



2022/23 ANNUAL REPORT

Delivering programs and services to support a thriving Agriculture and Agri-food sector in BC.



Due to IAF’s change in fiscal year reporting from January through December, to April through March, this Annual Report details a 15-month period, from January 1, 2022, to March 31, 2023.

INSIDE

About IAF	1
Message from IAF	2
Board of Directors	4
Members	5
Strategic Initiatives	6
IAF Strategic Framework 2019 – 2023	8
Year in Review	14
Delivered by IAF	15
IAF Programs and Projects	16
Our Team	18
Financial Statements	20

ABOUT IAF

The Investment Agriculture Foundation of BC (IAF) delivers programs and services to support a thriving agriculture and agri-food sector in British Columbia.

Since 1996, IAF has been a recognized leader, providing high-quality and cost-effective program delivery services for the agriculture and agri-food sector in BC. IAF has delivered more than \$250 million to industry on behalf of the federal and provincial governments.



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

In the last 15 months, the 'new normal' has continued to be resiliency in the face of ongoing change. From labour and distribution challenges to environmental changes since the heat dome and atmospheric rivers to the impacts of inflation and rising food costs, change continues to be constant. Alongside all the change around us, IAF saw changes as well. We've continued to implement our five-year Strategic Framework, we've seen changes to programs and delivery, and we've also had a change in leadership.

Strategically, the Board continued its path toward becoming a high-performing board. In consultation with our members, the Board simplified its composition and seat allocation with a leaner group of ten Board members, soon to be nine. As we go into the future there will be a maximum of six Board seats allocated to primary agriculture, two seats allocated to value-added food and beverage processing, and a minimum of one seat allocated to an agriculture-related individual. We've also updated our election and nomination policies and welcomed six new member organizations to IAF.

Operationally, change continued at IAF as we transitioned our fiscal reporting on March 31st to align with key funders and saw the beginning and conclusion of many programs delivered by IAF. The Agri-Food Futures Fund came to an end with excellent programs, such as the Indigenous Food Systems & Agriculture Partnership and the Genomic Innovation for Regenerative Agriculture Food & Fisheries Programs being created and fully allocated. IAF also saw the close of many five-year Canadian Agricultural Partnership Framework programs as the new framework, the Sustainable Canadian Agricultural Partnership, was negotiated between the federal, provincial, and territorial governments. Finally, we saw program growth such as the BC Living Lab, the Environmental Farm Plan and Beneficial Management Practices programs and the BC

Climate Agri-Solutions Fund. Most significantly, at the end of this fiscal, IAF negotiated and received significant funding for two program suites for the agricultural sector: Food Security initiative (eight programs) and Agriculture Workforce and Labour Development Initiative (six programs) to be delivered starting in 2023/24. Changing times.

Finally, IAF also had a change of leadership. Michelle Koski, our CEO for the last five years, took an opportunity to join the BC Ministry of Agriculture and Agri-food in January. Michelle worked tirelessly with the Board of Directors, Member Organizations, and funders to bring us through our strategic framework and vision. This annual report is a final nod to her work with IAF. In February, IAF welcomed TJ Schur to the IAF team as CEO, who immediately jumped into negotiating the multi-program Food Security agreement while meeting the team and the membership and preparing for IAF's next strategic planning.

Renewal and growth come from change; it looks like 2023/24 will be an exciting year.

Jack DeWit

Chair, Board of Directors



MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

At the time of publishing this message, I will have almost six months under my belt, but only 29 of those days qualify for an Annual Report message for 2022/23.

That said, since I joined IAF in February, I have had the opportunity to dive straight into the fantastic work IAF does. The IAF team and membership welcomed me with its values-based culture of integrity, collaboration, transparency, and innovation combined with a healthy dose of optimism and resiliency; I am thankful for kindness everyone has shown me and our shared enthusiasm for the work ahead.

As Jack has noted, change is a 'new normal' for IAF. Change doesn't have to be disruptive if we are consistent in our values, mission, and mandate. IAF can (and will) continue to evolve if our values are unwavering.

It is a great opportunity to be able to reflect so early into my tenure. I have seen the commitment of people and teams within IAF. We have negotiated transformational contracts and evolved and improved our processes. In many tangible ways, we have folded our Strategic Priorities into the culture of IAF: excellent applicant experience, collaboration with funders on design and cost, creating programs unique to IAF that respond to industry needs and priorities, and being a great organization to belong to and work.

By the end of March, we had negotiated and signed IAF's two largest funding agreements: the Agriculture Workforce and Development Initiative funded by the BC Ministry of Social Development and Poverty Reduction and Food Security Initiative funded by the BC Ministry of Agriculture and Agri-food. The addition of these two initiatives alone will result in 15 programs being designed, launched, and implemented in 2023/24 - some with multiple distinct funding streams. Change is afoot.

Looking to the next five years, IAF can build on the foundation of the last Strategic Plan while evolving. IAF invests in its relationships with the sector, our members, and our funders, and in turn, these relationships grow. I am excited by the IAF Team's incredible skills in program design, creation, and delivery! We will commit more in the coming year than the last ten combined. IAF is a young and vibrant organization of professionals, and we are ready for more.

TJ Schur

Chief Executive Officer



OUR BOARD OF DIRECTORS

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

BOARD OF DIRECTORS AS OF MARCH 31, 2023:



Jack DeWit
Chair
-
Primary
Agriculture



James Pratt
Vice Chair
-
Value-added
Food & Beverage
Processing



Angela Groothof
Secretary
-
Primary
Agriculture



Paul Devick
Treasurer
-
Primary
Agriculture



Irmi Critcher
-
Primary
Agriculture



David Eto
-
Value-added
Food & Beverage
Processing



Mike Manion
-
Agriculture
Related



David Machial
-
Primary
Agriculture



Corine Singfield
-
Primary
Agriculture



Ralph Van Dalfsen
-
Primary
Agriculture

OUR THANKS TO THE BOARD MEMBERS WHOSE TERMS CAME TO AN END IN 2022/23



Glenda Gesy



Jos Moerman



Mike Soth

OUR MEMBERS

OUR MEMBERS ARE COMPRISED OF FIFTEEN INDUSTRY ASSOCIATIONS. MEMBER ORGANIZATIONS ARE RESPONSIBLE FOR SIGNIFICANT ASPECTS OF IAF'S GOVERNANCE. WE WELCOMED SIX NEW MEMBERS IN 2022!

Every year at the annual general meeting, they receive the directors' report on the society's financial statements, any other reports of directors' activities and decisions, and elect (or appoint) directors and appoint an auditor. IAF works 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 Blueberry Association
Member since 2022



BC Cattlemen's Association
Member since 1996



BC Cherry Association
Member since 2022



BC Cranberry Marketing Commission
Member since 2022



BC Dairy Association
Member since 1999



BC Food & Beverage Association
Member since 2022



BC Fruit Growers' Association
Member since 1996



BC Grain Producers Association
Member since 2001



BC Greenhouse Growers' Association
Member since 2002



BC Landscape & Nursery Association
Member since 2002



BC Meats
Member since 2022



BC Pork Producers Association
Member since 2001



BC Poultry Association
Member since 2005



Horse Council of BC
Member since 2001



Organic BC
Member since 2022

STRATEGIC INITIATIVES

IAF'S BOARD OF DIRECTORS CONTINUED THEIR STRATEGIC STEWARDSHIP OF IAF BY WORKING ON A NUMBER OF STRATEGIC INITIATIVES IN 2022/23, FROM ADDRESSING BOARD GOVERNANCE TO CONTINUED SUPPORT OF BC'S AGRICULTURE SECTOR.

