



2020 Annual Report

***British Columbia
Turkey Association
&
British Columbia
Turkey Marketing Board***



March 11, 2021
Held via Videoconference

**BRITISH COLUMBIA TURKEY ASSOCIATION
and the
BRITISH COLUMBIA TURKEY MARKETING BOARD
2020 ANNUAL GENERAL MEETING
MARCH 11, 2021**

AGENDA

Registration

1. Call to Order

Opening Remarks

Minutes of 2019 Annual Meeting

Pages 1 - 4

Business Arising from above Minutes

2. British Columbia Turkey Marketing Board

- Board Chairman's Report Page 5
 - Passing of Vic Redekop Page 6
 - General Manager's Report Pages 7 - 8
 - Marketing Report Page 9
 - TFC Director's Report Pages 10 - 11
 - TFC Presentation
 - Strategic Plan Pages 13 - 15
 - BCTMB Per Diems and Stipend
 - Financial Statements Pages 17 - 30
 - Election
 - Any Other Board Business
-

3. British Columbia Turkey Association

- President's Report Page 31
 - Treasurer's Report Pages 32 -33
 - Financial Statements Pages 35 – 49
 - BCTA Per Diems
 - Budget Page 49
 - Reaffirmation of Auditors
 - Elections
 - Any Other Association Business
-

Adjournment

MINUTES OF THE B.C. TURKEY ASSOCIATION AND THE B.C. TURKEY MARKETING BOARD 2019 ANNUAL MEETING
HELD AT SHERATON WALL CENTRE, VANCOUVER, BC ON MARCH 5, 2020

There were 69 people in attendance, 23 were registered growers.

The meeting was called to order at 2:05 pm with the Association President, Steve Heppell, 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 28 2019 were adopted as circulated on a motion by Mr. John Janzen (Midwest Farms Ltd.) and seconded by Mr. Les Burm (Forestry Turkey Farm Ltd.). Carried

BUSINESS ARISING FROM ABOVE MINUTES

None

Mr. Heppell welcomed the Board Chair, Mr. Kevin Klippenstein.

BRITISH COLUMBIA TURKEY MARKETING BOARD

Board Chairman's Report

The Board Chairman's report was highlighted by Kevin Klippenstein.

FPCC Update

At this time Mr. Klippenstein introduced Mr. Ron Bonnett, Vice-Chair of the FPCC.

Mr. Bonnett of the FPCC updated the meeting on the history and makeup of the Farm Products Council of Canada. The Council oversees and supervises the operations of the Supply Managed Poultry and Egg sector. Mr. Bonnet outlined the goals for the next two years.

General Manager's Report

The General Manager's Report was highlighted by Michel Benoit.

Following the reading of these two reports, Mr. Rick Andrew (Andrew Farms Ltd.) moved and Mr. Shawn Heppell (Mountain View Poultry Ltd.) seconded a motion to accept the Chair and General Manager's reports. Carried

TFC Presentation

At this time Mr. Shawn Heppell introduced Mr. Darren Ference, TFC Chair.

Mr. Ference reported on:

- High Breast Meat Stocks
- Changing demographics and consumers
- Reduced turkey features and plant-based options
- 2020/2021 Allocation
- Anti-trespass legislation
- Removal of Category 3 drugs for preventative use
- The Impact of Trade Deals

- Level of Domestic Consumption
- Generic Marketing Campaign

Mr. Ference thanked Mr. Vic Redekop for his dedication to TFC and the turkey industry between 2012 and 2019.

Following the TFC presentation Mr. Shawn Heppell thanked Mr. Ference for the information provided and for taking the time to attend today's meeting.

Strategic Plan

Mr. Klippenstein advised the meeting that a new 3-year Strategic Plan will be created in the coming months focusing on increasing consumption with stakeholders and self-marketer research.

Mr. Klippenstein also acknowledged Mr. Vic Redekop's dedication to the Board and the turkey industry.

Board per Diems and Stipends

Mr. Myles Andrew reported that there were no recommendations to change Board per diems or stipends.

BTCMB Financial Statements

Mr. Shawn Heppell presented the Auditor's Report, Balance Sheet and Statement of Revenue and Expenditures for the year ended December 31, 2019.

Following the presentation, Dan Kampen (Double D Farms Ltd.) moved and Mr. Rick Andrew (Andrew Farms Ltd.) seconded a motion to adopt the Financial Statements as presented. Carried

Budget

Mr. Shawn Heppell presented the budget for the BC Turkey Marketing Board for the 2020 fiscal year.

Mr. Shawn Heppell recommended the appointment of KPMG LLP as our auditors for the following 3 year term.

BCTMB Elections

Mr. Klippenstein turned the meeting over to Mrs. Della Oberhoffner, Manager of COMB.

Mrs. Della Oberhoffner advised that only one nomination, for Mr. Shawn Heppell had been received to fill the position of Board Member and therefore Mr. Shawn Heppell was elected by acclamation to the position of Board Member for a three-year term.

Mrs. Della Oberhoffner turned the meeting over to Board Chair, Mr. Klippenstein.

Any Other Board Business: None

Mr. Klippenstein turned the meeting over to Association President, Mr. Steve Heppell.

B.C. TURKEY ASSOCIATION

President's Report

The B.C. Turkey Association President's report was highlighted by Mr. Steve Heppell. Following the reading of this report, Mr. Les Burm (Forestry Turkey Farm Ltd.) moved and Mr. Henry Klassen (Cloverhill Farms Ltd.) seconded a motion to accept this report. Carried

Reviewed Financial Statements & Treasurers Report

Mr. Myles Andres presented the Auditor's Report, Statements of Financial Position, Operations, and Changes in Net Assets, Cash Flows and the Notes to the Financial Statements to the year ended December 31, 2019.

Following discussion, Mr. Jack Froese (J.D. Farms Ltd.) moved and Mr. Rick Andrew (Andrew Farms Ltd.) seconded a motion to accept the Financial Statements as presented. Carried

BCTA per Diems

Mr. Myles Andrew reported that there were no recommendations to change Directors per diems or stipends.

Budget

The B.C. Turkey Association 2020 budget was presented by the Secretary-Treasurer, Mr. Myles Andrew.

On a motion by Mr. John Janzen (Midwest Farms Ltd.) seconded by Mr. Les Burm (Forestry Turkey Farms Ltd.) the budget was accepted as presented. Carried

Reaffirmation of Accountants

Mr. Myles Andrew reported that the Board appointed KPMG as their auditors for a three-year term at the 2020 AGM. The Association Directors are recommending KPMG continue as the accountants for the BCTA for 2020. The change of going from a three-year appointment of accountants for the BCTA to yearly is due to requirements of the New Societies Act.

