

BC Food Processors Association

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British Columbia Food Processors Association

MEAT TRANSITION ASSISTANCE PROGRAM STRATEGIC PLAN

Approved by:
Meat Transition Assistance Program Steering Committee

June 27, 2006

ACRONYMS

Acronyms used in the Strategic Plan are listed below:

BC British Columbia
BCCDC British Columbia Centre for Disease Control
BCFPA British Columbia Food Processors Association
CFIA Canadian Food Inspection Agency
IAF Investment Agriculture Foundation of British Columbia
MAL Ministry of Agriculture and Lands (British Columbia)
MIES Meat Industry Enhancement Strategy
MIR Meat Inspection Regulation (British Columbia)
MOH Ministry of Health (British Columbia)
MTAP Meat Transition Assistance Program

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Figure 1. INDIVIDUAL PLANT ASSISTANCE PROCESS FLOW

1. INTRODUCTION

1.1. DEFINITION OF THE PROBLEM

The new Meat Inspection Regulation of the *Food Safety Act* was introduced in September 2004, to provide a consistent approach to public health protection in relation to livestock slaughter. Under the regulation, all BC slaughter facilities providing meat for sale will have to comply with standards for their physical plant, and will be subject to pre- and post-slaughter meat inspection. At present, very few operators of existing unlicensed facilities have indicated they plan to upgrade and comply, and it appears many small operators will not continue past the deadline. Unless significant capacity is developed from upgrading of currently unlicensed facilities, or from construction of new facilities, many communities will be without legal slaughter capacity. This will result in reduced economic activity from livestock production and processing, and reduced access to locally produced meat products. These communities will feel justified in criticizing government for the adverse impacts, especially those which may feel they have been led to expect reduced regulation, and will increase their pressure for an extension of the deadline, financial assistance for abattoirs for transition to the new requirements, and for various exemptions from or amendments to the regulation. The BC Food Processors Association (BCFPA) supports the intent of the new Meat Inspection Regulation (MIR), considering it an appropriate framework to protect public health as well as enhance the competitiveness of the British Columbia meat industry, and would support government in resisting any measures that would dilute the desired outcomes of the regulation.

At the same time, the BCFPA, having worked with industry, government and other agencies to facilitate transition to the MIR through the Meat Industry Enhancement Strategy (MIES), recognizes the challenges facing both slaughter facility operators and livestock producers. The BCFPA has proposed to the provincial government an Action Plan to continue and enhance the MIES activities of communication, facilitation, path-finding and consultation with stakeholders in transition to the new regulation. In addition, the BCFPA proposed a complementary funding program of direct financial assistance to slaughter operations with the objective of increasing and expanding the livestock slaughter capacity in the province to ensure that livestock producers have reasonable access to legal, licensed facilities by the deadline imposed in the regulations.

While the vast majority of meat consumed in British Columbia is inspected, the Province currently lacks a uniform meat inspection system to assure all consumers that their meat has been subjected to a comprehensive food safety assessment. The new Meat Inspection Regulation under the *Food Safety Act* was introduced by the government to replace a patchwork approach of licensing by the Province and local governments and regions where no licensing applied. It ensures a consistent approach to food safety and public health as regards meat, enhances the ability to respond quickly to emergent diseases (e.g., BSE and avian influenza), facilitates tracking and tracing of diseased animals, and addresses animal welfare concerns.

Under the new MIR, all British Columbia slaughterhouses, existing and new, must meet sanitation standards to be licensed and the animals must be inspected pre- and post-slaughter for detection of disease.

1.2. INDUSTRY RESPONSE TO THE PROBLEM

The BCFPA has acted as the primary link in assisting the meat industry to adjust to these requirements, through the MIES. MIES is directed by the Meat Industry Committee of the BCFPA, consisting of representatives of livestock producers, meat processors, MOH, MAL, BCCDC, and CFIA. The primary goal of the MIES has been for industry to deliver an integrated initiative to ensure that slaughter capacity is maintained and enhanced, and that marketing opportunities are expanded, including local markets.

MIES facilitates activities to maintain and enhance the BC meat processing sector. It acts as the primary communications conduit for industry regarding the MIR and other issues, through website, newsletters, information materials, workshops and industry events. It initiates and manages projects to enhance slaughter capacity including development of mobile abattoirs and implementation of food safety systems, and acts as a pathfinder for funding sources for projects. MIES staff assists, or facilitate assistance, for operators to obtain provincial licensing, including on-site plant assessments and liaison with various agencies. Staff also engages with communities seeking abattoir solutions to meet their collective needs, encouraging development of appropriate community teams, and supporting activities to identify options and implement solutions.

