307
<b>NET ASSETS - Close</b>	\$ 89,752	\$ 97,694	\$ 20,051	\$ <b>207,497</b>	\$ 196,555



**BC TURKEY ASSOCIATION**  
**Unaudited Statement of Financial Position**  
**For the year ended December 31, 2009**

	<b>General</b>	<b>Capital</b>	<b>Restricted</b>	<b>2009</b>	<b>2008</b>
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash	20,026	-	-	<b>20,026</b>	40,971
Temporary investments (Note 3)	100,000	-	-	<b>100,000</b>	52,440
Accounts receivable	2,951	-	-	<b>2,951</b>	3,125
Prepaid expenses	-	-	-	-	1,418
Due from general fund (Note 4)	-	-	20,051	<b>20,051</b>	-
	122,977	-	20,051	<b>143,028</b>	97,954
<b>CAPITAL ASSETS (Note: 2.a)</b>					
Buildings	-	151,035	-	<b>151,035</b>	151,035
Less: accumulated amortization	-	(53,341)	-	<b>(53,341)</b>	(49,433)
	-	97,694	-	<b>97,694</b>	101,602
	\$ 122,977	\$ 97,694	\$ 20,051	<b>\$ 240,722</b>	\$ 199,556

**LIABILITIES & NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable & accruals	\$ 13,174	\$ -	\$ -	<b>\$ 13,174</b>	\$ 3,000
Due to restricted fund (Note 4)	20,051	-	-	<b>20,051</b>	-
	33,225	-	-	<b>33,225</b>	3,000
<b>NET ASSETS</b>	89,752	97,694	20,051	<b>207,497</b>	196,555
	\$ 122,977	\$ 97,694	\$ 20,051	<b>\$ 240,722</b>	\$ 199,556

**APPROVED ON BEHALF OF THE ASSOCIATION:**

"Steve Heppell" \_\_\_\_\_ Director

"Garnet Etsell" \_\_\_\_\_ Director



## **1. DEFINITION OF ENTITY**

The BC Turkey Association is organized to provide representation from the turkey growers to the poultry industry.

## **2. ACCOUNTING POLICIES**

### **(a) Amortization**

Capital assets are recorded at cost and are being amortized on the declining balance basis at the following rates:

Buildings	4 %
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### **(b) Revenue Recognition**

The Association recognizes revenue using the restricted fund method of accounting for contributions. Restricted contributions are recognized as revenue in the applicable fund in the current period. Unrestricted contributions are recognized as revenue when received or receivable in the general fund, if the amounts to be received can be estimated and collection is reasonably assured.

### **(c) Use of estimates**

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements, as well as reported amounts of revenues and expenses during the reporting period. These estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

### **(d) Fund Accounting**

The Association uses fund accounting procedures to account separately for resources that have been designated for specific purposes and to maintain stewardship responsibility. Established funds are as follows:

#### General

A central fund that bears the costs of conducting the Association's primary functions, into which all unrestricted funds flow.

#### Capital



**BC TURKEY ASSOCIATION**  
**Notes to Unaudited Financial Statements**  
**For the year ended December 31, 2009**

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**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

A fund in which the resources are intended for use in capital improvements or to acquire and finance new capital assets.

Restricted

A self-imposed restricted fund intended to set aside any surpluses from the Association's golf tournament. Any surplus from year to year is to be donated to a charitable organization.

**3. TEMPORARY INVESTMENTS**

Three year cashable Guaranteed Investment Certificate at Bank of Montreal, with interest rate of 1% in year one, 1.05 in year two and 1.1% in year three.

**4. INTERFUND LOANS**

Interfund loans are not subject to interest and are repayable on demand.

**5. INCOME TAXES**

The Association is registered as a charity under the Society Act of British Columbia. The Association is also registered with Canada Revenue Agency as a charitable organization and, as such, is not subject to income taxes.

**6. CASH FLOW**

A statement of cash flow was not prepared as it was felt that it would not provide any additional useful information in the circumstances.



**BC TURKEY ASSOCIATION**  
**Notes to Unaudited Financial Statements**  
**For the year ended December 31, 2009**

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**7. RELATED PARTY TRANSACTIONS**

A substantial amount of the Association's income, both rental and grant income is derived from a related party, the BC Turkey Marketing Board. The rental income of \$24,000 (2008 \$24,000) is based on the fair value of rent for similar facilities at the time the multi-year lease was entered into. The grant income of \$24,372 (2008 \$27,617) is based on provincial turkey production. The B.C. Turkey Marketing Board collects levies from turkey producers and pays a grant on behalf of the turkey producers to the B.C. Turkey Association.

**BC TURKEY ASSOCIATION**  
**Budget for the year ending December 31, 2010**

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**REVENUES**

Rental Income	24,000
BCTMB Grant	24,000
Interest	1,000
<b>TOTAL REVENUE</b>	<b>49,000</b>

**EXPENDITURES**

Directors' Expenses	4,000
Directors' Per Diems	14,000
AGM & Grower Meetings	1,000
Sustainable Poultry Farming	3,000
BC Poultry Association	15,000
Professional Fees	1,500
Discretionary Expense (Sponsorship & Grower Education)	5,000
Bank Charges	200
Miscellaneous	1,000
Amortization	3,500
<b>TOTAL EXPENSES</b>	<b>48,200</b>

**EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURES** **800**