Board Governance

In 2022/23, IAF's Board of Directors updated their composition, seat allocation, election, and nomination policies, in consultation with the Member Organizations. For additional details, see Strategic Priority 2 on page 11.

Change in Fiscal

In 2022/23, IAF transitioned the fiscal year from January 1 – December 31 to April 1 – March 31 to better align ourselves with our funding partners. This move will help streamline reporting requirements and allow us to deliver and report on programs more effectively.

Agricultural Climate Solutions: BC Living Lab

Working with sector stakeholders and the BC Agriculture Council, IAF led the competitive two-phase application for Agriculture and Agri-Food Canada's Agricultural Climate Solutions Program (ACS).

ACS supports integrating scientific research and testing into real-life farming operations, aiming to increase the adoption of effective practices and technologies that help farmers contribute to climate change mitigation and improve the natural environment.

Our strategic partnership was successful, and our ACS project, the BC Living Lab, is now underway. Learn more on page 17 and at iafbc.ca/living-lab.

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.

Throughout 2022 and into 2023, IAF continued to support BCAC through their transition to a policy-focused organization.

AFFF Comes to an End

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 officially ended on March 31, 2022.

Last year, IAF signed a Memorandum of Understanding (MOU) with the Ministry of Agriculture and Foods to use the remaining interest earned from the Agri-Food Futures Fund to develop and implement programs within three key areas of interest (while still meeting the original intent of the fund). The agreed-upon areas of interest are:

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

IAF has developed and funded three programs since signing that MOU: the Indigenous Food Systems and Agriculture Partnership Program (\$1M), the Genomic Innovation Regenerative Agriculture Food (\$1M), and the Agritech Ramp-Up Pilot Program (\$100K).

AgriChain

IAF successfully piloted our AgriChain initiative in 2022/23. AgriChain is an agriculture specific blockchain designed to help the sector take advantage of blockchain technology.

ABOUT BLOCKCHAINS

With the ever-growing use of digital solutions in our everyday lives, both personal and business, innovative security options are necessary 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.

AGRICHAIN PILOT

With the buy-in from the Province of BC, IAF piloted our proprietary technology, AgriChain, using the Buy BC Partnership Program's Logo Licensing, which IAF delivered in 2022/23. When select organizations, businesses, or other logo license holders entered the program, their credentials were shared with the data repository OrgBookBC.ca. The business was then provided with a QR code for their products and/or promotional materials that, when used, verifies they are a Buy BC Logo License holder. As of April 1, 2023, IAF no longer delivers the Buy BC Program.

HOW DOES AGRICHAIN WORK?



STEP 1:

IAF works with certifying associations to collect, verify, and input data into the blockchain.



STEP 2:

Organizations are identified using their BC registration ID or their CRA business number. Certifications are linked to the business profile.



STEP 3:

IAF provides the client with a QR code which can be used on promotional materials in conjunction with the certification logo.



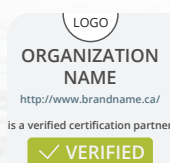
STEP 4:

Consumer scans the QR code, verifies the credential, and generates additional marketing information.



STEP 5:

Data from the QR code is compared to the blockchain, confirming whether the license is valid.



STEP 6:

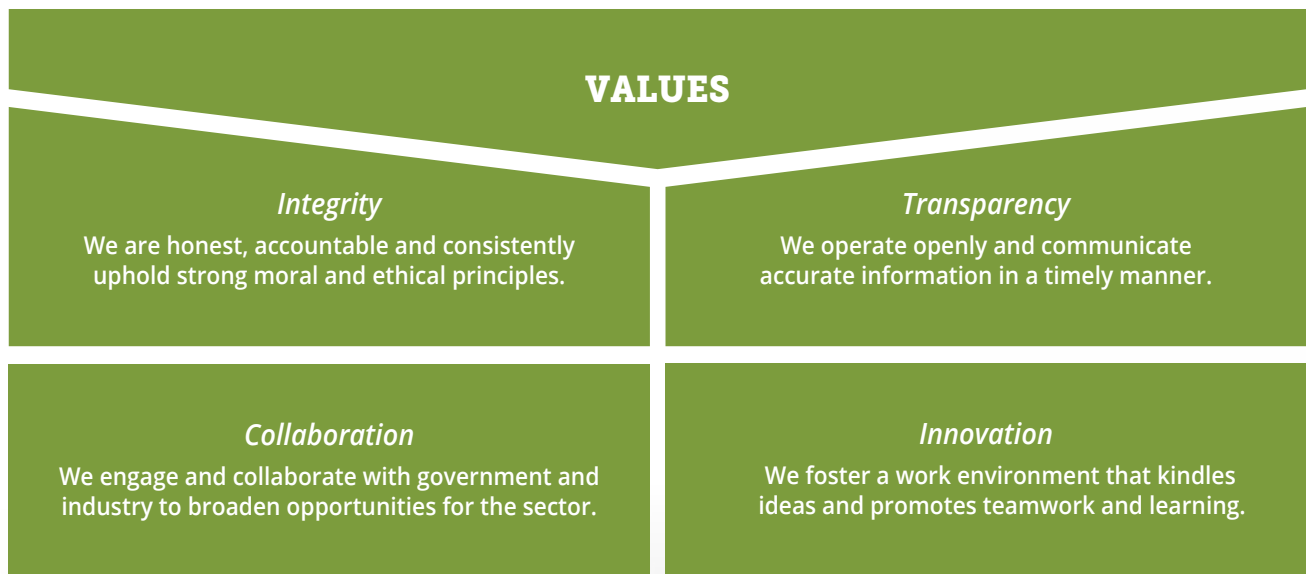
A pop-up appears, confirms whether the certification is legitimate and links to the organization's website.

