

# Overcoming challenges

2013 Annual Report



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**DOUG SAWYER**  
ABP Chair

## ABP CHAIR REPORT

As I near the end of my term as Alberta Beef Producers (ABP) Chair, I am surprised by how quickly the time has gone and how much has happened in the almost two years I have been in this position. I suspect that many past chairs have thought that they were particularly busy during their term in this office, and I will certainly be joining that group. I am honoured that the producers who are ABP delegates and directors elected me as their Chair and it has been my privilege to work on behalf of the cattle and beef producers of Alberta.

The year that has passed since our last Annual Report has been full of ups and downs. Last year, we were writing the report just as beef from the XL plant in Brooks was being recalled and we filmed our fall meeting DVD four days before the licence to operate the plant was suspended. The impact of the recall on producers and our industry dominated our thoughts and work through the rest of last fall. Even after JBS purchased the plant and resumed operations, cattle prices were very disappointing through the winter and spring. Cattle feeders faced an unusually high basis, high feed costs caused by the U.S. drought last year, and a lack of packer competition for cattle.

As we moved into the summer, southern Alberta was hit with unprecedented and devastating flooding. In addition to the loss of life, homes, and businesses in many communities, a significant number of agricultural producers

lost facilities, livestock and crops in the flooding. We have asked governments to give producers time to fully assess the damage that was inflicted by the flooding and to provide financial and technical assistance to help those recover from the damage.

On a brighter note, cattle prices improved significantly through the summer and we have seen strong demand for yearlings and early calf sales. With feed costs down and fed cattle futures still relatively strong, calf prices should be pretty good this fall. However, prices still could be adversely affected by problems with the U.S. corn harvest and the negative U.S. actions on mandatory Country of Origin Labeling.

One of our highest priorities for this year was to ensure that the regulations authorizing the collection of a \$1 non-refundable national levy in Alberta were extended. This levy supports the valuable national and international marketing, promotion, and research programs of Canada Beef Inc. and the Beef Cattle Research Council. Investments of check-off funds in marketing and research enhance the competitiveness of our industry and generate high returns for all producers. The national levy provides stable and secure funding for these organizations and ABP was strongly committed to having the regulations extended beyond the original expiry date of March 31, 2013.

After a winter of intense effort, we were happy when Alberta Agriculture and Rural Development Minister Verlyn Olson extended the regulations to June 30, 2015, the date by which all other ABP regulations must be reviewed and renewed. During the winter, we also engaged in long and serious negotiations with the Alberta Cattle Feeders' Association that led to the signing of a new Memorandum of Agreement supporting the extension of the regulations. Beyond providing an additional \$1

million per year in funding for Canada Beef Inc. and the Beef Cattle Research Council, one other significant benefit of the continued collection of a non-refundable national levy in Alberta was demonstrated this summer.

At the end of July, Agriculture and Agri-Food Canada Minister Gerry Ritz and Canada Beef Inc. Chair Chuck MacLean announced that Canada soon will begin collecting a levy on imported cattle and beef. The announcement of an import levy was very welcome news and was only possible with all provinces collecting a non-refundable national levy. We expect that the import levy will generate between \$600,000 and \$800,000 annually for our national marketing and research programs.

You can read a report from the Canadian Cattlemen's Association (CCA) in this book and they will describe their tireless work on behalf of Canadian cattle and beef producers to address the trade and national policy issues that hurt the competitiveness of our industry. As a member of CCA, ABP understands the tremendous value of this work for all producers and we commit a significant portion of our budget to CCA. It is important for producers to understand that CCA funding comes from ABP and other provincial associations, not the national levy. Since CCA funding comes from refundable provincial service charges, refund requests reduce our ability to support their vital work.

The remaining pages of this Annual Report contained detailed descriptions of the projects and activities done by the ABP Board, councils, committees, and staff members to make our industry more sustainable and competitive. Thank you for your support over these past two years. ▼

Sincerely,

*Doug Sawyer, Chair*



**RICH SMITH**  
Executive Director

# EXECUTIVE DIRECTOR REPORT

Overcoming challenges is the title of Alberta Beef Producers 2013 Annual Report and Chair Doug Sawyer's description of the past year illustrates the challenges that producers and our industry faced. In this Annual Report, there are extensive reports from the ABP councils, committees, and working groups outlining the work that was done to help producers overcome these challenges. The programs and activities were based on the priorities and objectives set for our organization this year and the reports show the progress that was made toward reaching these objectives. I hope you can see our commitment to strengthening the sustainability and competitiveness of the beef industry.

One of the challenges is securing the land and water resources that cattle producers need to sustain their operations. We expect this next year to be a time of prolonged discussions and heated debates about the allocation and use of these resources in Alberta. The draft South Saskatchewan Regional Plan (SSRP) has been released and there will be public consultation this fall leading to the release of the finished plan next spring. This will be the second regional plan developed under the Land-use Framework, but the first plan covering a region with a high level of agricultural activity in it. Alberta Environment and Sustainable Resource Development has released a new Wetland Policy and is continuing its conversation with

Albertans about the allocation and management of our water resources. We have the new Alberta Energy Regulator that is responsible for regulating the oil and gas activity that largely occurs on agricultural land.

As we have been doing for the past few years, ABP will be working hard to protect the land and water interests of cattle and beef producers. We will be informing producers about the provincial government resource management plans and encouraging them to participate in the public consultations. ABP will be speaking and working on behalf of producers in the stakeholder consultations we have been promised. We will be closely watching the development of policies and regulations that could affect cattle producers and speaking out when we think these plans will not be good for our industry. We know that good planning and sound management of land and water resources is beneficial for all Albertans, and we will be vigilant in our efforts to ensure that this work is done well.

The theme of our last Annual Report was defining sustainability and we took some large steps this year toward developing a definition that will be achievable for producers and acceptable to our customers. ABP joined stakeholders from across the country and the beef supply chain in founding the Canadian Roundtable for Sustainable Beef; a national, multi-stakeholder group committed to advancing sustainability efforts within our industry. As a starting point on our sustainability journey, we are supporting a project that will complete an assessment of the economic, environmental, and social sustainability of the Canadian beef industry. We also think that recognizing the value of the ecological goods and services, or ecosystem services, provided by the cattle and beef industry is an important element of sustainability. ABP Chair Doug Sawyer is on the advisory committee for an ecosystem services assessment project that is working on effective measurement of

ecosystem services as a basis for developing policies and tools that would support an ecosystem services market.

ABP recognizes the tremendous benefits of research for all cattle producers and the importance of supporting the Beef Cattle Research Council with the national levy. Despite our significant budget constraints, ABP is strongly committed to supporting research with our provincial check-off funds. In addition to the research funding provided by the national levy in Alberta, we used our own funds to provide \$100,000 per year for five years to the Beef Cattle Science Cluster, \$100,000 per year for five years to feed grains research, \$50,000 to a Rangeland Research Institute endowment at the University of Alberta, and \$20,000 to the Olds College Treatment Wetlands.

ABP joined cattle producers and the beef industry in overcoming challenges this year. Lower cattle marketings and continued service charge refunds have reduced our revenues and forced us to be very strategic in our investments of these funds. After ten years in a good location, we faced the work and inconvenience of moving our office in June. With the lease on the previous office space due to expire in November, the landlord offered us a long-term lease with attractive terms on space in the adjacent atrium. We thought it was prudent to accept this offer and we are now settled into the offices that will be the home of ABP for the next 11 years.

As always, the ABP staff members responded to these challenges with enthusiasm and dedicated efforts. Be assured that we will continue to speak and work on behalf of the cattle and beef producers in Alberta and help our industry overcome the challenges of this and future years. ▼

Sincerely,

*Rich Smith, Executive Director*

# BCRC REPORT

The Beef Cattle Research Council (BCRC) is Canada's industry-led funding agency for beef research. Its mandate is to determine research and development priorities for the Canadian beef cattle industry and to administer National Check-off funds allocated to research. The BCRC is led by a committee of beef producers who proportionally represent each province's research allocation of the National Check-off. It operates as a division of the Canadian Cattlemen's Association.

The BCRC was established to sponsor cattle and beef research and technology development in priority areas. The Council also facilitates and encourages collaboration and coordination among researchers, other funding agencies, and industry in order to maximize the benefits obtained from investments made in research.

The Beef Cattle Industry Science Cluster was a four-year initiative focused on advancing research of priority through the collaboration of Canada's main public and industry beef research funder. Research funding was allocated for the period between April 1, 2009 and March 31, 2013. Industry and government funding commitments through the Cluster totalled approximately \$10.4 million directed to 32 research projects. Results will be reviewed and communicated in 2013/14.

Joint industry and government commitments to the second Cluster total \$20 million, including \$14 million in funding from Agriculture and Agri-Food Canada (AAFC) and \$5 million in funding from the research allocation of the National Check-off and provincial beef industry groups, including a \$500,000 investment from the Alberta Beef Producers. In addition, direct investments were made by provincial governments. Funding will be directed to 26 studies to be completed by March 31, 2018.

Like the first Cluster, investments in the second Cluster will lead to several benefits:

- Maintenance or improvements in production competitiveness
- Support for science-based policy, regulation and trade
- Provide public education and advocacy information
- Support of the Canadian Beef Advantage
- Maintenance of professional capacity to ensure that research facilities with experienced professionals are in place to respond to emerging or critical issues in an expedient manner
- Encouragement for greater uptake of research knowledge and technologies by industry

In order to demonstrate the value of investments in National Check-off allocated to research, as well as encourage government to enhance their own investments in research, industry needs to take a leadership role in communicating the value of investments made in research. In addition, due to the limited number of research dollars and a large number of research priorities, industry also needs to consider the short-term and long-term returns to various investments options.

The BCRC has partnered with CanFax Research Services to develop and implement an economic assessment tool that will aid in assessing the economic returns to beef research in Canada, developing BCRC research priorities, and tracking the economic benefit of BCRC funded research over the long term. Results are expected in 2013/14.

In support of the National Beef Research Strategy, which is available on [www.beefresearch.ca](http://www.beefresearch.ca), the BCRC is currently collecting and analyzing data voluntarily submitted by other beef research funding agencies. This database will allow funding agencies to better communicate about funding decisions and will enhance collaboration to prevent unnecessary overfunding in certain areas or unintentional neglect of long-term funding to critical research priorities.

The BCRC continues to advance the implementation of its Knowledge Dissemination and Technology Transfer Strategy, which is focused on converting applied research into effective tools that drive industry competitiveness.

A new extension website, [www.beefresearch.ca](http://www.beefresearch.ca), provides access to general information on research topics, fact sheets on in-progress and completed projects, and blog articles that help producers make informed decisions on implementing innovation into their production practices. The website also delivers BCRC-produced videos, webinars and other extension tools. During the second Cluster, cost-of-production decision making tools will be created, the website will be expanded to include fact sheets from other beef research funding organizations, and a greater emphasis will be placed on engaging researchers with industry.

Communications from the BCRC can also be found through the CCA's Action News, provincial cattle organizations' newsletters, email updates and magazines, and through a regular research column that appears in Canadian Cattlemen magazine.

In addition to sponsoring research and technology development, the BCRC oversees and supports the beef industry's on-farm food safety program, Verified Beef Production™.

VBP reports continued growth with increasing numbers of beef cattle operations trained each year. More than 17,100 beef operations across Canada are currently trained. This represents an estimated 67% of all Canadian beef production. In addition, more than 1000 cattle operations have participated in the optional validation audit to become registered with the VBP program.

To learn more about BCRC initiatives and take advantage of our resources, go to [www.beefresearch.ca](http://www.beefresearch.ca) and join our mailing list. ▼

Respectfully submitted,

*Tim Oleksyn, BCRC Chair*



**MARTIN UNRAU**  
CCA President

# CCA REPORT

## COOL

The Canadian Cattlemen's Association (CCA) was disappointed with the September 11 decision by the U.S. District Court for the District of Columbia to deny a preliminary injunction (PI) to block the implementation of the amended U.S. mandatory Country of Origin Labeling (COOL) regulation.

The CCA and its coalition partners will be seeking an expedited appeal to U.S. Court of Appeals for the District of Columbia Circuit to overturn this decision. Unless reversed the district court ruling will allow the U.S. Department of Agriculture (USDA) to proceed to fully implement and enforce the May 23 COOL rule. The coalition's PI motion argued that if the May 23 rule were to be enforced as USDA plans to do in November, it would cause irreparable harm to the U.S. meat and livestock industry and that the impacts are not in the public interest.

The CCA is part of a coalition of meat and livestock organizations in the U.S., Canada, and Mexico that filed a lawsuit on July 8 seeking to strike down the USDA May 23 revision to the COOL regulation. As part of that lawsuit, on July 22, the coalition filed the PI motion with the Court to block implementation of the COOL regulation prior to the resolution of the lawsuit.

COOL discrimination costs Canadian cattle producers around \$640 million per year in losses incurred since COOL was implemented in late 2008. USDA's May 23 regulatory change is expected to necessitate additional segregation which will nearly double the impact of COOL from the current \$25 to \$40 per head.

Coalition partners include the American Association of Meat Processors, American Meat Institute, Canadian Pork Council, National Cattlemen's Beef Association, National Pork Producers Council, North American Meat Association, Southwest Meat Association, and Mexico's National Confederation of Livestock Organizations.

The CCA is participating in the coalition lawsuit because the desired outcome, overturning COOL, is a shared objective. The CCA's position remains that the only outcome that would bring the U.S. into compliance with the World Trade Organization (WTO) ruling of July 2012 is to amend the COOL legislation to allow either a single mandatory label for all meat produced in the U.S. or to allow for voluntary labelling.

In a related development, the Government of Canada's request that the WTO establish a compliance panel in the U.S. COOL dispute was on the agenda at the August 30 meeting of the WTO Dispute Settlement Body (DSB). As expected, the U.S. exercised its right to block the first request at this DSB meeting. A second request will be made for consideration at the September 25 DSB meeting. This request cannot be blocked and the panel will be established at that time.

The CCA will work with the Government of Canada (GoC) to aggressively challenge these rules that discriminate against Canadian live cattle and hogs at the WTO this fall. Canada is asking the WTO to determine if the USDA May 23 COOL amendment complies with the U.S. WTO obligations. The GoC and the CCA share the position that the U.S. amendment falls short of compliance and in fact increases the discrimination against imported cattle in the U.S. marketplace. A compliance panel and appeal process is expected to take until late 2014.

In June, the GoC released a list of U.S. commodities that could be targeted for retaliation in relation to the COOL dispute. The GoC has said it could

seek retaliatory compensation of approximately \$1.1 billion following the completion of ongoing WTO proceedings, which will move forward independently of the U.S.-based litigation.