It was moved by Mr. Shawn Heppell (Mountain View Poultry Ltd.), seconded by Mr. James Krahn (Cedar Grove Farms Ltd.) that KPMG be appointed as accountants of the BC Turkey Association for 2020. Carried

Election of Association Directors

Mr. Steve Heppell turned the meeting over to Mrs. Della Oberhoffner, Manager of COMB.

There are four positions vacant for directors of the B.C. Turkey Association, three for a two-year term and one for a one year term.

The Nominating Committee presented nominations for Messrs. Henry Klassen, Myles Andrew, Steve Heppell and Erv Wiens.

MINUTES OF THE B.C. TURKEY ASSOCIATION AND THE B.C. TURKEY MARKETING BOARD 2019 ANNUAL MEETING
HELD AT SHERATON WALL CENTRE, VANCOUVER, BC ON MARCH 5, 2020

Nominations were called from the floor, and there being no further nominations, Messrs. Klassen, Andrew and Heppell were elected by acclamation to the BC Turkey Association Directorship for a 2 year term and Mr. Wiens was elected by acclamation to the BC Turkey Association Directorship for a one year term.

Mrs. Della Oberhoffner turned the meeting over to Mr. Steve Heppell.

Any other Association Business - None

ADJOURNMENT

There being no further business on a motion by Mr. Rick Andrew (Andrew Farms Ltd.) the meeting was adjourned at 3:30pm.

Prepared by:

Approved by:

Nancy Sampson, Administration BCTMB

Steve Heppell, President BCTA

Kevin Klippenstein, Chair BCTMB

Ladies, Gentlemen, Honored Guests and Turkey Farmers,

2020 was a long and challenging year for many Turkey farmers, processors, and for most Canadians. COVID-19 had a huge impact on the sector as lockdowns went into place in March, Foreign workers were stopped from entering Canada, and procedures had to be put in place to stop the spread of the pandemic in slaughter facilities. The Turkey board staff started working from home and zoom calls soon became the norm.

There were several outbreaks in slaughter facilities which caused some to be shut down for some time and birds had to be held on farm or moved to other plants. The Turkey board and staff worked diligently with all in the industry to try and keep everything moving. The office staff started working from home and then alternating their workdays in the office to minimize any chance of spreading the disease. Weekly meetings of Chairs and managers started immediately to keep the dialogue going within the whole SM5 group as well as regular communication with the Ministry. Processors were also included in those zoom calls.

The industry worked so well together to try and keep all supply managed commodities on the tables of Canadians during these difficult times. We are not out of the woods yet with regards to COVID but as an industry we are much more prepared going forward and we are looking forward to being able to meet again in person soon.

In consultation with stakeholders, the Board of Directors have been working on a self-marketer needs assessment report. The stakeholders included farmers that were also self-marketers, processors, FIRB, and more through one-on-one interviews, group meetings, and through surveys. We thank everyone for their participation and valuable input towards getting this needs assessment completed. We received tremendous support from all the self-marketers and processors on the final document. On February 18th we adopted the draft work plan into policy.

In 2021, the board and staff worked on developing a strategic plan to get us through the next couple of years. One key goal is to define roles and expectations of the BCTMB with regard to the self-marketing sector and develop a communications plan to inform stakeholders and to keep them up to date. The second goal is to make informed marketing decisions aimed at increasing consumption by better understanding the BC marketplace including retailers, food service distributors, restaurants, and further processors. We also plan to work with the Ministry and the processors to make this goal a reality. We look forward to talking to retailers, processors and other stakeholders for their input on this. Our third goal is to minimize the impacts of Blackhead on the industry. Michel has touched on this in his report as well. Our 4th goal is to create and maintain strategic alliances with national stakeholders. This goal will help with national allocation and general support from the other provinces. Our 5th goal is to mitigate risk to growers as a result of removing Category 3 antimicrobial products.

Due to several instances across Canada involving animal welfare protestors and trespassers on farms, I have had meetings with FIRB, the ministry and other commodity board chairs to discuss these issues. The minister along with the attorney general and Solicitor general have made a commitment to stand up for farmers and to amend the trespass act. We as commodity board chairs are still pressing the minister on this and will continue to do so till we have much better penalties against trespassers.

I would like to acknowledge my fellow board members, Shawn Heppell, James Krahn, and Debbie Etsell for their hard work, passion and dedication to the board. I would also like to acknowledge the staff, Michel Benoit, Nancy Sampson, and Heather Dyck for their hard work and dedication as well. The Turkey industry is definitely in good hands with this team.

I look forward to working with you all in 2021.

Respectfully submitted,
Kevin Klippenstein
Chair, BCTMB



Victor Redekop was born in Abbotsford on April 24, 1955 to his parents, Peter and Elizabeth Redekop. He was the first of 5 children. Victor's introduction to poultry farming started at a very young age as his parents started farming chickens in the late 1950s and then ventured into the egg layers industry and turkey farming; all before the establishment of the quota system in British Columbia. Farming was part of Vic's everyday life, as he started working on the family farm at an early age. It was on the family farm where Vic learned his hard work ethic, his dedication to complete the task at hand and taking on the responsibilities of taking care of others first before yourself.

He met his wife and partner for life at the age of 21, when he married Judy Block. Together they raised 4 children. It was in 1978 when Vic and Judy purchased a turkey farm from Panco Poultry on 16th Ave in Aldergrove. Their children, just like Vic, worked on their farm from an early age. Vic and Judy passed on the same character values to their children that they had learned at an early age - Vic on his family's farm, and Judy in her own childhood. The whole family worked on the farm and with Victor and Judy's leadership and hard work, they grew the farm into a successful business.

Over Vic's 60 years as a poultry farmer, he witnessed many changes in the industry from feeding turkeys by hand using the old hanging feeder systems to automatic feeders, from manual hand cracking barn vents to computer systems running a barn. He also experienced many challenges such as high interest rates in the early 1980s to pricing fights between the grower and processors. But with those challenges also came great successes from the exponential growth in the poultry meat consumption in Canada in the 1990s to the increasing value in supply managed farms.

Victor was part of those changes in the industry, from the challenges to the successes, as he served on the BC Chicken Growers Association in the 1980's and 1990's as either a director, vice-president or president. He was also a director on the BC Chicken Marketing Board. In 2012, he served as director for the BC Turkey Marketing Board until his retirement from the industry in November 2019. He had a deep respect for all those individuals he worked with in their common goal of making the poultry industry better for farmers and their stakeholders. He valued the opportunity to travel and meet new people all over the nation creating friendships during this time serving on the numerous boards and committees that lasted him throughout his lifetime.

