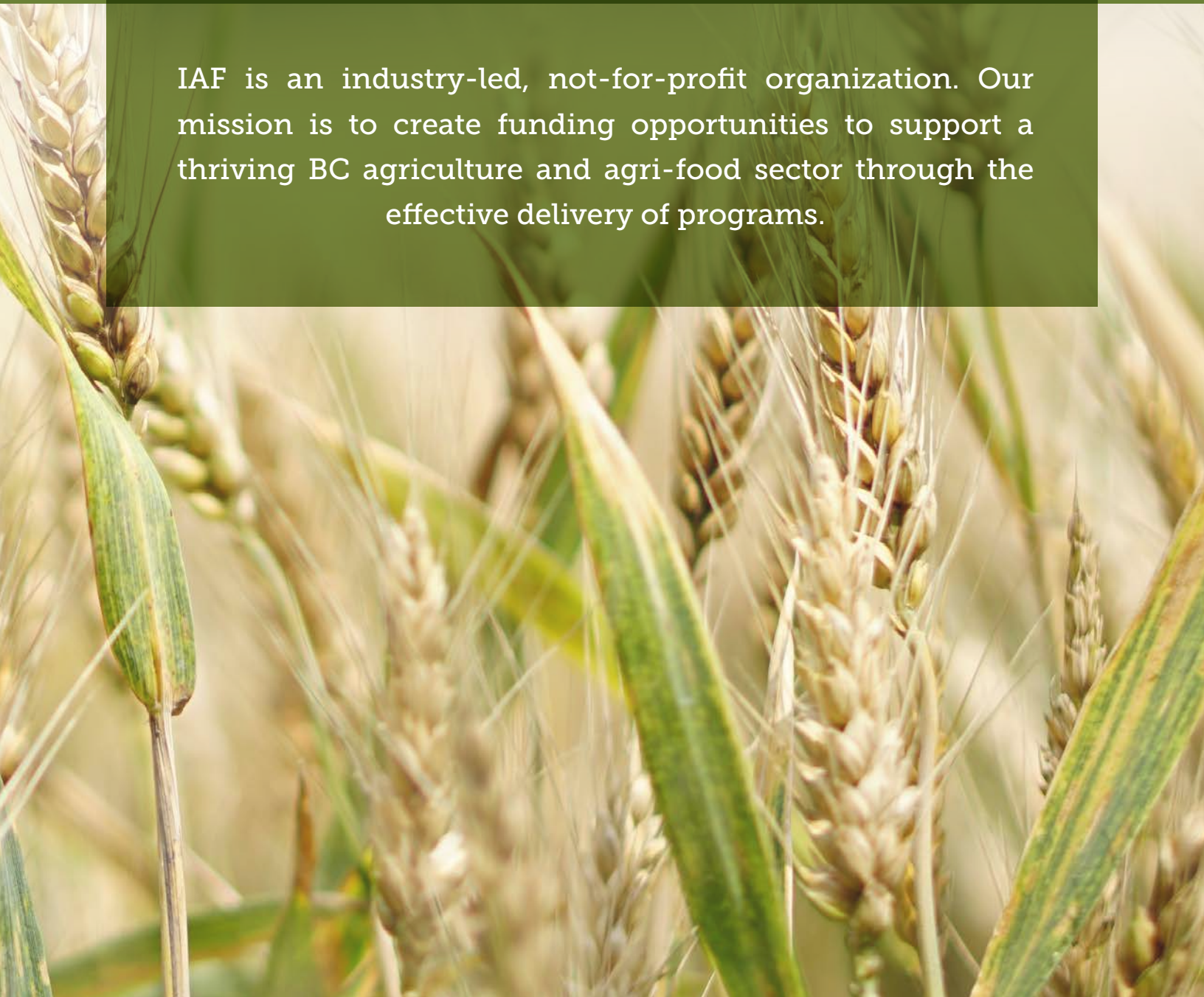




# 2021 ANNUAL REPORT

IAF is an industry-led, not-for-profit organization. Our mission is to create funding opportunities to support a thriving BC agriculture and agri-food sector through the effective delivery of programs.



This annual report presents IAF's strategic framework, outlines the organization's strategic priorities and summarizes the progress made in the delivery of government-funded programs in 2021.

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## ABOUT IAF

In 2021, IAF celebrates 25 years of program delivery excellence!

The B.C. Investment Agriculture Foundation (IAF) is an industry-led, not-for-profit society that creates funding opportunities to support a thriving BC agriculture and agri-food sector through the effective delivery of programs.

For more than 25 years, we have been recognized as the leading provider of high-quality and cost-effective program delivery services for the agriculture and agri-food sector in British Columbia. We have delivered almost \$250 Million to industry on behalf of the federal and provincial governments.



Investment  
Agriculture  
Foundation



### Vision

A vibrant and progressive agriculture and agri-food sector for BC that is sustainable and growing.

### Mission

To create funding opportunities to support a thriving BC agriculture and agri-food sector through the effective delivery of programs.

## WHAT WE DO

We offer agile and efficient solutions to deliver programs and navigate change while never losing sight of the industry we serve.

**Deliver Programs:** Managing the vast diversity of the agriculture and agri-food sector in BC is challenging. We provide contextual knowledge and industry expertise that is focused on the client experience. “Delivering programs effectively and responsively.”

**Serve Industry:** Government programs are intended to improve innovation in, and competitiveness of the sector. We help eligible members of industry to access these opportunities. “Helping industry to access funding opportunities.”

**Align Needs:** Government and Industry work in diverse spheres. We facilitate partnerships by aligning industry needs to public programs. “Aligning industry needs to public programs.”

**Deliver Success:** With more than 25 years of experience in delivering government programs, IAF has the expertise to align the realities of government funding with the needs of the agriculture and agri-food sector.

## MESSAGE FROM THE CHAIR & CHIEF EXECUTIVE OFFICER

Just when we thought we could put 2020 in our rear-view mirror and begin to look forward to a return to normal, 2021 came along and not only brought a continued global pandemic but devastating climate events that rocked our industries and our communities. The heat dome and atmospheric river events hit BC's agriculture sectors hard. We want to thank all of our producers and food processors who despite these immense challenges kept food on the shelves for British Columbians!

We are very pleased to report that IAF was able to quickly mobilize and assist the BC Ministry of Agriculture, Food and Fisheries (AFF) to get payments out to those small businesses and municipalities who assisted with flood clean up and response. The Atmospheric River Payments Program is a prime example of how IAF can be flexible, nimble, and responsive when collaborating with program funders.

We have continued to implement our five-year strategic plan and we are particularly proud of how we have diversified and grown our revenues streams but also our successful shift away from primarily being an adjudication body to being a high-performing strategic board. We still have work to do, and we look forward to working with our Members and other stakeholders to ensure the programs we deliver for our provincial and federal funders are measurable timely and meet both the funders and program recipients needs and goals.

In response to British Columbia Agriculture Council's decision to focus on advocacy-related activities and step away from program delivery services, including those services provided by ARDCorp, the Ministry of Agriculture, Food and Fisheries engaged IAF to take over administration of the Environmental Farm Plan and Beneficial Management Practices Programs, and the Climate Change Adaptation Program for the last 15 months of the Canadian Agriculture Partnership funding initiative. We are appreciative of AFF's confidence in IAF, and we have been working closely with them to ensure there is minimal disruption to the sector and other stakeholders.

IAF undertook a significant leadership role in applying for two large federal programs on behalf of BC's agriculture producers. The first was On-Farm Climate Action Fund and the second is the Agricultural Climate Solutions Program otherwise known as the Living Lab.

We are very pleased to report IAF's Farmland Advantage Program continues to garner praise and support. IAF has been nominated for a Land Award by the Real Estate Foundation of B.C.

We are thrilled to be presenting, for the Members' approval at the AGM, six new Member applications to IAF! IAF has not had a new Member since 2002 and while our current nine Members represent a significant portion of primary producers, there are some gaps. We believe these new Members will bring a diversity

of ideas and broaden our pool of talent from which we can elect IAF Board of Directors. The time has come for IAF to be a more inclusive organization that welcomes new groups and new ideas!

In 2021, IAF celebrated its 25th year of program delivery excellence. In that time, we have delivered almost \$250 Million to BC's agriculture and agri-food sector via more than 55 programs and initiatives. We are so proud of the impact we've had on BC agriculture and look forward to another 25 years of delivering programs to support a thriving sector.

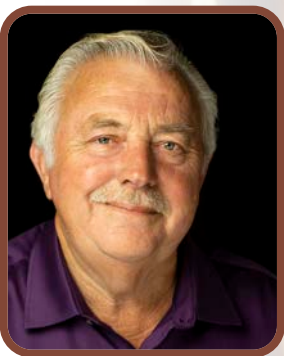
Finally, we would like to thank the IAF Board of Directors and staff who have worked so hard during these past couple of years to not only keep IAF on track but also growing and thriving during these challenging times.

**Jack DeWit**

*Chair, Board of Directors*

**Michelle Koski**

*Chief Executive Officer*



## OUR BOARD OF DIRECTORS | 2020-2021

OUR BOARD OF DIRECTORS ARE A TEAM OF MEMBER-ELECTED INDUSTRY EXPERTS WHO DRIVE THE STRATEGIC DIRECTION OF IAF AND ADJUDICATE THE DISBURSEMENT OF PROGRAM FUNDING. TOGETHER THEY OFFER A WEALTH OF EXPERIENCE FROM THE AGRICULTURE AND AGRI-FOOD SECTOR IN BC.