STRATEGIC FRAMEWORK 2019-2023

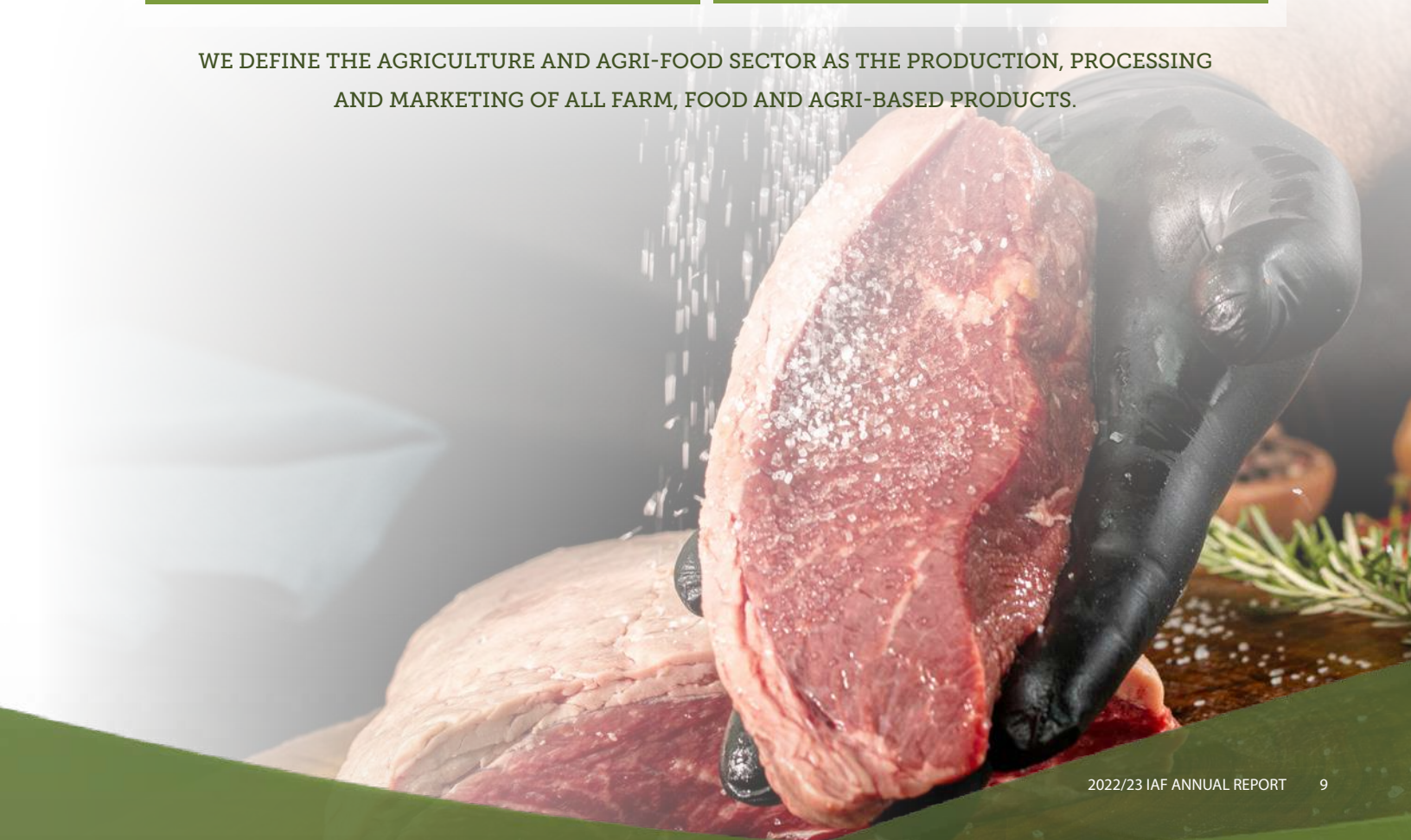


STRATEGIC FRAMEWORK 2019-2023

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 FINAL 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

THESE PRIORITIES ARE NOW A PART OF THE OPERATIONAL AND STRATEGIC CULTURE OF IAF – THEY ARE FRONT OF MIND WHENEVER WE COMPLETE AN ACTION, STEP INTO A MEETING, OR ENGAGE WITH A STAKEHOLDER.



CONSULT

The consultation process with IAF Members and Stakeholders began.

FALL 2018



CREATE

IAF Board and Management Team refined and finalized the strategic goals.

SPRING 2019



IMPLEMENT

Implementation of the Strategic Framework begins.

SUMMER 2019



PRIORITY 1:

Financial Sustainability

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

SUSTAIN



PRIORITY 2:

Board & Membership

We must have a Board and Membership that reflect the agriculture and food sector.

MAINTAIN



PRIORITY 5:

Applicant Experience

We must provide an excellent applicant experience.

SUSTAIN



PRIORITY 6:

IAF Organization

IAF must be a great organization to belong to and work.

MAINTAIN



PRIORITY 3:

Funder Collaboration

We must collaborate with our funders on program design and cost.

SUSTAIN



PRIORITY 4:

IAF Programs

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

ONGOING

STRATEGIC FRAMEWORK 2019-2023

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

Following extensive consultation and engagement with IAF's Member Organizations, the IAF Growing Agriculture Trust (Trust) was officially created in 2022. The Board of Directors is now monitoring the invested funds to grow the Trust to the point where it can become an enduring resource for agriculture and agri-food in BC.



The IAF Team has worked diligently to move our organization forward. When we began to execute the strategic framework in 2019, IAF worked predominately with two program funders – the BC Ministry of Agriculture & Food and Agriculture & Agri-Food Canada.

In the last five years, IAF has diversified our base and become a trusted partner to seven funders, including:

- BC Ministry of Agriculture & Food
- Agriculture & Agri-Food Canada
- Environment & Climate Change Canada
- BC Ministry of Forests
- BC Ministry of Environment and Climate Change Strategy
- BC Ministry of Water, Land and Resource Stewardship
- Western Economic Diversification Canada, now known as Pacific Economic Development Canada

IAF leadership team continues to seek out program delivery opportunities to various funding bodies.

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

Board governance has been a primary focus of the last two years. Among the updates was the strategic decision to move towards a smaller board of nine (previously 13).

Additionally, the Board of Directors reviewed seat allocation on the IAF Board. Historically, IAF Directors have represented one of IAF's nine sector groups, with more than one Director representing one sector. However, a Director does not represent one sector over another when acting as a member of the IAF Board. Following consultation with the Member Organizations, IAF's Board of Directors has simplified the allocation.

IAF was proud to welcome six new members in 2022 – furthering our priority to have a Membership that reflects the agriculture and food sector. The organization will continue to invite new members in the coming years that meet the membership requirements.

NEW IAF BOARD OF DIRECTORS SEAT ALLOCATION:

PRIMARY AGRICULTURE

Maximum of 6 seats

A person with at least two years experience in:

- Crop Production: oilseed and grain; vegetable and melon; fruit and tree nut; greenhouse, nursery, floriculture; other crop.
- Animal Production: cattle ranching and farming; hog and pig farming; poultry and egg production; other animal farming.

VALUE ADDED FOOD AND BEVERAGE PROCESSING

Maximum of 2 seats

A person with at least two years experience in: value-added food and beverage processing.

AGRICULTURE RELATED

Minimum of 1 seat

A person with at least two years experience in an industry that supports agriculture, such as academic, agri-tech, entrepreneurs, or financial institutions.

STRATEGIC FRAMEWORK 2019-2023

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

Since we began implementing the strategic framework, the IAF Team made huge strides in creating responsive, unique IAF programs. Examples include the Agri-Food Futures Fund transition, Agricultural Climate Solutions Program, and Farmland Advantage. These programs have allowed IAF to use our knowledge of industry requirements and priorities to design and implement programs that will make a difference while aligning with government priorities and leveraging other funding sources when possible.

Through funding initiatives such as Food Security and Agriculture & Food Workforce Development, the IAF team has worked as a trusted partner to design, create and implement 15 new and unique programs that will be launched in 2023/24, some programs with multiple streams. As a not-for-profit delivery agent, we continue to provide practical program design and delivery cost-effectively to serve our funders, membership and clients.