Victor believed in the supply managed system in Canada and was a vocal advocate for it. He would routinely educate others who were not familiar with the supply managed system about the benefits Canadians received from such a system.

Victor loved the poultry industry and was proud to be a farmer. Thank you for serving alongside him with your friendship and support. He was touched by all those who connected with him in his last six months. There is a living memorial page that Vic was involved with prior to his death and that is maintained by his family "Celebrating Vic Redekop". Please feel free to join and read more about his life and others' memories of him as well as contribute your own memories and sentiments.

Welcome everyone to our AGM. It is a pleasure for me to share my report with you today.

2020 – A year like no other

I am aware that saying that 2020 was a year like no other is stating the obvious but COVID-19 was only one of the challenges faced by the BC turkey sector in 2020. In my report I will talk about the impacts of COVID-19, two allocation adjustments, I will outline the problems we faced trying to control the parasite *Histomonas* and the disease it causes (Blackhead) and I will touch on what 2021 is shaping up to be.

Turkey Consumption and Production:

The TFC report will talk in more details as to what occurred at the National level while I will describe their impacts on our Provincial production. When the TFC first started to set the allocation for the 2020/2021 it was very obvious that a large cutback would be required to bring down the significant storage stock in Eastern Canada. The BCTMB worked very hard and was able to negotiate an agreement that included a 7.2% overall reduction in allocation across the country while BC's share of the reduction was only 3.5%. This resulted in the BC allocation decreasing from 85.6% in 2019/2020 to 82% in 2020/2021. Unfortunately, due to the impacts of COVID-19 another 8% cut in National production was agreed upon at the TFC. It was also agreed that this cut would be pro-rata and as a result, our allocation for 2020/2021 will end at 76.5%.

It appears that the cuts taken by the TFC were justified and appropriate. By the end of 2020 storage stocks have seen a significant adjustment downwards while at the same time, the markets have appeared to be appropriately satisfied overall. In fact, in a Nationwide survey, 85% of BC respondents said they found exactly what turkey product they wanted without extra effort. 8% had to go to more than one store to find what they were looking for and 4% had to purchase a larger whole bird turkey than they had hoped for this Christmas. These results did not vary significantly across the country. Given all the challenges associated with COVID-19, I believe that this is a great success.

2021/2022 Outlook

Given the current storage stocks levels and the decreases that occurred throughout 2020, it was obvious that an allocation increase was required at the TFC for the 2021/2022 control period. The TFC has taken a conservative approach and as a result of the increase, the Provincial preliminary allocation has increased from 76.5% in 2020/2021 to 80.7% in 2021/2022. The TFC will continue to monitor storage stocks and the impacts of COVID-19 and is prepared to make further adjustments (up or down) as required if necessary.

Blackhead

2020 has been by far the year with the highest economic impact attributable to Blackhead. In previous years there have been cases of Blackhead as well but in 2020 we have seen farms have multiple outbreaks and we have seen farms that have never been impacted before contract the disease. Cases were reported earlier in the year than in the past and cases continued well into December (4 cases) whereas we only had 1 reported case in December in all the years prior to 2020. Estimated farm gate losses for the 20 outbreaks in 2020 is \$1 million.

As a result of the severity of the impacts and the number of cases, the BCTMB, the Sustainable Poultry Farming Group and the Ministry of Agriculture have embarked on a multi faceted research project in the fall of 2020. The first project deliverable is a Blackhead seminar featuring international and local speakers scheduled for February 23, 2022. Other aspects of the project involve epidemiological explorations of the cases in 2020, searching for environmental reservoirs as well as vectors for the disease. We will keep all stakeholders informed as progress on these projects unfold.

BCTMB Office Operations

The office continued to operate efficiently in 2020 despite the pandemic. Staff Members alternated workdays at the office to minimize the chance of spreading the disease. Heather and Nancy continue to provide outstanding service to the industry while we continue to keep operating costs down. Kathy Erickson continues to manage our on-farm auditing programs on a part-time basis. Due to the pandemic, we decided to only carry out record audits in 2020. Unfortunately, it was not possible to audit all the farms in 2020. Our aim in 2021 is to audit all the farms that were not audited in 2020 and audit again all the farms that were audited in 2020. This will then place us in a sustainable situation going forward into 2022.

As always, it is a pleasure to work for the Board and all the industry stakeholders. I am truly grateful for the trust and support from all of you. Finally, I wish to thank Nancy, Heather and Kathy for all their efforts in 2020. You make working at the BCTMB pleasant and enjoyable.

Respectfully submitted,
Michel Benoit
General Manager, BCTMB

This past year has certainly been an interesting year for all producers, and this has been the case for marketing turkey as well. COVID has had the TFC National Marketing Working Group ~~working towards~~ responding quickly to changes in the market and reviewing what traditional initiatives might have been done in the past.

We are in year two of “Think Turkey” a national, bilingual campaign to boost turkey consumption. The creative for 2020 included the popular – “What you really want is turkey”. This was used in many social media platforms and even 2 TV integrations including Wall of Chefs in March 2020 of which one episode was highlighting our favourite protein- turkey. Think Turkey Ads were also run every episode from February 2 till April 6th and seen by over 9M.

With consumers eating more at home a shopper’s contest was created to drive purchases at the store level. All participating turkey product that was eligible enabled the consumer to enter their receipt online to win gift cards to purchase more groceries. This program was through a social media platform and across Canada. The number one purchase in Canada for this program was deli meat which took a big hit when COVID first hit as all stores and delis were closed for quite a period.

Targeted outdoor advertising started late in July with billboards placed strategically near grocery stores to inspire meal planners to add turkey to their shopping list. The program was supposed to run for 6 weeks but due to COVID the billboards were left for much longer to have better exposure as the consumer might not be out as much.

One of the biggest challenges was our traditional holiday market of Easter, Thanksgiving and Christmas which was affected by restriction on family gatherings and size of groups to enjoy the traditional meals. The Working Group and Zeno had to act quickly after Prime Minister Trudeau called for the “Normal Christmas” to be off the table. Ads were created to have consumers think of using not only the traditional whole bird but also smaller cuts for the Christmas season. As we can see by consumer reports most consumers found what they wanted, and we had a good market during this time.