**Jack DeWit**

*Chair*

Represents: Horticulture  
Region: Lower Mainland

**Irmi Critcher**

Represents: Grains, Oilseeds & Specialty  
Crops  
Region: Peace

**Jos Moerman**

Represents: Horticulture  
Region: Lower Mainland

**James Pratt**

*Vice Chair*

Represents: Food & Beverage  
Processing  
Region: Lower Mainland

**Paul Devick**

Represents: Livestock  
Region: Thompson-Nicola-Okanagan

**Corine Singfield**

Represents: General Farm Interest  
Region: Cariboo-Chilcotin-Coast

**Angela Groothof**

*Secretary*

Represents: Supply Managed  
Commodities  
Region: Lower Mainland

**David Eto**

Represents: Food & Beverage  
Processing  
Region: Lower Mainland

**Mike Soth**

Represents: Other Primary Industries &  
Commodities  
Region: Lower Mainland

**Glenda Gesy**

*Treasurer*

Represents: Pre-Farm Gate  
Region: Thompson-Nicola-Okanagan

**Mike Manion**

Represents: Agri-Business, Retail &  
Agri-Tech  
Region: Lower Mainland  
On leave. Term to resume January 2023

**Ralph Van Dalfsen**

Represents: Supply Managed  
Commodities  
Region: Thompson-Nicola-Okanagan

**David Machial**

Represents: Tree Fruits & Grapes  
Region: Thompson-Nicola-Okanagan

## OUR MEMBERS

COMPRISED OF NINE INDUSTRY ASSOCIATIONS, OUR MEMBERS ARE RESPONSIBLE FOR SIGNIFICANT ASPECTS OF IAF'S GOVERNANCE. EVERY YEAR AT THE ANNUAL GENERAL MEETING, THEY RECEIVE THE DIRECTORS' REPORT ON THE FINANCIAL STATEMENTS OF THE SOCIETY, RECEIVE ANY OTHER REPORTS OF DIRECTORS' ACTIVITIES AND DECISIONS, ELECT (OR APPOINT) DIRECTORS AND APPOINT AN AUDITOR. WE WORK HARD TO RECOGNIZE THE VARIED AND UNIQUE NEEDS OF BC'S AGRICULTURE AND AGRI-FOOD SECTOR, RELYING ON AN EQUALLY DIVERSE MEMBERSHIP TO ENSURE BROAD REPRESENTATION ON THE IAF BOARD OF DIRECTORS.

### BC Fruit Growers Association

**Mission:** To represent BC fruit growers' interests through activities which include lobbying governments for positive change to risk management programs and providing services and products to growers.

### BC Grain Producers Association

**Mission:** To improve the viability of the grains and oilseed industry in the BC Peace River Region and encourage all farmers to participate within their industry so that their voices may be heard.

### BC Greenhouse Growers Association

**Mission:** To deliver services and research programs to our members to help keep them globally competitive and to keep a vibrant and sustainable greenhouse vegetable sector in BC, while providing high-quality and safe greenhouse vegetables to consumers.

### BC Landscape & Nursery Association

**Mission:** To promote the global recognition of British Columbia as a leader in landscape horticulture and provide an effective organization for meeting the needs of nursery growers, landscape professionals and garden centers.

### BC Dairy Association

**Mission:** To ensure dairy farming delivers a positive impact on our community and to preserve a sustainable, valuable and ethical industry in British Columbia.

### BC Pork Producers Association

**Mission:** BC Pork, high-quality specialty pork products, proudly grown close to home.

### BC Poultry Association

**Mission:** To lead the regulated BC poultry associations on common issues that strengthen and improve the well-being of regulated poultry farmers.

### BC Cattlemen's Association

**Mission:** To maintain a healthy cattle industry that provides quality beef products to consumers and is guided by strong volunteer membership, environmental stewardship, respect for stakeholders and excellent business practices.

### Horse Council of BC

**Mission:** To collaborate with business, industry and government on behalf of equine welfare, sports, recreation and the individual rider/driver.

## STRATEGIC INITIATIVES

IAF'S BOARD OF DIRECTORS LED A NUMBER OF STRATEGIC INITIATIVES IN 2021. FROM ADDRESSING THE FUTURE OF THE AGRICULTURE SECTOR IN BC, TO ASSISTING THE SECTOR DURING THE PANDEMIC, THE BOARD ACTED QUICKLY AND RESPONDED TO ISSUES FACING THE INDUSTRY WHEREVER POSSIBLE.

### BC Agricultural Climate Solutions

In collaboration with our sector stakeholders, IAF worked with the BC Agriculture Council (BCAC) to develop an application for Agriculture and Agri-Food Canada's Agricultural Climate Solutions Program (ACS). ACS supports the integration of scientific research and testing into real-life farming operations, with the goal of increasing the adoption of effective practices and technologies that help farmers contribute to climate change mitigation and improve the natural environment.

In 2021, IAF was awarded \$100,000 from Agriculture and Agri-food Canada through a competitive application process to work with industry on the development of a Living Lab in BC.

### AgriChain

Realizing the potential benefits for the agriculture sector, IAF has begun development of AgriChain, an agriculture-specific blockchain, designed to help the sector take advantage of this innovative technology.

With the ever-growing use of digital solutions in our everyday lives, both personal and business, innovative security options are a necessity to keep data and information safe, private, and trustworthy. Blockchain technology provides a transparent and safe means to store, validate and protect information. Blockchain technology is well established with cryptocurrency transactions and offers significant value in other areas such as credential verification, certification status and public trust models.

In the coming year IAF will be exploring the potential uses for this technology with both the Province of BC and select industry groups.

### BC Agriculture & GHG Emissions Report

In 2021, IAF commissioned Navius Research to evaluate greenhouse gas abatement opportunities in BC's agricultural sector. This research was, in part, developed to inform the applications to the Agricultural Climate Solutions program. The objectives of the analysis were to identify the most promising technologies, fuels and actions that can help reduce emissions from agriculture and to quantify the level of abatement that is feasible in this sector in 2030 and beyond. To read the full report: [iafbc.ca/reports](http://iafbc.ca/reports).

Findings include:

- Agricultural emissions are likely to grow in the absence of new policies.
- Mitigation actions are available, or likely to be available in the future, for most sources of agricultural emissions.
- Planting cover crops and implementing rotational grazing for cattle are relatively low-cost actions with high abatement potential.
- Greenhouse gas reductions can be achieved while maintaining agricultural output



*Supplying BC's agriculture and agri-food sector with high quality and timely research is vital to keep the province competitive and current. Reports such as "Informing a strategy for reducing agricultural greenhouse gas emissions in British Columbia" are important not only to BC's dairy sector, but to all of agriculture as we work together to reduce greenhouse gases across the province. Thank you to IAF for their leadership in supporting this important study.*

JEREMY DUNN, BC DAIRY

## Exploring AFFF's Future

In 2001, the Agri-Food Futures Fund (AFFF) was established, with an initial investment of \$13.3 Million through the Canada-BC Framework Agreement on Agricultural Risk Management, with a top-up the following year of \$9.5 Million. The trust agreement for AFFF ends in spring 2022, leaving \$3.3 Million remaining of the interest earned on the principal amount. Identifying an opportunity to develop impactful, responsive programs, the IAF Board of Directors asked the IAF staff to explore future program opportunities for the remaining funds.

Programs identified are within the original intent of AFFF, which was developed to 'assist the agriculture and agri-food industry in achieving and maintaining competitiveness and self-reliance'. AFFF funding is intended for broad-benefit projects that address sector and regional priorities, develop supporting strategies and support industry's ability to lead, manage and finance its own development. Program funding cannot be used for direct advertising and promotion, business start-ups or expansions, core funding for organizations, capital costs or lobbying of government.

The IAF staff undertook an extensive review of provincial and federal government priorities, existing programs, gaps in funding, and potential opportunities to leverage other program dollars, and provided the Board of Directors with three key areas of interest for potential program funding:

1. Regenerative Agriculture and Agri-Tech
2. Climate Change
3. Indigenous Agriculture & Food Systems

The Chair of the IAF Board of Directors presented the AFFF Strategy to the Ministry of Agriculture, Food & Fisheries in the fall of 2021, and IAF now has a Memorandum of Understanding in place with the Ministry to develop and implement the programs over the next three years.

## Cultivating Prosperity

Launched in 2020 with the BC Agriculture Council (BCAC) and its members, the Cultivating Prosperity initiative set out to increase collaboration across the BC agriculture sector and evaluate the role of various industry associations and groups. With Cultivating Prosperity, we hope to lay the foundation for the development of a new vision for the agriculture and agri-food sector.

In 2021, IAF supported BCAC through their transition to a policy-focused organization. Following recommendations from BCAC to the program funders, IAF will deliver the CAP: Environmental Farm Plan & Beneficial Management Practices Programs and CAP: Climate Change Adaptation Program in 2022. These programs, previously delivered by BCAC's program delivery subsidiary ARDCorp, provide significant benefits to the sector, and IAF is committed to continuing the high standard of delivery.

As the Canadian Agricultural Partnership initiative comes into its final years, IAF's Board of Directors approved funding to support BCAC's agriculture engagement sessions. This support, funded by the Agri-Food Futures Fund, ensured BCAC was able to work with industry to acquire high-quality engagement and feedback from the sector as planning begins for the next five-year federal-provincial-territorial initiative.