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

The IAF Team continued to create and maintain responsive, unique programs in 2022/23. Highlights of the team's work included the creation of the Indigenous Food Systems & Agriculture Partnership Program (IFSAP), Farmland Advantage, and the implementation of the BC Living Lab.

IFSAP was so well-designed and successful in targeting the needs of the Indigenous agriculture community that, following a hugely positive application intake, the program was expanded with funding from two ministries of the BC Government. Additionally, the Ministry of Agriculture & Food funded the New Relationship Trust to deliver a program modelled on IFSAP with IAF's support.

THE INDIGENOUS FOOD SYSTEMS AND AGRICULTURE PARTNERSHIP PROGRAM

IFSAP supported First Nations and Indigenous communities, businesses, and organizations in increasing food security and sovereignty over their food systems and strengthening Indigenous peoples' success within the agriculture and food sector.

Funded by the Governments of British Columbia and Canada, this program funded activities involved in agriculture, food processing, and/or food systems planning, training and skills development, technological adoption, productivity and profitability improvements, and climate change adaptations.

STRATEGIC FRAMEWORK 2019-2023

Priority 5: We must provide an excellent applicant experience.

2022/23 marked a significant investment in technology at IAF to further improve client experience. The organization continued to utilize our Microsoft Dynamics environment's efficiencies while investing in and implementing two new platforms: Fluxx Grant Management and Sage Intacct Financial Management.

Fluxx Grant Management software is the platform behind the newly launched IAF Client Portal. The new portal provides applicants and clients with active projects an end-to-end solution. Clients can now apply for funding, see their application status, review active projects, interact with IAF staff, complete project reporting, and see payment information (and more!), all in one place. Initial feedback from applicants and clients has been overwhelmingly positive, with the vast majority agreeing that the IAF Client Portal is easy to use and simple to navigate.

Sage Intacct is a leading financial management software that allows IAF to manage program funds and project payments more effectively. With a direct connection to the IAF Client Portal, IAF clients now experience a transparent and seamless payment experience direct to their bank accounts.

Client experience survey results:

4.93	CLIENTS RATED WORKING WITH IAF STAFF 4.93 OUT OF 5.
92%	OF CLIENTS AGREED THAT THEY HAD THE RESOURCES THEY NEED TO COMPLETE REPORTING.
100%	OF CLIENTS WOULD APPLY TO AN IAF DELIVERED PROGRAM AGAIN.

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

Since implementing of the Strategic Framework began in 2018, IAF has grown dramatically. In 2018 IAF delivered ten programs annually and employed 14 staff members. In 2023 IAF delivered 19 programs with 19 staff. Moving into 2023/24, IAF expects increased programming and the addition of new team members. Through IAF's continued growth, we have retained a supportive, dynamic, and effective workplace culture.

In our 2022/23 staff survey, even with ongoing COVID-19 challenges, a transition to a flexible workplace, and ongoing organizational growth, 88% of the IAF team agreed that IAF is a great organization to work for. When asked to select words to describe how they feel about working at IAF, the most used words were: Supportive, Dedicated, Fortunate and Balanced.

Words to describe IAF:

BALANCED TEAM BUSY
ECSTATIC POSITIVE REWARDING
SUPPORTIVE
PROUD EXCITED DEDICATED
FORTUNATE COMFORTABLE
GREAT PASSIONATE TIRED REPETITIVE
COMMUNITY KNOWLEDGEABLE

2022/23 SNAPSHOT

6

FUNDING PARTNERS



18

PROGRAMS DELIVERED



1,561

TOTAL APPLICATIONS RECEIVED



1,209

PROJECTS APPROVED



\$17.8 M

COMMITTED TO PROJECTS*



*Not all programs are project-based.

2022/23 PROGRAM SUMMARY

PROGRAM		ANNUAL PROJECT FUNDING AVAILABLE ¹	ACTIVE PROJECTS ²	FULLY COMMITTED
AGRITECH RAMP-UP PILOT PROGRAM	●	\$ 100,000	4 ³	YES
ATMOSPHERIC RIVER PAYMENTS PROGRAM	●	\$ 2,311,490	138	YES
BEE BC PROGRAM	●	\$ 50,000	10	YES
BUY BC PARTNERSHIP PROGRAM	●	\$ 1,746,000	-	YES
COST-SHARED FUNDING			72	
LOGO LICENSING			77 ⁴	
CAP: B.C. AGRI-FOOD & SEAFOOD MARKET DEVELOPMENT PROGRAM	●	\$ 910,000	27	YES
CAP: CANADA-BC AGRI-INNOVATION	●	\$ 2,520,000	14	YES
CAP: CLIMATE CHANGE ADAPTATION PROGRAM	●	\$ 638,150	27	YES
CAP: EFP & BMP	●	\$ 5,878,500	-	NO
ENVIRONMENTAL FARM PLAN (EFP)			New: 589 ⁵ Renewal: 250 ⁶	
BENEFICIAL MANAGEMENT PRACTICES (BMP)			615	
GENOMIC INNOVATION FOR REGENERATIVE AGRICULTURE, FOOD AND FISHERIES PROGRAM ⁷	●	\$ 1,000,000	1	YES
INDIGENOUS FOOD SYSTEMS & AGRICULTURE PARTNERSHIP PROGRAM	●	\$ 1,100,000	14	YES
FARMLAND ADVANTAGE	●	\$ 1,256,880	76	NO
LOCAL GOVERNMENT PARTNERSHIP PROGRAM ⁸	●	\$ 500,000	14	YES
OFCF: BC LIVING LAB	●	\$ 459,676	4	NO
OFCF: BC CLIMATE AGRI-SOLUTIONS FUND	●	\$ 3,263,569	239	NO
TREE FRUIT INDUSTRY STABILIZATION PLAN ⁹	●	\$ 269,900	3	NO
LIGHT REFLECTING MATERIAL		\$ 250,000	25	NO

OTHER PROGRAMS

IAF has delivered the following programs for many years. The programs have specific funding requirements and continue due to interest earned on the initial program funds.

	FUNDS COMMITTED TO PROJECTS	FUNDS REMAINING (MARCH 31, 2023)
AGRI-FOOD FUTURES FUND	● All remaining funds were allocated to other programs.	\$ 0
LIVESTOCK WASTE TISSUE INITIATIVE	● No new projects were funded.	\$ 427,051
POULTRY BIOSECURITY PROGRAM	● \$ 115,500.00	\$ 233,592

1. Annual Project Funding is the funding available to applicants annually for program application.
2. Active Projects are projects that were under management that may have been approved in prior years but paid and completed in 2022/23.
3. The maximum number of participants to each cohort was eight. Grants were issued to the top four performing participants following a pitch event. Not a project based program.
4. Licenses issues. Not a project-based program.
5. Environmental Farm Plans completed. Not a project-based program.
6. Environmental Farm Plans renewed. Not a project-based program.
7. This program was delivered in partnership with Genome BC. Genome BC led the application and project administration.
8. No projects were funded in 2022/23. 2021 projects completed in March 2022.
9. Formerly known as BC Tree Fruit Competitiveness Fund.