The Canadian Turkey website certainly saw an increase in visits and consumers clicking on recipes as they stay more at home. There was a drive to add many more options to the site from recipe developers and social media influencers. Multicultural recipes have expanded as we see a new market of consumers that now live in Canada and do not traditionally cook with turkey. You will see recipes such as Turkey Dumplings, kebabs, empanadas, and Korean pancakes all enticing the consumer to use turkey in ways they may not have thought of. TFC also had a co partnership with Hello Fresh throughout the year to include turkey as an option in weekly deliveries and even gave away full Thanksgiving meals in a contest.

BCTMB also has money for marketing through TFC and we were able to help those less fortunate during difficult times. Turkey was used for soup and sandwiches in the challenged parts of Vancouver, The Breakfast Program for Kids and on the National Wishbone Project many more organizations. Of course, the seasonal radio ads were used to help remind people to buy turkey as their healthy and delicious protein choice.

Through the many challenges we have been able to keep turkey in the minds of the consumer and maintain relationships with those in the Foodservice. Hope you are able to share with others the many resources to get more people to “Think Turkey” and for all of us to help consumption to rise!

Respectfully submitted by,
Debbie Etsell
Board Member, BCTMB

In all my years of being on TFC I have never seen a year quite like 2020/21. Pre COVID we were not sitting in a good position as an industry, we had high stocks in both breast meat and whole birds which were weighing down wholesale prices. The festive season of 2019 was a disappointment and we entered 2020 with far more supply than was needed, it was obvious early in 2020 that we would need to reduce allocation to right the market. Talks to that effect were well underway when COVID hit.

What was a bad market went quickly to disaster with the shutdowns across the country. Immediately we saw deli counters closed and quick serve sandwich shops close their doors. Schools were closed and people were working from home, the need for turkey as a sandwich meat dried up quickly and with it the run up of breast meat stocks. Immediate action needed to take place and the directors of TFC slashed production by 20.6 MKG in the spring of 2021.

This was the single biggest reduction of quota in the history of the agency but it was done quickly and efficiently to address what was unprecedented times. In early April nobody knew what the year would bring or how retail would respond to the changes that were happening. Plant closures and rolling shut downs have been the norm all year. Despite all the negative news and the early predictions of disaster the year started to unfold with similar disappearance to 2019. There were changes for certain in breast meat and whole bird consumption but as a whole 2020 ended up having similar movement to 2019. With the large cut already in place we were able to draw down stock levels throughout the year. The good news is that our 2021 January 1st stocks were the lowest on record, wholesale prices are starting to improve and with almost no inventory available the TFC directors increased allocation by 8 MKG at the end of January.

What 2021 will bring is anyone's guess right now but the agency has shown its ability to move fast and boldly if needed. We can only hope that people have started to adapt to the new normal till this is all behind us and that the hard work done by processors will result in plants being able to operate throughout the year.

ALLOCATION POLICY

Through all this, the agency is still in the midst of an allocation policy review. It is the majority position of grower members that the unchecked bottoms up system led to over production and poor returns for both growers and processors. Much work is yet to be done before a policy is agreed too but a new policy will evolve.

AMU STRATEGY

For growers in BC especially, the removal of category three antibiotics in our feeds as part of the AMU reduction strategy by TFC has seen significant impact. We are continuing to work with TFC and a veterinarian to address what we believe was a premature withdrawal of bacitracin (BMD). We have a number of veterinarians supporting our concerns but up to the writing of this report the TFC is hesitant to reverse its decision on this matter. We will continue to work with our veterinarians' and plead our case that an antibiotic like bacitracin that has a 1-day withdrawal in the feed by Health Canada and cannot penetrate the gut wall and enter the meat of the bird should be exempt from this policy. It seems completely unfair that bacitracin can be used in the US and that meat can be imported under our TRQ but Canadian farmers must incur greater costs of production while our TRQ holders displace our domestic product.

TRADE

As many of you know the trade deals that our federal government has signed over the last two years will be coming home to roost now. Both the TPP and CUSMA will be adding significant TRQ to the country over the coming years. The rate of growth (or lack of) in the turkey industry is expected to be absorbed by the new TRQ allowed each year. These were particularly bad deals to the Canadian poultry and Dairy farmers. Even the growth of our own domestic market will trigger more TRQ from this point forward resulting in all growth whether domestic or export being significantly reduced

by further imports. To the processors holding the TRQ paper their losses of throughput at their plants may be reduced by some margin but for producers it's a complete loss.

Never has it been more important for turkey farmers to have a strong national agency, we have many head winds before us but opportunity still exists. As producers it is critical that we pursue our best interests and adopt policies that put us in the best possible position to capitalize on our investments in our farms.

As always it is my pleasure to serve the growers of BC and Canada on your national agency.

Respectfully Submitted,
Shawn Heppell
TFC Director



BC Turkey Marketing Board 2021-2023 Strategic Plan ¹

Mission Statement

To enhance the vitality and sustainability of the BC Turkey industry within supply management through responsible decision making, exemplary leadership, and effective stakeholder relationships.

Purposes of the BC Turkey Marketing Board

The primary purposes of the BC Turkey Marketing Board are to:

- Advocate for supply management regulations in a manner that is open, effective and equitable to members of the BC Turkey Industry
- Work with stakeholders to set the live price of turkey and determine quota allocations in BC
- Help increase sales and profits of its members by increasing consumer demand for turkey
- Develop strategies and policies to help mitigate risks to the members and the industry
- Work collaboratively with other agencies to protect and enhance member interests and meet stakeholder needs
- Provide BC consumers with safe, high quality, and responsibly produced turkey

Guiding Principles

The BC Turkey Marketing Board is guided by the following principles.

- **Transparency** – To demonstrate a culture of open, responsive, and consultative decision making that respects the needs and interests of all stakeholders.
- **Advocacy** – To represent the interests of BC turkey growers at the national level by building strong relationships with the national agency and its members.
- **Innovation** – To continuously improve service quality and respond to changing needs and opportunities in the industry.
- **Social Responsibility** – To ensure that all our activities are conducted in an inclusive, diverse, and respectful manner.

¹ Prepared from outcomes of January 5-6, 2021 planning workshop, Appendix A includes a list of meeting participants.

Goals and Objectives

January 2021 to December 2023

Goal 1

Define roles and expectations of the BCTMB with regard to the self-marketing sector and develop a communications plan to inform stakeholders and keep them up to date

Objective A – Complete and implement the workplan as ordered in the December 31, 2018 appeal decision, paragraph 106 (c): “establish a process to assess the broader needs of the grower-vendor sector for custom processing services and develop a work plan as necessary to address any outstanding needs”

Objective B – Develop Communications Strategy for the Needs Assessment Review and Self-Marketing Industry Workplan Document

Goal 2

Make informed marketing decisions aimed at increasing consumption by better understanding the BC marketplace including retailers, food service distributors, restaurants and further processors

Objective A – Explain and outline the strategic goal with processors and Ministry of Agriculture personal. After discussion, identify key contacts in the food supply chain for further discussions and follow up.