*The Cultivating Prosperity Initiative enabled BC Agriculture Council to fully explore the needs of its members and make major changes in its direction, structure and activity. Through several major consultation initiatives, BCAC was able to clearly define the priorities of its membership and began to strategically restructure itself to better support those needs. That included identifying sector policy priorities and determining the greatest industry needs from the next Agriculture Policy Framework agreement and on-farm programs for BC. The Initiative led to BCAC having the confidence to move resources from delivering on-farm programming to enhance its policy development capacity in order to better meet the needs of its members and the entire agriculture industry in BC.*

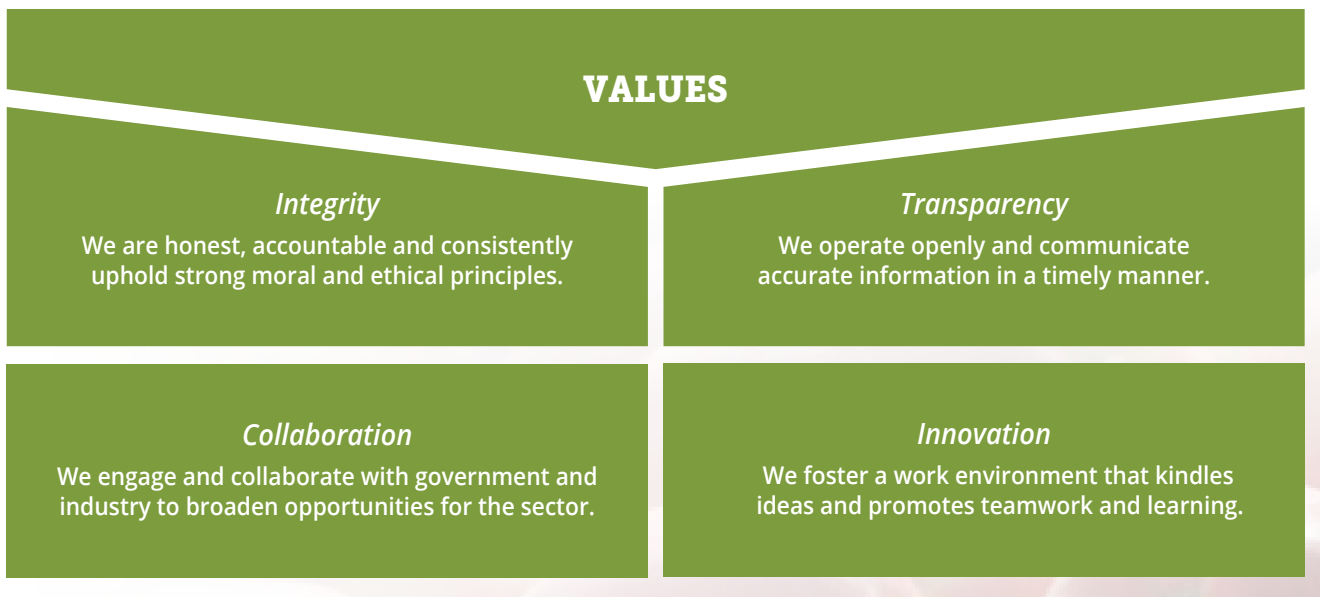
DANIELLE SYNOTTE, BC AGRICULTURE COUNCIL

# STRATEGIC FRAMEWORK 2019-2023



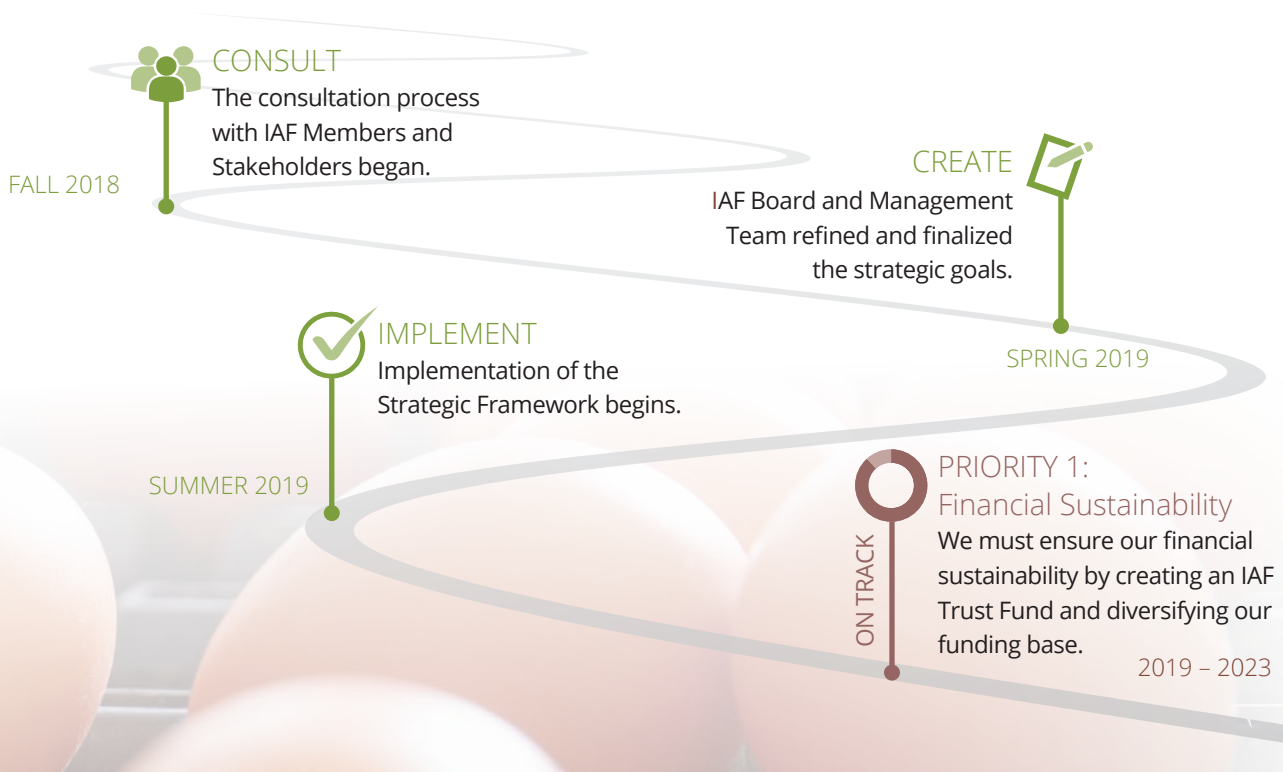
## STRATEGIC FRAMEWORK 2019-2023

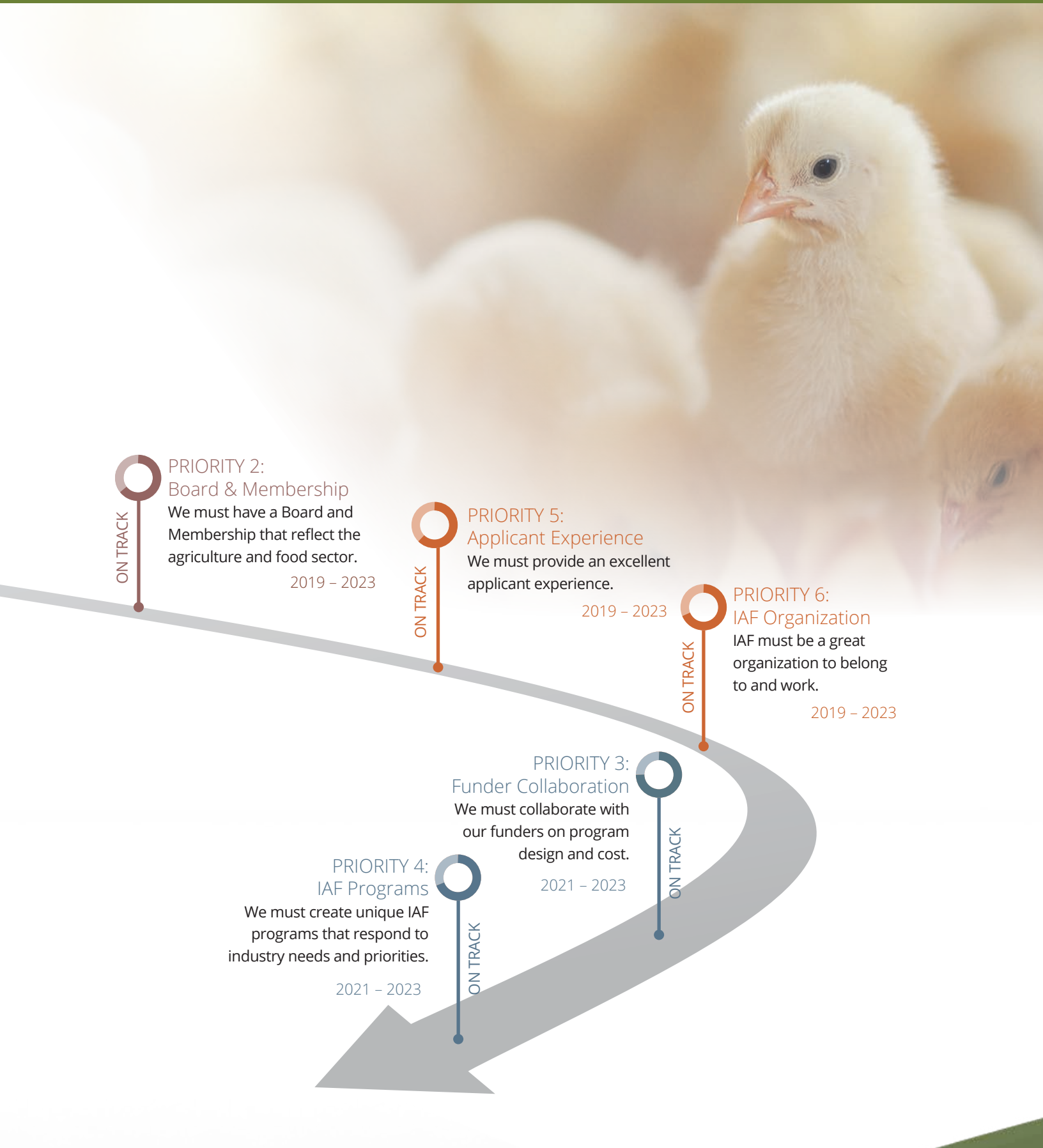
IN 2018, IAF EMBARKED ON THE DEVELOPMENT OF ITS FIVE-YEAR STRATEGIC FRAMEWORK. DURING THAT DEVELOPMENT WE CONSULTED WITH IAF MEMBERS, GOVERNMENT PARTNERS, AND OTHER AGRICULTURE AND AGRI-FOOD ASSOCIATIONS AND COUNCILS. THE RESULTING STRATEGIC PLAN WAS LAUNCHED IN 2019 AND WE ARE NOW IN OUR THIRD YEAR OF IMPLEMENTATION.