## CETA

The negotiations to reach a CETA between Canada and the European Union (EU) remain fixed on the last few difficult issues, including access for Canadian beef into the EU. CCA's position remains that a duty-free quota will be created that is large enough to encourage Canadian producers to produce cattle according to the EU hormone and beta-agonist free protocol. The quota also needs to be large enough for the larger Canadian packers to invest in developing the EU market.

Another essential component of an agreement will be a commitment by the EU to recognize the Canadian federal meat processing system as equivalent to the EU. This means Canadian firms operating under the Canadian system would be authorized to export to the EU. Without achieving this outcome, the size of the quota is meaningless and the CCA would not be able to support a CETA.

## Other trade priorities

The CCA strongly encourages a Japan-Canada Economic Partnership Agreement, which provides full tariff free access for Canadian beef. Japan is also part of the Trans-Pacific Partnership negotiations. In February, Japan expanded its market access to accept Canadian beef from under-30-month (UTM) cattle. This development is most welcome by the CCA, which persisted in its long-held view that expanded access should be for UTM cattle.

The CCA continues to call on both governments to conclude the Canada-Korea free trade agreement (FTA). Intensive negotiations in the fall of 2012 produced a path forward that will enable the Canadian beef sector to retain access to Korea, but final negotiations for overall agreement stalled when the Korean Government changed in early 2013. We must

conclude a FTA with Korea to restore tariff parity between U.S. and Canadian beef so that we don't become uncompetitive in that market after having restored access.

#### **Related issues**

The CCA continues to monitor the Zilmax situation in the U.S. To date we are not aware of similar situations or findings in Canada. The CCA is monitoring the theories, current science and ongoing studies and if required will work with the Canadian industry to undertake further work.

The CCA will continue efforts to get countries to recognize the United Nations' food standards body, the Codex Alimentarius Commission, ruling to adopt a set of maximum residue limits (MRL) ruling for the cattle and hog feed ingredient ractopamine. This important development removed any justification for a non-scientific trade irritant.

At the CCA semi-annual, the board renewed a resolution to direct the Government of Canada to ensure that the basis for any further market openings be in conformity with the World Organisation for Animal Health (OIE) standard (access for all live cattle and all beef from cattle of all ages). For markets that are already partially open, the government should seek to achieve full access based on such OIE standard. The CCA supports partial market openings in circumstances where the U.S. has already obtained or will obtain a partial opening and Canada has an opportunity to regain parity with the U.S. in that market, or the government of an importing country agrees to a commercially meaningful partial opening as a step towards full OIE compliance.

Also at the semi-annual, CCA decided to provide for representative from Canada Beef Inc. at the CCA Foreign Trade Committee. This decision will enhance intelligence sharing between the CCA's advocacy team and Canada Beef Inc.'s marketing team with a goal to enhancing Canada Beef Inc.'s efforts to market beef internationally and reduce in-house redundancies.

#### **Domestic issues update**

As part of the CCA E.coli O157:H7 Research and Education strategy, studies examining safe cooking temperatures for mechanically tenderized beef have been instigated. The findings of the work are being discussed with government and industry stakeholders as it progresses.

The CCA submitted the necessary paperwork requested by Health Canada to restart the process for approval of beef irradiation in Canada. Health Canada is actively involved in discussions with the CCA about how to move the scientific aspects of the proposal forward through the regulatory process.

The July FPT Ag Ministers meeting indicates some progress is being made regarding CCA policy on programs under Growing Forward 2 (GF2). The CCA has been lobbying for several years to see price insurance availability expanded beyond Alberta. Improved forage and pasture insurance is also needed to better level the playing field between annual crops and perennial crops we use. We have worked with the federal and provincial governments on this file and look forward to seeing new and improved programs rolling out. Work remains to improve the business risk management portion of GF2 to be able to manage future disaster events.

#### **Sustainability**

Minister Ritz and Canada Beef Inc. introduced an import levy on cattle of \$1 per head. The move enables the levy to be applied equally to purchasers of domestic and imported cattle as well as imported beef, putting Canada on equal ground with the U.S. for the first time since 1985. The import levy is worth an estimated \$600,000 to \$800,000 annually, depending on market conditions, and funds will support Canada Beef Inc. marketing initiatives and research projects under the direction of the Beef Cattle Research Council.

The CCA welcomed the \$14 million in funding for the Beef Cattle Industry Science Cluster under Growing

Forward 2 announced by Minister Ritz. The funding supports strategic research that will drive the efficiencies that enable producers to realize continuous improvements, while enhancing overall sector sustainability.

The Canadian Roundtable for Sustainable Beef (CRSB) held its first meeting in July and I am pleased with the progress made there. The CRSB aims to facilitate a national dialogue to advance continuous improvement in the social, economic and environmental sustainability of the Canadian beef value chain.

The renewed Canadian Code of Practice for the Care and Handling of Beef Cattle is now available. The CCA encourages producers to familiarize themselves with the renewed Code and incorporate the practices within in order to ensure that they continue to practice the best animal care possible. The Code is available electronically at [www.nfacc.ca/codes-of-practice/beef-cattle](http://www.nfacc.ca/codes-of-practice/beef-cattle).

The Cattlemen's Young Leaders (CYL) program continues to flourish. CYL recently announced its mentors for the 2013-14 program year. These industry veterans will no doubt be busy providing CYL participants with the types of industry experiences that will encourage them to stay involved in the industry. Also on the topic of youth, the first official meeting of the Young Cattlemen's Council (YCC) was held during the CCA Semi-Annual Meeting and I am pleased to see this group finding its way.

The Beef InfoXchange System (BIXS) continues to evolve and work is underway to refine and upgrade BIXS to make it even more relevant to users across the beef value chain. Currently approximately 2.5 million detailed carcass records reside in BIXS and ongoing developments to improve program and software delivery are slated for release the last quarter of 2013. BIXS is presently funded through the Agricultural Flexibility Fund of AAFC. ▼

Sincerely,

*Martin Unrau, President*



**CHUCK MACLEAN**  
Canada Beef Inc. Chair

# CANADA BEEF INC. REPORT

The strategic focus of the 2012/13 plan was to continue the foundation of defining, communicating and leveraging the unique points of differentiation for Canadian beef and veal. As a high cost producer of high quality grain fed beef, it is imperative that Canada Beef marketing programs are targeted at a very specific customer base that represents the best opportunity to provide a return on investment. Those targeted customers must be in markets and segments that can receive highest values for high quality grain fed beef and veal, and must value the quality and safety systems that Canadian producers/ industry/ government invest in.

In developing the plan and resources required to deliver on the outcomes, many factors were considered. Where possible, programming that offered longer term benefits were developed and implemented in markets with viable access. In markets where full or viable access is not yet solidified, programming was scaled to offer the highest, short term returns possible in limited access conditions, but with an eye to the future when more favourable long term access conditions could be realized.

In order to maximize values of the available production, direct input from industry was utilized to determine markets that represented the highest value in current access conditions and that could be enhanced through a marketing strategy of developing value propositions based on clear and meaningful product differentiation

compared to competing alternatives in global markets.

In order to prioritize markets, an analysis was performed with industry partners of various factors including: market access, as well as the product mix that historically makes up the export volumes and the ability to significantly differentiate those products based on value delivered through the points of differentiation. In markets where the points of differentiation offered by the CBA are less impactful, less importance was placed on them as opposed to markets where Canada clearly differentiates its products versus competing alternatives, specifically U.S. and Australian. The rationale is to identify markets which represent the most efficient return on investment and support increased value.

## **Desired outcomes by priority market**

Considering the beef supply outlook over the term of the plan and available funding to implement the plan, desired outcomes by priority market have been identified and are reflective of the abilities of Canada Beef to effectively impact results based on those factors.

A total of 78 marketing initiatives implemented across nine global markets leveraged industry investment through the cost-sharing Market Development Programs (MDP). The MDP enables Canada Beef to identify and invest in partnered initiatives with priority, targeted customers that are aligned to deliver mutual objectives. Canada Beef expenditures against partner funded initiatives totalled \$879,223.37, while industry invested an additional \$3,095,594.18 in those projects.

This fiscal year also saw the responsive development of a cost-shared program designed to offset the significant costs of exploring new, high-valued markets for Canadian beef exporters. The Market Outreach Initiative supported 32 outreach projects that also leveraged an

additional \$2.27 of exporter investment for every \$1 Canada Beef invested in new markets and segments.

Overall expenses for the 2012/13 business plan were budgeted for \$14,447,500 while actual expenditures totaled \$11,955,430.

The rationale for variances is mostly attributed to the uncertainty around the actual financial resources required to achieve the desired outcomes of the new organization versus historical expenses in global markets to achieve previous organizational mandates and strategic objectives. Due to the timing of the budget request, historical budget allocations were utilized. Canada Beef also worked to rationalize the size and shape of the organization with adjustments to both the staff compliment and the infrastructure of the organization.

## **Overview of industry benefits realized across all markets through funded activities**

With a strong strategic focus on alignment with supply chain partners, Canada Beef activities were focused at enhancing values for specific products within markets and segments. Canada Beef staff engaged supply chain partners in key markets to identify product supply opportunities, and targeted customers to develop marketing programs with an objective to maximize cut out value relative to USDA.

Continued focus on brand license holders and long-term partnerships with strategic market leaders in each sector is a high priority. Currently Canada Beef has brand license agreements with 103 partners in the domestic market. Canadian beef brand license holders in the domestic market represent over 75% of the market share leaders in the retail sector. Brand license partners hold approximately 50% of the share of foodservice distribution in Canada.

The 'Canadian Beef Story' concept has been developed to leverage the



unique attributes of the CBA with the end consumer in mind. The concept markets to consumers the quality and safety attributes of Canadian beef production and leverages the strong perceptions of the natural environment of Canada, the trusting image of Canadian beef producers, and Canada as a trustworthy trading partner around the world in the minds of consumers.

From an operational perspective, the shift from a market specific approach to a regional hub approach in the Hispanic markets of the United States, Mexico, Cuba, and also including Central America, has provided enhanced efficiencies in program delivery as well as leveraging the expertise across the organization in that key target market segment. The new structure will provide enhanced program efficiencies across all markets and ensure consistent alignment with industry and program delivery while ensuring unique market opportunities are capitalized on. An Asian Hub has also been developed under the leadership of Daisuke Shimojima out of the Japanese office in Tokyo. He will oversee the work being done in China, Korea, Hong Kong and Taiwan.

As part of an effort to enhance relationships and to leverage the Trade Commissioner Services in foreign postings, Canada Beef has developed strong linkages in key markets that provide opportunities to extend the reach of Canada Beef programs and key messages, while leveraging the resources and promotional activities of the Trade Commissioner Service. By empowering the Trade Commissioners, Canada Beef has been able to increase market opportunities in key markets such as Russia, the United Arab Emirates and Saudi Arabia as well as execute promotional initiatives in developing foreign markets in which no Canada Beef resources are allocated including Vietnam, Singapore, Panama and Colombia.

The new Global Market Intelligence Report (GMIR) was developed to provide insightful and timely intelligence to Canadian industry partners and government personnel on market conditions, major issues, trends, opportunities and economic factors affecting beef trade. The report incorporates a feature country report including content focused on Canadian beef export barriers and opportunities, import market conditions and economy/outlook for the selected region.

Canada Beef can proudly say that a total of 15 months of hard work and transition are in the books. When Canada Beef Inc. took shape, it was envisioned that together, it would succeed based on a 'dynamic Canadian beef advantage delivering recognized value'. To this end, Canada Beef's mission was to be innovative, collaborative and sustainable in all it does. Moving forward, it is all about creating brand loyalty.

Looking ahead from what was learnt from the first business plan, a total of five corporate objectives have been established for the 2013 business cycle:

1. Canadian beef is recognized for its premium quality, safety and value in priority markets;
2. Priority markets drive incremental product values;
3. Canadian beef brand loyalty is enhanced with consumers;
4. Consumer confidence in the Canadian beef industry is preserved/maintained; and
5. Industry stakeholders are aligned to foster collaborative, sustainable Canadian beef solutions.

One of the most significant cultural commitments Canada Beef has come to incorporate is a set of guiding principles:

1. Connect
2. Consult
3. Communicate
4. Collaborate

The development of the CBA attribute-based Canadian beef story has provided a very strong platform to enhance overall consumer perceptions and leveraging the unique selling points of Canadian beef. The concept will be expanded to be leveraged through implementation in key export markets utilizing the content and the strong visual imagery of Canada.

Finally, the ability to collect an import levy on cattle, beef and beef products has become a reality. While this did not occur in the fiscal 2012-13 year, it is a major achievement for our industry and leads the way for all other agricultural commodities to begin to level the playing field with our trade partners. ▼

Respectfully submitted,

*Chuck MacLean, Canada Beef Inc. Chair*



**LARRY DELVER**  
CIC Chair

## CIC REPORT

Cattle Industry Council (CIC) representatives were elected or appointed as follows:

James MacLean - Audit Committee

Dan Rosehill - Governance Committee

Brian Edge - Research Committee

A mini conference was held in Calgary on January 30, 2013 dealing with Alberta's beef industry sustainability. Approximately 20 people from the industry attended. Four main discussions were held involving:

- Progress at Canada Beef Inc.,
- A review of the XL beef plant E. coli recall and communications around it,
- CFIA's assessment of their technical services with restructured delivery,
- A review of animal traceability with genomics and RFID technology,
- And an assessment of how a major packer, JBS USA, is dealing with industry sustainability.

Rob Meijer, John Baker and Mark Klassen from Canada Beef Inc. described consumer confidence and the XL Foods E.coli O157 recall using consumer polling data and consumer response.

Dr. Kochhar, Western Director, Operations, Canadian Food Inspection Agency (CFIA) described CFIA's new inspection model. He previously served as Executive Director, National Programs, Director Program Delivery at CFIA.

An economic assessment of DNA traceability and genomics

compared with the RFID method was presented by Dr. Ellen Goddard, Agricultural Marketing and Business, at the University of Alberta. This included information about the current traceability direction "farm to fork".

Cameron T. Bruett, Manager, Corporate Communications, JBS USA, addressed Canadian beef packer fundamentals in a North American marketplace via conference call. Bruett was formerly with the USDA in Washington, D.C. as a senior professional staff member on the U.S. Senate Committee on Agriculture, Nutrition and Forestry.

On June 14, 2013 another mini conference was held in Calgary dealing with "Traceability: Farm to Plate". Approximately 30 people participated.