The MIES goal has been to aim for provincially licensed slaughter facilities for red meat (beef, pork, lamb, and bison) and poultry within a reasonable distance of the vast majority of livestock farms. Preliminary analysis suggests there is a need for increased licensed slaughter capacity of various sizes, for a range of livestock types. Currently there are 15 provincially licensed and 13 federally licensed slaughter plants in British Columbia.

MIES has been successful in creating awareness of the need for industry to respond to the required changes, facilitating feasibility studies and informative projects and materials, and bringing some communities together to develop solutions, but to date little actual upgrading of currently unlicensed facilities or development of new licensed slaughter capacity has occurred.

The livestock slaughter sector recognizes the need for the new requirements, but acknowledges that adaptation to the change is being held up by several factors, including:

1. Uncertainty regarding legal handling of slaughter waste, especially Specified Risk Material (SRM), and dramatically increased waste disposal costs due to BSE¹,
2. Challenges obtaining financing for construction costs, feasibility studies and business plans, especially for small operations with low equity and low volumes,
3. Anticipated costs of inspection following the MIR deadline², and
4. Concern from those that have invested to comply with MIR about low-cost competition from unlicensed facilities continuing to operate post-deadline³.

At present, only 15 unlicensed plants have shown interest in becoming licensed. Combined with an estimated 5 new plants which may be constructed, it appears that at the most optimistic, a total of only 20 newly licensed provincial slaughter plants may come on stream to service community needs by September 2006. In this scenario, slaughter capacity across the Province will vary from adequate in some areas (Fraser Valley, North Okanagan, and parts of Peace River) to insufficient to non-existent in others (Vancouver Island and the Gulf Islands, the Cariboo-Chilcotin, Bulkley Valley-Nechako and the Kootenays).

This result would be unacceptable to both industry and government.

To encourage more operators of slaughter facilities to undertake plant upgrades and construct new facilities to meet provincial licensing standards, the BCFPA proposed that government fund a \$4 million financial assistance program for slaughter plants. Program funding will assist with capital costs for plant and equipment, support community based processes to develop and implement regional solutions, and fund feasibility studies and business plans critical to developing regional capacity. To allow adequate time for individuals and communities to plan and construct facilities, the Ministry of Health extended the deadline date for full compliance with the Meat Inspection Regulation to September 30, 2007. The financial assistance program would complement the \$1 million MIES Action Plan to increase the provincially licensed livestock slaughter capacity in British Columbia. The BCFPA proposes to deliver the program in partnership with the Investment Agriculture Foundation.

2. GOVERNANCE

2.1 DEVELOPMENT OF A STRATEGIC PLAN

2.1.1. Meat Transition Assistance Program Steering Committee Members

Voting Members:

¹ To address this issue, the Province has since funded the \$5 million Livestock Waste Tissue Initiative, administered by the Investment Agriculture Foundation. A further \$7.5 million of federally matching funds has been applied for.

² Ministry of Health has since committed to absorbing inspection costs to September 30, 2012.

³ Ministry of Health advises it is working actively with Health Authorities to ensure compliance is enforced post-deadline.

- Fred Knoedler, Premium Brands Inc., Chair
- Dave Eto, Creekside Custom Foods
- Peter Higgins, Purdy's Chocolates
- Pieter Vanderpol, Vanderpol Enterprises Inc.
- Lars Jorgensen, Northern BC Buffalo Company Ltd.
- Vacant, Small Scale Processor Representative
- Don Davidson, Project Manager, Meat Industry Enhancement Strategy

Ex-officio members

- S. Anthony Toth, Chief Executive Officer, BC Food Processors Association
- Stephen Buchanan, Ministry of Agriculture and Lands
- Patricia Ruth, Ministry of Health
- Larry Copeland, BC Centre for Disease Control
- Al Helmersen, Investment Agriculture Foundation of BC

Subject matter experts may be invited to present information to the Steering Committee as necessary to aid the Steering Committee in making decisions.

2.1.2. Committee Quorum

The minimum number of voting members that need to be present for the Steering Committee to conduct a meeting (quorum) is 4. In case a voting member(s) becomes ineligible to vote for a reason such as a conflict of interest, the minimum number of eligible voting members is 3. Votes taken require a simple majority to pass.