- Program funded by the Government of Canada
- Program funded by the Government of BC
- CAP** Canadian Agricultural Partnership
- OFCF** On-Farm Climate Action Fund



FLA is a BC-based payment for ecosystem services (PES) program that provides financial compensation to farmers and ranchers to protect and enhance ecosystem services, restore riparian areas, enhance native grassland ecosystems, protect Species at Risk (SAR), and contribute to wildfire risk reduction on lands under their stewardship.

In 2022/23, the FLA program focused on areas within several regions, including Vancouver Island, South Coast, Okanagan, Cariboo, Thompson-Okanagan-Nicola, and the Kootenays. The program had a participation success rate of 96%, with 79 candidates being approached to participate and 76 participating.

RIPARIAN

A total of 52 farms were contracted through Farmland Advantage (FLA) to restore, improve, and/or maintain riparian ecosystems in 2022/23. Of those contracts, 24 were for new sites. A riparian health assessment was completed for each farm, and a site prescription for restoration activities was created. Twenty-eight sites had their contracts extended from 2021/22 to maintain the riparian restoration work done in the past.

GRASSLANDS

A total of 19 ranchers participated in grassland habitat enhancement and wildlife risk reduction projects in the Kootenays, South Okanagan, Thompson, and South Cariboo. Some of these ranchers also participated in previous years. Their ongoing participation in the FLA program allows for continued habitat enhancement and conservation for SAR and wildfire risk reduction on these properties.

WILDFIRE RISK REDUCTION

In 2022, FLA expanded to begin a wildfire risk-reduction pilot project funded by the Government of British Columbia through the Ministry of Forests, BC Wildfire Service. In 2022 five initial sites were chosen. Site assessments and prescriptions were completed at all five sites in Fall 2022.

Learn more at iafbc.ca/fla

Funding for the 2022/23 fiscal year was provided by the BC Ministry of Agriculture and Food; BC Ministry of Forests; BC Ministry of Water, Land and Resource Stewardship; BC Ministry of Environment and Climate Change Strategy; Environment and Climate Change Canada; and Kootenay Connect.





Supported through Agriculture and Agri-Food Canada's Agricultural Climate Solutions (ACS) program, The BC Living Lab is a collaborative project undertaken by IAF and key partners in the BC agriculture sector.

Approved in July 2022, this project got underway in Winter 2022/23 and will continue until March 2027. During the first few months of the project, the partners developed producer-centric research and development plans to focus on climate change mitigation practices that benefit the environment while meeting farmers' needs. The practices developed hope to increase the amount of carbon that can be stored in soil or reduce the greenhouse gases used during agricultural production.

CATTLE & FORAGE

This project, led by the BC Cattlemen's Association and BC Forage Council, will support the testing, monitoring, refinement, and adoption of BMPs associated with grazing season extension and winter-feeding strategies in BC's forage and cattle sector.

DAIRY

This project, led by the BC Dairy Association, will demonstrate and evaluate the environmental and economic impacts of BMPs that can potentially increase carbon sequestration and mitigate greenhouse gas emissions.

FIELD VEGETABLES

This project, led by BC Potato & Vegetable Growers' Association and the Delta Farmland and Wildlife Trust, will support the adoption of precision (4R) nutrient management and winter cover cropping to reduce emission and/or increase soil carbon in BC's field vegetable sector – with special focus on potato crops.

PERENNIAL ROW CROPS

This is a joint project led by the perennial row crop groups that aims to drive the adoption of key BMPs identified through consultation with growers. The participating groups include BC Blueberry Council, BC Cherry Association, BC Fruit Growers' Association, BC Wine Grape Council, and Raspberry Industry Development Council.

To learn more about the program and see the ongoing results of the research, visit iafbc.ca/living-lab



Canada



The Agritech Ramp-Up (Ramp-Up) program, funded by the Province of British Columbia, was designed to enable entrepreneurs to move their ideas to commercial realities. Ramp-Up provided training, coaching, mentoring, networking, and funding.

Each company participating in the Ramp-Up program joined one of two cohorts. These cohorts attended three days of market validation training, then select organizations were invited to participate in additional coaching, mentoring, and networking.

At the end of each cohort, the participants were invited to a virtual pitch event. Members of the audience

included trainers, mentors and special guest judges from the BC Agritech community. The two virtual pitch events can be viewed online at iafbc.ca/ramp-up.

The top two scoring companies from each cohort were awarded a business development grant of \$25,000. Grant recipients included PikAssist (Lyne Systems), QuantoTech, Nature Recombined Sciences Inc., and INHUB FARMS.





OUR TEAM

THE TEAM BEHIND IAF AS OF MARCH 31, 2023.

AARON G. Project Coordinator	ABBIE M. Director of Programs	ALANA W. Manager of Programs	ALLISON L. Manager of Systems	ARZEENA H. Manager of Programs
BRENDA G. Chief Financial Officer	BRYNN H. Content Strategist & Communications Coordinator	CHRISTINE C. Communications Coordinator	CHRISTOPHER R. Chief Operating Officer	DANYA B. Project & Operations Coordinator
DESIREE N. Manager of Programs	JENNIFER P. Senior Accounting Finance Coordinator	JUDI P. Executive Administrator and HR Coordinator	JULIA H. Accounting and Payments Monitoring Clerk	KELSI S. Director of Communications, Client & Stakeholder Engagement
MICHELLE R. Project Manager	MUSTAFA A. Senior Finance Analyst	OWEN P. Project & Buy BC Licensing Coordinator	TJ S. Chief Executive Officer	

 **Leadership Team**

 **Operations Team**

 **Finance Team**

 **Program Delivery Team**

 **Communications Team**

CONTRACTED EXPERTS

THE IAF STAFF DOESN'T DO ALL THIS ALONE! WE ARE PROUD TO CONTRACT A DEDICATED GROUP OF INDIVIDUALS TO ASSIST US IN OUR DELIVERY EXCELLENCE.

IAF has many contracted experts, from advisors who work with BC farmers and ranchers to create Environmental Farm Plans or complete Farmland Advantage assessments, to dedicated Technical Experts that use their extensive experience to inform IAF project adjudication and program development. This group of contractors make our success possible - and we acknowledge their excellent work.

**74****CONTRACTED EXPERTS****32****TECHNICAL EXPERTS****26****ENVIRONMENTAL FARM PLAN ADVISORS****6****FARMLAND ADVANTAGE ADVISORS****4****BC CLIMATE AGRI-SOLUTIONS FUND ADVISORS**

Financial Statements

B.C. Investment Agriculture Foundation

For the year ended March 31, 2023 (Comparative figures for period January 1 to March 31, 2022)



Contents

	Page
Independent Auditors' Report	22
Statement of Financial Position	24
Statement of Operations	25
Statement of Changes in Net Assets	26
Statement of Cash Flows	27
Notes to the Financial Statements	28

Independent Auditors' Report

Grant Thornton LLP

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To the members of the B.C. Investment Agriculture Foundation

Opinion

We have audited the financial statements of B.C. Investment Agriculture Foundation ("the Foundation"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of B.C. Investment Agriculture Foundation as at March 31, 2023, and its results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 3 in the financial statements which describes that the Foundation decided to change its accounting policy for revenue recognition in accordance with Section 4410 Contributions – Revenue recognition, from the restricted fund method to the deferral method. This change was applied retrospectively by management to the comparative information in these financial statements, including the balance sheet as at March 31, 2022 and January 1, 2022 and the statements of operations, changes in net assets and cash flows for the three month period ended March 31, 2022, and related disclosures. Our opinion is not modified in respect of this matter.