CCIA's Cattle Implementation Plan's Traceability Costing was presented by Larry Delver, CIC Chair. Brian Caney, GM of CCIA presented Traceability Development in CCIA's Cattle Implementation Plan. The Beef Industry Impact of Traceability was presented by Kim McConnell, a member of Alberta's beef industry strategy, that is helping define the sectors working together to create the operating climate needed to advance business interests.

ALMA's Traceability Cost benefit Assessment: Aligning Traceability with Industry and Customer Relevance was presented by Brad Fournier and Stephen Scott. This summarized an ALMA report prepared last summer about the value of animal and food traceability.

Traceability programs have been developed as a commercial requirement for the industry. Hubert Lau of View Trak made presentations about their systems with a program that interfaces with the LIS System for cow calf, feedlots, auction marts and packers. Mauricio Arcila with IndentiGen Canada Ltd. is looking at the

Ontario corn fed program exchange data link with CCIA RFID tag program. David Moss with Integrated Traceability Solutions Global (ITS) took part in the panel and Larry Thomas from CCA's BIXS program is dealing with the national voluntary web-based database for the cattle sector.

Kevin Boon with BC Cattlemen's Association provided information on a conference call about vertical alignment on product branding. Tim McAllister, AAFC Research Scientist, provided his view of Canada's Food Safety in Beef Production from Farm to the Fork.

A wrap-up panel of presenters discussed "Opportunities for the Beef Sector".

ABP's CIC mini conferences have been a good way to involve members of Alberta's beef industry in a casual format. These are open to all those who are interested and wanting to contribute to progress in Alberta's beef sector. ▼

Respectfully submitted,

*Larry Delver (WSGA), Chair*

George L'Heureux - FAA  
Dan Rosehill - AAMA  
Lorrie Jespersen - AB Milk  
James MacLean - ALDOBA  
Brian Edge - ABP



**HOWARD BEKKERING**  
CFC Chair

# CFC REPORT

The ABP Cattle Feeder Council (CFC) was created to provide a forum for discussion and recommendations on issues of particular importance to the cattle feeding sector of our industry. This has certainly been a year of financial challenges for cattle feeders. Going into 2013, the feeding and processing sectors were already facing strong pressure on margins and increased volatility and risk in the markets. Last winter, a combination of an unusually high basis, high feed costs caused by the U.S. drought, and lack of strong packer competition for cattle created some of the worst cattle feeding margins in memory. The large percentage of fed cattle that are contracted or owned by the packers makes it very difficult for smaller feedlots to be competitive. We heard of some feeders shutting down feedlots and there was a concern that a sustained period of these types of margins would lead to further losses of cattle feeding operations.

In this climate of financial strain, there are clearly many issues for the CFC to address and the council has held four full meetings already this year, with one more meeting planned before the ABP Annual General Meeting. As we moved into summer and fall, feed prices have declined and there is a more positive outlook among feeders. However, the council knows there are no easy and quick solutions to the dismal margins cattle feeders have been facing. The long-term solutions are aligned well with ABP and CCA priorities. Improved market access and increased demand for Canadian beef will enhance packer margins and

increase competition for fed cattle. Research that increases the productivity of feed grains will help both grain growers and cattle feeders.

## Feed grains research

The CFC supports a number of research projects through direct funding and recommendations to other funding agencies. We are nearing the end of a commitment of \$1.5 million over five years that ABP made based on a recommendation from the CFC. This year, the Beef Cattle Research Council asked ABP to contribute \$100,000 per year for five years to Beef Cattle Science Cluster funding under Growing Forward 2 and \$100,000 per year for two years for a continuation of the feed grains research project. The CFC recommended that the ABP Board approve this funding and this commitment was incorporated into the ABP budget.

## CAIS/AgriStability audits and CPIP payments

For some time, the CFC has been hearing complaints from producers, particularly feedlot operators, about Agriculture Financial Services Corporation (AFSC) audits of CAIS/AgriStability claims. The producers who are subject to these audits have a very strong feeling that the primary purpose of these audits is to adjust claims and take money back from them. A second issue that is deeply disturbing to us is the stories we have heard about producers having Cattle Price Insurance Program settlements held up because they were involved in a CAIS/AgriStability audit. The CFC has met with AFSC representatives on this issue and will be continuing to address the concerns we are hearing from producers.

## Beef Cattle Code of Practice

The National Farm Animal Care Council has released a revised Code of Practice for the Care and Handling of Beef Cattle. The CCA was a significant part of the code development process and former CFC member, John Schooten, was an Alberta representative on the committee preparing the Code. The

CFC provided extensive input on the draft code and was pleased to see that many of the council recommendations were incorporated into the final code. The CFC supports good animal welfare practices and the development of codes to set industry standards and inform producers, but there are elements of the new code that the council does not support.

## Labour force issues

Employers across Alberta face continued challenges in finding enough workers to operate their businesses, and the future of the cattle and cattle feeding industry depends on access to labour. The CFC has Craig Ference and former member, John Schooten, working on labour issues through the Agriculture Industry Labour Council – Alberta and the council will support further work to resolve labour issues for the agriculture industry. The CFC also is prepared to work with industry and governments to improve the health and safety of farm workers.

This is not a complete listing of the activities being done under the direction of the CFC, but it does provide an overview that covers the most important areas. The CFC also is supporting the work of the Natural Resources Conservation Board (NRCB) to satisfy the Auditor General of Alberta that current NRCB processes manage surface water risks from confined feeding operations. The Cattle Feeder Council will continue to work on behalf of ABP and cattle feeders to make appropriate policy and production recommendations. ▼

Sincerely,

*Howard Bekkering, Chair*

- Jimmy Nelson, Zone 2
- Bryan Thiessen, Zone 3
- Craig Ference, Zone 4
- Charlie Christie, Zone 5
- Dave Solverson, Zone 6
- Ken Stanley, Zone 7
- Sheldon Hauca, Zone 8
- John MacArthur, Zone 9
- Garth Porteous, Zone 1 at large



**JOHN BUCKLEY**  
CCC Chair

# CCC REPORT

The council had two major meetings and one conference call during the year where the members dealt with council business, AGM resolutions and policy review. Some issues before the council were directed to specific subcommittees for further review and action.

CCC representatives were elected or appointed as follows:

Gordon Graves - Research Committee;  
Deadstock Committee

Rose Wymenga - Governance Committee

Chris Simpson - Audit Committee;  
Chair Safety-net Sub-committee

Tim Smith and Rick Friesen - Safety-net  
Sub-committee

John Beasley - Wildlife Working Group

Mike Nadeau - Wildlife Working Group;  
AARD Drought and Excessive Moisture  
Advisory Group (DEMAG)

Lyndon Mansell - Alberta Forage  
Industry Network (AFIN)

**Forage Insurance Task Force:** Rob Somerville and Fred Hays were part of this federal government task force. They completed a review of existing forage and pasture insurances to make recommendations to the provinces for Growing Forward 2 (GF2).

Forage and hay insurance in the western provinces has not typically been well accepted. Uptake is usually only 10 to 20 per cent of a crop. Some of this has to do with premium costs or projected return to investment for insurance. In Alberta it will be up to AFSC to come out with any insurance programs but the industry and ABP need to participate in these developments.

The government's Business Risk Management (BRM) policy direction is having more responsibility shouldered by the producer. GF2 will look more at disaster assistance than for normal risks that producers face.

The sub-committee and council continue to discuss the need for livestock production insurance. Because of the national approach the CCA is taking a lead role promoting this. The general direction is that:

1. The government will not increase spending on the total program package
2. The government will not increase spending on grain and livestock programs
3. There will be no subsidy dollars away from crop insurance
4. These insurance offerings could be similar to some U.S. programs.

Programs that are developed will be done at the provincial level. Fred Hays has prepared a background report for the council dealing with production insurance and the sub-committee continues its work on this file.

**Wildlife damage on stored feed:** The council reviewed the issue of wildlife damage on stored feed. The council referred the issue to the Wildlife Working Group for further study and recommended action in the area of compensation for damage to property by wildlife. Loss of management options, (i.e., swath grazing) and expensive wildlife-proof feed stack yard fencing is increasingly problematic for producers in many areas of the province.

**Resolutions dealing with reference margins, AgriInvest and AgriStability:**

The Safety-net Sub-committee and the council had reviewed and recommended the approval of the resolutions to the board. The direction was to continue to support AgriStability with modifications to the reference margin level, and continuing AgriInvest using the calculation "Allowable Sales" instead of "Allowable Net Sales". This agrees with present ABP policy around business risk management programs.

**Animal welfare:** The issue of stockpiling cull cows at auction marts without sufficient long-term space was brought forward last winter. The government changes to the BSE surveillance program caused more old cows to be sold that were being stockpiled at the auction marts in insufficient conditions. As an industry, we all need to be aware of the animal health and welfare issues this can create and the negative light it shines on our industry.

**SRM identification by CFIA:** Currently the focus is to have Canada declared a BSE-free status by 2013. However, with cow numbers decreasing it has been projected that BSE testing numbers would also decrease. This could potentially extend the testing period, perhaps to 2015. Rob Somerville presented current CFIA statistics and there has been no decrease in numbers being tested to date. This information is on the CFIA website.

**Cow-Calfenomics producer meetings:**

Continuing with the program from last year, Alberta Agriculture and Rural Development has developed one-day seminars for the cow-calf sector. This year the theme will be Tools and Strategies for Better Decisions in the Cow-Calf Sector. One session includes a presentation from a young producer's approach to his or her business success. Meetings will be held in Vermilion, Veteran, Olds and Lethbridge. ABP continued to support the program in-kind with planning and promotion and sponsoring students in college to attend the seminars. ▼

Sincerely,

*John Buckley, Chair*

- Rick Friesen, Zone 1
- Alan Minchau, Zone 2
- Tim Smith, Zone 4
- Rose Wymenga, Zone 5
- Chris Simpson, Zone 6
- Bernie Regner, Zone 7
- Gordon Graves, Zone 8
- Mike Nadeau, Zone 9
- John de Groot, Zone 1 at large
- John Beasley, Zone 4 at large
- Jake Meyer, Zone 2 at large
- Brian Chomlak, BOD representative



**CHUCK MACLEAN**  
Governance Chair

# GOVERNANCE REPORT

As one of two standing committees prescribed in the ABP by-laws, the ABP Governance Committee is responsible for oversight of the governance policies and practices of the organization. In this role, the committee reviews ABP corporate governance guidelines and practices, monitors trends and best practices in corporate governance, and makes recommendations to the ABP Board of Directors regarding appropriate changes in corporate governance. These changes could affect the governance provisions of the ABP Plan Regulation and ABP by-laws, as well as the policies and practices of the Board.

The Governance Committee is appointed by the ABP Board of Directors and consists of five members supported by the Executive Director. Four of the members are appointed by the ABP Board, Cow Calf Council, Cattle Feeder Council, and Cattle Industry Council. The fifth member is appointed by the committee and is an independent person from outside the organization, not directly involved as a delegate with ABP. This year, the Governance Committee appointed Chuck MacLean, a past delegate and past Chair of ABP, as the non-delegate member of the committee. On the committee's recommendations, the ABP Board of Directors appointed Chuck MacLean as the Governance Committee Chair.

The Governance Committee Charter was reviewed and updated by the committee last year. In the three

years of the committee's existence, it has completed a thorough review of ABP governance policies and practices, as well as developing a number of important and useful governance documents. The committee has prepared documents describing delegate, director, and zone committee responsibilities. The committee prepared the Code of Conduct and Conflict of Interest Policy that each director signs every year, as well as a Concerns and Complaints Procedure that the Board approved last July.

For this year, the focus of the Governance Committee will be to finish work on an ABP Governance Manual. Many of our governance rules and procedures are already outlined in the ABP By-Laws, but there are gaps in these areas and written policies are an essential element of good corporate governance. The committee has used the Canada Beef Inc. Governance Manual as a model for the ABP manual and will have the document completed for review by the Board and delegates at the 2013 Annual General Meeting.

At a Governance Committee meeting in March, John Buckley discussed the objectives of the ABP Policy Manual Working Group. The committee then considered how the Governance Manual would fit with the policy manual that John's working group is developing. Key elements of the Governance Manual will become formal policies on board governance, board delegation to management, and executive limitations. While these policies will be included in the ABP Policy Manual, the Governance Manual will be a companion document containing a level of detail that will not be found in the policy manual. The delegates heard a presentation on the Policy Manual and the Governance Manual at the Semi-Annual General Meeting.

Corporate governance was defined by the original committee chair as the framework of rules and

practices by which a board of directors ensures accountability, fairness, and transparency in the organization's relationship with all stakeholders. He noted that the key elements of good corporate governance principles include honesty, trust and integrity, openness, performance orientation, responsibility and accountability, mutual respect, and commitment to the organization. Governance is a journey, not a destination, and the Governance Committee is prepared to guide ABP along that journey. ▼

Sincerely,

*Chuck MacLean, Chair, Independent*

Judy Fenton, Zone 4, ABP Board  
Rose Wymenga, Zone 5, CCC  
Sheldon Hauca, Zone 8, CFC  
Dan Rosehill, CIC



**JOHN BUCKLEY**  
Audit Chair

# AUDIT REPORT

Audit committees are viewed as a critical component of the overall corporate governance process. The ABP Audit Committee is one of two standing committees established by the ABP By-laws and is responsible for assisting the Board of Directors with oversight of the organization's financial processes and discharging its fiduciary responsibilities. The primary tasks of the ABP Audit Committee are to:

- Identify and monitor the management of principle risks that could impact financial reporting.
- Monitor the integrity of the financial reporting process and the system of internal controls regarding financial reporting and accounting compliance.
- Monitor the independence and performance of the external auditors.
- Provide an avenue of communication among the auditor, management, and the Board of Directors.

The ABP Audit Committee comprises:

One member appointed by the Board of Directors;  
One member appointed by the Cattle Feeder Council;  
One member appointed by the Cow Calf Council;  
One member appointed by the Cattle Industry Council; and  
One non-delegate member appointed by the members of the Audit Committee.

The Audit Committee held its inaugural meeting in April, 2010 and created the Terms of Reference for

the committee. The committee developed a working agenda with objectives and time lines that guides the activities of the committee on a year-to-year basis. One of the most important roles of the Audit Committee is communication with ABP's external auditor. Through conference calls and meetings, the Audit Committee first reviews the timing and scope of the audit, then reviews the results of the audit with the auditor before recommending that the Board of Directors approve the audited financial statements.

The Audit Committee has also reviewed and considered ABP's internal control and risk management procedures, as well as the financial reporting and disclosure procedures. The committee reviewed ABP's process for allocating and documenting money in the restricted and conditionally restricted reserve funds. In meetings with the ABP auditors, the Audit Committee has been informed that the financial affairs of ABP are in good order, the financial controls are excellent, and the auditors are pleased with the financial processes of the organization.