Objective B – Carry out activities to better understand the BC marketplace; communicate results.

Goal 3

Minimize impacts of Blackhead on the industry.

Objective A – Carry out the tasks described in the “BC Turkey Blackhead Study” project

Objective B – Analyze effectiveness of poultry house sanitizer

Goal 4

Create and maintain strategic alliances with both Provincial and National stakeholders as well proclamation signatories

Objective A – Continue to work with other Directors/Provincial Boards across Canada to build consensus with regards to issues and provide feedback to TFC

Objective B - Continue to work with TFC stakeholders to find alignment and obtain consensus on a new Allocation Policy that all can support.

Goal 5

Mitigate risk to growers as a result of the National Antimicrobial Strategy

Objective A – Advocate at TFC to change the policy, or place it in abeyance while the impacts of the removal of the preventative use of category 3 antimicrobials are fully explored

Objective B – Determine economic and animal welfare impacts of removing Category 3 antimicrobials.



BRITISH COLUMBIA TURKEY MARKETING BOARD

Financial Statements December 31, 2020

Table of Contents	Page
Independent Auditor's Report	18 - 21
Statement of Financial Position	22
Statement of Operations	23
Statement of Changes in Net Assets	24
Statement of Cash Flow	25
Notes to Financial Statements	26 - 30

Financial Statements of

**BRITISH COLUMBIA TURKEY
MARKETING BOARD**

And Independent Auditors' Report thereon

Year ended December 31, 2020



KPMG LLP
32575 Simon Avenue
Abbotsford BC V2T 4W6
Canada
Tel (604) 854-2200
Fax (604) 853-2756

INDEPENDENT AUDITORS' REPORT

To the Directors of British Columbia Turkey Marketing Board

Opinion

We have audited the financial statements of British Columbia Turkey Marketing Board (the "Board"), which comprise:

- the statement of financial position as at December 31, 2020
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2020 and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Board in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Abbotsford, Canada

February 18, 2021

BRITISH COLUMBIA TURKEY MARKETING BOARD

Statement of Financial Position

December 31, 2020, with comparative information for 2019

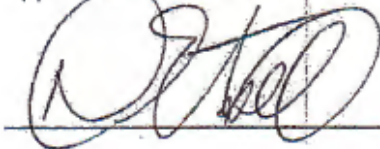
	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 202,564	\$ 192,402
Accounts receivable (note 2)	76,831	95,603
Investments (note 3)	201,790	156,371
Prepaid expenses	2,803	2,820
	<u>483,988</u>	<u>447,196</u>
Restricted investments (note 3)	750,000	750,000
Capital assets (note 4)	15,554	20,012
	<u>\$ 1,249,542</u>	<u>\$ 1,217,208</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 158,665	\$ 171,638
Net assets:		
Investment in capital assets	15,554	20,012
Internally restricted (note 6)	771,649	796,783
Unrestricted	303,674	228,775
	<u>1,090,877</u>	<u>1,045,570</u>
Contingency (note 7)		
Impact of COVID-19 (note 11)		
	<u>\$ 1,249,542</u>	<u>\$ 1,217,208</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:



Director



Director

BRITISH COLUMBIA TURKEY MARKETING BOARD

Statement of Operations

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Revenue:		
Levies revenue:		
Primary levies collected	\$ 885,943	\$ 976,884
Turkey Farmers of Canada Marketing Levy - Growers	276,857	260,015
Turkey Farmers of Canada Marketing Levy - Processors	275,118	257,956
Less: Marketing Levy remitted to Turkey Farmers of Canada	(551,896)	(511,944)
	886,022	982,911
Other revenues:		
Promotions	47,055	47,055
Interest and other income	20,534	27,219
License income	13,700	14,400
	81,289	88,674
	967,311	1,071,585
General and administrative expenses:		
Primary levies remitted to Turkey Farmers of Canada	398,837	435,518
Wages and benefits	283,837	331,795
Promotion expenses	74,428	94,568
Per diems	67,551	69,216
Professional fees	48,359	19,928
Rent and property costs (note 8)	33,236	33,269
Office supplies	26,252	35,513
BCTA producers membership dues (note 8)	22,158	24,195
Meetings and conventions	18,649	47,270
Amortization	4,458	3,416
Bank charges	2,481	2,517
	980,246	1,097,205
Deficiency of revenues over expenses before the undernoted items	(12,935)	(25,620)
Other expenses (income):		
Gain on investments	(58,242)	(30,049)
AI expenses	-	514
	(58,242)	(29,535)
Excess of revenues over expenses	\$ 45,307	\$ 3,915

See accompanying notes to financial statements.

BRITISH COLUMBIA TURKEY MARKETING BOARD

Statement of Changes in Net Assets

Year ended December 31, 2020, with comparative information for 2019

	Investment in capital assets	Internally restricted (note 6)	Unrestricted	Total 2020	Total 2019
Net assets, beginning of year	\$ 20,012	\$ 796,783	\$ 228,775	\$ 1,045,570	\$ 1,041,655
Excess (deficiency) of revenues over expenses	(4,458)	(25,134)	74,899	45,307	3,915
Net assets, end of year	\$ 15,554	\$ 771,649	\$ 303,674	\$ 1,090,877	\$ 1,045,570

See accompanying notes to financial statements.

BRITISH COLUMBIA TURKEY MARKETING BOARD

Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operations:		
Excess of revenues over expenses	\$ 45,307	\$ 3,915
Items not involving cash:		
Amortization	4,458	3,416
Gain on investments	(58,242)	(30,049)
	(8,477)	(22,718)
Changes in non-cash operating working capital:		
Accounts receivable	18,772	(14,744)
Prepaid expenses	17	13,815
Accounts payable and accrued liabilities	(12,973)	72,244
	(2,661)	48,597
Investing:		
Increase in investments, net	12,823	(14,321)
Purchase of capital assets	-	(7,934)
	12,823	(22,255)
Increase in cash and cash equivalents	10,162	26,342
Cash and cash equivalents, beginning of year	192,402	166,060
Cash and cash equivalents, end of year	\$ 202,564	\$ 192,402

See accompanying notes to financial statements.