2.1.3. Role of Ex-officio Members

Ex-officio members of the Steering Committee bring their specific expertise to the initiative by participation on the Steering Committee as non voting members. Also ex-officio members are expected to bring to the attention of all members of the Steering Committee any criteria or concerns that their agency has regarding the administration of this initiative or any project or proposal being considered by the Steering Committee. Ex-officio members are not required to attend all meetings but will be included in all communications of the Steering Committee, including all meeting minutes, and will provide input as required.

2.1.4. Communication Support

Communication to support the Chair is provided by the Coordinator of the Meat Transition Assistance Program. In addition to duties outlined in 2.3.3, the Coordinator will assist in the flow of information between committee members and the chair, particularly with regards to input to the strategic plan and work plan between committee meetings and conference calls.

2.2. VISION, MISSION, PRINCIPLES AND VALUES

2.2.1. Vision

Livestock producers in all regions of British Columbia have reasonable access to licensed slaughter services, and slaughter facility operators are able to expand capacity to meet future needs.

2.2.2. Mission

To ensure that there are sufficient provincially licensed slaughter facilities in appropriate locations across the province by September 30, 2007.

To increase livestock slaughter capacity in British Columbia by September 30, 2007 and build a basis for expansion of capacity in the future.

To assist in the development of sustainable regional solutions for the livestock industry

2.2.3. Principles and Values

Guiding principles include:

- 1) Preference will be given to:
 - a) Individual Plants
 - i) Currently existing unlicensed plants outside Meat Inspection Areas;
 - ii) Provincially licensed plants in under serviced areas;
 - iii) New provincial plants in under serviced areas.
 - b) Community Solutions
 - i) Consortia of stakeholders that have broad community support
 - ii) Solutions that serve a geographically large community
- 2) Fair opportunity for participation of all applicants within the context of the MTAP Strategy.
- 3) Adequate flexibility must be maintained to reallocate funding among the goals, strategies and actions to achieve the desired outcomes.
- 4) Acknowledge and deal with conflict of interest situations.

2.3. ADMINISTRATION (See Fig. 1, Individual Plant Assistance Process Flow)

2.3.1 Functions of the Program Administrator

The BCFPA will administer the Program and:

- Appoint a Steering Committee
- Assign Project Manager
- Deliver Program

- Maintain records of administration charges and other financial records by BCFPA
- Hire a Coordinator
- Coordinate Steering Committee meetings.
- Interface with clients
- Develop and implement a communication strategy
- Oversee/manage the work of staff assigned to program

2.3.2. Function of the Steering Committee

The Meat Transition Assistance Program (MTAP) Steering Committee will be the decision making body of the program. The Steering Committee and its subcommittee will oversee program delivery, monitor progress, make adjustment to work plans as necessary to achieve objectives and approve strategic work plans, policies, and guidelines for all areas including:

- The Strategic Plan.
- The Work Plan.
- A job description for the MTAP Coordinator.
- The program application materials and approval process.
- The communication strategy.
- Guidelines for financial administration and audit of program.
- Identification of Steering Committee driven projects.
- The relationship between BCFPA and IAF for financial administration.
- An annual report for BCFPA and public information.
- Replacement of Steering Committee members and adding additional members if necessary.
- Steering Committee guidelines, decision making process, quorum, confidentiality, per diems etc.
- Critical success factors and risks.
- Application procedures for Community Solutions.
- Performance measures.
- Reserve 40% of Individual Program and 100% of Community Solution funds for under served areas.
- Subject to the 40% rule, allocate funds on a first come, first serve basis.

The Steering Committee will:

- Meet approximately six times between April, 2006 and September, 2007.
- Participate in an estimated 18 conference calls
- Allocate residual funds according to the Program
- As necessary, make major decisions regarding the Program, including modification
- Delegate a subcommittee comprising of 2-3 Steering committee members, and an ex officio from MAL to verify summarized assessment of eligible applicants prior to finalization by Steering Committee.

2.3.3 Function of the Project Manager

The Project Manager of the Meat Industry Enhancement Strategy is appointed by the BCFPA to oversee day to day program coordination and administration.

Responsibilities include:

- Promote program and identify key clients to bring in to the program
- Identify under served areas.
- Work to facilitate new slaughter capacity in under serviced areas.
- Travel and visit plants as required.
- Liaise as required with individual plant and community solutions proponents.
- Ongoing liaison with the Chief Executive Officer, MIES Help Desk, MTAP Coordinator, MAL and other related agencies on a weekly or as needed.
- Outreach to stakeholders.
- Promote successes as they arise.
- Coordinate publication and dissemination of project results by project proponents.
- Promote recognition of funding agencies on all program materials.
- Present and promote MTAP at meetings as required.

