



SECTION 8

## The role of national feed associations and setting up a feed association



## INTRODUCTION

Every country, or region, with a sizable feed industry usually has a feed association. These associations are created by the industry to cooperate on many issues for and on behalf of the industry. The associations serve in many roles. Most associations are organised to respond to government inquiries and pressures. The associations provide the opportunities for the industry to speak to the governments in a single voice so that its issues and needs are more clearly understood. Many associations have education and training as an objective, thus allowing industry experts the opportunity to teach the entire feed sector.

### The role of national feed associations in feed/food safety, auditing and regulations

Feed associations worldwide, along with governments; have assumed the role of leading their industry in developing feed/food safety programmes. These feed/food safety programmes may include government regulations and self or third-party audits.

Consumers everywhere are entitled to a safe food supply. The animal protein sector has in recent years been called upon to prove its ability to produce safe feed to make safe food. The BSE outbreak of the late 1980s and 1990s brought to the forefront the issue that safe feed produces safe food. Additional issues such as dioxin, salmonella and GMOs all focused the public attention on the livestock feed industry and its ability to produce safe feed to make safe food.

Feed trade associations have worked with their governments to develop regulations and auditing programmes to give consumers the confidence they need to eat foods of animal protein origin.

Trade associations are formed to serve their members' political, educational and social or public relations needs in ways that individuals or single companies cannot. The feed industry has been served by trade associations for almost 100 years. The mission and purpose of the associations is to collectively accomplish things together more effectively than individually.

Principle goals and objectives for feed associations should include:

- Establish a forum to promote industry dialogue;
- Establish political influence;
- Craft policies which are beneficial to the industry;

- Create industry standards to gain customer and consumer confidence;
- Provide industry specific education opportunities;
- Present networking opportunities for companies or individuals;
- Collaborate on public relations messages to influence public opinion;
- Pool resources to find new products or markets;
- Liaise with government officials;
- Mediate industry disputes;
- Coordinate research projects;
- Organize conferences and forums for discussions and dialogue;
- Offer opportunities to put buyers and sellers together.

To create a feed association, leader representatives must come together at a non-threatening, neutral site to discuss the needs and benefits of forming such an association.

Writing a 'mission statement' for the new association is usually the best way to achieve consensus. The 'mission statement' should be short, clear and concise. For example, the 'mission statement' for a new feed association could be: "The mission of this feed association is to establish a dialogue of feed industry entities so that their common interests can be served."

After there is agreement on the need to establish a feed association, the formation process begins.

The formation process includes creating a corporate legal entity, probably determined by the legal system. The association may be a 'not-for-profit' entity, which usually has a specific legal status.

Once the mission and purpose has been established, more specific goals and objectives need to be written, agreed and clearly understood by all prospective members. It is best to keep the goals or objectives of the new association very simple and limited. As with all new entities, over burdening them with high expectations may prove to be their downfall.

A new feed association will require bylaws and organizational structure. The bylaws should include the following sections:

- Name
- Objectives and purpose
- Membership
- Authorization of committees
- Dues structure
- Meeting requirements
- Election of directors and officers

- Duties, powers and terms of the directors and office holders
- Voting or corporate decision provisions
- Indemnification
- Amendments

Suggested details for each of the sections:

**Name** - The name should be descriptive of the industry and the scope, such as Feed Association of (name of country, group or region). Consideration should be given to what the acronym would be as most associations are labelled and known for their acronym.

**Objectives and purpose** - The objectives should be understandable, simple and achievable. For example: "The objectives of the Association shall be to provide industry representation to government agencies, to develop and present industry positions to consumers and customers. It will also be an objective to provide industry specific education opportunities."

**Membership** - The membership can be as broad or as narrow as necessary to achieve the objectives. If the membership base is very broad the political influence and dues base is greater but consensus may be harder to achieve. If the membership base is narrow, the political influence is less, the dues base is less but agreement of industry policy will likely come easier.

A narrow membership base may be an association that allows as members only feed manufacturers that sell feed. A broad membership base is an association with membership that makes feeds for sale and private use and suppliers of macro and micro feed ingredients, equipment manufacturers and service providers.

**Authorization of committees** - The Bylaws should allow for the establishment of committees. The committees can be for single specific purposes or for long term technical purposes. The Bylaws should give authority to form, fill and disband the committee.

**Dues structure** - The dues structure will need to be determined after the membership base is established. Fairness and equitable are keys in any dues structure. Large members should be expected to carry a larger share of the needed dues than small members; however, small members should expect to contribute a fair and equitable portion of the dues and all members must take ownership in the association through their active involvement, beyond their dues contribution. Suppliers to the feed industry should be treated with the same fairness and equitability.

**Meeting requirements** - Meeting requirements

are frequently determined by corporate laws. If an annual meeting is necessary, this bylaw provision must set forth those provisions. Time, place, frequency and who has the authority to call meetings are all part of this bylaw section.