We were not engaged to report on the comparative information, and as such, it is unaudited.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, these accounting principles have been applied on a basis consistent with that of the preceding year.

Victoria, Canada
August 8, 2023

Grant Thornton LLP
Chartered Professional Accountants

B.C. Investment Agriculture Foundation

Statement of Financial Position

March 31

						2023	2022
	Operating Fund	IAF Trust	AFFF	Active Programs	Total	Total	(Restated - Note 3)
Assets							
Current							
Cash	\$ 1,027,363	\$ -	\$ -	\$ 16,600,937	\$ 17,628,301	\$ 900,476	
Investments (Note 2)	658,208	16,311,401	100,000	8,016,235	25,085,843	28,142,868	
Accounts Receivable	65,204	-	-	122,810,190	122,875,394	352,906	
Prepaid Expenses	105,326	-	-	-	105,326	91,180	
Due From Other Funds	1,203,673	99,682	(72,831)	(1,230,524)	-	-	
	3,059,774	16,411,083	27,169	146,196,838	165,694,864	29,487,478	
Capital Assets (Note 3)	8,398	-	-	-	8,398	10,289	
	3,068,172	16,411,083	27,169	146,196,838	165,703,262	29,497,767	
Liabilities and Net Assets							
Current							
Accounts Payable and Accrued Liabilities	176,312	-	-	2,301,557	2,477,869	254,360	
Deferred administration contributions	-	-	-	11,268,186	11,268,186	-	
Deferred government contributions	-	-	-	132,909,197	132,909,197	9,542,879	
Net Assets							
Unrestricted Funds	2,883,462	16,411,083	27,169	(282,102)	19,039,612	19,690,238	
Invested in Capital Assets	8,398	-	-	-	8,398	10,289	
	2,891,860	16,411,083	27,169	(282,102)	19,048,010	19,700,527	
	\$ 3,068,172	\$ 16,411,083	\$ 27,169	\$ 146,196,838	\$ 165,703,262	\$ 29,497,767	

Committed funds (Note 6) Commitments (Note 9)

On behalf of the Board



Director



Director

See accompanying notes to the financial statements.

B.C. Investment Agriculture Foundation

Statement of Operations

Year ended March 31 (Comparative figures January 1 - March 31, 2022)

							2023	2022
	Operating Fund		IAF Trust		AFFF		Active Programs	Total
							Total	Total
Revenues								(Restated - Note 3)
IAF Administration Fees	\$	1,000	\$	-	\$	-	\$ 2,419,741	\$ 276,639
Government DPP Contributions		750		-		125,000	17,518,592	5,292,741
Government Grants		-		-		-	-	-
Other DPP Contributions		100		17,850		-	127,500	34,050
Membership Dues		1,200		-		-	1,200	-
Investment Income (Note 4)		78,022		-		34,722	180,932	48,724
Unrealized gain (loss) on investments (Note 4)		-		(907,033)		-	-	(875,750)
		81,072		(889,183)		159,722	20,246,765	4,776,404
Expenses								
Operating Expenses								
Salary & Benefits		194,923		-		4,639	1,528,695	458,226
General Administration		87,505		72,741		2,914	445,174	165,420
Directors' Fees and Expenses		94,150		-		-	50,068	14,275
Project Expenditures								
Direct Project Payments		17,899		-		125,000	14,913,264	5,550,566
Direct Program Costs		197		-		-	2,713,723	2,713,920
AFFF Initiatives		-		-		-	-	163,643
		394,675		72,741		132,553	19,650,924	6,352,130
Excess (deficiency) of Revenues Over Expenses	\$	(313,603)	\$	(961,924)	\$	27,169	\$ 595,841	\$ (1,575,726)

See accompanying notes to the financial statements

B.C. Investment Agriculture Foundation

Statement of Changes in Net Assets

Year ended March 31 (Comparative figures January 1 - March 31, 2022)

Year ended March 31 (Comparative figures January 1 - March 31, 2022)	Operating Fund		IAF Trust		AFFF		Active Programs		2023	2022		
									Total	Total (Restated - Note 3)		
Net Assets, Beginning of Year as reported	\$	3,205,462	\$	17,373,008	\$	3,768,629	\$	4,896,307	\$	29,243,406	\$	33,183,024
Prior period adjustment (Note 3)		-		-		(3,768,629)		(5,774,250)		(9,542,879)		(11,906,771)
Net Assets, Beginning of Year as restated		3,205,462		17,373,008		-		(877,943)		19,700,527		21,276,253
Excess (deficiency) of Revenues Over Expenses		(313,602)		(961,924)		27,169		595,841		(652,517)		(1,575,726)
Fund Transfers										-		
Net Assets, End of Year	\$	2,891,860	\$	16,411,083	\$	27,169	\$	(282,102)	\$	19,048,010	\$	19,700,527

See accompanying notes to the financial statements.

B.C. Investment Agriculture Foundation

Statement of Cash Flows

Year ended March 31 (Comparative figures January 1 - March 31,
2022)

	2023	2022
	(Restated - Note 3)	
Increase (decrease) in cash and cash equivalents		
Operating		
Excess (deficiency) of revenue over expenditures	\$ (652,517)	\$ (1,575,726)
Amortization	1,891	-
Unrealized gain (loss) on investments	1,051,858	875,750
	<u>401,232</u>	<u>(699,976)</u>
Change in non-cash operating working capital		
Accounts Receivable	(122,522,488)	1,602,390
Prepaid Expenses	(14,146)	(7,636)
Accounts Payable and Accrued Liabilities	2,223,557	(38,421)
Deferred administration contributions	11,268,186	-
Deferred government contributions	123,366,318	(2,363,892)
	<u>14,722,658</u>	<u>(1,507,535)</u>
Investing		
Net change in investments	2,005,167	1,197,418
	<u>2,005,167</u>	<u>1,197,418</u>
Net increase in cash	16,727,825	(310,117)
Cash, beginning of year	<u>900,476</u>	<u>1,210,593</u>
Cash, end of year	<u>\$ 17,628,301</u>	<u>\$ 900,476</u>

See accompanying notes to the financial statements.

B.C. Investment Agriculture Foundation

Notes to the Financial Statements

March 31, 2023

1. Purpose of the Foundation

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 15 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 10 directors, representing a diversity of perspectives across agriculture industries in British Columbia.

The Foundation is exempt from income taxes under the Income Tax Act (Canada).

The Foundation invests, manages, and disburses provincial and federal funds under a number of programs as follows:

(i) IAF Trust and Operating Fund

The Foundation created a Trust and Operating Fund in 2021 to provide a solid financial base to continue its investments in agriculture development. The funds within the Trust were those proposed in 2020 as legacy programs not longer operating. The Trust records net investment income and expenses not otherwise allocated to other Funds. The goal is to grow the Trust over time to fund projects and programs that the IAF board with input from it's members that were thought to be strategically significant and/ or impactful to the agriculture and agri-food sector.