2.3.4. Function of the Coordinator

A Coordinator shall be contracted by the Steering Committee to drive the program, receive and review applications, and recommend acceptance, rejection or redirection to another program element. This contractor is part time for the period June 1, 2006 to September 30, 2007, with the possibility of extension after that time.

The Program Coordinator will:

- Report to Project Manager and BCFPA Administration
- Draft work plans, policies, and guidelines
- Receive and review applications ensuring submission of:
 - A budget estimate
 - An estimated completion date
 - An application for BCCDC assessment
 - Evidence of business planning
 - Evidence that the applicant has initiated an application for building and waste disposal permits
- Assess eligibility under the MTAP
- Forward completed applications to Sub-Committee for approval
- Advise applicant in writing of eligibility and amount of expenditures conditionally approved
- Monitor applicant progress
- Review evidence of payment submitted by the applicant
- Confirm receipt of plant license
- Complete a checklist confirming receipt of required documentation
- Determine amount of eligible funding

- Submit the documentation and eligible funding amount to IAF with a request that the applicant be paid.
- Liaise with MIES staff as required, including Project Manager and Help Desk Coordinator.
- Liaise with government agencies as required, including the BC Centre for Disease Control.
- Report to Steering Committee.
- In concert with Project Manager, coordinate and attend Steering Committee meetings.

2.4. Function of IAF

The IAF will administer the funds for the Meat Transition Assistance Program in accordance with a financial administration agreement negotiated between IAF and BCFPA, including the following:

- Hold the funds.
- Invest the funds including interest on behalf of the program administrator.
- Confirm that the Coordinator has submitted appropriate paperwork for each project.
- Confirm that all expenditures have been approved by the Coordinator.
- Pay cost shared amounts approved by the Steering Committee to applicants upon receipt of appropriate documentation as determined by the program Coordinator.
- Pay BCFPA program administration fees.
- Provide an Ex-officio to the Steering Committee and provide expert advice on areas including accounting and audit requirements, financial administration and program operations requirements.
- Pay IAF administration fees.
- Disperse residual funds in accordance with directions from Steering Committee.
- Maintain financial records on each project, administration fee disbursements and fund balance, and report to the BCFPA.
- Liaise with BCFPA Chief Financial Officer on matters of MTAP financial administration and provide information on disbursements and fund balance on a monthly basis.

2.5 Program Policies

2.5.1. Conflict of Interest

If any direct conflict of interest arises for any of the MTAP Steering Committee members, that member will identify the conflict of interest and remove himself/herself from any discussions or decisions regarding the matter. Also a proponent who feels there may be a conflict of interest with one or more Steering Committee member(s) may identify those members in their project application. The Steering Committee members who have not been identified will

decide whether the identified members should be excluded from discussions or decisions regarding the project.

2.5.2. Confidentiality

Information identified by a project applicant to be of a confidential or sensitive nature will not be shared with anyone other than Steering Committee members involved in the decisions regarding the project.

The BC Food Processors Association requires nondisclosure agreements to be signed by Steering Committee members. Federal and provincial government employees already having a nondisclosure agreement with their employers will not need another agreement.

2.5.3. Reimbursement of Expenses and Per Diems

Steering Committee members not receiving reimbursement of expenses or per diems from another organization will be reimbursed for expenses and per diems incurred while performing committee related duties commensurate with standards of the BC Food Processors Association. The current rate of reimbursement is \$250 per day (\$125 per 1/2 day; \$67 per 1/4 day) plus travel expenses plus preparation time. Preparation time shall be agreed to at the beginning of each meeting and shall be recorded in minutes. The Steering Committee will decide the eligible expenses at meeting onset. Meeting expenses will be reimbursed to Committee members upon submission of a completed BCFPA Expenses Claim Form to the BCFPA office. The expected number of meetings and conference calls for 2006 and 2007 is 6 meetings and 18 conference calls. Meetings and conference calls are estimated to cost \$1200 and \$850 respectively.

2.5.4. Appeals

Decisions made by the Sub-Committee can be appealed to the Steering Committee. Decisions by the Steering Committee are final. The applicant may submit another application that fits the intent of the Meat Transition Assistance Program.