**Election of directors and office holders** - This section sets forth the number of directors, how they are selected and their length of board term. Depending on the membership, there may need to be provisions on equal representation of membership segments, such as feed manufacturers, ingredients suppliers, equipment suppliers, etc. This Bylaw section should establish what officers are necessary (Chairperson, President, Secretary, Treasurer, etc) and how they are selected, elected and replaced.

**Duties and powers of directors and office holders** - This section is to state who has the authority to call meetings, preside over meetings, record the actions, hire staff, open bank accounts, sign checks, etc. This section should also set forth quorum requirements.

**Voting or corporate decision provisions** - This section should address how members can vote, by mail, email, telephone, in person or by proxy etc. If more than a majority vote is necessary for any decisions, this section should state those instances.

**Indemnification** - This section should state the provision whereby the association will indemnify any director, officers, staff or member-to-member legal disputes, including the legal fees.

**Amendments** - Conditions on how the bylaws can be amended or changed. Once the feed association has been established, business can be conducted. Most feed associations are initially run and operated by volunteers from the membership. Keeping the membership informed about what and how the association is serving the membership is important. The association should consider having written policies and procedures for each of the following:

**Policy making** - Who and how the official policies are made and communicated. This is usually done by the Board of Directors.

**Government action plan** - This plan would state what issues are important to the industry and how the association should communicate and attempt to influence the government.

**Membership plan** - Written plans to attract, recruit, and retain prospective members. The plan would state how and when and by whom dues billing is conducted.

**Communications plan** - A written plan for com-

munication with the membership, the government and consumers. The plan would include who is to write, and send the communication and how often these should be done. This may be included in the Membership Plan. This plan would include provisions for a membership directory, annual report, web site and leadership listings, etc

**Corporate governance** - This plan would detail the bylaw provisions as to whom, how and when the leadership of the association is elected, where and when the meetings are held and how the leadership is responsive to the industry.

**Employee manual** - An employee manual would give employees the rules as well as the benefits of employment.

A feed association offers the feed and feed ingredient industry many opportunities to advance the purpose of the industry. Developing an influential feed association is hard work but also very rewarding for the leadership and the prospective membership. Lifelong friendships will be established, consumer confidence in the feed industry will be gained and the safety of meat, milk and eggs for consumers are all benefits of a feed association.

In addition, feed trade associations can be established on a regional multi-nation basis, particularly when the countries or the feed industry or feed ingredient industry readily crosses borders. Most of the decision making processes for establishing a multi-nation feed association are the same as for a national feed association. However, additional factors need to be considered. They include:

- Language
- Country of domicile
- Legal and corporate structure
- Communication issues – postal, phone, email, etc.
- Meeting locations to prevent dominant country appearances
- Cost of international travel
- Dues structure with different currencies
- Units of measures for comparative base lines
- Political differences between countries

The mission, purpose and objectives of the multi-nation association needs to be very clearly established because the assumed norms may well be different between the countries. It is important that no countries feed sector is given disproportionate influence as this will create an imbalance of power and the effectiveness and harmony the association that was intended will be lost.

Transparency and communication are most important when establishing a multi-nation association. The complexities of starting a multi-nation association are numerous, the time to be deal with the unique issues are during creation. However, the benefits to the industry, for having a multi-nation association are enormous.

## Draft Bylaws for a National Feed Association

### Introduction and bylaws

The recall of feed raw ingredients or feeds for safety reasons can often be most efficiently carried out via a trade association. For this reason all countries should be encouraged to establish a suitable association.

Bylaws of a National Feed Association must abide by relevant laws or regulations within a country. Below is an outline of bylaws that may be useful when setting up a National Feed Association.

#### Article 1: Name

**Section 1.** The name of the association will be the (country name) \_\_\_\_\_ National Feed Association (NFA). The Association shall be incorporated under the laws of (your country)

#### Article 2: Mission, objective and purpose

**Section 1.** The mission of the National Feed Association is: The mission of the National Feed Association is to establish a dialogue of feed industry entities, so that their common interests can be served and feed safety issues addressed.

**Section 2.** The objectives and purpose of the National Feed Association shall be:

- a) Present to the industry a forum for dialogue and discussion;
- b) To provide industry representation to government agencies;
- c) To develop and present industry positions to consumers and customers;
- d) To give industry specific education opportunities;
- e) To give the authorities a route for dissemination of feed safety information to industry.

#### Article 3: Membership

**Section 1.** Eligibility any company, who manufactures feed or feed ingredients, distributes feed or feed ingredients, or supplies the livestock, poultry or aquaculture feed industry, is eligible.

**Section 2.** Voting: Each member shall be eli-

gible to one vote. Each member shall designate to the NFA corporate secretary the official voting representative.

**Section 3.** The membership shall by a fixed date each year, elect a Board of Directors. A simple majority vote will win the election.