This year, the Audit Committee selected Lyndon Mansell as the non-delegate member of the committee and the ABP Board of Directors accepted the Audit Committee recommendation to appoint John Buckley as the Chair of the committee. The members of the Audit Committee are strongly committed to the beef industry of Alberta and have demonstrated this commitment through their dedication, hard work, enthusiasm and good humour. ▼

Regards,

*John Buckley, Chair, Board of Directors*

James MacLean, Cattle Industry Council

Lyndon Mansell, Independent Member

Garth Porteous, Cattle Feeder Council

Chris Simpson, Cow Calf Council



**ROLAND CAILLIAU**  
Communications Chair

## COMMUNICATIONS COMMITTEE

The Communications Committee has been hard at work this year getting information to producers while making the best use of producer dollars. The committee is constantly working towards more effective communications and increasing stakeholder engagement.

The Communications Committee is working towards increasing our electronic and online presence. To do so we need to build our e-mail database and we need your help. Over the coming months we will be implementing various tactics to reach out to all producers that would like to receive our information electronically. We are encouraging producers to go to [www.albertabeef.org](http://www.albertabeef.org) and signing up for our weekly e-mail newsletter. Delegates will be handing out forms at falls meetings for you to update your contact information, as well as contacting producers directly by phone to ask a few questions regarding the benefit of electronic communications. With your e-mail address we will be able to provide you with current information in a timelier manner that will be both cost effective and environmentally friendly.

After three years of running the auction mart monitor program, the committee made the decision to wind the project down once grant funding came to an end. While they saw the benefit of the monitors at the auction marts, the program was too costly to continue without outside funding. The committee expressed their appreciation to all of the participating auction marts for playing a role in the success of the program over the last three years.

The annual Young Guns Award was launched earlier this year and judging took place at ABP's Semi-Annual Meeting. The theme this year was to share your Alberta beef story. The First prize is \$1,000, second is \$500 and the third place winner will receive \$250. The communications committee reviewed a lot of strong submission but was particularly inspired by three essays submitted.

Lauren Ovinge, from Scandia, AB, came in first place writing about how social media interacts with the beef industry. The committee was encouraged by the different areas of opportunity Lauren felt social media would work to better the industry and strengthen the voice of producers. Dakota Townsend's impassioned 4-H regional winning speech earned her second place in the contest. Dakota, whose family ranches in the Sylvan Lake area, wrote about her life experiences in agriculture and the responsibility of feeding the world. Third place recipient, Evan Bell, wrote about Alberta Beef Producers and the importance of industry organizations. Evan grew up on a ranch near Drumheller, AB, and has experienced first-hand the importance of having a united voice behind the industry.

Webinars are a newer tool ABP has been working with for the last year. Covering topics from research to producer input on the Code of Practice for the Care and Handling of Beef Cattle and a one-on-one with ABP Chair Doug Sawyer, these sessions have been an effective way of communicating with stakeholders directly on current issues impacting the industry. While attendance can always be stronger, the committee is optimistic about the potential for reaching audiences through this platform. Information regarding upcoming webinars is always posted on the homepage of the ABP website [www.albertabeef.org](http://www.albertabeef.org).

The committee is excited to host the annual media tour again in the spring of next year after having to cancel it last year. We partner with

Alberta Milk and Canada Beef Inc. every year to tour media from all over the province around different locations relating to beef and dairy that will provide them with interesting insight and different perspectives of the industries in Alberta.

The committee sponsored the Cattlewomen for the Cure golf tournament again this year, which raised over \$49,000 for the ALS Society of Canada last year and raised funds for the Arthritis Society this year. Cattle Country with Jim Fisher is running across Alberta radio stations every Wednesday with up-to-date, relevant information for producers and you can also sign up for our weekly updates, go to the ABP website for all your beef industry related news and information and follow us on twitter @albertabeef.

As always, we are open to new ideas, thoughts and suggestions on communications. Please feel free to offer them up to myself, committee members or staff. ▼

Regards,

*Roland Cailliau, Chair*

- Rick Friesen, Zone 1
- Cecilie Fleming, Zone 2
- Peg Strankman, Zone 3
- Tim Smith, Zone 4
- Arnie Tateson, Zone 5
- Tim Sekura, Zone 6
- Colin Campbell, Zone 7
- Danny Hozack, Zone 8



**BOB LOWE**  
Environment Chair

# ENVIRONMENT REPORT

The Environment Committee has worked closely with watershed groups across the province, the Land Use Sub-committee and Wildlife Working Group, and other various producer and industry groups focused on environmental initiatives. The Environment Committee oversees Alberta Beef Producer's (ABP) Environmental Stewardship Award and focus on spreading the message of environmental stewardship to producers, industry and the public.

The committee toured the Olds College Botanic Gardens and Treatment Wetlands Complex last year. The 20-acre research and education facility includes demonstration plots with 20 constructed treatment wetlands. The wetlands and gardens can be utilized for land use planning and integrated water management research and training. After learning about the facility the College submitted a partnership proposal to the committee that was approved for a \$20,000 investment. The committee saw the potential for enhanced environmental studies and the research opportunities that will be done at the treatment complex as an effective use of producer dollars.

The committee approved funding on two watershed projects this past year. The Environment Committee will sponsor for the Oldman Watershed Council's 'Holding the Reins' seminar again this year. This event provides an opportunity for producers to learn about current land and water issues and how to deal with them. The committee provided sponsorship of the Battle River Watershed (BRWA) is

hosting their 'Rolling Down the River' event again this year. This event promotes the watershed by riding from Battle Lake to Edgerton. During the ride they raise awareness about the BRWA and the watershed, and educate community members about the important role our watershed provides in maintaining good health. The special focus of this bike tour will be local agriculture and the important role it plays in supporting the communities and watershed. Lastly, the Vermilion River put forth a sponsorship request for the development of a management plan. The plan will be developed with Vermilion College and Lac La Biche, and students working on it will get credits back from the college for work done.

The 2013 Environmental Stewardship Award (ESA) was presented in December at their Annual General Meeting in Calgary to Gerry and Grant Taillieu of Tomahawk Cattle Ranch. Gerry Taillieu, his wife Cheryl with their son Grant and daughter Amy began ranching at Tomahawk Cattle Ranch in 2001, on a less than ideal landscape that was in need of improvements. The land is home to 4,000 acres of lakebed that was drained in the 1960's and is now primarily used for winter grazing. Taillieu knew the operation would need a long-term commitment. Through careful management practices they have been able to revitalize the once overgrazed pastures. Gerry and Grant have worked closely with many industry organizations that all focus on the importance of environmental stewardship and with the help of these groups they have been able to improve the productivity of their operation while minimizing the impact on the environment. The 2014 ESA recipient will be announced at the Annual General Meeting in December.

The ESA judging team will be out touring the nominees operations for the upcoming year at the beginning of September. Range management, riparian areas and water management, animal welfare and community involvement are a few of the areas

taken into consideration during evaluation process. The winners of the 2014 Environmental Stewardship Award will be announced at ABP's Annual General Meeting this December in Calgary, AB. The ESA highlight video is a compilation of the past winners and highlights the importance of the environment to beef producers in Alberta. It is available through the ABP office or your zone director if you would like a copy to use at zone events.

The Environment Committee continues to support Cows and Fish. Committee member Judy Fenton was appointed President at the recent Cows and Fish Annual General Meeting. They are getting ready for their summer grazing school for women and you can learn more about them on the website. The Environment Committee continues to see great value in the work Cows & Fish do and the programs they run. ABP supports the society financially and in-kind through staff support, office space and program promotion. If you are interested in learning more about the riparian management group go to [www.cowsandfish.org](http://www.cowsandfish.org).

The committee is excited to work together this year and keep producers informed along the way. This should be a very interesting year and we look forward to the work we do to represent Alberta's beef industry. Agriculture and the environment go hand-in-hand, and as consumers become more aware and concerned with the environment it is crucial that the Environment Committee is at the forefront of issues that could potentially impact our industry. ▼

Regards,

*Bob Lowe, Chair*

- John De Groot, Zone 1
- Darren Bevans, Zone 2
- Peg Strankman, Zone 3
- Judy Fenton, Zone 4
- Walt Suntjens, Zone 4
- Nanita Blomquist, Zone 5
- Greg Bowie, Zone 6
- Rick McKnight, Zone 7
- Bill Fox, Zone 8
- Ron Wieler, Zone 9





**MARK FRANCIS**  
Marketing &  
Education Chair

# MARKETING & EDUCATION REPORT

Any summary of the 2013's marketing efforts has really only one message. The message is that ABP has, with the help of substantial outside funding, managed to continue the success it achieved during its pilot programs of 2012.

In the 2013 Semi Annual report, ABP was still waiting to receive promised funds from the Alberta Livestock and Meat Agency to once again speak directly to consumers about the delicious taste of Alberta Beef. Today, the good news for beef producers is those dollars have now been received and are currently being used to execute a second year of the Alberta Beef Famous Taste Campaign.

Increasing brand strength and impacting consumer spending habits are jobs that require a considerable amount of money. Once again, we thank ALMA for ensuring this year's campaign and next year's as well are pushes strong enough to drive sales. It was this proven ability to drive sales that factored heavily into the committee's decision to include or exclude certain tactics from the 2013 campaign. Using benchmark data from the launch year, the group was able to select tactics on the basis of reported sales lift from partners (in some cases over 700%) and on the overall consumer reach they achieved.

Number one on the tactics list is the unarguably popular television ad created by the director and producers of the hit TV show,

Heartland. This ad ran for nine weeks during the 2013 peak barbeque season on nine major television channels carrying programs viewed most frequently by our main demographic – the female grocery shopper. The specific programs were Dr. Phil, the Ellen Degeneres Show, the Price is Right, America's Got Talent, the Calgary Stampede, the Stanley Cup, Murdoch Mysteries, Heartland, Comedy Hour, and CBC News. Over the nine week media buy, it is estimated that the ad was seen by well over a million viewers per day.

The number two tactic used this year is the Famous Taste Express BBQ wagon which has proved very popular with consumers, creating line-ups at all samplings and cooking demos it has hosted so far. Literally tens of thousands of samples of New York strip have been handed out to hordes of crowds at events such as the Calgary Stampede, Edmonton K Days, BBQ on the Bow, the Olds College 100 Year Celebration, and many grocery store promotional events.

These Alberta-based initiatives have all proved effective and the committee feels the check-off dollars spent to leverage this campaign have been more than well spent. What is even more exciting about these tactics is that, for the first time in over a decade, they were executed outside of the province it as well. In an effort to return Alberta Beef to its historical status as a celebrated product across Canada and even the world, the committee gave our marketing agency permission to push the campaign into B.C. to see how consumers there would react to Alberta Beef.

Although the data are still to be analyzed, ABP staff saw that advertising in B.C. has the potential to drive sales and to consequently put pressure on retailers to supply our labelled product to consumers in that province. Staff came to this conclusion by the number of B.C. tradeshow organizers and restaurants immediately wanting to

know if they could partner with ABP to profile Alberta Beef in their own marketing programs. If we have check-off dollars to pursue this idea next year, the committee will look into how to best take advantage of that interest long-term.

Educating pre-consumers is a big part of what ABP does to ensure the future well being of our industry. The committee has put some real effort into expanding its Beef in the Classroom program and its participation in the Classroom Agriculture Program. This year the committee will try to place a professional BITC presenter in the Edmonton school district and by so doing eventually add another 2,000 grade ten students to the over 12,000 currently learning about how to buy and cook Alberta Beef.

The committee is working with the CAP Steering Committee (which ABP currently chairs) to add an additional 5,000 grade four students to the provincial program. If we are successful in these tasks it will mean that 7,000 more future decision-makers should grow up to be strong supporters of the Alberta beef industry.

At the close of 2013, I think a big thank you is due to ABP's Marketing and Education Committee. They have leveraged producer dollars to make sure Alberta Beef is recognized and appreciated not just by today's consumers but by tomorrow's as well. For that job alone they deserve our thanks and for the enthusiasm they have shown while doing it. ▼

Regards,

*Mark Francis, Chair*

- Jake Meyer, Zone 2
- Chuck Groeneveld, Zone 3
- John Bland, Zone 3, Vice Chair
- Pat Rutledge, Zone 4
- Cathy Sharp, Zone 5
- Gary Seutter, Zone 6
- Rick McKnight, Zone 7
- Michael Lutzak, Zone 8
- Bruce Jack, Zone 9



**BRIAN EDGE**  
Research Chair

# RESEARCH REPORT

On August 20, 2013, Agriculture and Agri-Food Canada announced \$14 million in funding for the second Beef Cattle Industry Science Cluster under Growing Forward 2. Combined with other industry and provincial government commitments, the total funding of the Cluster will total \$20 million (including Alberta's contribution to the research allocation of the national levy and a further \$700,000 in direct funding from ABP) to support 26 research projects. These projects are focused in five priority areas (animal health and welfare, beef quality, food safety, feed grains and feed efficiency, and forage, grasslands and environment), and aim to achieve the outcomes stated in the National Beef Research Strategy. For more information please visit [www.beefresearch.ca](http://www.beefresearch.ca).

A full proposal for a short-term project exploring the effect of pooling samples, transport time, and transport conditions on the sensitivity of a PCR test for vibrio was accepted by the Canadian Agricultural Adaptation Program (CAAP). This project is scheduled to be completed on October 31, 2013. Dr. Cheryl Waldner from the Western College of Veterinary Medicine in Saskatoon is leading this project, and it is logical continuation of the project (supported by ABP and CAAP) that developed the PCR test.

We have also submitted a letter of intent to the Alberta Livestock & Meat Agency (ALMA) One-Health

call for proposals. Working with a diverse set of researchers, this project's main objective is to develop a cost-effective diagnostic screening tool for antimicrobial resistance. This anticipated project will have two main benefits – cost savings in terms of using the most effective antimicrobial for the bacterial population (thus reducing re-treatment costs), as well as taking a proactive stance on antimicrobial resistance. Even though our current research has demonstrated a very low level of resistance in cattle to the drugs most important for human medicine, we need to continue to take initiative in this area to combat inaccurate consumer perceptions and ensure that the industry's access to antimicrobials is not curtailed by unnecessary regulation. Unfortunately, ALMA did not request a full proposal for this project but we will work with the researchers to explore other funding options.