2.5.5. Freedom of Information and Protection of Privacy

At the time of application, project proponents consent to provide to the BC Food Processors Association any information that is reasonably required for purposes related to the program, and authorize the sharing of information required for program administration with any government agency, including the BCCDC.

The BCFPA collects, maintains and uses information provided by program applicants in order to fairly evaluate and administer project proposals, and to monitor and evaluate program success. In doing so, the BCFPA respects the

privacy of project proponents and recognizes the need to safeguard their confidential information.

The BCFPA maintains the confidentiality of any personal information provided by applicants, and in handling such information complies with the provisions of the Freedom of Information and Protection of Privacy Act. In handling confidential information of program applicants, the BCFPA endeavors to keep applicant information current and accurate and to safeguard it from unauthorized access. All information will be retained only for the time periods needed to fulfill the purposes for which it was collected.

2.6. PROJECT ADMINISTRATION

Two categories of projects will come before the MTAP Coordinator and, in certain circumstances, the Steering Committee, for consideration:

- 1) Individual Plant Assistance projects, including currently existing unlicensed slaughter plants upgrading to provincial standards or new provincially licensed slaughter facilities in under served areas.
- 2) Community Solutions projects that identify local solutions for slaughter capacity, engage elements of the supply chain and develop slaughter capacity to create a sustainable regional solution for livestock production

2.6.1. Criteria for Project Application

Application guidelines, forms and assessment criteria will be made available. Project applications must be complete and in a form outlined by the MTAP Steering Committee. Applications will be judged on the basis of (but not limited to) the following:

- 1) Must meet application deadlines.
- 2) Fit with the goals of the MTAP Strategic Plan.
- 3) Provision of a rationale and business case for the project.
- 4) Provision of a detailed outline of costs.
- 5) Completeness of documentation.
- 6) Application being consistent with the MTAP principles.
- 7) Evidence of application for a plant assessment, building permit, and waste disposal permit.
- 8) Authorization to share information

2.6.2. Application Procedure

Applications will be submitted to, and reviewed by, the MTAP Coordinator. The application process will be administered as follows:

2.6.2.1. Individual Plant Assistance

1. Interested parties should contact the MTAP Coordinator for guidance before submitting an application.

2. Interested parties will submit applications to the MTAP Coordinator by the closing date using the application materials approved by the MTAP Steering Committee.
3. The MTAP Coordinator will review the proposals for completeness against 2.6.1.
4. When requirements of the application have been met, funding will be allocated according to the approved eligible costs of the project,
5. Upon receipt of a complete application, the Program Coordinator will advise the applicant in writing of the eligibility of the proposed activities for program funding, expected schedule for work and the cost-shared amount of funding formally committed by MTAP.
6. The Program Coordinator will monitor applicant progress.
7. When the work has been completed, the applicant will submit evidence of payment for the goods and services (net of GST), evidence of business planning and a copy of the plant license provided by BCCDC.
8. The Program Coordinator will review project documentation, and complete a check list to verify that project requirements have been met and forward to the Steering Committee for final approval.
9. Upon approval of project documentation the Program Coordinator, will send documentation with recommendation for payment of cost-shared amount to IAF
10. Funds will be disbursed to the applicant by the IAF.
11. IAF will send confirmation of amounts paid out to Program Coordinator and BCFPA administration.

2.6.2.2. Community Solutions

Application procedures for Community Solutions assistance will be determined by the Steering Committee. Formal applications will not be accepted until after September 30, 2006 but letters of intent are encouraged at any time in order to facilitate the development of community solution projects.

2.6.3. Evaluating Progress Reports and Approving Payments

Approval of payments is subject to MTAP guidelines. In general, payments are processed following completion of the project, receipt of evidence of payment and business planning, and submission of a copy of the plant license. The MTAP Coordinator will identify and remove ineligible expenditures from invoices to be paid by IAF.

Funds formally committed may be withdrawn by the Sub-Committee if the proponent is not making suitable progress toward licensing. The Coordinator will monitor progress and make recommendation to the Steering Committee should applicants not be actively pursuing licensing. The allocated funds may then be re-allocated to another potential applicant.

2.6.4. Completion of Projects

Projects will be deemed completed when payment is received by the applicant. It is understood that unless otherwise agreed, ownership of project reports will rest with the BCFPA and may be made public via the website or other communication channels unless confidentiality is specifically agreed to in advance.