WE DEFINE THE AGRICULTURE AND AGRI-FOOD SECTOR AS THE PRODUCTION, PROCESSING AND MARKETING OF ALL FARM, FOOD AND AGRI-BASED PRODUCTS.

## STRATEGIC FRAMEWORK 2019-2023





ON TRACK

**PRIORITY 2:**  
Board & Membership  
We must have a Board and Membership that reflect the agriculture and food sector.  
2019 – 2023

ON TRACK

**PRIORITY 5:**  
Applicant Experience  
We must provide an excellent applicant experience.  
2019 – 2023

ON TRACK

**PRIORITY 6:**  
IAF Organization  
IAF must be a great organization to belong to and work.  
2019 – 2023

ON TRACK

**PRIORITY 3:**  
Funder Collaboration  
We must collaborate with our funders on program design and cost.  
2021 – 2023

ON TRACK

**PRIORITY 4:**  
IAF Programs  
We must create unique IAF programs that respond to industry needs and priorities.  
2021 – 2023

## STRATEGIC FRAMEWORK 2019-2023

Priority 1: We must ensure our financial sustainability by creating an IAF Trust Fund and diversifying our funding base.

### What Did We Do?

The IAF Board of Directors and staff are pleased that after collaboration and consultation with members and other stakeholders IAF's Growing Agriculture Trust (Trust) was officially created in 2021. With a starting balance of \$19.3 Million, the focus now is to create a sustainable Trust to enable IAF to develop programs and initiatives to assist and grow agriculture and agri-food in BC.

The Trust has been created primarily with the old IAF Sustaining Fund which was interest earned over 25 years from IAF's founding grants. IAF has always used the investment interest from the Sustaining Fund to augment its operating costs. This practice will continue for the short to medium term while IAF transitions to a cost recovery model. IAF's focus over the past two years has been to grow and diversify our business in order to reduce reliance on investment income from the new Trust.

IAF has been able to not just increase the number of new program funders, but also the type of new programs delivered. IAF now offers an expanded suite of programs focused on environment and climate change and has also expanded further into agritech programming. New programs delivered by IAF include:

- Agricultural Climate Solutions Program - Phase One (*Government of Canada*)
- Agritech Ramp-Up Program (*BC Ministry of Agriculture, Food and Fisheries*)

- Environmental Farm Plan and Beneficial Management Practices Programs (*Governments of BC and Canada through the Canadian Agricultural Partnership, a federal-provincial-territorial initiative*)
- Farmland Advantage (*Governments of BC and Canada and other funders*)
- Climate Change Adaptation Program (starting January 2022) (*Governments of BC and Canada through the Canadian Agricultural Partnership, a federal-provincial-territorial initiative*)
- Atmospheric River Payments Program (*BC Ministry of Agriculture, Food and Fisheries*)

### What's Next?

The IAF Board of Directors and staff are committed to working with our members and stakeholders from industry as the Growing Agriculture Trust increases and to developing programs using proceeds of the Trust. IAF is dedicated to ensuring programs developed out of the Growing Agriculture Trust reflect the needs of agriculture and agri-food in BC, have sustainable funding, and can adapt to future priorities and will address eligibility concerns raised by IAF Members and stakeholders.

Additionally, the IAF Board and management team will pursue new program delivery opportunities in 2022 and beyond.



## Priority 2: We must have a Board and Membership that reflect the agriculture and food sector.

### What Did We Do?

The IAF Board of Director's continued to focus their attention on the strategic direction of the organization and provided a high-level oversight on funding approvals through participation in program Technical Review Committees throughout 2021.

Bolstered by the work done in previous years on director nomination and membership policies, members of the Board of Directors met with stakeholders and associations across BC agriculture and agri-food, to share IAF updates and the benefits of becoming a member.

As part of on-going Board development, the IAF Board of Directors underwent self-assessments in 2021, addressing competencies in areas like: governance, sector knowledge, finance, legal and more. This assessment provided insight to the Board of Directors on competency strengths and gaps.

### What's Next?

The IAF Board of Directors committed to continued board development and assessment, ensuring correct composition to best serve the industry they represent. IAF's Governance and Nomination committee have created a work plan to address gaps identified in the Board evaluation and to consider the implications of moving to a smaller board.

Six BC agriculture and agri-food associations have applied to join IAF as Members. The Board of Directors are optimistic that in the coming years IAF members will expand to better represent the diverse agriculture and agri-food sector in BC.

In 2021, David Machial and Paul Devick were appointed to the IAF Board of Directors, with Mike Manion, James Pratt, Corine Singfield, Jos Moerman, Ralph Van Daltsen, Mike Soth and Glenda Gesy re-appointed for an additional two-year term.

## Priority 3: We must collaborate with our funders on program design and cost.

### What Did We Do?

Working closely with funders, the IAF Team was able to support BC's agriculture sectors in the development of programs to address impacts from the COVID-19 pandemic and extreme weather events. Our Board of Directors and staff were able to provide insights and suggestions during program development to maximize program goals and best serve industry.

IAF has continued work to determine the true cost of program delivery. Some programs require more staff time than others. To track this, IAF implemented a pay tracking system to accurately code staff time to programs. Additionally, the IAF Team is working behind the scenes to clarify and communicate the different models of IAF program delivery.

Recognizing that some programs require a more intensive staff effort than others, IAF can now better demonstrate the various models and costs that are associated with them.

### What's Next?

The IAF Team will continue to work actively with program funders to provide feedback on program development and goals. This work will be even more important in the coming year as we look forward to the next federal-provincial-territorial initiative and new provincial programs.

In an ever-changing software world, IAF is dedicated to ensuring the software systems we use are the best suited to organizational needs. The Team has continued to explore updated accounting and program delivery software, with planned refinements on the horizon.

To better align with government funders and reduce the workload on staff, IAF has taken the steps to move its fiscal year. Beginning in 2022, IAF will switch from a January to December fiscal to an April to March fiscal to reflect program costs and outcomes more accurately in same timeframe as funders.

## STRATEGIC FRAMEWORK 2019-2023

Priority 4: We must create unique IAF programs that respond to industry needs and priorities.

### What Did We Do?

The IAF Team made huge strides in creating responsive, unique IAF programs in 2021. Most notably is our work on the Agri-Food Futures Fund transition, Agricultural Climate Solutions Program, and the new Farmland Advantage Program. These programs have given IAF the opportunity to use our knowledge of industry needs and priorities to develop programs that will make a difference while still aligning with government priorities and wherever possible, leveraging other funding sources to further expand the program reach.

IAF successfully developed a proposal for the Government of BC's Business Services for Agritech Enterprises program with the Ministry of Agriculture, Food & Fisheries' Regenerative Agriculture and Agri-tech Team. The Agritech Ramp-Up Program started in November 2021 and provides training, coaching, and mentorship to BC's agritech entrepreneurs.

Additionally, IAF completed 22 projects funded by the Livestock Waste Tissue Initiative and approved funding for 15 projects via the Local Government Partnership Program (formerly the Local Governmental Agricultural Area Planning Program). These programs were both revitalized in 2020 with feedback from the agricultural community, associations, and government funders.

To better understand industry needs and priorities, IAF continued support of the Cultivating Prosperity initiative with the BC Agriculture Council (see Strategic Initiatives on

page 7) and their sector engagement sessions as we look to the next federal-provincial-territorial initiative.

### What's Next?

The IAF Team is eagerly looking ahead at the program opportunities on the horizon. In 2022 and beyond, the team is focused on continued development of the federal Agricultural Climate Solutions Program (also known as the Living Lab) and the On-Farm Climate Action Fund.

IAF continues our commitment to design and develop programs to best respond to industry needs and priorities, and where possible work with program funders to develop programs to maximize their impacts and goals.



## Priority 5: We must provide an excellent applicant experience.

### What Did We Do?

2021 was a year of streamlining the IAF application experience. The IAF Team worked to improve all levels of the application process, from registration to submission to approval. This included refining program eligibility checks and report processing, as well as integrating a Statement of Intent into the applicants' journey. The IAF Team is working to develop an online portal to manage Buy BC Logo Licensing, simplifying both the application for a Buy BC Logo License, and the updating of products under an existing license.

### What's Next?

Due to the range of programs IAF is now delivering it has become clear the online portal is unable to keep up with the volume of applications IAF receives for the diverse programs being delivered. As a result, the IAF Team is working to implement a new program management platform that will allow clients to manage their projects online from application to reporting in one place.

## Priority 6: IAF must be a great organization to belong to and work.

### What Did We Do?

2021 continued to challenge the IAF Team, with an expanding program suite and more focus on environment and climate change than ever before, all while dealing with the impacts of the ongoing COVID-19 pandemic and weather events that hit our province. However, despite the challenges, the past year also brought many highlights and successes to the IAF team.