The Alberta Forage Beef Centre initiative aims to help battle the declining forage research capacity in Alberta and across Canada. The collapse of the Western Forage Beef Group left a significant gap in this area, and industry focus groups across the province confirmed the need to fill that gap. The Alberta Forage Beef Centre is not just a resurrection of the Western Forage Beef Group, it is intended to have a much larger scope, a specific extension component, as well as full participation from the beef and forage industries throughout the entire process. We have just finished a draft proposal that will be shared with an extended stakeholder group very shortly. We hope that the feedback received from this group will strengthen the proposal further in anticipation of the proposal presentation to Agriculture and Rural Development and Agriculture and Agri-Food Canada, the first step in creating a government-industry agreement, which will solidify commitments from all parties.

In the next few months, the ABP research committee will be analyzing a database of projects from many different funders, put together by the Beef Cattle Research Council. Our objective is to examine the outcomes presented in the National Beef Research Strategy and determine which outcome areas have received little funding attention. Funds permitting, the research committee intends to target these areas and use industry dollars to leverage other sources of funding to ensure that necessary research activities are occurring in these areas.

Research project factsheets, both completed and ongoing, are available on the ABP website at [www.albertabeef.org/index.php/research](http://www.albertabeef.org/index.php/research). Discussion on research projects presented there, or research that you feel would benefit the industry is always welcome.

Alberta Beef Producers strongly believes in supporting research that improves the viability, competitiveness, and sustainability of the beef industry in Alberta and Canada. Substantial long-term investments in feed grain breeding (\$1.7 million over seven years) and the Beef Industry Science Clusters (\$1.2 million over nine years) demonstrates our commitment to that guiding principle. ▼

*Brian Edge, Chair*

- Howard Bekkering, Zone 1
- Darren Bevans, Zone 2
- Colin Campbell, Zone 7
- Gordon Graves, CCC
- Charlie Christie, CFC
- Larry Delver, Board Representative



**BRIAN CHOMLAK**  
Animal Health and  
Welfare Chair

## AH&W REPORT

The Code of Practice for the Care and Handling of Beef Cattle has been released to the public. ABP strongly supports the concept of codes of practice as they are a valuable tool that helps producers ensure proper animal care. ABP had an opportunity to provide comments on the Code, and appreciates that the development committee incorporated a number of our suggestions. The majority of the Code provides excellent guidance on animal care practices, and although there are a few of areas that ABP is not comfortable with, all producers should familiarize themselves with the content of the Code. It can be found online at <http://www.nfacc.ca/codes-of-practice/beef-cattle>, and hard copies can be requested from the CCA office.

We were also involved in a consultation with Alberta Agriculture and Rural Development as they reviewed their disease response plans for reportable diseases (BSE, foot and mouth disease, toxic agents, Salmonella dublin and Salmonella typhimurium) and one notifiable disease (anthrax). While we have not received a response back from ARD regarding our comments at this point in time, we did use the opportunity to reiterate our dissatisfaction with “toxic agents” and the Salmonellas being included as reportable diseases in Alberta.

The Northern Alberta Bison project concluded March 31, 2013. This was a two-year project that encompassed surveillance, disease testing for brucellosis and tuberculosis and an extensive communication/education campaign in the regions surrounding Wood Buffalo National Park. One herd outside of the park is infected,

while the other herd still remains unconfirmed, as the last batch of testing came back negative (which only means the disease wasn't present in the animals tested). We have applied to the Biosecurity Program under Growing Forward 2 for further surveillance, disease testing and population monitoring funds. Producers in the area should take reasonable precautions to prevent livestock contact with wild bison. Bison sighted in the agricultural areas need to be reported as soon as possible to the Fort Vermilion or High Level Fish and Wildlife offices (toll free at 1-866-941-5545).

A number of current and upcoming research projects partially funded by ABP focus on animal health and welfare. One highlight is a study focusing on characterizing lameness in the feedlot, and identifying management procedures to help prevent and mitigate lameness. Another is a project concentrating on pain and will examine the effects of age, handling, and pain mitigation during routine management procedures on physiological and behavioural indicators of pain in beef cattle, an area lacking in current scientific data specific to beef cattle.

Reduced BSE testing numbers as well as the lack of diagnostic services in the province continue to be high priorities for the committee. A CAAP funded project is currently examining the best ways for the four Western provinces to share the diagnostic burden between their available facilities, while leaving no province bereft of services.

Sexually transmitted diseases (trich, vibrio) can be a concern in some situations, especially where animals from different herds are comingled. While these cases are usually rare, they can be devastating in terms of open/late cows. Avoid buying mature bulls from unknown backgrounds, and ensure that if your cows are going to a community pasture that the pasture has effective prevention methods in place (and that they are enforced). ABP has an excellent trich fact sheet

on our website, and this video from the Beef Cattle Research School also contains good information on how to prevent infection: <http://www.beefresearch.ca/blog/trich-vibrio-video>.

ABP's Grass Routes and weekly updates continue to be an important method of communicating information for producers on animal health and welfare, so if you haven't signed up for the weekly e-mail updates, please visit [www.albertabeef.org](http://www.albertabeef.org) to subscribe.

The Animal Health & Welfare Working Group has a very close working relationship with Alberta Farm Animal Care (AFAC), an organization that promotes responsible, humane animal care in the livestock industry. AFAC is responsible for a number initiatives, including the highly successful CLT program, which is going national, as well as emergency response trailers located in strategic areas throughout the province to assist in accidents where livestock are involved. ABP also provides financial support to their ALERT Line, a confidential call line for anyone to report livestock care concerns (1-800-506-2273).

The Animal Health & Welfare Working Group is dedicated to issues related to animal health and humane animal care. We are working hard to serve the best interests of Alberta's beef producers and ensure that your check-off dollars are spent wisely to help prepare producers for emerging issues in these areas. We will continue to do our best to keep you informed on important topics, as well as the results from projects we are involved with. ▼

Regards,

*Brian Chomlak, Chair*

Garth Porteous, Zone 1  
Brian Edge, Zone 3  
Pat Rutledge, Zone 4  
Rose Wymenga, Zone 5  
Adam Moseson, Zone 6  
Danny Tonhauser, Zone 7  
Maarten Braat, Zone 9



**RICK MCKNIGHT**  
Wildlife Working  
Group Chair

# WILDLIFE REPORT

Membership on the working group was designated as having two members from the Cow Calf Council, two members from the Environment Committee and one from the Animal Health and Welfare Working Group.

The Wildlife Working Group Terms of Reference were developed to deal with wildlife issues across Alberta. The objectives of the group were to work closely with interested parties to ensure that regulation development and administration is equal, fair and timely. In addition, the group is to work toward developing positive incentives towards wildlife stewardship and to recognize producers for the services they provide to the wildlife.

*Economic Impact of Wildlife Survey: how agriculture contributes to wildlife study.* A project to determine the economic impact of wildlife to agriculture was presented last year by the Miistakis Institute. There had been problems with funding the total \$35,000 cost of the project. The ABP board had contributed \$15,000 and in-kind support but the other \$20,000 had to be sourced from other avenues. The group had contacted 68 MDs and Special Areas in Alberta to determine their interest in funding rated to their population. During the summer 2013 correspondence was sent requesting their participation. To date, some funds have been received and other MDs are waiting for council's decision.

**Coyotes back on predator list**  
Coyotes cause over 75 per cent of the predation losses of livestock in

Alberta. They are presently covered under the Pests Act and, therefore, damage done by them is not covered by the Predator Compensation Program. To have them under the Act a change needs to be done through the legislature. This was presented to the Alberta Game Management Advisory Group.

## **Alberta Game Management Advisory Group (AGMAG)**

Rick McKnight and John Beasley are ABP's representatives on AGMAG. In 2012 they presented a submission to have coyotes placed on the wildlife predator list. Bounties are not politically acceptable but there is an AGMAG committee looking at compensation for coyote kills.

## **Paid access during hunting season**

The group continued its assessment of this. In the U.S. some hunting revenues can be streamed to producers for supporting wildlife. There is continued work being done looking at Ecological Goods and Services as a process.

Hunting on Road Allowances. A report had been prepared about regulations dealing with hunting on undeveloped road allowances and it was presented to the board. The issue is primarily one of land access, access to the road allowance and access to a producer's property if following hunted wildlife. This had also been discussed at AGMAG meetings. Hunters generally feel they should have access to the undeveloped road allowance for hunting, and the right to enter private property to collect wounded, hunted wildlife. Continuation of this process has been handed to ABP's Land-use Sub-committee.

## **Changing hunting regulations**

A fall meeting resolution addressed the extension of waterfowl hunting season on lands and artificial open water around large bodies of water. Waterfowl are causing considerable damage to crops during the fall and winter. There is some direction by AGMAG to extend the hunting season although this could involve international treaties. ABP is working

with Alberta's power companies to help address this waterfowl management issue.

## **Compensation for damages**

Farmers and ranchers are experiencing losses to crops, swath grazing, hay, pasture production in addition to increased cost of fence repair due to the damages occurring as the result of the abundance of wildlife that inhabits our lands. The group was addressing this by starting an analysis of costs through the Miistakis Institute project and work with the MD agriculture service boards for possible solutions.

## **Land access services for hunters**

The group assessed service charges to hunters for hunting on private property. Landowners cannot charge the public to hunt on their property. However, landowners can stipulate that hunters only transport their kill on their land with the proprietor available to haul for a fee-for-service. A landowner can develop their land for camping or recreation but needs to have the proper permits covered under the Municipality Act.

## **Deadstock removal resolution**

A board sub-committee was formed with the Wildlife Working Group's participation. Methods of management include i) on farm natural disposal, ii) rendering pick-up, iii) incineration, iv) burning, v) use of land-fill (for rendered product only), vi) composting, vii) possible public site storage and viii) carcass transport to off-farm sites. Two strategies were identified: containment and destruction. The Waterton/Cardston compost facility and the livestock compost facility in Montana were assessed. ▼

*Rick McKnight, Chair*

Bob Lowe, EC  
Darren Bevans, EC  
John Beasley, CCC  
Mike Nadeau, CCC  
Brian Chomlak, AH&W



**RICK MCKNIGHT**  
Deadstock  
Sub-committee Chair

# DEADSTOCK REPORT

Membership on the sub-committee was designated as having two members from the Cow Calf Council, two members from the Environment Committee and one from the Animal Health and Welfare Working Group.

The Deadstock Sub-committee was established as a sub-committee of Alberta Beef Producers through a motion passed at a board meeting on April 26, 2102 by the Board of Directors. This committee deals with deadstock issues across Alberta as they pertain to the beef industry. The objective of the committee is to ensure that the policies, regulations, programs and actions implemented by ABP, other agricultural organizations, and government bodies support the interests of the industry.

A mini seminar was held by conference call to obtain opinions about deadstock. Dr. Keith Lehman, Animal Health Program Manager, CFIA, discussed biosecurity. CFIA has developed a Beef Cattle Biosecurity Standard. Part of this deals with deadstock removal and cattle disease transfer. A main concern with some soil microbes such as anthrax could be problematic if it were to develop. Predators and wildlife can also spread disease when they are part of the solution. Deadstock transport and storage off the farm site requires provincial and federal permits but these are not difficult to obtain if the disposal process has been approved.

Dr. Kim Stanford, ARD Lethbridge Research Centre, discussed composting including possible destruction of prions in animal material. Composting is primarily an aerobic process that requires microbes to breakdown biological nitrogen (N) materials. Turning compost homogenizes the feedstock, putting more N within the reach of the bacteria.

Some commercial composting starters contain enzymes, bacterial or yeasts that are relatively expensive compared with manure as a starter. The use of commercial fertilizer as a starter is not really an option: it only adds a synthetic N source to a biological N material.

Dead pits, culverts and old cisterns can be used for the short-term but will not work in the long-term in destroying prions. If lime is added then this will slow microbial decay and decomposition will stop. Animals do not decompose in dead pits because there is no air circulation. Cisterns and culverts are good for quick containment of dead calves and placenta to prevent predator or wildlife in the area. They should be placed on top of the ground and covered and the contents disposed of in a safe manner as soon as possible. The University of Saskatchewan has done some work regarding storage of deadstock and ground water.

Geoff Smolkin, Director of Prairie Operations for West Coast Reduction, discussed their pick up program in the Edmonton, Calgary and Lethbridge regions. Edmonton goes north to Barrhead and Westlock; west to Lodgepole; and as far south as Highway 13 and east to Highway 36. Calgary goes as far north as Highway 13 and Claresholm; west to Rocky Mountain House; south to Turner Valley; and east to Rockyford and Bassano. Lethbridge covers Brooks to Medicine Hat and Elkwater, and Claresholm goes to Pincher Creek and Waterton.

Trucking costs are rising and deadstock volume from farms continues to fall. Today volumes are at 45 per cent of what they were before BSE. One MD in the Lethbridge area pays for deadstock removal directly. The plants remove the hide and render the carcass selling the hide and rendered fat and sending the leftover solids to a landfill near Coronation.

The committee developed some background material for producers available as a CD. They are also investigating involvement with municipal Agriculture Service Boards having ABP representation and support. A review of the use of community gathering sites is also being done.