2.6.5. Labour

Labour may be counted as part of an applicant's eligible costs, according to the following guidelines:

- One-time (not on-going) labour costs associated with non-capital Eligible Costs, that are performed under contract by a third party (such as hired consultants or pest control companies), are eligible if they relate to the requirements of the new Meat Inspection Regulation.
- Labour costs directly related to the construction, installation and/or set-up of eligible capital costs, that are to be performed under contract by a third party, are eligible if they relate to the requirements of the new Meat Inspection Regulation.
- Labour costs directly related to the construction, installation and/or set-up of eligible capital costs that are to be done by the applicant (in-kind labour) are also eligible, if they relate to the requirements of the new Meat Inspection Regulation. The in-kind labour must be estimated and documented within the Application for Plant Assistance for each capital cost item. The Coordinator will require three written quotes from third party contractors that quote labour hours and costs for the specific construction, installation and/or set-up in question. The lowest quote will be used to set the value of in-kind labour if it is within the 10% maximum limit noted below.
- In-kind labour may be included as a project component for up to 10% of the eligible capital cost items listed in the proposal. In-kind will be assessed at the rate of \$20 per hour. For example, if a proposal is for the maximum eligible project cost under Individual Plant Assistance of \$100,000, the maximum permitted in-kind labour component will be \$10,000.

3. PROGRAM GOALS

1. To ensure that there are sufficient provincially licensed slaughter facilities in appropriate locations across the province so livestock producers have reasonable access to slaughter services by September 30, 2007.
2. To increase livestock slaughter capacity in British Columbia over the period to September 30, 2007, and build a basis for expansion of capacity in the future.

4. STRATEGIES, BUDGET ALLOCATIONS, ACTIVITIES & OUTCOMES

The following are specific strategies, budgets allocation, outcomes and performance measures for the program goals.

| | Strategy | Budget | Action | Target Outcome |
|-----------------------------|--|-------------|---|--|
| Individual Plant Assistance | 1.1. Assist currently existing unlicensed slaughter plants to upgrade to provincial standards | \$3,000,000 | Provide funding on 50/50 cost shared basis for construction and equipment costs – maximum \$50,000 funding per plant | Approximately 50 currently unlicensed plants to obtain provincial licensing |
| | 1.2. Assist in development of new provincially licensed slaughter capacity in under served areas | | Identify under served areas and communities Provide 100% funding to plants to assist with business plans and feasibility studies, where deemed critical by program management, maximum \$5000 per plant | Approximately 5 new provincially licensed plants are developed Under served areas are identified and adequate service is developed |
| Community Solutions | 1.3 Assist communities to identify local solutions for slaughter capacity, engaging elements of the supply chain, and developing slaughter capacity to create a sustainable regional solution for livestock production | \$1,000,000 | 1.3.1 Provide funding for construction and equipment costs of up to a total of \$100,000 per community on a 50/50 basis for plants to implement strategies and business plans arising from the community solution process (facilitated by Action Plan). 1.3.2 Provide supplemental funding for plants in isolated areas which are critical to maintaining adequate access to slaughter services 1.3.3 Provide funding to critical plants which have been adversely affected in transition by events outside reasonable expectation of control | Approximately 10 regions or communities engaged in the process to develop facilities to serve their needs Maintain critical capacity where adverse events would have resulted in reduced services |
| | Total | \$4,000,000 | | |

Funding from the Individual Plant Assistance that is not allocated by September 30, 2006 will be managed by the Steering Committee to achieve the goals of the program.

5. FINANCIAL STRATEGY

5.1. ADMINISTRATION BUDGET

The maximum total administration fee for the MTAP program will be no more than 8% of the \$4 million allocated. Interest accrued is not to be included in the 8%. The administration budget will cover the cost of the following functions:

- 1) BCFPA administration of MTAP.
- 2) MTAP Coordinator.
- 3) Project Manager.
- 4) Steering Committee.
- 5) Financial Management/ IAF administrative component
- 6) Communications for MTAP

6. COMMUNICATION STRATEGY

The purpose of the Communication Strategy is to:

- 1) Raise awareness and understanding of the Strategic Plan and annual Work Plans among livestock producers, slaughter facility operators, Local and Regional governments and other stakeholders in the livestock processing sector.
- 2) Promote participation in the strategic initiatives outlined in the plan, and help solicit project proposals.
- 3) Report on the Steering Committee progress towards fulfillment of the plan, including achievements in individual initiatives.
- 4) Celebrate successes and promote a 'culture' of growth and optimism among British Columbia producers and processors.