BRITISH COLUMBIA TURKEY MARKETING BOARD

Notes to Financial Statements

Year ended December 31, 2020

Nature of operations:

British Columbia Turkey Marketing Board (the "Board") is authorized under the Natural Products Marketing Board (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. The Board is a non-profit organization under the Income Tax Act (Canada) and, accordingly, is not subject to income taxes.

1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies.

(a) Revenue recognition:

The Board follows the deferral method of accounting for contributions which include levies and other revenues.

Unrestricted contributions are recognized as revenue when received or receivable if the amounts can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recorded as revenue in the year in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related asset.

Revenue from other sources such as interest and license income are recognized when earned and collection is reasonably assured.

(b) Capital assets:

Capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life or improve the service potential of an asset are capitalized. The Board reviews the carrying amount of capital assets for impairment whenever events or changes in circumstances indicate that the asset no longer contributes to the Board's ability to provide goods and services, or that the value of the future economic benefits or service potential associated with the asset is less than its carrying amount. If such conditions exist, an impairment loss is measured and recorded in the statement of operations at the amount by which the carrying amount of the net asset exceeds its fair value or replacement cost.

BRITISH COLUMBIA TURKEY MARKETING BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2020

1. Significant accounting policies (continued):

(b) Capital assets (continued):

Amortization is calculated on a declining balance basis at the following rates:

Asset	Rate
Furniture and fixtures	20%
Computer software	50%
Leasehold improvements	30%

(c) Use of estimates:

The preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

(d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Board has elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Board determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Board expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

BRITISH COLUMBIA TURKEY MARKETING BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2020

2. Accounts receivable:

No allowance for doubtful accounts has been provided for in accounts receivable.

3. Investments:

	Cost	2020 Market	Cost	2019 Market
Investments	\$ 886,168	\$ 951,790	\$ 903,013	\$ 906,371
Internally restricted amounts	(750,000)	(750,000)	(750,000)	(750,000)
Unrestricted investments	\$ 136,168	\$ 201,790	\$ 153,013	\$ 156,371

The Board has internally restricted \$750,000 of investments for self insurance. The investments have interest rates ranging between 2.58% and 6.93% and mature between September 2023 to June 2039.

4. Capital assets:

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Furniture and fixtures	\$ 167,676	\$ 153,114	\$ 14,562	\$ 18,203
Computer software	23,131	22,445	686	1,372
Leasehold improvements	40,117	39,811	306	437
	\$ 230,924	\$ 215,370	\$ 15,554	\$ 20,012

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$14,162 (2019 - \$14,090), which includes amounts payable for GST and payroll related taxes.

BRITISH COLUMBIA TURKEY MARKETING BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2020

6. Internally restricted:

	2020	2019
Reserve for self-insurance	750,000	750,000
Liquidated damages fund	21,649	46,783
	771,649	796,783

The goal of the Board is to have three months of operating expenses along with \$750,000 for self-insurance in case of any disease issue that may affect the turkey industry in the province.

7. Contingency:

The Turkey Farmers of Canada ("TFC") requires that the Board have sufficient funds or letters of credit to cover potential future assessments of liquidated damages for production greater than allocation on a province by province basis. At present, the Board has issued an irrevocable letter of credit in favour of TFC in the amount of \$96,785 (2019 - \$96,785) expiring November 2021. The letter of credit automatically renews every November. The Board has estimated liquidated damages for the 2019/2020 quota year to be nil. The final liability for the 2020/2021 quota year will be based on actual production up to the end of the quota year and will be recorded at that time.

8. Economic interest - British Columbia Turkey Association:

The Board has the discretion to fund the British Columbia Turkey Association (the "Association") as set by the Natural Products Marketing (BC) Act. Accordingly, a large portion of the Association's funding is derived from the Board. As both the Board and the Association have objectives in common, the funding of the Association's objectives is expected to continue for the foreseeable future.

During the year, the Board made rental payments of \$27,606 (2019 - \$27,198) and producers membership dues payments of \$22,158 (2018 - \$24,195) to the Association. The rental payments are based on the fair value of rent for similar facilities at the time the multi-year lease was entered into. The producers membership dues are based on provincial turkey production. The Board collects levies from turkey producers and pays the dues on behalf of the turkey producers to the Association.

BRITISH COLUMBIA TURKEY MARKETING BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2020

9. Financial risks:

(a) Liquidity risk:

Liquidity risk is the risk that the Board will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Board manages its liquidity risk by monitoring its operating requirements. The Board prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Board deals with creditworthy counterparties to mitigate the risk of financial loss from defaults. The Board monitors the credit risk of customers through credit rating reviews.

(c) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Board is exposed to interest rate risk with respect to its fixed income securities which fluctuate due to changes in market interest rates.

There has been no change to the risk exposures from the prior year, aside from the potential impact of COVID-19 (note 11).

10. Comparative information:

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

11. Impact of COVID-19:

On March 11, 2020 the COVID-19 outbreak was declared a pandemic by the World Health Organization, and has had a significant financial market impact globally, domestically, and locally on jurisdictions and market sections in which the Board operates. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on our operations is not known at this time.

Ladies and Gentlemen, Honored Guests and Fellow Growers,

I would like to welcome you to our AGM again this year. 2020 has been the most challenging year we have ever experienced! From no more travel and no in person meetings to the panic buying of toilet paper which I still don't understand.

We are pleased to congratulate Debbie Etsell on her re-election to the board.

Our thoughts and prayers go out to the Redekop family with the passing of Vic in December; he contributed greatly to our industry and was a great man. He will be missed.

2020 has been a difficult year! We've had production cuts due to Covid, and uncertainty in the market place. The disease issues around blackhead have been devastating. It has infected many farms and had such catastrophic effects on some flocks. Our plants have had to struggle to stay open, and we are grateful for the work they have done around this issue.

We were excited at the Association to get our RED DRAGON flamer with the help of Clayton and the ministry. This new technology will be a real asset to help manage our barn environments. This machine is available to all growers who wish to use it. You can call the office to get any info you need and book the machine to use on your farm.

Your association has been busy representing you on many fronts: SPFG, biosecurity and the Poultry Association have taken up our time. It has been more of a challenge to keep you informed this past year with all the COVID restrictions, but we still managed to hold Zoom meetings and keep on top of the industry related issues.

I want to thank the Poultry Association for its continuing work with the AI file. We are continuing to have planning meetings with all departments and CFIA so we stay prepared for an event if it happens and we are working on keeping everyone engaged and ready to go. We are thankful for those in the BC Ministry of Agriculture who have been heavily involved helping us with emergency preparedness. People like Dr. Vicki Bose and Clayton Botkin have been extremely supportive to help build our resources and skills.