## **Deadstock removal resolution**

Two strategies were identified: containment and destruction. Methods of management include i) on farm natural disposal, ii) rendering pick-up, iii) incineration, iv) burning, v) use of land-fill (for rendered product only), vi) composting, vii) possible public site storage and viii) carcass transport to off-farm sites. The new Waterton/Cardston compost facility and the livestock compost facility in Montana were assessed. A review document with the various strategies is being developed with CFIA and Alberta Environment. ▼

*Rick McKnight, Chair*

Jimmy Nelson, Cattle Feeder Council  
Gordon Graves, Cow Calf Council

# ABP OPERATIONS BUDGET FOR 2013-2014

## Alberta Beef Producers

### Operations Budget for 2013-2014

#### National Policy and Trade Advocacy Programs:

Canadian Cattlemen's Association	\$1,400,000
Enhanced Federal Lobbying	35,000
National Governance and Oversight	35,000
U.S. and International Trade Management	40,000

#### Board and Delegate Expenses, ABP Governance and Provincial Initiatives:

Board of Directors and board appointed representatives	143,000
Annual General Meeting	120,000
Partnership Projects	120,000
Fall producer meetings, resolutions and policy development	100,000
Zone Committees	90,000
Semi-annual meeting	80,000
Executive Committee	75,000
Annual Report	60,000
Canfax Membership and Services	53,400
Provincial Advocacy	50,000
Audit Committee	5,000
Governance Committee	5,000

#### Council, Committee, Staff, and Project Expenses in Priority Areas:

Salaries and benefits, related to priority areas	532,500
Marketing and Education Committee	350,000
Projects Reserve Fund	190,500
Communications Committee	270,000
Environment Committee	72,000
Animal Health and Welfare Working Group	30,000
Research Committee	20,000
Wildlife Working Group	10,000
Cattle Feeder Council	26,000
Cattle Industry Council	20,000
Cow Calf Council	20,000
Feed Grain Research Project	100,000
Beef Cattle Research Council Science Cluster	100,000

#### Office, Legal, and Financial Administration:

Rent, office supplies, and equipment	450,000
Salary and benefits	347,500
Legal, audit, plan review, and consulting	80,000

Non cash expense, amortization of capital assets

40,000

Total operations budget

5,069,900

Capital Budget (due to the pending expiry of the lease on the previous office space, a favourable lease was negotiated on new office space, but this results in expenses for equipment upgrades and moving costs)

100,100

Total Budget

5,170,000

# ABP REFUND REPORT

## Refund Report – June, 2013

Refund Period Ending	Number of Refund Requests	Number of Marketing's Refunded	Net Amount Refunded	Number of Cow Calf Refund Requests	Amount Refunded to Cow Calf Producers	Number of Feedlots Refund Requests	Amount Refunded to Feedlot Producers
June 2013	431	624,983	\$ 1,217,740	262	\$155,053	169	\$ 1,062,687
Dec. 2012	532	552,565	\$ 1,072,254	368	\$ 156,823	164	\$ 915,431
June 2012	407	569,901	\$ 1,109,397	249	\$ 138,223	158	\$ 971,174
Dec. 2011	572	599,038	\$ 1,173,105	383	\$ 158,778	189	\$ 1,014,327
June 2011	416	516,204	\$ 1,008,705	247	\$ 122,933	169	\$ 885,772
Dec. 2010	647	631,582	\$ 1,678,788	474	\$ 304,005	173	\$ 1,374,782
June 2010	395	364,788	\$ 1,042,107	250	\$ 176,073	145	\$ 866,034
<b>Totals</b>	<b>3,400</b>	<b>3,859,061</b>	<b>\$ 8,302,096</b>	<b>2,233</b>	<b>\$ 1,211,888</b>	<b>1,167</b>	<b>\$ 7,090,207</b>
Percentages of Refunds Allocated					15%		85%

**Note:** There have been a total of 3,400 refund requests over the seven refund periods, but only around 1,400 producers have requested refunds. Many producers have made more than one refund request over these periods.

### Refund Rates

\$3 per marketing until November 30, 2010

Thereafter, only the \$2 Alberta Service Charge is refundable

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10104-103 Avenue  
Edmonton, Alberta  
T5J 0H8  
Tel: 780.424.3000  
Fax: 780.429.4817  
www.krpgroup.com



June 10, 2013  
Edmonton, Alberta

## **INDEPENDENT AUDITOR'S REPORT**

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To the Directors and Delegates of Alberta Beef Producers

An independent member firm  
of  DFK

We have audited the accompanying financial statements of Alberta Beef Producers, which comprise the statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011, and the statements of operations, changes in net assets and cash flow for the years ended March 31, 2013 and March 31, 2012, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Alberta Beef Producers as at March 31, 2013, March 31, 2012 and April 1, 2011, and the results of its operations and its cash flow for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

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**Kingston Ross Pasnak LLP**  
Chartered Accountants



# ABP STATEMENT OF OPERATIONS

## ALBERTA BEEF PRODUCERS

### Statement of Operations

Year Ended March 31, 2013

	2013	2012
<b>REVENUE</b>		
Alberta service charge revenue (Note 3)	\$ 10,279,626	\$ 10,848,942
Less dealer rebate	(169,332)	(180,305)
Less Alberta service charge refunded	(2,171,137)	(2,134,385)
Interprovincial marketings (Note 3)	91,100	279,201
	<b>8,030,257</b>	<b>8,813,453</b>
Canadian Beef Cattle Research, Market Development and Promotion Agency (Note 10):		
Canada Beef Inc.	2,709,317	2,231,730
Beef Cattle Research Council	677,329	639,575
Beef Information Centre	-	517,330
Canada Beef Export Federation	-	201,127
National Agency	-	16,329
	<b>3,386,646</b>	<b>3,606,091</b>
Excess of revenue over expenses before the undernoted	<b>4,643,611</b>	<b>5,207,362</b>
<b>OTHER REVENUE</b>		
Grants (Note 9)	1,027,935	143,214
Interest and other income (Note 5)	223,493	203,414
Producer Loyalty Partnership Program	20,005	5,075
	<b>1,271,433</b>	<b>351,703</b>
<b>OTHER EXPENSES</b>		
Grant funds expended (Note 9)	1,027,935	143,214
Research commitments, prior year	442,000	553,905
ABP matching funds for Marketing Campaign	386,719	-
CCA legal assessment (Note 10)	264,368	138,375
Producer Loyalty Partnership Program	9,605	57,061
Youth bursaries	1,750	-
	<b>2,132,377</b>	<b>892,555</b>
<b>EXCESS OF REVENUE OVER EXPENSES BEFORE OPERATING EXPENSES</b>	<b>3,782,667</b>	<b>4,666,510</b>
<b>OPERATING EXPENSES</b>		
Operating expenses (Schedule 1)	4,285,590	4,135,311
Amortization of furniture and equipment (Note 7)	35,648	35,753
	<b>4,321,238</b>	<b>4,171,064</b>
<b>(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ (538,571)</b>	<b>\$ 495,446</b>

# ABP FINANCIAL STATEMENTS

## ALBERTA BEEF PRODUCERS

### Statement of Changes in Net Assets Year Ended March 31, 2013

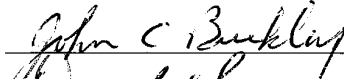
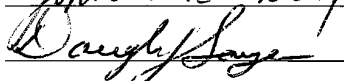
	Trade Advocacy Reserve (Note 4)	Operating reserve Following year (Note 4)	Operating reserve Future years (Note 4)	Conditionally restricted reserve (Note 4)	Long-term projects	Invested in furniture and equipment (Note 4)	2013 Unrestricted	2012 Total	Total
Balance, beginning of year	\$ 4,500,000	\$ 5,435,000	\$ 1,375,000	\$ 239,520	\$ 1,242,000	\$ 89,546	\$ 1,661,819	\$ 14,542,885	\$ 14,047,439
Transferred to current year operations	-	(5,435,000)	-	-	-	-	5,435,000	-	-
Internally restricted for following year operations	-	5,170,000	-	-	-	-	(5,170,000)	-	-
Internally restricted transfers	264,368	-	-	(85,000)	286,025	-	(465,393)	-	-
Excess (deficiency) of revenues over expenses	(264,368)	-	-	-	(847,725)	(35,646)	609,168	(538,571)	495,446
Invested in furniture and equipment	-	-	-	-	-	7,438	(7,438)	-	-
Balance, end of year	\$ 4,500,000	\$ 5,170,000	\$ 1,375,000	\$ 154,520	\$ 680,300	\$ 61,338	\$ 2,063,156	\$ 14,004,314	\$ 14,542,885

# ABP FINANCIAL STATEMENTS

**ALBERTA BEEF PRODUCERS**  
**Statement of Financial Position**  
**March 31, 2013**

	March 31 2013	March 31 2012	April 1 2011
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash	\$ 1,119,508	\$ 2,725,962	\$ 2,150,291
Restricted cash	680,300	847,725	553,904
Operating Reserve Fund, Following year (Note 4)	5,170,000	5,435,000	5,335,000
Investments (Note 5)	7,099,125	6,970,869	6,860,834
Service charge receivable	1,165,103	718,874	1,158,603
Interest and other receivables	128,404	61,728	20,072
Goods and Services Tax receivable	-	21,928	-
Prepaid expenses	67,614	27,661	59,616
Inventory (Note 6)	6,630	14,617	9,273
	<b>15,436,684</b>	<b>16,824,364</b>	<b>16,147,593</b>
OPERATING RESERVE FUND, Future years (Note 4)	1,375,000	1,375,000	1,000,000
FURNITURE AND EQUIPMENT (Note 7)	61,338	89,546	115,553
	<b>\$ 16,873,022</b>	<b>\$ 18,288,910</b>	<b>\$ 17,263,146</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT</b>			
Accounts payable and accrued liabilities	\$ 1,239,140	\$ 1,092,689	\$ 1,425,440
Goods and Services Tax payable	12,291	-	-
Alberta marketings held in trust	1,465,498	1,592,530	1,630,684
Deferred revenue (Note 8)	151,779	1,060,806	159,583
	<b>2,868,708</b>	<b>3,746,025</b>	<b>3,215,707</b>
<b>COMMITMENTS (Note 11)</b>			
<b>NET ASSETS (Note 4)</b>			
TRADE ADVOCACY RESERVE FUND	4,500,000	4,500,000	4,500,000
OPERATING RESERVE FUND, Following year	5,170,000	5,435,000	5,335,000
OPERATING RESERVE FUND, Future years	1,375,000	1,375,000	1,000,000
CONDITIONALLY RESTRICTED RESERVE FUND	154,520	239,520	-
LONG-TERM PROJECTS	680,300	1,242,000	1,295,905
INVESTED IN FURNITURE AND EQUIPMENT	61,338	89,546	115,553
UNRESTRICTED	2,063,156	1,661,819	1,800,981
	<b>14,004,314</b>	<b>14,542,885</b>	<b>14,047,439</b>
	<b>\$ 16,873,022</b>	<b>\$ 18,288,910</b>	<b>\$ 17,263,146</b>

**ON BEHALF OF THE BOARD**

 \_\_\_\_\_ Director  
 \_\_\_\_\_ Director

# ABP FINANCIAL STATEMENTS

## ALBERTA BEEF PRODUCERS

### Statement of Cash Flow

Year Ended March 31, 2013

	2013	2012
<b>OPERATING ACTIVITIES</b>		
(Deficiency) excess of revenue over other expenses	\$ (538,571)	\$ 495,446
Add items not affecting cash:		
Amortization of furniture and equipment	35,648	35,753
Change in unrealized loss (gain) on investments held at year end	7,007	15,545
	<b>(495,916)</b>	<b>546,744</b>
Changes in non-cash working capital accounts:		
Service charge receivable	(446,230)	439,729
Interest and other receivables	(28,301)	(80,030)
Inventory	7,987	(5,344)
Prepaid expenses	(39,953)	31,955
Accounts payable and accrued liabilities	142,294	(316,305)
Alberta marketings held in trust	(127,032)	(38,154)
Deferred revenue	(909,027)	901,222
	<b>(1,400,262)</b>	<b>933,073</b>
Cash flow (used by) from operating activities	<b>(1,896,178)</b>	<b>1,479,817</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(2,985,147)	(4,006,791)
Proceeds from sale of investments	2,849,885	3,881,212
Purchase of furniture and equipment	(7,439)	(9,746)
Cash flow used by investing activities	<b>(142,701)</b>	<b>(135,325)</b>
<b>(DECREASE) INCREASE IN CASH FLOW</b>	<b>(2,038,879)</b>	<b>1,344,492</b>
CASH - BEGINNING OF YEAR	<b>10,383,687</b>	<b>9,039,195</b>
<b>CASH - END OF YEAR</b>	<b>\$ 8,344,808</b>	<b>\$ 10,383,687</b>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 1,119,508	\$ 2,725,962
Restricted cash	680,300	847,725
OPERATING RESERVE FUND, Following year	5,170,000	5,435,000
OPERATING RESERVE FUND, Future years	1,375,000	1,375,000
	<b>\$ 8,344,808</b>	<b>\$ 10,383,687</b>

Cash included in the operating bank account bears interest at prime less 2% per annum.

# ABP FINANCIAL STATEMENTS

## ALBERTA BEEF PRODUCERS

### Notes to Financial Statements

Year Ended March 31, 2013

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#### 1. DESCRIPTION OF BUSINESS

Alberta Beef Producers ("ABP") was incorporated under the Marketing of Agricultural Products Act for the purpose of initiating and carrying out projects and programs to stimulate, increase and improve the production and marketing of cattle and cattle products. Prior to March 31, 2010, ABP was authorized under its Plan Regulation and Commission Regulation to collect a non-refundable \$3.00 service charge. Effective April 1, 2010 until November 29, 2010, ABP was authorized to collect a refundable \$3.00 service charge. Since November 30, 2010, ABP has been authorized to collect a refundable \$2.00 Alberta service charge and a \$1.00 non-refundable National Levy from producers who sell or who are in the business of feeding and slaughtering their own cattle ("Alberta Service Charge").

Since April 1, 2000, \$1.00 (the "National Levy") of the per head service charge collected has been paid to the Canadian Beef Cattle Research, Market Development and Promotion Agency ("the Agency"). The National Levy is paid to the Agency by all the provincial cattle associations to fund research, market development and promotion projects for the benefit of Canadian producers.

Effective until June 30, 2011 the Agency retained \$0.02 of every \$1.00 for administration expenses and then paid the balance of the funds to the Beef Information Centre (BIC), Canada Beef Export Federation (CBEF) and Beef Cattle Research Council (BCRC) in accordance with the allocation determined annually by the ABP Board of Directors.

Effective July 1, 2011 the Agency, BIC and CBEF consolidated to create an independent national organization operating as Canada Beef Inc. to undertake the marketing and promotion of the Canadian cattle and beef industry worldwide. ABP now allocates the National Levy as follows: \$0.80 to Canada Beef Inc. and \$0.20 to BCRC.

ABP meets the qualification of a not-for-profit organization as defined in paragraph 149(1) of the Income Tax Act, Canada and as such is exempt from income taxes.

#### 2. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

During the year ABP adopted Accounting Standards for Not-for-Profit Organizations ("ASNPO"). These financial statements are the first prepared in accordance with these standards. The adoption of ASNPO had no impact on net assets as at April 1, 2011 or operations or cash flow for the year ended March 31, 2012 as previously reported in accordance with pre-changeover Canadian generally accepted accounting principles.

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Changes in accounting policies - Accounting standards for not-for-profit organizations

With regard to ABP's transition from former Canadian generally accepted accounting principles (GAAP) to Canadian accounting standards for not-for-profit organizations, the company has not made any of the elections available under Canadian accounting standards for not-for-profit organizations.

##### Financial statement presentation

ABP has chosen to continue to present net assets invested in furniture and equipment as a separate category of internally restricted net assets.

# ABP FINANCIAL STATEMENTS

## ALBERTA BEEF PRODUCERS Notes to Financial Statements Year Ended March 31, 2013

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Revenue recognition

The Alberta Service Charge (Note 1) collected is held in trust until such time as the refund period is complete. When the number of marketings retained is known, the revenue is recognized. Effective November 1, 2010 the National Levy became non-refundable. Effective at this time, the National Levy is recognized as revenue when it is collected. Prior to November 1, 2010, it was held in trust until the refund period was complete. The revenues reported represent Alberta service charge fees collected and management's best estimate of uncollected fees. Due to the inherent uncertainties in the industry reporting, there may be adjustments in future periods and such adjustments may be material to the financial position of Alberta Beef Producers.