The Communication Strategy is an integral part of the Strategic Plan and will be implemented immediately upon approval to proceed. The Communication Strategy will include the following items:

- 1) Announcement and promotion of the Strategic Plan.
- 2) Solicitation of project proposals, including distribution of 'how to apply' information.
- 3) Periodic updates / progress reports on the program and fulfillment of the Strategic Plan according to performance and evaluation procedures.
- 4) Information support for MAL, industry organizations, and local media.
- 5) Outreach to communication channels of stakeholders.
- 6) Promote successes as they arise.
- 7) Publication and dissemination of project results by project proponents.
- 8) Recognition of funding agencies on all program materials.
- 9) Presentation and promotion of MTAP at meetings as required.

The Communication Strategy will expand upon an existing communications infrastructure furnished by the BCFPA and adopted by the Steering Committee. This infrastructure utilizes internet technology as a primary vehicle, supplemented by an array of printed materials. Communicating through existing stakeholder organizations will be an additional component of the Communication Strategy.

The Communication Strategy will apply through the life of the Meat Transition Assistance Program. Primary responsibility for its execution will rest with the Steering Committee.

7. PERFORMANCE AND EVALUATION PROCEDURES

The fundamental success of the initiative will be determined by the number of slaughter plants licensed under the Meat Inspection Regulation and the availability of slaughter capacity within a reasonable distance of livestock producers in all regions of the province.

7.1. TARGET OUTCOMES

For the parts of the program relating to Individual Plant Assistance, measures of success can include:

- 1) Approximately 50 currently unlicensed plants obtaining provincial licensing
- 2) Approximately 5 new provincially licensed plants being developed
- 3) Under served areas being identified and adequate service developed

For the parts of the program relating to Community Solutions, measures of success can include:

- 1) Approximately 10 regions or communities engaging in the process of identifying solutions and developing slaughter facilities to serve their needs.
- 2) Maintaining critical capacity where adverse events would have resulted in reduced services

For administration:

- 1) Total administration costs are 8% of the \$4 million MTAP fund.
- 2) Every effort will be made to adhere to the following guidelines:
 - a) Applicants will be sent a written acknowledgement within 1 week of the application being received by the BCFPA.
 - b) Requests for payment are processed and sent to IAF within 2 weeks following the applicant's submission of evidence of payment to the BCFPA.
 - c) Funds will be dispersed to approved applicants within 2 weeks of the request for payment being received by IAF.

7.2. PERFORMANCE MEASUREMENT

7.2.1 Projects

The Coordinator will maintain a record of applications and provide a monthly report to the Steering Committee on decisions and approvals. Program performance will be evaluated as follows:

- 1) Individual Programs:
 - a) # plants informed of the program
 - b) # plants applying for the program
 - c) # plants funded under the program
- 2) Community Solutions:
 - a) # Communities contacted
 - b) # Communities expressing an interest

- c) # Communities applying
- d) # Projects funded.

Performance of project administration will be evaluated as follows:

- 1) BCFPA
 - a) 80% of applicants will be sent a written acknowledgement within 1 week of the application being received by the BCFPA.
 - b) 80% of the applications for reimbursement are processed and sent to IAF within 2 weeks following the applicant's submission of evidence of payment to the BCFPA.
- 2) IAF
 - a) 80% of approved funds are dispersed within 2 weeks of a request for payment being received by IAF.

7.2.2. Accounting

The Coordinator in conjunction with the BCFPA Chief Financial Officer will maintain records of administration costs, instructions for disbursements by IAF, applicant submissions and provide a monthly report demonstrating how funds were spent accurately and efficiently. The financial records will be monitored and verified by the BCFPA. IAF will maintain records of disbursements, fund balance and liaise with BCFPA Chief Financial Officer.

7.2.3. Administration

The Steering Committee will develop administrative policies and procedures to be undertaken by the Coordinator to ensure fiscal responsibility, transparency and accountability. Monthly status reports will be submitted by the Program Coordinator to the BCFPA as well as an annual report that includes:

- 1) Comprehensive evaluation and status of the annual plan.
- 2) Assessment of which strategic plan objectives and outcomes have been met by the projects completed and which have yet to be completed.
- 3) Evaluation of projected vs. actual outcomes.
- 4) Fiscal reporting.

8.0. STRATEGIC PLAN MODIFICATION

Over time as projects are completed and new information becomes available there may be the need to change the strategic plan to better meet the broad goals of this initiative. The Steering Committee can modify the Program to achieve the goals of the Program. A record of discussion and decisions must be maintained and a report submitted to the BCFPA.