I want to thank everyone who took part in our joint Turkey and Egg farmers' virtual charity golf tournament in September and everyone who helped raise \$ 67,455 for Union Gospel Mission. This is a great organization to support and it is a highlight every year. Knowing that we all play a little part on the impact that UGM has on the lives of those in need is extremely rewarding.

Respectfully submitted,
Steve Heppell
President, BCTA

Ladies and Gentlemen, Honored Guests and Fellow Growers,

The Statement of Financial Position

Assets:

Total assets for the fiscal year ended December 31, 2020 increased by \$15,481 to \$222,566 from \$207,085 in 2019. The reasons for the change are as follows:

1. Cash & Term Deposit:

In 2020 cash increased by \$640 to \$97,167 from \$96,527 in 2019.

2. Capital Assets:

Total capital assets increased by \$16,671 to \$81,931 in 2020. The increase is the result of the grower association taking advantage of a cost share program to aid the purchase of a piece of capital equipment being utilised in a research project. The association purchased a poultry house sanitizer "the Red Dragon" Flaming Machine to see if it could reduce disease pressures and improve results for farmers.

Liabilities:

Total liabilities for the fiscal year ended December 31, 2020 were \$2,847 a decrease of \$440 from \$3,287 in 2019.

Net Assets:

Net Assets decreased by \$347 for the fiscal year ended December 31, 2020. The decrease is equal to the deficiency of revenue over expenses for the same fiscal period as noted on the Statement of Operations.

Statement of Operations:

Total revenue for the fiscal year ended December 31, 2020 was \$51,715 a decrease of \$397 in comparison with the prior year.

Total operating expenses for the fiscal year were \$52,062, a decrease of \$5,408 from \$57,470 in 2019. Major changes in expenses for 2020 compared to 2019 are summarized below:

- 1. BC Poultry Association:** Annual dues saw an increase of \$2,370 to \$16,268 in 2020 compared to \$13,998 in 2019.
- 2. Directors – Per Diems:** Per diems cut in half to \$5,875 in 2020 from \$11,750 in 2019. The per diem expense dropped to nearly one-third to \$523. This is attributed to the decrease in the number of "in person" meetings and the associated mileage expense that would be incurred to attend these meetings.
- 3. Professional Fees:** 2020 saw another year's decrease of \$350 to a total of \$2,800 from \$3,200 in 2019.

Golf Tournament

The 2020 Golf Tournament total net proceeds for the year was \$67,445 an increase of \$6,851 from 2019. Due to the restrictions of Covid 19, the total expenses for the tournament saw a whopping decrease of 97.1% to a low \$780 compared to \$26,931 the previous year. Revenues accompanied with a modest decline of 22% to \$68,225 from \$87,525 in 2019. Despite revenues been down from the previous year, the drastic drop in expenses along with people's willingness to participate and contribute to the cause are responsible for the overall increase in net proceeds for 2020 over 2019. BCTA's allocation of the net proceeds came to \$33,723 in donations made to the Union Gospel Mission.

Respectfully submitted,
Myles Andrew
Treasurer, BCTA



BRITISH COLUMBIA TURKEY ASSOCIATION

Financial Statements December 31, 2020

Table of Contents	Page
Independent Auditor's Report	36 - 38
Statement of Financial Position	39
Statement of Operations	40
Statement of Changes in Net Assets	41
Statement of Cash Flow	42
Notes to Financial Statements	43 - 47

Financial Statements of

**BRITISH COLUMBIA TURKEY
ASSOCIATION**

And Independent Practitioners' Review Engagement
Report thereon

Year ended December 31, 2020
(Unaudited)



KPMG LLP
32575 Simon Avenue
Abbotsford BC V2T 4W6
Canada
Telephone (604) 854-2200
Fax (604) 853-2756

INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

To the Directors of British Columbia Turkey Association

We have reviewed the accompanying financial statements of British Columbia Turkey Association, which comprise the statement of financial position as at December 31, 2020, the statements of operations, statement of changes in net assets and statement of cash flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.



Page 2

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of British Columbia Turkey Association as at December 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

KPMG LLP

Chartered Professional Accountants

Abbotsford, Canada
February 17, 2021

BRITISH COLUMBIA TURKEY ASSOCIATION

Statement of Financial Position

December 31, 2020, with comparative information for 2019
(Unaudited)

	2020	2019
Assets		
Current assets:		
Cash	\$ 97,167	\$ 96,527
Term deposit (note 2)	30,158	30,014
Accounts receivable	11,462	2,644
Prepaid expenses and deposits	1,847	12,639
	<u>140,634</u>	<u>141,824</u>
Capital assets (note 3)	81,931	65,260
Long-term investment (note 4)	1	1
	<u>\$ 222,566</u>	<u>\$ 207,085</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 2,847	\$ 3,287
Deferred capital contributions	16,268	-
	<u>19,115</u>	<u>3,287</u>
Net assets:		
Investment in capital assets	39,085	65,260
Unrestricted	164,366	138,538
	<u>203,451</u>	<u>203,798</u>
Impact of COVID-19 (note 9)		
	<u>\$ 222,566</u>	<u>\$ 207,085</u>

See accompanying notes to financial statements.

Approved by the Directors:

MA (Myles Andrew) Director

BRITISH COLUMBIA TURKEY ASSOCIATION

Statement of Operations

Year ended December 31, 2020, with comparative information for 2019
(Unaudited)

	2020	2019
Revenue:		
Producers membership dues (note 5)	\$ 22,158	\$ 24,195
Rental income (note 5)	27,606	27,198
Interest income	143	719
Amortization of deferred capital contributions	1,808	-
	<u>51,715</u>	<u>52,112</u>
Expenses:		
Amortization	4,752	2,720
Annual general meeting	21,362	22,484
BC Agriculture Council	300	-
BC Poultry Association	16,268	13,998
Directors - expenses	523	1,480
Directors - per diems	5,875	11,750
Office and general	132	1,838
Professional fees	2,850	3,200
	<u>52,062</u>	<u>57,470</u>
Deficiency of revenue over expenses	\$ (347)	\$ (5,358)

See accompanying notes to financial statements.

BRITISH COLUMBIA TURKEY ASSOCIATION

Statement of Changes in Net Assets

Year ended December 31, 2020, with comparative information for 2019
(Unaudited)

	Investment in capital assets	Internally restricted	Unrestricted	Total 2020	Total 2019
Net assets, beginning of year	\$ 65,260	\$ -	\$ 138,538	\$ 203,798	\$ 209,156
Excess (deficiency) of revenue over expenses	(4,752)	-	4,405	(347)	(5,358)
Internally imposed restrictions (note 6)	-	33,723	(33,723)	-	-
Approved expenditures (note 6)	-	(33,723)	33,723	-	-
Net change in invested in capital assets	(21,423)	-	21,423	-	-
Net assets, end of year	\$ 39,085	\$ -	\$ 164,366	\$ 203,451	\$ 203,798

See accompanying notes to financial statements.