ABP pays a dealer rebate of five cents per head to those who collect and remit the service charge collected on behalf of ABP.

ABP follows the deferral method of accounting for contributions, which includes government grants. Grant revenue is recognized in accordance with the terms of the grant agreements when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income includes interest and realized and unrealized gains and losses on investments. Revenue from investments and other income is recognized on an accrual basis as it is earned.

#### Budgeting process

The net revenue remaining from the Alberta Service Charge and non-refundable levy collected less refunds of the Alberta Service Charge and payments to the National Agency in one year are to be used for the following year's draft budget. This process of collecting net revenue one year for the following year's expenditures will enable ABP to budget effectively and ensure there are funds available for core operations. The budget is finalized once the total amount available to be spent is known.

#### Refunds

The Alberta Service Charge is payable by producers who sell cattle and by producers who feed and slaughter their own cattle. The Alberta Service Charge paid by or on behalf of a producer is refundable to that producer on request of that producer. For the period April 1, 2010 until November 29, 2010 a producer could request a refund of all or a portion of the \$2.00 Alberta Service Charge and the \$1.00 National Levy paid, and thereafter, a producer could request a refund of all or a portion of the \$2.00 Alberta Service Charge. The refund is only available to Alberta residents selling or feeding and slaughtering cattle in Alberta.

#### Interprovincial marketings

When non-Alberta residents sell cattle in Alberta, the purchaser or livestock dealer is deducting and remitting a \$3.00 Federal Levy and not the Alberta Service Charge. The \$3.00 Federal Levy is collected by ABP on behalf of the Agency. Payments of the Federal Levy are forwarded to the Agency for national beef cattle research, marketing and promotion projects for the benefit of Canadian producers. The Agency pays a portion of the Federal Levy to the provincial cattle association in the province where the seller resides. When an Alberta resident sells cattle in another province, the provincial cattle association in that province is, in turn, collecting the Federal Levy from the Alberta producer. The Federal Levy is non-refundable.

# ABP FINANCIAL STATEMENTS

## ALBERTA BEEF PRODUCERS

### Notes to Financial Statements

Year Ended March 31, 2013

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#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

##### Investments

Investments are recorded at market value. ABP's investments consist of government bonds which are held primarily for trading purposes. The portfolio is managed by a third party investment manager and is subject to an investment policy set by the Board of Directors and which has as its main objective the growth and preservation of capital. Transaction costs are recognized immediately in the statement of operations.

##### Inventory

Inventory is valued at the lower of cost, determined on an average cost basis, and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less estimated selling costs. Cost of inventories includes materials and other costs incurred in bringing the inventories to their present location and condition.

##### Furniture and equipment

ABP provides amortization on its furniture and equipment using the straight-line method at the following rates:

Furniture and fixtures	10 years
Computer equipment	3-4 years
Audio-visual equipment	5 years

##### Financial instruments

All financial instruments are initially measured at fair value, and, unless otherwise noted, the company subsequently measures its financial instruments at amortized cost.

##### Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. These estimates included useful lives of furniture and equipment and collectibility of accounts receivable.

##### Disclosure of allocated expenses

ABP has chosen to continue to classify their expenses by function and allocate their expenses to a number of functions to which the expenses relate. ABP has allocated salaries expenses to Council, Committee Staff and Project expenses in Priority Areas and to Office, legal and financial administration (Note 14).

# ABP FINANCIAL STATEMENTS

## ALBERTA BEEF PRODUCERS

### Notes to Financial Statements

Year Ended March 31, 2013

#### 4. INTERNALLY RESTRICTED NET ASSETS

##### Trade Advocacy Reserve Fund

In 2005, the Board of Directors passed a motion to establish a reserve fund for the purpose of future trade advocacy and legal defence projects.

In 2013, the transactions in the fund consisted of expenses incurred and a transfer from the Unrestricted Fund, both in the amount of \$264,368 (2012 - \$138,375).

	Withdrawal	Transfer	2013	2012
Balance, beginning of year	\$ -	\$ -	\$ 4,500,000	\$ 4,500,000
Payment of CCA legal assessment	(264,368)	-	(264,368)	(138,375)
Motion to transfer funds into fund	-	264,368	264,368	138,375
	\$ (264,368)	\$ 264,368	\$ 4,500,000	\$ 4,500,000

##### Operating Reserve Fund

On April 30, 2009, the Board of Directors passed a motion to establish a reserve fund for the purpose of allocating operational funds for the following budget years.

	2013	2012
Balance, beginning of year	\$ 5,435,000	\$ 5,335,000
Transferred from the fund for operations in current year	(5,435,000)	(5,335,000)
Allocation from the current year to the following year's operations budget	5,170,000	5,435,000
	\$ 5,170,000	\$ 5,435,000

ABP is expecting a reduction in the number of marketings over the next few years as the herds rebuild. The Board of Directors has designated these funds to future budget years for the purpose of smoothing the cash flow during these years when there will be fewer funds available for operations. This fund will help ensure that ABP maintains the quality and the continued level of services for the benefit of all Alberta Producers.

	2013	2012
Balance, beginning of year	\$ 1,375,000	\$ 1,000,000
Transfer to future budget years	-	375,000
	\$ 1,375,000	\$ 1,375,000

The operating reserve funds are held in investments (Note 5).



# ABP FINANCIAL STATEMENTS

## ALBERTA BEEF PRODUCERS Notes to Financial Statements Year Ended March 31, 2013

### 4. INTERNALLY RESTRICTED NET ASSETS *(continued)*

#### Conditionally Restricted Reserve Fund

In 2012 the Board of Directors passed a motion to establish a conditionally restricted reserve fund. When the Board passes a motion to fund a project where certain conditions must be met, the funds will be placed in this fund until the conditions are satisfied. If the conditions are not satisfied the funding will return to the unrestricted net asset fund.

	2013	2012
Balance, beginning of year	\$ 239,520	\$ -
Transfers (out) in	(85,000)	239,520
	\$ 154,520	\$ 239,520

#### Long Term Projects

In 2007, the Board of Directors established a reserve fund for the purpose of segregating all multi year commitments.

	2013	2012
Balance, beginning of year	\$ 1,242,000	\$ 1,295,905
Current year research obligations expensed	(442,000)	(553,905)
Current year marketing campaign obligations expensed	(405,725)	-
Current year commitments	286,025	500,000
	\$ 680,300	\$ 1,242,000

Current year commitments include:

#### **Board of Directors**

Feed Grain Research Project - \$300,000

As of March 2009 the Board of Directors had allocated \$1,500,000 to a five year project aimed at improving the yield and quality of feed grains and forage. Four payments have been made as of March 31, 2013.

#### **Marketing and Education Committee**

Alberta Beef marketing campaign - \$380,300

As of March 2013, the Marketing and Education Committee has a commitment to fund phase II of The Flavour Champion Campaign, to be expensed over the next two years.

In 2013, the Board of Directors recommended a change in its policy with regards to the funding of future long term commitments. Future long term commitments will now be funded with future years' net assets (Note 11).

# ABP FINANCIAL STATEMENTS

## ALBERTA BEEF PRODUCERS Notes to Financial Statements Year Ended March 31, 2013

### 5. INVESTMENTS

	2013	2013	2012	2012
	Cost	Fair Value	Cost	Fair Value
Bonds:				
Provincial government, bearing yield rates ranging from 3.45% to 5.15%, due between June 2013 and December 2015	\$ 6,940,926	\$ 7,099,125	\$ 6,805,663	\$ 6,970,869

Although some of the bonds have maturity dates beyond one year, due to their ability for prompt liquidation, all have been classified as current assets.

Interest and other income is comprised of the following:

	2013	2012
Interest on investments	\$ -	\$ -
Change in unrealized loss on investments held at year end	\$ 133,001	\$ 127,906
	(7,007)	(15,545)
Interest on bank balance	125,994	112,361
Other income	92,738	90,765
	4,761	288
	\$ 223,493	\$ 203,414

### 6. INVENTORY

	2013	2012
Inventory consists of the following:		
Promotional items	\$ 6,630	\$ 14,617

During the year ended March 31, 2013, \$22,893 (2012 - \$27,715) of inventory was expensed.

### 7. FURNITURE AND EQUIPMENT

	Cost	Accumulated amortization	2013 Net book value	2012 Net book value
Furniture and fixtures	\$ 280,172	\$ 234,087	\$ 46,085	\$ 74,144
Computer equipment	23,433	10,182	13,251	11,398
Audio-visual equipment	49,533	47,531	2,002	4,004
	\$ 353,138	\$ 291,800	\$ 61,338	\$ 89,546

# ABP FINANCIAL STATEMENTS

## ALBERTA BEEF PRODUCERS

### Notes to Financial Statements

Year Ended March 31, 2013

#### 8. DEFERRED REVENUE

	Opening	Additions	Other	Recognition of Revenue	2013	2012
Environment Grant	\$ 148,899	\$ -	\$ -	\$ (35,175)	\$ 113,724	\$ 148,899
Other	51,779	9,000	-	(26,000)	34,779	51,779
AHI Investigation summary and producer education information program (1)	3,276	-	-	-	3,276	3,276
Alberta Beef: The Flavour Champion Campaign	779,558	86,617	-	(866,175)	-	779,558
Auction Market Grant	48,230	-	(30,708)	(17,522)	-	48,230
Wood Buffalo Bio Security Grant	29,064	80,000	-	(109,064)	-	29,064
	\$ 1,060,806	\$ 175,617	\$ (30,708)	\$ (1,053,936)	\$ 151,779	\$ 1,060,806

(1) Funds from the Animal Health Investigator program are earmarked for producer education and awareness programs regarding the effects of the oil and gas industry on cattle health.

# ABP FINANCIAL STATEMENTS

## ALBERTA BEEF PRODUCERS

### Notes to Financial Statements

Year Ended March 31, 2013

#### 9. GRANTS

	2013	2012
Alberta Beef: The Flavour Champion Campaign	\$ 866,175	\$ -
Wood Buffalo Bio Security Grant	109,064	50,936
Environment Grant	35,175	1,101
Auction Market Grant	17,521	21,490
Transition to Refundable Check-off Grant	-	69,687
	<b>\$ 1,027,935</b>	<b>\$ 143,214</b>

#### **Alberta Beef: The Flavour Champion Campaign**

In 2012, Alberta Livestock and Meat Agency (ALMA) provided ABP with a grant for \$866,175 to assist with costs related to a marketing campaign executed in the 2012-2013 year. A balance of \$866,175 was recognized as revenue in 2013 (2012 - nil), which agrees to eligible expenses incurred.

#### **Wood Buffalo Bio Security Grant**

In 2012 Growing Forward provided ABP with a grant for \$160,000 to assist with costs related to a study on tuberculosis and brucellosis present in bison in Wood Buffalo National Park. A balance of \$109,064 was recognized as revenue in 2013 (2012 - \$50,936), which agrees to eligible expenses incurred.

#### **Environment Grant**

In 2012 ABP received a grant from Alberta Agriculture and Rural Development (ARD) for an Overwintering Sites project. A balance of \$35,175 was recognized as revenue in 2013 (2012 - \$1,101), which agrees to eligible expenses incurred.

#### **Auction Market Grant**

In 2010 ALMA provided ABP with a grant for \$187,600 to assist with communicating current industry events to producers. A balance of \$17,521 was recognized as revenue in 2013 (2012 - \$21,490), which agrees to eligible expenses incurred.

#### **Transition to Refundable Check-off Grant**

In 2010 ARD provided ABP with a grant for \$252,000 to assist with costs related to the transition to a refundable check-off system. All grant funds had been recognized as revenue by the end of 2012.

# ABP FINANCIAL STATEMENTS

## ALBERTA BEEF PRODUCERS Notes to Financial Statements Year Ended March 31, 2013

### 10. RELATED PARTY TRANSACTIONS

#### National Organizations:

The Alberta Beef Producers Plan provides for ABP to become a provincial member of and to contribute funds to the national organizations. As a contributing organization, ABP is entitled to representation as follows:

#### 1. Canadian Cattlemen's Association (CCA)

a) The number of seats on the Board of Directors of the CCA is based upon the proportionate share of the CCA annual assessment. Effective July 1, 2013, ABP will be entitled to seven of the twenty-eight seats. Prior to June 30, 2013, Alberta Beef was entitled to eight of the twenty-eight seats.

#### 2. Canadian Beef Cattle Research, Market Development and Promotion Agency (the "Agency"). As a contributing organization, ABP is entitled to representation as follows:

a) Prior to June 30, 2011 and the consolidation of the Agency, BIC and CBEF, the number of seats on the Board of Directors of the Canadian Beef Cattle Research, Market Development and Promotion Agency was three of the sixteen seats.

b) Prior to June 30, 2011 and the consolidation of the Agency, BIC and CBEF, the number of representatives to the Beef Information Centre committee based on its proportionate share of total funding; ABP was entitled to six of the twelve seats.

c) Subject to Article 49, an Affiliate Member contributing more than \$100,000 in beef producer check off funds to the Canada Beef Export Federation (CBEF) during the immediate preceding fiscal year, or such other amounts as may be approved by Special Resolution of the Board, may appoint a representative to the Board of Directors. ABP resigned as a member of CBEF and removed its director at the CBEF special general meeting in February 2011.

d) Effective July 1, 2011, ABP was entitled to two of the sixteen seats of the Agency operating as Canada Beef Inc. As a result of signing a memorandum of Agreement with the Alberta Cattle Feeders Association (ACFA), ABP has chosen to offer one of the Alberta director positions to the ACFA.

e) A number of representatives to the Beef Cattle Research Council based on its proportionate share of total funding. For the year ending March 31, 2013 ABP was entitled to four of the eleven seats.

#### 3. Payments

	2013	2012
CCA Monthly Assessments	\$ 1,437,273	\$ 1,501,140
CCA, Other		
CCA Legal Assessment for Trade Advocacy	\$ 264,368	\$ 138,375
Research project funding, BCRC	75,000	125,000
Research project funding, other	5,419	-
	\$ 344,787	\$ 263,375

# ABP FINANCIAL STATEMENTS

## ALBERTA BEEF PRODUCERS Notes to Financial Statements Year Ended March 31, 2013

### 10. RELATED PARTY TRANSACTIONS *(continued)*

ABP made additional payments to the foregoing parties for contracted services as follows:

	2013	2012
Payments to Canfax, a division of CCA:		
Membership and services	\$ 53,400	\$ 53,400
Communications Committee, services	10,200	10,200
Research projects	7,286	12,329
	<u>\$ 70,886</u>	<u>\$ 75,929</u>

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Amounts payable at March 31, 2013 to the following:

Canadian Beef Cattle Research, Market Development and Promotion Agency	\$ 321,515	\$ 447,664
Canadian Cattlemen's Association	667	2,348

The amounts payable at year end are in the normal course of operations. The amount owing to Canadian Beef Cattle Research, Market Development and Promotion Agency includes the monthly collection of the National Levy and the province of origin amounts collected in Alberta.