Any significant changes to the Program or reallocation of funding must have the approval of the BCFPA before the decision is implemented.

8.1. Critical Success and Risk Factors

The Steering Committee will undertake an assessment of Critical Success and Risk Factors and will establish the appropriate control measures to minimize those risks. Critical Success and Risk Factors include:

- 1) A smooth regulatory process
 - a) MIES Action Plan will be engaged to assist processors in becoming licensed
 - b) Regulatory stakeholders will be engaged through the MTAP Steering Committee or government management meetings
- 2) Engagement of communities in developing community solutions
 - a) Regional Districts and agricultural associations throughout the province will be informed of opportunities under MTAP. Proponents will be encouraged to engage their communities on "community solutions".
- 3) Cooperation of all stakeholders in Communities
 - a) Community solutions proponents must engage and facilitate community solutions. MTAP will provide funds for the construction of abattoir capacity deemed critical to fill community needs. The MIES Action Plan may be engaged to assist in the "Community Solution" process.
- 4) Industry understanding of SRM impacts
 - a) Engage LWTI and the MIES Action Plan to ensure that processors are aware that SRM concerns are limited to certain species only and to encourage all levels of government to develop regulatory systems that ensure the continuance of slaughter capacity throughout British Columbia.
- 5) Maintenance/expansion of non-SRM waste disposal systems
 - a) Engage LWTI and MIES Action Plan to encourage communities and regulators to enable community based waste disposal systems that don't cause pollution.
- 6) Adherence to the Strategic Plan
 - a) A sub-committee will oversee decisions of the Coordinator. Difficult applications will be forwarded for review by the full Steering Committee. Ex-officios will participate in all committees to provide guidance regarding the strategic plan.
- 7) Industry interest leads to over-subscription
 - a) Government will be informed of anticipated funding shortfalls.
 - b) Regardless, 40% of Individual Program funds and 100% of Community Solution funds is reserved for under-served areas.
- 8) Lack of industry support leads to under-subscription
 - a) MTAP communication systems will be enhanced to get the message out and to encourage applications
 - b) Cost shared ratios may be adjusted in under served areas
 - c) Pursue early success stories to encourage those planning to go ahead and discourage those holding back.
 - d) Engage appropriate stakeholders to address impediments.

MTAP Phase 1 Past and Present Operating Procedures

Whereas the operation of the MTAP program was subject to many changes directed by the Steering Committee as the program developed and there is no single document that clearly defines and describes the process and notwithstanding any other documentation that may precede this motion we hereby submit the following as the authorised process for management of the MTAP program:

1. To be eligible for MTAP IPA assistance the applicant must be an existing or proposed slaughter facility in the Province of British Columbia applying for licensing under the provincial Meat Inspection Regulations.
2. To be eligible for MTAP CSA assistance the applicant must also involve all major community stakeholders in the development process and provide services to the community.
3. Costs eligible for assistance are broadly defined as capital costs and more specifically defined as those costs required, incurred and paid by the applicant for the purposes of obtaining licensing or for the purposes of expanding slaughter capacity.
4. The deadline for applications is defined as that point in time when MTAP funds have been fully committed.
5. In order to qualify for funding approval the applicant must submit a completed application form which contains applicant identification, a statement of other grant funding, an authorisation for limited release of information and an outline project capital costs.
6. All applications for funding must be approved by the Steering Committee either in a formal meeting or by email poll based on information submitted by the MTAP co-ordinator.
7. The Steering Committee will determine all requirements for advance of funds to the applicant at the time of approval of the application. All applications will require licensing and submission of proof of expenditure as a minimum.
8. The MTAP co-ordinator will ensure that all requirements have been met prior to release of funds to the applicant. Once all requirements have been met the MTAP co-ordinator will process the appropriate payment.
9. All payments made to applicants will be reviewed and signed by two directors of the BCFPA.
10. Applicants may apply for an advance of funds prior to the issue of a license based on providing the following information: a letter requesting the advance and stating that the project is in jeopardy for completion without the funding, a statement of the amount of expenditure to date and the expenditure required to complete, a statement of the amount of the requested advance not to exceed 75% of the total approved assistance.
11. The MTAP co-ordinator may, at his discretion, prepare an advance to an applicant provided that the information requirements have been met and that the procedure for payment is followed.

12. Any decisions for approval of applications or advances that do not conform to these procedures require the written approval of at least the ex-officio's representing the MoH and MAL.