BRITISH COLUMBIA TURKEY ASSOCIATION

Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019
(Unaudited)

	2020	2019
Cash provided by (used in):		
Operations:		
Deficiency of revenue over expenses	\$ (347)	\$ (5,358)
Items not involving cash:		
Amortization of capital assets	4,752	2,720
Amortization of deferred capital contributions	1,808	-
	2,597	(2,638)
Change in non-cash operating working capital:		
Accounts receivable	(8,818)	(111)
Prepaid expenses and deposits	10,792	(12,639)
Accounts payable and accrued liabilities	(440)	1,188
	4,131	(14,200)
Investing:		
(Increase) decrease in term deposit, net	(144)	26,472
Purchase of capital assets	(21,423)	-
	(21,567)	26,472
Financing		
Contributions received for capital assets	18,076	-
Increase in cash	640	12,272
Cash, beginning of year	96,527	84,255
Cash, end of year	\$ 97,167	\$ 96,527

See accompanying notes to financial statements.

BRITISH COLUMBIA TURKEY ASSOCIATION

Notes to Financial Statements

Year ended December 31, 2020
(Unaudited)

Nature of operations:

The British Columbia Turkey Association (the "Association") is organized to provide representation from the turkey growers to the poultry industry. The Association is incorporated under the Societies Act (British Columbia) and is a not-for-profit organization under the Income Tax Act. Accordingly the Association is exempt from income taxes provided certain requirements of the Income Tax Act are met.

1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Association's significant accounting policies are as follows:

(a) Revenue recognition:

The Association follows the deferral method of accounting for revenues which include producers membership dues, rental income and other revenues. Contributions for specific purposes or programs are deferred and subsequently recognized as revenue at the time the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amounts can be reasonably estimated and collection is reasonably assured.

(b) Capital assets:

Capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life or improve the service potential of an asset are capitalized. When a capital asset no longer contributes to the Association's ability to provide services, its carrying amount is written down to its residual value. Amortization commences in the month of acquisition and is calculated on a declining balance basis at the following rates:

Asset	Rate
Buildings and capital improvements	4%
Equipment	20%

(c) Investments:

The Association measures those investments at cost that are not subject to significant influence, control or joint control.

BRITISH COLUMBIA TURKEY ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2020
(Unaudited)

1. Significant accounting policies (continued):

(d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Association has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Association determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Association expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(e) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

2. Term deposit:

The Association has a one year cashable guaranteed investment certificate at Bank of Montreal, with interest at the bank's prime rate less 2.300%; maturing December 15, 2021.

BRITISH COLUMBIA TURKEY ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2020
(Unaudited)

3. Capital assets:

			2020		2019	
	Cost	Accumulated amortization	Net book value	Net book value		
Buildings	\$ 151,961	\$ 89,311	\$ 62,650	\$ 65,260		
Equipment	21,423	2,142	19,281	-		
	\$ 173,384	\$ 91,453	\$ 81,931	\$ 65,260		

4. Long-term investment:

The Association holds 100 common shares of BC Poultry Captive Insurance Company Inc. ("BCPCIC"), a privately owned company. BCPCIC is an insurance company incorporated by the BC Poultry Industry to provide supply managed poultry farmers in BC with insurance policies against Avian Influenza.

The investment in the BCPCIC is broken out as follows:

	2020	2019
100 Class D Common shares	\$ 1	\$ 1

5. Economic dependence - British Columbia Turkey Marketing Board:

A substantial amount of the Association's revenue, both rental and producers membership dues income is derived from the British Columbia Turkey Marketing Board (the "Board"). The rental income of \$27,606 (2019 - \$27,198) is based on the fair market value of rent for similar facilities at the time the multi-year lease was entered into. The producers membership dues of \$22,158 (2019 - \$24,195) is based on provincial turkey production. The Board collects levies from turkey producers and pays these dues on behalf of the turkey producers to the Association.

BRITISH COLUMBIA TURKEY ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2020
(Unaudited)

6. Internally restricted:

During the year, the Board of Directors restricted \$33,723, (2019 - \$30,297) for donations to the Union Gospel Mission ("UGM") and spent \$33,723 (2019 - \$30,297) on donations to UGM.

7. Golf tournament/UGM Gala:

The Association hosted an annual charity gala in conjunction with the BC Egg Marketing Board ("BC Egg"). Net proceeds from the golf tournament are split 50 / 50 with the BC Egg. In prior year, the Association's proceeds were used in the following year to provide funding for the donation of turkeys to the UGM. In 2020, the Association's proceeds were provided to UGM prior to year end.

Golf tournament proceeds:	2020	2019
Revenue	\$ 68,225	\$ 87,525
Expenses	(780)	(26,931)
	67,445	60,594
Allocation of net proceeds:		
BC Egg Marketing Board	(33,723)	(30,297)
BC Turkey Association	(33,722)	(30,297)
	-	-
Current year:		
BC Turkey Association - net proceeds	33,723	30,297
Donations to UGM	(33,723)	(30,297)
	\$ -	\$ -

8. Liquidity risk:

Liquidity risk is the risk that the Association will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Association manages its liquidity risk by monitoring its operating requirements. The Association prepares budget to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from prior year, aside from the potential impact of COVID-19 (note 9).

BRITISH COLUMBIA TURKEY ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2020
(Unaudited)

9. Impact of COVID-19:

On March 11, 2020 the COVID-19 outbreak was declared a pandemic by the World Health Organization, and has had a significant financial market impact globally, domestically, and locally on jurisdictions and market sections in which the Association operates. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on our operations is not known at this time.



BC TURKEY ASSOCIATION

Budget

Year ended December 31, 2021
(Unaudited)

Revenue

BCTA Membership Dues	24,186
Rental Income	27,606
Interest	728
	<hr/>
	52,520

Expenses

Amortization	2,610
Bank Charges	80
BC Poultry Association	15,550
BC Poultry Conference	10,000
Directors' Expense	2,719
Directors' Per Diems	14,500
Discretionary Expense (Sponsorship & Growers Education)	3,400
Professional Fees	2,700
Payroll Remittance	26
WCB	17
	<hr/>
	51,602

EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURES **918**