The investment income from the sustaining fund is also used to assist sustain IAF operations in years where the cost of delivery exceeds administration fees collected to cover operational costs.

(ii) The Agri Food Futures ("AFF") Fund

In March 2001, the Province and the Foundation entered into a Trust Agreement to assist the agriculture and agri food industry in achieving and maintaining competitiveness and self-reliance. During 2001 and 2002, the Foundation received an aggregate of \$22,818,001 in funding contributions from the Province. The Trust Agreement provides that the Province, as settlor of the trust, may pay additional money into the AFF Fund from time to time. The AFF Fund reports these funding contributions and the related program expenses. Pursuant to the Trust Agreement with the Province, the Foundation acts as Trustee over the funds. The Trust Agreement expires on March 31, 2022.

(iii) Active Program Funds

Agricultural Climate Solutions – Living Labs (ACS) – this program is supported through Agriculture and Agri-food Canada's Agricultural Climate Solutions program. It 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. The program will run from 2022-2027.

BC Climate Agri-Solutions Fund (BCCAF) - Provides funding to help farmers tackle climate change by adopting beneficial managing practices (BMPs). BCCAF is funded by the Government of Canada through the On-Farm Climate Action Fund (OFCAF). The objective of BCCAF is to support farmers in adopting beneficial management practices

B.C. Investment Agriculture Foundation

Notes to the Financial Statements

March 31, 2023

(BMPs) that store carbon and reduce greenhouse gases, specifically in the areas of Nitrogen Management, Cover Cropping, Rotational Grazing. This is a two-year program running until March 31, 2024.

Bee BC Program – was established by the Province of British Columbia to provide funding support to regional/community-based organizations, beekeepers with permitted hives and/or First nations to undertake small scale regional or community-based projects to advance bee health in BC. In 2023 the Province contributed \$75,000 to continue operating this program.

Buy BC Partnership Program – in June 2018, the Foundation entered into an agreement with the BC Ministry of Agriculture to deliver the Buy BC Partnership Program. The \$6,120,000 Program was designed to increase the competitiveness of B.C.'s agri-food and seafood industry in the domestic market by enabling them to enhance local marketing efforts in complement with the Buy BC brand. IAF has completed its five-year commitment to this program and it has ended in March 2023.

Canadian Agricultural Partnership (CAP): Climate Change Adaptation Program - in May 2018 the Foundation entered into an agreement with the BC Ministry of Agriculture. The Foundation co-delivered the Climate Change Adaption Program in partnership with ARDCorp. until December 2021. From Jan 2022 until March 31, 2023 IAF became the sole delivery agent completing the programs obligations. The province will provided total funding of up to \$3,566,000 over five years. The program provides funding for the development and implementation of collaborative regional adaption strategies, innovative adaption action at the farm level, industry communication, program management and project development led by the B.C. Agriculture & Food Climate Action Initiative. IAF completed delivery of this five-year cycle program as of March 31, 2023.

Canadian Agricultural Partnership (CAP): Canada-BC Agri-Innovation Program – the Foundation entered into an agreement with the BC Ministry of Agriculture on May 3, 2018 to deliver the Canada-BC Agri-Innovation Program which is designed to accelerate the pace of innovation along the innovation continuum. The Program will provide up to \$14,000,000 in funding over five years to enhance the ability of the sector to research, develop, pilot, commercialize and or adopt products, practices, processes, or technologies that will enhance the sector's competitiveness. This program has now completed its five-year commitment to deliver programming as of March 31, 2023.

Canadian Agricultural Partnership (CAP): BC Agri-food & Seafood Market Development Program - in June 2018, the Foundation entered into an agreement with the BC Ministry of Agriculture to deliver the five-year, \$5,050,000 BC Agri-food & Seafood Market Development Program. The Program will support and enhance established B.C.-based agri-food and seafood producers, processors, and associations' abilities to identify, assess, target, and develop market opportunities that result in increased sales across interprovincial (Canada) and international markets. Delivery of this program has been completed as of March 31, 2023.

EFP/BMP Program – Funded by the Canadian Agricultural Partnership Program, a federal-provincial-territorial initiative, the Environmental Farm Plan Program aims to provide farm and ranch operators with the means to identify agri-environmental risks and opportunities. The Beneficial Management Practices Program assists farm and ranch operations to mitigate some of the risks identified in the farm-specific Environmental Farm Plans (EFPs) through cost-shared funding.

B.C. Investment Agriculture Foundation

Notes to the Financial Statements

March 31, 2023

Farm Land Advantage Program – Farmland Advantage assesses the health of targeted ecosystems on BC farmland, identifying areas of high risk or high potential for improved ecosystem health. FLA partners with farmers and other groups in targeted areas to implement enhancement measures and provide compensation and recognition to farmers. The program has attracted funding from various funding partners to support Riparian, Grasslands and Wildfire areas of concern.

Genomic Innovation for Regenerative Agriculture, Food and Fisheries Program (GIRAFF) – A partnership between Genome and IAF to co-invest in projects that will provide genomic solutions to support the BC agriculture, food and fisheries sectors in addressing climate change.

Indigenous Food Systems and Agriculture (IFSAP) – This program supports First Nations and Indigenous communities, businesses, and organizations in increasing food security and sovereignty over their food systems and strengthens Indigenous peoples' success within the agriculture and food sector.

Local Government Partnership Program (LGPP) – This program provides funding to assist regional districts and municipalities develop, update, and implement agricultural planning tools. This program completed March 31, 2023.

Agritech Ramp-Up – This program was designed to enable entrepreneurs to move their ideas to commercial realities. The program provided training, coaching, mentoring, networking, and funding. Provide. This program completed March 31, 2023.

The Livestock Waste Tissue ("LWT") Fund – In March 2005, the Foundation received a one-time contribution of \$5,000,000 toward the implementation of the British Columbia Waste and Specified Risk Material Handling and Disposal Strategy. The fund assists British Columbia livestock producers, slaughter facility operators and renderers in their pursuit of sustainable waste tissue management methods.

The On-Farm Poultry Bio Security Pilot Initiative ("OPBP") Fund – In April 2006, the Foundation received \$1,500,000 from the federal government towards funding pilot projects for on farm biosecurity which encompasses all sectors of the poultry industry in British Columbia. The goal is to nationally position Canada's poultry sector to reduce the incidence and spread of avian influenza and other zoonotic diseases that threaten domestic poultry premises in Canada.

The Poultry Industry Bio Security ("AI") Fund – In March 2005, the Foundation received \$1,500,000 from the provincial government towards implementing recommendations flowing from the Canadian Poultry Industry Forum Avian Influenza Lessons Learned and Moving Forward. In 2006, the Foundation received an additional \$100,000 grant from the provincial government to establish a fund for the clean up and disposal on non supply-managed premises infected by avian influenza.