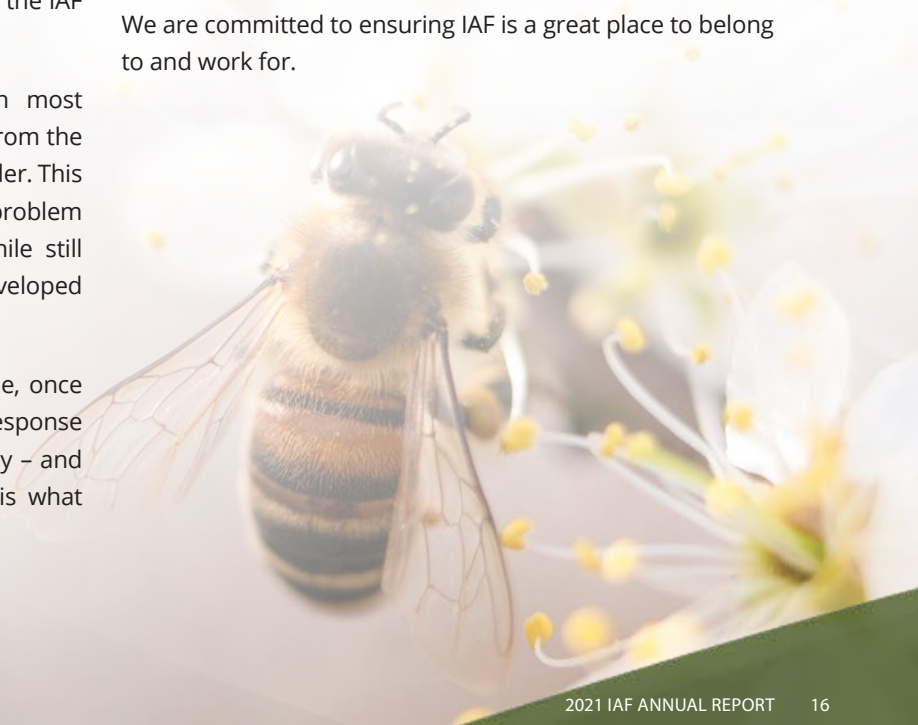
Victoria-based staff returned to the office, with most selecting a hybrid working environment – working from the office a few days a week and from home the remainder. This flexibility has allowed staff to collaborate, meet and problem solve as a group in an in-office environment, while still retaining the work-from-home productiveness developed over the last two years.

Our staff are proud of the contributions they made, once again providing a vital role in agricultural first response efforts. Our commitment to supporting our industry – and each other – is what made 2021 a success and is what continues to unite, inspire, and drive us.

### What's Next?

The IAF Team will continue to evaluate and adapt to our ever-changing sector. As program focus continues to move more towards the environmental, climate adaptation and on-farm space, IAF will work to ensure our staff and contractor skill sets meet those needs.

We are committed to ensuring IAF is a great place to belong to and work for.



## 2021 SNAPSHOT

# \$8.26 M

COMMITTED TO PROJECTS

## 16

PROGRAMS DELIVERED

## 243

PROJECTS APPROVED

## 6

FUNDING PARTNERS

## 98%

of survey respondents advised they were likely to apply for IAF-delivered funding again.

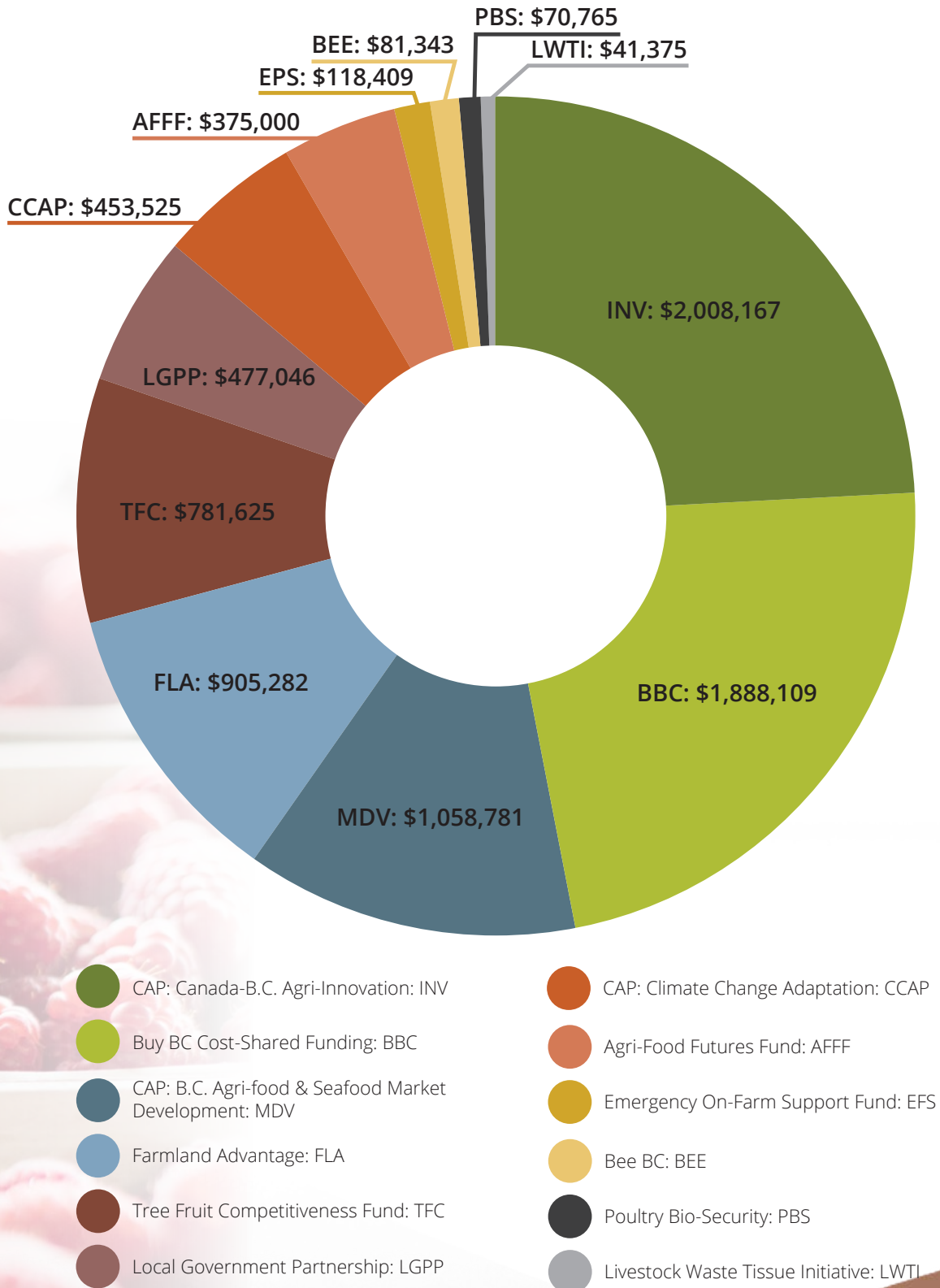
## 97%

of survey respondents found their communication with staff prior to their application useful.



In a recent survey, clients who just completed their projects rated the IAF Staff 4.79 out of 5

## VALUE OF GOVERNMENT FUNDING COMMITTED TO PROJECTS BY IAF IN 2021



## CAP PROGRAMS

The Canadian Agricultural Partnership (CAP) is a \$3 billion, five-year, investment by federal, provincial and territorial governments to strengthen and grow Canada’s agriculture and agri-food sector. Programs under CAP that IAF delivers include: The B.C. Agri-food & Seafood Market Development Program, Climate Change Adaptation Program, Environmental Farm Plan & Beneficial Management Practices Programs, and the Canada-BC Agri-Innovation Program.



### CAP: B.C. Agri-food & Seafood Market Development Program

PROGRAM DESCRIPTION	FUNDING DETAILS
<p>Funding through this program enables BC’s agriculture, agrifood and seafood sectors to identify, assess, target and develop market opportunities to increase their sales outside of BC.</p> <p><b>Value of program (5-year program total): \$5.05 Million from 2018-2023</b></p>	<p><b>Funds Committed to Projects in 2021: \$1,058,781*</b></p> <p><b>70 funding applications processed</b></p> <p><b>17 client consultation calls</b></p> <p><b>33 projects funded</b></p> <p><i>*Committed funds for 2021 represent an overcommitment to mitigate program slippage.</i></p>

### CAP: Climate Change Adaptation Program

PROGRAM DESCRIPTION
<p>Since its inception in 2008 the Climate Change Adaption Program (frequently known in the industry as the Climate Action Initiative, the Climate &amp; Agriculture Initiative or CAI), has been delivered jointly by ARDCorp (a program delivery subsidiary of the BC Agriculture Council) and IAF. ARDCorp has delivered the administrative portion of the program, while IAF focused on the financial portion of the program. Over the last 10 years, the projects have been facilitated by contractors known collectively as the Climate &amp; Agriculture Initiative.</p> <p>Following BC Agriculture Council’s decision to suspend its program delivery operations in Summer 2021, IAF has been selected by the BC Ministry of Agriculture, Food &amp; Fisheries to deliver the Climate Change Adaptation Program (CCAP) starting in January 2022.</p> <p>IAF is proud to have facilitated funding to BC’s agriculture sector through CCAP with first Growing Forward, then Growing Forward 2, and now the Canadian Agricultural Partnership (CAP). The entire Team is looking forward to bringing the complete administration of the program in to IAF for the final year of CAP as we work towards the next federal-provincial-territorial initiative.</p>

## CAP PROGRAMS

### CAP: Environmental Farm Plan & Beneficial Management Practices

#### PROGRAM DESCRIPTION

The Environmental Farm Plan Program's objective is to provide farm and ranch operators with the means to identify agri-environmental risks and opportunities. The goal of the EFP Program is to improve on-farm awareness of agri-environmental risks.