**Section 4.** Duration of membership: Membership of NFA will continue as long as the member continues to pay the authorised dues as approved by the Board of Directors

#### **Article 4: Directors and Officers**

**Section 1.** The membership of NFA shall elect a Board of Directors to govern the Association.

**Section 2.** The Board of Directors shall be specified in number (at least three).

**Section 3.** The Board terms will be for three years. Board members can serve more than one term, but normally not more than two successive terms.

**Section 4.** Officers: The NFA will have a President, a Secretary and a Treasurer. A single individual may hold more than one position but the President and the Secretary cannot be the same person.

**Section 5.** The Board of Directors will elect the officers.

**Section 6.** The Board of Directors may from time to time add additional officers.

#### **Article 5: Duties and Powers of the Board and Officers**

**Section 1.** Duties of the Board of Directors: The Board of Directors shall be the governing body of the NFA. The Board of Directors shall be responsible for the property, business affairs and policies of the association. The Board shall authorise the creation of Committees. The Board shall hire and discharge the staff and officers.

**Section 2.** Board meetings: The Board of Directors shall meet at least once a year in a place agreed to by majority vote of the Board. The Board meeting shall be convened by the President. The meeting of the Board of Directors shall be called by either the President, the secretary or by any other two members of the Board of Directors

**Section 3.** Quorum: A majority of the board will constitute a quorum. A quorum can be achieved by in-person votes or by proxy.

**Section 4.** Duties of President: The President or his deputy shall preside over board meetings.

**Section 5.** Duties of the Secretary: The secretary shall keep the official records of the Association

including but not limited to, Board Minutes, membership roster and corporate documents. The Secretary shall perform additional duties as assigned by the President.

**Section 6.** Duties of the Treasurer: The Treasurer shall be responsible for the funds received by the association. The Treasurer shall make a periodic and full accounting of all income and expenditures. The Treasurer shall perform additional duties as assigned.

**Section 7.** Duties of other Officers. Any other duly elected officers shall perform such duties as assigned by the President or the Board of Directors.

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*Note:* All sections below need simplifying in order to account for countries with small numbers of companies in the trade and do not need a large formal structure.

#### **Article 6 - Committees & Meetings**

**Section 1.** There shall be a Board and Officer Nominating Committee. The Board and Officer Nominating committee shall consist of at least three and not more than seven members. The majority of the Nominating Committee members shall be individuals who are not currently serving on the Board or as an officer of the Association.

**Section 2.** The Board and Officer Nominating Committee shall nominate members to serve on the Board of Directors and shall provide the slate of nominees 15 days prior to the election.

**Section 3.** Independent nominations for the Board of Directors will be taken, however, these nominations must be submitted 10 days prior to the election.

**Section 4.** Any other committee approved by the Board of Directors shall also be given the authority to serve the Association.

**Section 5.** The Chairman of the Board or the President will select the Chairman of the Committees and initial committee members.

**Section 6.** Committees shall meet at a time and place agreeable to the majority of the committee.

**Section 7.** There will be an annual meeting convened at a time and place approved by the Board of Directors. The membership shall have at least 30 days notice of its time and place.

**Section 8.** Mail, email, fax or phone messages will constitute notice of meetings.

**Section 9.** Ten percent of the total membership will constitute a quorum.

**Article 7: Dues**

**Section 1.** The rate and basis of dues for each member class shall be determined by the Board of Directors.

**Section 2.** A member who fails to pay its dues will be given written notice of delinquency 60 days after they are due. If the delinquency is not satisfied in the next 60 days, they will be terminated from the membership roles.

**Article 8: Indemnification**

**Section 1.** The Association shall indemnify any Board, officer or staff who is party or threaten to be made party to a suit as long as that person was speaking for, or acting for the Association and authorised by the Board.

**Section 2.** The Association shall defend or pay for the legal defense for the person as described in Section 1 above.

**Article 9 - Miscellaneous**

**Section 1.** Seal: The Association may have a seal of such design by or for the Board of Directors. The seal shall be used to identify the Association as necessary.

**Section 2.** Year: The year of the Association will be January 1 - December 31.

**Section 3.** Amendments: These bylaws may be amended, repealed or altered by a two-thirds vote of the Board of Directors. A 20-day notice must be given to all Board member prior to any changed, amendment or alternation of the Bylaws.

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This manual provides updated comprehensive information and practical guidelines to assist producers and all stakeholders along the production and distribution chain to comply with the regulatory framework, which have or will come into force in response to the Codex Alimentarius Code of Practice on Good Animal Feeding. The application of this Code is an important step for the expansion of international trade in feed products as well as in products of animal origin. Both food exporting and importing countries can benefit from a more level playing field to support the trade of safe food products.

This publication is intended to guide managers of feedmills and the feed industry as a whole.

It will also be of value to officers engaged in feed inspection, with their supervisory roles in feed safety. This manual is targeted at the commercial feed industries and farm-based feed mixers in developing countries and emerging economies in their endeavour to meet the rising quality and safety requirements of both the export and domestic markets, with the increasing participation of large-scale retailers everywhere.

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