Tree Fruit Stabilization Competitiveness 2018-2023 Program – In 2018 the Province of British Columbia established a \$5,000,000 Tree Fruit Competitiveness Fund. Subsequently the Foundation entered into a partnership with BC Fruit Growers' Association to develop and deliver the program that consists of four pillars of funding: marketing, infrastructure, research, and a Tree Fruit Replant Top-up Program.

B.C. Investment Agriculture Foundation

Notes to the Financial Statements

March 31, 2023

2. Summary of significant accounting policies

Basis of presentation

The Foundation has prepared these financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations ("ASNPO").

Revenue recognition

The Foundation follows the deferral method of accounting for contributions and records its activities in the following funds:

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

Restricted contributions are recognized as revenues in the year in which the related expenses are incurred.

Contributions restricted for the purpose of acquiring capital assets are recorded as deferred capital contributions and are amortized into revenue over the useful lives of the corresponding assets acquired.

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

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, net of bank overdrafts, and highly liquid temporary money market instruments with original maturities of three months or less. Bank borrowings are considered to be financing activities.

Amortization

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.

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.

B.C. Investment Agriculture Foundation

Notes to the Financial Statements

March 31, 2023

2. Summary of significant accounting policies (continued)

Donated Goods and Services

The Foundation records donated goods and services as a contribution and corresponding expense where the amounts are reasonably determinable.

Program Expenditure Recognition

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

Financial Instruments

The Foundation considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Company accounts for the following as financial instruments:

- cash
- investments
- accounts receivables
- other financial assets
- accounts payable and accrued liabilities

A financial asset or liability is recognized when the Foundation becomes party to contractual provisions of the instrument.

Financial assets or liabilities in arm's length transactions are initially measured at their fair value. In the case of a financial asset or liability not being subsequently measured at fair value, the initial fair value will be adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Financing fees and transaction costs on financial instruments subsequently measured at fair value are expensed as incurred.

The Foundation subsequently measures all of its financial assets and financial liabilities at cost or amortized cost less any reduction for impairment, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets subsequently measured at cost or amortized cost less any reduction for impairment include cash and cash equivalents and accounts receivables.

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities.

Financial instruments subsequently measured at fair value include investments. The fair value of investments in publicly traded companies has been determined using the closing price at year end.

B.C. Investment Agriculture Foundation

Notes to the Financial Statements

March 31, 2023

2. Summary of significant accounting policies (continued)

Financing fees and transaction costs related to the origination, acquisition, issuance or assumption of financial assets and financial liabilities subsequently measured at cost or amortized cost, are included as part of the adjusted fair value of the financial asset or financial liability on initial measurement. Subsequent to initial measurement the fees and costs are amortized into income on a straight-line basis over the term of the related debt. All other transaction costs are recognized in income in the period incurred.

The Company removes financial liabilities, or a portion thereof, when the obligation is discharged, cancelled or expires.

A financial asset (or group of similar financial assets) measured at cost or amortized cost are tested for impairment when there are indicators of impairment. Impairment losses are recognized in the statement of operations. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

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;
- 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 Operating Fund where they are expected to be covered by investment revenues allocated to that Fund;
- investment income and investment management and custodian fees are recorded in their respective Funds.

B.C. Investment Agriculture Foundation

Notes to the Financial Statements

March 31, 2023

3. Change in accounting policy

During the period, the Foundation decided to change its accounting policy for revenue recognition in accordance with Section 4410 Contributions – Revenue recognition, from the restricted fund method to the deferral method. This change in accounting policy was applied retroactively and the figures for the three month period ended March 31, 2022 have been restated.

Management has decided to make this change because they felt that it would more accurately present how funds were being moved through the program life cycle. The idea is that it will remove the extreme peaks and valleys in revenue and expenses, therefore smoothing out the process and providing a more accurate reflection of business flow.

The retroactive adjustments resulted in the following changes to the three month period ended March 31, 2022 comparative figures:

	<u>Increase (decrease)</u>
Liabilities	
Deferred government contributions	\$ 9,542,879
Net assets	
Net assets	\$ (11,906,771)
Revenue	
Government DPP Contributions	\$ (2,363,892)

4. Investments

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 438,501	\$ 48,724
Realized gains	-	-
Unrealized gains (losses)	<u>(1,051,858)</u>	<u>(875,750)</u>
	\$ <u>(613,357)</u>	\$ <u>(827,026)</u>

5. Capital assets

			<u>2023</u>	<u>2022</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	<u>Net book value</u>
Computer equipment	\$ -	\$ -	\$ -	\$ -
Furniture and equipment	<u>19,954</u>	<u>11,556</u>	<u>8,398</u>	<u>10,289</u>
	\$ <u>19,954</u>	\$ <u>11,556</u>	\$ <u>8,398</u>	\$ <u>10,289</u>

B.C. Investment Agriculture Foundation

Notes to the Financial Statements

March 31, 2023

6. 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. As at March 31, 2023 the Foundation had approved the funding of projects committing the Foundation to payments approximately as follows:

	Operational Fund	IAF Trust	Active Programs	Total
Funds committed by contract:				
2024	\$ -	\$ 22,788	\$ 2,203,665	\$ 2,226,453
2025	-	-	843,684	\$ 843,684
2026	-	-	-	\$ -
2027	-	-	-	\$ -
2028	-	-	-	\$ -
Total Funds Committed	\$ -	\$ 22,788	\$ 3,047,349	\$ 3,070,137

7. Risk management

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

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 accounts receivable. The Foundation limits its exposure to credit risk by placing its cash with high credit quality financial institutions, in accordance with policies adopted by the Board. Accounts receivables are due from the federal and provincial governments, and various agriculture associations in the normal course of its operations. There was no significant change in exposure from the prior year.

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 as outlined in (Note 5).

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.

B.C. Investment Agriculture Foundation

Notes to the Financial Statements

March 31, 2023

7. Risk management (continued)

Market Risk

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because 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. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Company is mainly exposed to currency risk and interest rate risk.

Currency Risk

Exposure to currency risks arises due to fluctuations in foreign exchange rates, which will affect the cash flows of financial instruments. The Foundation has 17.4% (approximately \$4.4 million) of its total investments denominated in \$US and converted into Canadian dollars. This is in the ranges established in accordance with the Foundation's Investment Policy Statement and does not represent a significant change in exposure from the prior year.

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. The Foundation is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Given the current composition of fixed-rate instruments subject the Company to a fair value risk while the floating-rate instruments subject it to a cash flow risk. There was no significant change in exposure from the prior year.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation is exposed to other price risk through its investments quoted in an active market. 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.

B.C. Investment Agriculture Foundation

Notes to the Financial Statements

March 31, 2023

8. Remuneration 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 ended March 31, 2023, the Foundation paid \$56,750 (2022:\$13,750) to directors.

During the year ended March 31, 2023, the Foundation paid \$1,016,255 (2022: \$210,408) in remuneration to nine (2022: seven) people who are employees or contractors, whose remuneration during the applicable period was at least \$75,000.

9. Commitments

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. Annual minimum rent over the lease term is:

2024	\$32,579
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IAF Investment Agriculture Foundation

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

We gratefully acknowledge the financial support of the Province of British Columbia and the Government of Canada through the various programs delivered by IAF.



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