The Beneficial Management Practices (BMP) program is a complementary, on-farm cost-share incentive program to assist farm and ranch operations to mitigate some of the risks identified in the farm-specific Environmental Farm Plans (EFPs). The goal of the BMP program is to increase adoption of technology and practices to mitigate high-risk activities or emerging challenges.

There are over 70 categories of practices and actions eligible for cost-share funding through the Beneficial Management Practices Program. For over 17 years the program has helped place BC farms and ranches at the forefront of regenerative agriculture and climate adaptation.

The EFP & BMP programs provide eligible agri-food sector producers with access to consultants (known as EFP Planning Advisors) to assist in the completion of Environmental Farm Plans and support the application process to BMP funding. The EFP and BMP programs enhances the capacity of producers to maintain competitiveness by adapting and responding to emerging environmental, regenerative agriculture, and climate challenges and changing environmental conditions.

Formerly delivered by ARDCorp, a program delivery subsidiary of the BC Agriculture Council (BCAC), IAF was selected by the Ministry of Agriculture, Food & Fisheries to deliver the EFP and BMP programs following BCAC's decision to suspend program delivery. IAF began delivering the EFP & BMP Programs on December 1st, 2021.

### CAP: Canada-BC Agri-Innovation

#### PROGRAM DESCRIPTION

This program offers funding for BC's agriculture and agri-food sector to accelerate the pace of innovation within the province. Agriculturally innovative projects relate to products, practices, or technologies new to BC with the potential to enhance sector competitiveness, sustainability, and resilience.

**Value of program (5-year program total): \$14 Million from 2018-2023**

#### FUNDING DETAILS

**Funds Committed to Projects in 2021: \$2,008,167**

**38 Statements of Interests processed**

**16 funding applications processed**

**5 client consultation calls**

**24 continuing projects funded**

**20 new projects funded**

## GOVERNMENT OF BC FUNDED PROGRAMS

The Government of British Columbia funds programs that support farmers and food processors to start, grow and innovate their business and more effectively market their products. Programs that IAF delivers that are funded by the Government of BC include the BC Tree Fruit Competitiveness Fund Program, the Bee BC Program, the Agritech Ramp-Up Pilot Program, the Buy BC Partnership Program, and the Atmospheric River Payments Program.



### BC Tree Fruit Competitiveness Fund

#### PROGRAM DESCRIPTION

The BC Tree Fruit Competitiveness Fund supports BC's tree fruit sector to undertake marketing, infrastructure and research activities that enhance the competitiveness of the sector, while also supplementing orchard replanting.

In partnership with the BC Fruit Growers' Association, the program invests in enhanced competitiveness initiatives through infrastructure, innovation, marketing, and research. The Government of BC suspended the program in December 2020 pending review and audit. The IAF did not hold any intakes in 2021 while awaiting further direction from the Government of BC. In 2021, the BC Fruit Growers' Association made the decision to step away from the program delivery partnership; confident that IAF can effectively deliver the program with the forthcoming Government of BC updates.

**Value of Program (total remaining funds): \$3,274,990**

**Funds Committed to Projects in 2021: \$781,625**

### Bee BC Program

#### PROGRAM DESCRIPTION

The Bee BC Program offers funding to support small-scale/regional community-based projects to research, explore, field-test, and share information about best management practices to enhance bee health throughout the province.

In addition to delivering and administrating the program, IAF manages a bee health website as an information sharing resource for BC's bee community. Visit [bcbeehealth.ca](http://bcbeehealth.ca) to explore project highlights and learn all the buzz about bees!

#### FUNDING DETAILS

**Value of program (3-year program total): \$450,000 from 2018-2021**

**Funds Committed to Projects in 2021: \$81,343**

**59 applications processed**

**23 projects funded**

## GOVERNMENT OF BC FUNDED PROGRAMS

### Agritech Ramp-Up Pilot Program

PROGRAM DESCRIPTION	FUNDING DETAILS
<p>The Agritech Ramp-Up Pilot Program (Ramp-Up) supports the growth of BC's agritech sector through the provision of a cohort-based business support program in 2022. In 2021/22, two cohorts will be offered, with each cohort capped at 12 participants to ensure maximum training, mentoring, and networking opportunities.</p> <p>Ramp-Up is a key program in the agritech ecosystem, a support pillar for the growth of BC's agritech sector and closely aligned with the Regenerative Agriculture and Agritech Network and the Agritech Concierge.</p> <p>The purpose of the Agritech Ramp-Up Program is to provide the resources required to enable entrepreneurs to move their ideas to commercial realities. Ramp-Up will do that by providing: Training, Coaching &amp; Mentoring, Networking and Funding.</p>	<p><b>Value of program (one-year program total): \$225,000 in 2021-2022</b></p> <p><b>18 Statements of Interest reviewed</b></p> <p><b>16 applications processed</b></p> <p><b>Accepted into Cohort One: 10 participants</b></p> <p><b>Cohort Two is set to begin in spring 2022</b></p>

### Buy BC Partnership Program

PROGRAM DESCRIPTION	FUNDING DETAILS
<p>The Buy BC Partnership Program supports BC's agriculture, food and seafood sectors to increase consumer demand and sales of BC products within the province.</p> <p>Under the BC Government's Buy BC Program, IAF delivered the Buy BC Partnership portion, which includes cost-shared funding support as well as Buy BC logo licensing options.</p> <p><b>Value of program (4-year program total): \$8.71 Million from 2018-2022</b></p>	<p><b>Funds Committed to Projects in 2021: \$1,888,109*</b></p> <p><b>118 cost-shared funding applications processed</b></p> <p><b>18 client consultation calls</b></p> <p><b>70 cost-shared projects funded</b></p> <p><b>200 Buy BC Logo Licensing 'Certification' Authorized Use Agreements Issued</b></p> <p><b>39 Buy BC Logo Licensing 'Marketing' Authorized Use Agreements Issued</b></p> <p><i>*Committed funds for 2021 represent an overcommitment to mitigate program slippage.</i></p>

## GOVERNMENT OF BC FUNDED PROGRAMS

### Atmospheric River Payments Program

#### PROGRAM DESCRIPTION

The November 2021 flooding challenged the capacity of many local municipalities to respond and support their local agriculture sectors. In order to ensure timely reimbursement of approved response costs related to the agriculture sector, the Province (Ministry of Agriculture, Food and Fisheries and Emergency Management British Columbia) partnered with IAF to support producers when they were in need.

This program provides financial and administrative services to allow for timely processing of invoices related to the goods and services procured by local governments to support the agriculture sector for the 2021 Atmospheric River Flood Response. IAF is actively working with the affected parties to ensure their recovery is as speedy as possible.

**Value of the Program: \$2.9 million from 2021 – 2022**

## BC AGRICULTURAL CLIMATE SOLUTIONS PROGRAM

### BC Agricultural Climate Solutions Program

#### PROGRAM DESCRIPTION

In collaboration with our sector stakeholders, BC Agriculture Council (BCAC) and IAF are teaming up to develop a joint application for the Agriculture and Agri-Food Canada's Agricultural Climate Solutions Program (ACS). ACS supports the integration of scientific research and farming operations, with the goal of increasing the adoption of effective practices and technologies that help farmers contribute to climate change mitigation and improve the natural environment. Our approach is to build off existing programs and resources from within our community and make an application that will truly benefit BC farmers and ranchers. Beyond this application, the goal is to ensure farms remain competitive and that our water, air, and soil are sustainable for generations to come. Throughout 2021, we have worked actively with several key stakeholder groups such as climate change specialists, producers, farm associations, scientists, research groups and other sectoral stakeholders.

Following a successful Phase One application, IAF submitted the Phase Two application in December 2021 on behalf of the group. We hope to announce in funding of BC's Agricultural Climate Solutions Program (a.k.a. Living Lab) in 2022.

#### FUNDING PROVIDED BY



## COVID-19 WRAP-UP

FUNDING PROVIDED BY



### Canadian Seafood Stabilization Fund

#### PROGRAM DESCRIPTION

*Building the resilience of fish and seafood processors to maintain domestic fish and seafood production during and after the COVID-19 pandemic.*

In 2020, the Government of Canada committed \$62.5 Million to the Canadian Seafood Stabilization Fund to support the fish and seafood processing sector in managing the impacts of COVID-19 and preparing for economic recovery. IAF delivered funding to eligible businesses that are active in the fish and seafood sector in British Columbia.

This program officially closed in 2021, following the successful delivery of 69 projects and \$8,370,130. IAF successfully passed an audit of the program in 2021 by the Office of the Auditor General of Canada.

### Emergency Processing Fund

#### PROGRAM DESCRIPTION

*Catalyzing strategic investments to maintain and increase domestic food production and processing during the COVID-19 pandemic.*

The Government of Canada committed \$77.5 Million to the Emergency Processing Fund to support the immediate needs of domestic production lines because of COVID-19. IAF delivered cost-shared funding to eligible applicants with food processing, manufacturing or greenhouse operations in British Columbia, Alberta, Saskatchewan, the Yukon, and the Northwest Territories.

This program officially closed in 2020, following the successful delivery of 100 projects and \$4,220,241. IAF successfully passed an audit of the program in 2021 by the Office of the Auditor General of Canada.

### Emergency On-Farm Support Fund

#### PROGRAM DESCRIPTION

The Emergency On-Farm Support Fund provides funding to support protections for domestic and temporary foreign workers and address COVID-19 outbreaks on farms. The program, administered to British Columbia-based farms, assisted producers in improving the health and safety of farm workers and limiting the spread of COVID-19 in agricultural operations. This program officially closed in 2021, following the successful delivery of 133 projects and \$4,424,992.

## GOVERNMENTS OF BC & CANADA FUNDED PROGRAMS

The Governments of BC and Canada funds programs that support innovation, sustainable farming, business development, risk management, trade and market development. Programs that IAF delivers that are funded by the Governments of BC and Canada include the Livestock Waste Tissue Initiative, the Poultry Biosecurity Program, the Agri-Food Futures Fund, and the Local Government Partnership Program.



### Livestock Waste Tissue Initiative

#### PROGRAM DESCRIPTION

This program is for BC-based abattoirs and meat processors to assist with affordable options to legally dispose of animal tissue waste. The funding originated from the BC Ministry of Agriculture, Food and Fisheries in 2005 and was intended to deliver the BC Waste and Specified Risk Material Handling and Disposal Strategy. In 2019/20, IAF took the initiative to work with industry representatives and the Ministry to identify sector needs that align with the original program objectives. The program was successfully relaunched in September 2020 and is providing much-needed funding to BC abattoirs to improve their disposal of livestock waste tissue.

**Value of program (total of remaining funds): \$395,057**

### Poultry Biosecurity Program

#### PROGRAM DESCRIPTION

The Poultry Biosecurity program was created to help the BC industry develop enhanced on-farm biosecurity programs and an emergency response program that can be immediately activated to prevent a detected outbreak from spreading.

Funding is available for projects that address the following key activity areas:

- Implement enhanced bio-security protocols
- Develop an emergency response management plan that links to the provincial FADES plan
- Develop an effective and comprehensive risk management program

In 2021, the Poultry Biosecurity Fund was used to support surveillance activities for monitoring AI in wild birds.

**Status of Funds: \$208,497 remains in the program budget.**

## GOVERNMENTS OF BC & CANADA FUNDED PROGRAMS

### Agri-Food Futures Fund

#### PROGRAM DESCRIPTION

The Agri-Food Futures Fund was designed to assist both established and emerging agricultural and food processing sectors to pursue opportunities and develop solutions. Projects funded through this program must offer broad benefits to BC's agriculture and agri-food sector.

What's next for AFFF?

Established in 2001, the Agri-Food Futures Fund is a time-limited, 22-year trust fund and will officially cease to exist as of March 2023. The original funds were spent years ago, but due to the way the fund was established, IAF was able to invest the funds provided any money realized from those investments was used to further fund the program. In preparation of the end of the program, IAF worked to establish a strategic plan for the remaining funding. For details, visit page 8.

**Funds committed to projects in 2021: \$375,000**

### Local Government Partnership Program

#### PROGRAM DESCRIPTION

The Local Government Partnership Program (LGPP) is designed to support the development of shared visions for agriculture in BC communities; and encourage the integration of agricultural priorities into local government planning and decision making.

LGPP provides funding to help regional districts and municipalities develop, update, and implement agricultural planning tools. LGPP funds the development and implementation of agricultural area plans in British Columbia.

The desired outcome of the LGPP is for local governments to support the growth and economic viability of agriculture when making decisions about land-use planning and by-laws or regulations. The LGPP was relaunched in 2021 and held two intakes. This program is a reprise of the Local Government Agricultural Area Planning Program, previously funded through IAF.

**Value of program: \$500,000 from 2021-2022**

**Funds Committed to Projects in 2021: \$477,040**

**21 applications processed**

**15 projects funded**

## FARMLAND ADVANTAGE

### Farmland Advantage

#### PROGRAM DESCRIPTION

Farmland Advantage is a research and development project that works with farmers to conserve and enhance critical, natural values in British Columbia.

Farmland Advantage works with farmers to enhance the natural values on their land. These natural values are often referred to as 'ecosystem services'; services of a natural environment that benefits humans. They are values that are not traded in the markets but have great value to us all. They can include areas like wetlands that filter and purify water, and forests that clean the air and provide habitat for healthy wildlife populations.

The project helps farmers identify the natural values which can be protected and enhanced and develops recommendations and plans to preserve them. These plans can include actions such as water or stream setbacks, strategic fencing, reforestation, or rangeland enhancement. Farmers then carry out the recommendations, and Farmland Advantage helps to provide compensation based on successful implementation.

While Farmland Advantage is now an IAF delivered program, it began as a volunteer initiative in 2009, and was funded as a five-year research and development project in 2016 by the Windermere Farmers Institute. A group of dedicated volunteers and contractors worked to secure additional funding, execute projects, and prove the program model. After piloting the program at IAF in 2020, we are proud to now deliver Farmland Advantage as part of the IAF suite of programs.

**Funds committed to projects in 2021: 905,282**

**2021/2022 Program Budget: \$962,800**

#### PROGRAM ACHIEVEMENTS

**To date 150,000m<sup>2</sup> of riparian area across BC have been assessed by FLA**

**That includes 5,000m of waterway reaches**

**Lower Mainland (Bertrand Creek and Little Campbell River): 9.3 hectares (93,000m<sup>2</sup>) of riparian area assessed by advisors which includes 2400m of waterway reaches assessed**

**Vancouver Island: 1.2 hectares (12,000m<sup>2</sup>) of riparian area assessed by advisors which includes 1,300m of waterway reaches assessed**

**Kootenays: 3.5 hectares (35,000m<sup>2</sup>) of riparian area assessed by advisors which includes 1,300m of waterway reaches assessed**

#### FUNDING PROVIDED BY



## OUR STAFF

## Executive Team

**Michelle Koski**  
*Chief Executive Officer*

**Judi Peacock**  
*Executive Assistant & Secretary to the Board*

## Strategy &amp; Operations Team

**Christopher Reed**  
*Director of Strategy & Operations*

**Abbie Morris**  
*Director of Business Development & Strategic Initiatives*

**Allison Lundy**  
*Manager of Operations*

## Finance Team

**Brenda Gendron**  
*Director of Finance*

**Jennifer Poulsen**  
*Senior Accounting Finance Coordinator*

**Mustafa Asaad**  
*Senior Finance Analyst*

**Julia Hall**  
*Accounting and Payments Monitoring Clerk*

## Communications Team

**Kelsi Stiles**  
*Director of Communications, Client & Stakeholder Engagement*

**Brynn Hughes**  
*Communications Coordinator*

## Programs Team

**Natalie Janssens**  
*Director of Programs*

**Desiree Neufeld**  
*Manager of Programs*

**Alana Wilson**  
*Senior Project Manager*

**Michelle Redekopp**  
*Project Manager*

**Jeanette Allan**  
*Project Coordinator*

**Danya Bowen**  
*Project Coordinator*

**Aaron Gillespie**  
*Project Coordinator*

**Sarah Rostami**  
*Buy BC Licensing Coordinator*

## STATEMENT OF FINANCIAL POSITION

December 31, 2021	OPERATING FUND	AFFF	ACTIVE PROGRAM FUNDS	2021 TOTAL	2020 TOTAL
ASSETS					
CURRENT					
CASH	1,210,593	-	-	1,210,593	9,709,371
INVESTMENTS (NOTE 2)	19,314,824	4,202,399	6,698,812	30,216,035	31,335,097
ACCOUNTS RECEIVABLE	19,744	65,000	1,870,552	1,955,296	1,661,173
PREPAID EXPENSES	83,544	-	-	83,544	72,285
DUE FROM (TO) OTHER FUNDS	919,820	(250,495)	(669,325)	-	-
	21,548,524	4,016,904	7,900,040	33,456,468	42,777,926
CAPITAL ASSETS	10,289	-	-	10,289	12,652
	<b>\$ 21,558,813</b>	<b>\$ 4,016,904</b>	<b>\$ 7,900,040</b>	<b>\$ 33,475,757</b>	<b>\$ 42,790,578</b>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	<b>\$ 124,082</b>	<b>\$ -</b>	<b>\$ 168,651</b>	<b>\$ 292,733</b>	<b>\$ 1,496,754</b>
	124,082	-	168,651	292,733	1,496,754
NET ASSETS					
COMMITTED FUNDS (NOTE 4)	54,237	483,192	6,703,661	7,241,090	16,549,330
COMMITTED FUNDS NOT YET RECEIVED	-	-	-	-	(5,196,871)
UNCOMMITTED FUNDS	21,370,205	3,533,712	1,027,728	25,931,644	29,928,713
INVESTED IN CAPITAL ASSETS	10,289	-	-	10,289	12,652
	21,434,731	4,106,904	7,731,389	33,183,024	41,293,824
	<b>\$ 21,558,813</b>	<b>\$ 4,016,904</b>	<b>\$ 7,900,040</b>	<b>\$ 33,475,757</b>	<b>\$ 42,790,578</b>

## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

December 31, 2021	OPERATING FUND	AFFF	ACTIVE PROGRAM FUNDS	2021 TOTAL	2020 TOTAL
REVENUES					
IAF ADMINISTRATION FEE	\$ -	\$ 65,000	\$ 998,866	\$ 1,063,866	\$ 1,512,316
PROVINCIAL DPP CONTRIBUTIONS	-	35,000	8,451,053	8,486,053	6,500,925
FEDERAL DPP CONTRIBUTIONS	-	-	(761,358)	(761,358)	18,659,926
FEDERAL GRANTS	-	-	112,500	112,500	-
OTHER DPP CONTRIBUTIONS	1,350	274,878	20,494	296,722	25,002
INVESTMENT INCOME (LOSS) (NOTE 2)	735,903	72,826	265,792	1,074,522	2,312,140
	<b>737,253</b>	<b>447,704</b>	<b>9,087,348</b>	<b>10,272,305</b>	<b>29,010,309</b>
EXPENSES					
OPERATING EXPENSES					
SALARY AND BENEFITS	72,123	32,566	1,360,875	1,465,564	1,201,076
GENERAL ADMINISTRATION	77,085	12,241	590,374	679,700	789,199
DIRECTORS' FEES AND EXPENSES	34,903	2,295	53,211	90,409	72,499
PROJECT EXPENDITURES					
DIRECT PROJECT PAYMENTS	96,041	-	15,570,582	15,666,623	17,364,926
AFFF INITIATIVES	-	480,809	-	480,809	689,519
	<b>280,152</b>	<b>527,910</b>	<b>17,575,042</b>	<b>18,383,104</b>	<b>20,117,219</b>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	457,101	(80,206)	(8,487,694)	(8,110,799)	8,893,090
NET ASSETS, BEGINNING OF YEAR	20,702,630	5,462,110	15,129,083	41,293,823	32,400,734
FUND TRANSFERS (NOTE 9)	275,000	(1,365,000)	1,090,000	-	-
NET ASSETS, END OF YEAR	<b>\$ 21,434,731</b>	<b>\$ 4,016,904</b>	<b>\$ 7,731,389</b>	<b>\$ 33,183,024</b>	<b>\$ 41,293,824</b>

## STATEMENT OF CASH FLOWS

For the year ended December 31, 2021	2021 TOTAL	2020 TOTAL
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (8,110,799)	\$ 8,893,090
ITEMS NOT INVOLVING CASH:		
AMORTIZATION	2,363	12,117
UNREALIZED GAIN ON INVESTMENTS	(151,496)	784,929
	(8,259,932)	9,690,136
(INCREASE) IN ACCOUNTS RECEIVABLE	(294,122)	(942,452)
(INCREASE) DECREASE IN PREPAID EXPENSES	(11,258)	47,582
INCREASE (DECREASE) IN ACCOUNTS PAYABLE AND OTHER ACCRUED LIABILITIES	(1,204,022)	1,098,923
	(9,769,334)	9,894,189
INVESTING ACTIVITY		
PROCEEDS (PURCHASE) OF INVESTMENTS	1,270,556	(502,858)
INCREASE (DECREASE) IN CASH DURING THE YEAR	(8,498,778)	9,391,331
CASH, BEGINNING OF YEAR	9,709,371	318,040
CASH, END OF YEAR	\$ 1,210,593	\$ 9,709,371

# NOTES TO THE FINANCIAL STATEMENTS

## 1: Nature of Operations and Summary of Significant Accounting Policies

a. Nature and Purpose of Organization: The B.C. Investment Agriculture Foundation (the "Foundation") was incorporated under the British Columbia Society Act as a not-for-profit Society on October 31, 1996 and transitioned in accordance with the New Society Act on October 1, 2018. The Foundation has nine member organizations representing the agri food, rural and agri-business sectors. The Foundation is dedicated to assisting British Columbia's producers, processors, agri-business and rural communities to adapt, diversify and grow. A Board consisting of 13 directors, representing a diversity of perspectives across the industry.

The Foundation is exempt from income taxes under the Income Tax Act (Canada).  
b. Basis of Accounting: The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations (ASNPO).

b. Basis of Accounting: The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations (ASNPO).

c. Fund Accounting: The Foundation's financial statements are prepared on a fund accounting basis. Inter fund balances are eliminated.

d. Use of Estimates: The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) requires management to make estimates and assumptions that affect the reported amounts of assets, and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

e. Capital Assets: Purchased capital assets exceeding \$500 are recorded at cost. Amortization based on the estimated useful life of the asset is calculated as follows:

- Computer equipment - 30% diminishing balance basis;
- Furniture and equipment - 20% diminishing balance basis.

f. Revenue Recognition: The Foundation follows the restricted fund method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue in the Sustaining Fund year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund when received or receivable.

Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Grant revenues are unconditional transfers of funds to the Foundation for activities that meet eligibility criteria set by the funding program. Grants are not subject to government audit. Contributions, unlike grants, are subject to performance conditions that are specified in a contribution agreement. Contributions are subject to government audit.

Investment income is recorded as revenue when received and fluctuations in the market value of investments are recorded as investment income in the year such fluctuations occur.

Royalty recoveries are credited to the Sustaining Fund unless otherwise specified in agreements with the various Fund sponsors.

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g. Donated Goods and Services: The Foundation records donated goods and services as a contribution and corresponding expense where the amounts are reasonably determinable.

h. Program Expenditure Recognition: The Foundation records amounts advanced under approved projects as an expense upon receipt and approval of prescribed contractual requirements.

i. Financial Instruments: Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, all cash and temporary investments have been designated to be in the fair value category, with gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items re-measured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

j. Allocation of Expenses and Investment Income among Funds: The Foundation has allocated expenses and investment income among the funds as follows:

- expenses directly attributable to a Fund are charged to the Fund to which they relate;
- expenses are charged to the Agri Food Futures (AFF) Fund pursuant to the terms of the Agri Food Futures Trust Agreement;
- non fund specific expenses that are indirectly related to programs are recorded and allocated across applicable program Funds;
- all other non-fund expenses that are unrelated to programs are recorded in the Sustaining Fund where they are expected to be covered by investment revenues allocated to that Fund;
- investment income and investment management and custodian fees related to the AFF Funds are recorded in their respective Funds;
- the Tree Fruit Competitiveness 2018-23 Fund and Provincial Priorities Fund are allocated a portion of investment income net of investment management and custodian fees based on their average fund balances in the year relative to the other remaining average fund balances; and,
- the remaining investment income is recorded in the Sustaining Fund to cover other non fund specific expenses.

### 2. Investments (held by Blue Heron Group CIBC)

Investments are recorded at fair value. The total carrying value of the investments as at December 31, 2021 is \$27,979,098 (2020 - \$28,533,787).

### 3. Capital Assets

In 2021 the net book value of capital assets was \$10,289. In 2020 that number was \$12,652.

### 4. Committed Funds

The Foundation has made various commitments to make program expenditures. Some funds are committed by way of contract with program fund recipients, some funds have been committed by approval of the Board but are awaiting execution of a signed contract, and other funds have been reserved by the Board to apply to specific approved projects and/or initiatives.

### 5. Financial Instrument Risks

The Foundation, through its financial assets and liabilities, is exposed to various risks. The following analysis provides a measurement of those risks at December 31, 2021.

a. Credit Risk: Credit risk is the risk that the Foundation will incur a loss due to the failure by its debtors to meet their contractual obligations. Financial instruments that potentially subject the Foundation to significant concentrations of credit risk consist primarily of cash and temporary investments and accounts receivable. The Foundation limits its exposure to credit risk by placing its cash and temporary investments with high credit quality governments, financial institutions, and corporations in accordance with investment policies adopted by the Board. Accounts receivables are due from the

federal and provincial governments, and various agriculture associations.

b. Interest Rate Risk: Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

c. Market Risk: Market risk is the risk that the value of an investment will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual investment, or factors affecting all securities traded in the market. The foundation holds investments in equities, therefore is subject to market risk.

d. Liquidity Risk: Liquidity risk is the risk that the Foundation will not be able to meet its obligations as they fall due. The Foundation maintains adequate levels of working capital to ensure all its obligations can be met when they fall due and tracks commitments to ensure funds committed do not exceed fund balances (Note 4)

The Foundation has adopted by laws established in accordance with the Society Act to limit the amount of credit exposure in any one type of investment instrument and to ensure investments meet specified minimum standards of quality. The Foundation has also adopted an investment policy pursuant to which investments are managed conservatively to secure the preservation of capital and the availability of liquid funds as required by the Foundation. The Foundation retains a qualified investment firm to invest surplus funds in accordance with its investment policy.

### 6. Disclosure

Under the British Columbia Societies Act is a requirement to disclose the remuneration paid to all directors, the ten highest paid employees and all contractors who are paid at least \$75,000 annually.

During the year, the Foundation paid \$56,750 to directors. During the year, the Foundation paid \$723,124 in remuneration to seven people who are employees or contractors, whose remuneration, during the applicable period, was at least \$75,000.

### 7. Related Party

During the prior year, the Foundation purchased project management services from a director for \$6,600 (2020: \$27,237). These purchases were made in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

### 8. Lease Commitment

The Foundation entered into an office lease agreement which expires on April 30, 2024. The lease includes minimum annual rent payments plus a proportionate share of taxes and operating costs.

### 9. Funds Transfer

In 2021, two amounts totalling \$1.3M were transferred from Agri-Food Futures Funds to support new programs. \$800,000 was transferred into the Farm Land Advantage Program (\$200,000/year to be used over four years) a program developed to work with farmers to conserve and enhance the natural values on their land. The other \$500,000 was transferred to the Local Government Partnership Program (LGPP). This program provides funding to help regional districts and municipalities develop, update, and implement agricultural planning tools. Also, \$65,000 was transferred from the AFFF for the Administration Fees owed to IAF for annual administration of the Trust.

An additional \$210,000 was transferred from the Active Programs Fund to the Operating Fund to cover Administration Fees for work on the Tree Fruit Program.



## Celebrating our 25th year!

The entire IAF Team is proud to represent an organization dedicated to the agriculture and agri-food sector in BC for the last 25 years.

### CONTACT


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