# ABP FINANCIAL STATEMENTS

## ALBERTA BEEF PRODUCERS Notes to Financial Statements Year Ended March 31, 2013

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### 11. COMMITMENTS

#### Operating leases:

ABP leases office space and equipment under various operating leases. The future minimum lease payments over the next five years and thereafter are as follows:

2014	\$	153,562
2015		152,491
2016		152,491
2017		152,491
2018		159,139
Thereafter		<u>925,332</u>
	\$	<u>1,695,506</u>

#### Funding of research projects:

Funding of research projects is contingent upon researchers meeting certain criteria prior to payments being advanced. The obligations for payments are only recorded in the financial statements when such criteria have been met. If the researchers meet such criteria for all projects outstanding as at March 31, 2013 the additional charges will be \$680,300 (2012- \$1,242,000).

A \$500,000 funding agreement has been signed payable to BCRC to continue the National Science Cluster Projects. This will be funded out of future retained funds over the next five years commencing in 2014.

There is an additional agreement to continue funding the Feed Grain Research Project (Note 4) in the amount of \$200,000. This project will be funded out of future retained funds over the next two years commencing in 2014.

A \$200,000 funding agreement has been signed payable to BCRC to fund various research projects. A balance of \$52,500 has been expensed for the year ended March 31, 2013 and the balance of \$147,500 will be expensed as follows:

- \$52,500 upon progress report year two being approved;
- \$52,500 upon progress report year three being approved;
- \$25,000 upon progress report year four being approved;
- \$17,500 upon final report being approved.

# ABP FINANCIAL STATEMENTS

## ALBERTA BEEF PRODUCERS

### Notes to Financial Statements

Year Ended March 31, 2013

#### 12. DIRECTOR, DELEGATE AND NON-DELEGATE EXPENSES

With respect to payment of honoraria and the reimbursement of expenses to producers elected as a delegate or a director and to the payment of the daily allowance and reimbursement of expenses to producers not elected as a delegate or director of ABP who worked as a delegate or director of ABP with respect to authorized ABP programs or activities, the following director and delegate honoraria, non-delegate daily allowances, and expenses are included in each of the categories is as follows:

	2013	2012
Board of Directors and Board Representatives	\$ 116,383	\$ 124,870
Annual General Meeting	65,091	62,370
Executive Committee	52,012	63,744
Enhanced Federal Lobbying	41,914	17,554
Semi-annual Meeting	41,651	45,059
U.S. and International Trade Management	27,658	24,465
Environment Committee	26,853	25,933
Animal Health and Welfare Working Group	25,415	31,348
Marketing and Education Committee	22,154	26,347
Zone Committees	17,677	26,626
Cattle Feeder Council	16,788	14,113
Canadian Cattlemen's Association	16,143	23,469
Cow Calf Council	14,405	24,357
Fall producer meetings and Resolution Policy Development	10,074	8,666
Board Sponsorships	7,785	4,552
Communications Committee	7,143	1,505
Canada Beef Export Federation	6,456	-
Audit and Governance Committees	5,708	2,919
Wildlife Working Committee	5,578	-
Research Committee	3,746	5,458
Cattle Industry Council	3,307	2,007
Canadian Beef Cattle Research, Market Development and Promotion Agency	1,881	-
Beef Cattle Research Council	1,740	1,850
Beef Information Centre	-	3,670
	<b>\$ 537,562</b>	<b>\$ 540,882</b>



# ABP FINANCIAL STATEMENTS

## ALBERTA BEEF PRODUCERS

### Notes to Financial Statements

Year Ended March 31, 2013

#### 13. FINANCIAL INSTRUMENTS

##### *Credit, liquidity and price risk*

ABP has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed in investments. The risks that arise from transacting financial instruments include credit risk, liquidity risk, and price risk. Price risk arises from changes in interest rates, foreign currency exchange rates, and market prices. ABP does not use derivative financial instruments to alter the effects of these risks. ABP manages these risks using extensive risk management policies and practices, including various Board-approved asset mix strategies and risk management limits.

Changes in interest rates and credit ratings are the main cause of changes in the fair value of government bonds resulting in a favourable or unfavourable variance compared to book value. Credit risk is mitigated by investing in securities with a rating of BBB or better and diversifying the securities. Interest rate risk is mitigated by managing maturity dates and payment frequency. ABP is also exposed to interest rate fluctuations on its cash balances. A sensitivity analysis for interest rate risk has not been performed for the year ending March 31, 2013 as the effect of a change in interest rates would have been minimal as the interest on the existing cash on hand is not a material amount. ABP limits credit risk associated with accounts receivable by dealing with counterparties that it believes are creditworthy. ABP has a significant number of customers which minimizes concentration of credit risk.

#### 14. ALLOCATION OF EXPENSES

The salaries of the Executive Director and Controller have been allocated proportionately as determined by the Board of Directors on an annual basis. Costs that can be directly attributable to the individual programs and functions have been allocated to the specific programs and functions.

	Council, Committee Staff and Project Expenses in Priority Areas		Office, legal and financial administration	
	2013	2012	2013	2012
Executive Director	40%	40%	60%	60%
Controller	30%	30%	70%	70%

#### 15. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

# ABP FINANCIAL STATEMENTS

## ALBERTA BEEF PRODUCERS

### Operating expenses

(Schedule 1)

Year Ended March 31, 2013

	2013	2012
National Policy and Trade Advocacy Programs:		
Canadian Cattleman's Association (Note 10)	\$ 1,437,273	\$ 1,501,140
U.S. and International Trade Management	58,108	55,073
National Governance and Oversight	28,168	32,297
Enhanced Federal Lobbying	47,663	20,144
Board and Delegates Expenses, ABP Governance and Provincial Initiatives:		
Board Meetings and Board appointed representatives	154,479	170,383
Annual General Meeting	116,592	113,366
Partnership Projects	116,500	111,500
Fall producer meetings and Resolution Policy Development	84,620	89,073
Semi-annual Meeting	66,077	66,524
Zone Committees	65,186	79,565
Annual Report	56,027	52,335
Canfax Membership and Services	53,400	53,400
Executive Committee	52,543	65,526
Provincial Advocacy	27,995	24,992
Governance Committee	4,919	2,410
Audit Committee	1,606	1,040
Council, Committee Staff and Project expenses in Priority Areas: (Note 14)		
Salaries and benefits - relating to programs	529,132	466,115
Communications Committee	278,774	236,546
Project reserve fund	122,468	50,215
Marketing and Education Committee	103,030	96,588
Environment Committee	71,223	76,104
Animal Health and Welfare Working Group	31,210	36,213
Cattle Feeder Council	19,998	19,630
Cow Calf Council	12,771	28,187
Wildlife Working Committee	7,145	-
Research Committee	6,793	7,821
Cattle Industry Council	3,928	3,792
Office, legal and financial administration:		
Rent, office supplies and equipment	380,735	370,856
Salaries and benefits	319,102	279,196
Legal, audit, plan review and consulting	28,125	25,280
	<b>\$ 4,285,590</b>	<b>\$ 4,135,311</b>

# CBCRMPA FINANCIAL STATEMENTS

## CANADIAN BEEF CATTLE RESEARCH, MARKET DEVELOPMENT & PROMOTION AGENCY ("the Agency"), CANADA BEEF INC.

On July 1, 2011, the Agency combined operations with Beef Information Centre and Canada Beef Export Federation and is now Canada Beef Inc.

Schedule of Revenue, Expenses and Net Assets (Unaudited)

For the fifteen month period ending March 31, 2013 with comparison figures for the six month period ending December 31, 2011

	March 31, 2013		Dec 31, 2011	
<b>Revenue:</b>				
Check-off revenue				
Alberta	\$4,972,260	32.4%	\$2,256,573	29.2%
Ontario	1,590,037	10.3%	663,401	8.6%
Saskatchewan	1,346,566	8.8%	591,743	7.6%
Manitoba	748,376	4.9%	283,017	3.7%
Quebec	718,354	4.7%	562,244	7.2%
British Columbia	258,023	1.7%	147,235	1.9%
Nova Scotia	38,935	0.2%	-	0.0%
P.E.I.	-	0.0%	558	0.0%
New Brunswick	-	0.0%	-	0.0%
	<u>9,672,551</u>	<u>63.0%</u>	<u>4,504,771</u>	<u>58.2%</u>
Canadian Cattlemen Market Development Council	5,603,057	36.5%	3,226,540	41.7%
Interest	70,949	0.5%	7,592	0.1%
Miscellaneous	8,940	0.0%	1,163	0.0%
<b>Total Revenue</b>	<b>15,355,497</b>	<b>100.0%</b>	<b>7,740,066</b>	<b>100.0%</b>
<b>Expenses:</b>				
Operations, Canada	5,511,275	35.0%	2,357,363	33.3%
Operations, Foreign	1,993,928	12.7%	888,812	12.5%
	<u>7,505,203</u>	<u>47.7%</u>	<u>3,246,175</u>	<u>45.8%</u>
<b>Market Development, North America:</b>				
Canadian market development	1,340,505	8.6%	427,996	6.3%
Commercial beef	-	0.0%	226,749	3.2%
Customer service support	449,193	2.9%	120,944	1.7%
Issue management	70,607	0.4%	44,394	0.6%
Market Outreach Initiative	84,804	0.5%	-	0.0%
Mexico market development	365,473	2.3%	132,644	1.9%
Nutrition Communications	252,374	1.6%	6,773	0.1%
Public relations	103,666	0.7%	95,310	1.3%
Stakeholder communications	326,905	2.1%	72,605	1.0%
United States market development	411,866	2.6%	281,499	4.0%
Value added initiatives	1,679	0.0%	4,695	0.1%
<b>Market Development, Asia and Emerging Markets:</b>				
China	99,450	0.6%	59,290	0.8%
Hong Kong	36,330	0.2%	93,478	1.3%
Emerging markets	342,550	2.2%	102,280	1.4%
Japan	339,971	2.2%	150,441	2.1%
Korea	165,368	1.1%	14,527	0.2%
Partner market development program	-	0.0%	150,417	2.1%
Taiwan	40,994	0.3%	36,185	0.5%
	<u>4,431,735</u>	<u>28.3%</u>	<u>2,020,227</u>	<u>28.6%</u>
<b>National Check-off Transfers and Province of Origin Payments:</b>				
Alberta Beef Producers	57,283	0.4%	11,907	0.2%
Manitoba Cattle Producers Association	159,696	1.0%	37,757	0.5%
Ontario Cattlemen's Association	821,039	5.2%	378,690	5.3%
Federation des Producteurs de Bovins du Quebec	870,668	5.5%	617,205	8.7%
New Brunswick Cattle Producers	82,892	0.5%	4,069	0.1%
Nova Scotia Cattlemen's Association	47,590	0.3%	1,287	0.0%
Beef Cattle Research Council	1,177,167	7.5%	599,786	8.5%
Prince Edward Island Cattle Producers	8,666	0.1%	6,925	0.1%
Saskatchewan Cattlemen's Association	427,939	2.7%	155,128	2.2%
Cattle Industry Development Council (British Columbia)	119,307	0.8%	363	0.0%
	<u>3,772,247</u>	<u>24.0%</u>	<u>1,813,117</u>	<u>25.6%</u>
<b>Total Expenses</b>	<b>15,709,185</b>	<b>100.0%</b>	<b>7,079,519</b>	<b>100.0%</b>
Excess (deficiency) of revenue over expenses	(353,688)		660,547	
Net assets, beginning of period	4,947,830		-	
Consolidation reserve transfers	764,453		4,287,343	
<b>Net assets, end of period</b>	<b>\$5,358,595</b>		<b>\$4,947,890</b>	

# CCA FINANCIAL STATEMENTS

## CANADIAN CATTLEMEN'S ASSOCIATION

Schedule of Revenue, Expenditure and Net Assets (Unaudited)  
Year ended June 30, 2013, with comparative figures for 2012

	2013		2012	
<b>Revenue:</b>				
Assessments				
Alberta	\$1,416,364	41.5%	\$1,500,000	41.4%
Saskatchewan	708,620	20.8%	693,659	19.2%
Ontario	383,448	11.2%	358,244	9.9%
Manitoba	261,944	7.7%	232,683	6.4%
British Columbia	111,012	3.3%	109,756	3.0%
Nova Scotia	12,240	0.3%	12,293	0.3%
New Brunswick	10,200	0.3%	10,244	0.3%
Prince Edward Island	9,908	0.3%	9,951	0.3%
Quebec	-	0.0%	-	0.0%
	2,913,736	85.4%	2,926,830	80.8%
Legal assessments	303,379	8.9%	561,971	15.5%
Young Leaders Development Program	139,134	4.1%	73,554	2.0%
Other	44,475	1.3%	42,404	1.3%
Interest	13,984	0.3%	13,886	0.4%
<b>Total Revenue</b>	<b>3,414,708</b>	<b>100.0%</b>	<b>3,618,645</b>	<b>100.0%</b>
<b>Expenses:</b>				
Calgary Office	915,606	26.2%	934,339	26.3%
Advocate Services	733,146	21.0%	688,278	19.2%
Ottawa Office	329,950	9.5%	343,376	9.6%
CCA Division Services	320,636	9.2%	322,066	9.0%
Legal Reserve	303,379	8.7%	537,086	15.0%
Executive and Finance Committee	214,652	6.1%	156,335	4.4%
Young Leaders Development Program	139,134	4.0%	73,554	2.1%
Animal Health and Meat Inspection	133,471	3.8%	132,703	3.7%
Annual Meeting	94,909	2.7%	92,378	2.6%
Foreign Trade Committee	58,257	1.7%	56,674	1.6%
Semi-Annual Meeting	57,460	1.6%	56,739	1.6%
Five Country	48,749	1.4%	22,705	0.6%
Communications	46,381	1.3%	42,205	1.2%
Environment	44,268	1.3%	47,791	1.3%
Animal Care Committee	27,562	0.8%	26,809	0.7%
Convention	13,113	0.5%	17,111	0.4%
Value Creation & Competitiveness	4,036	0.1%	11,545	0.3%
Domestic Agriculture Policy	3,333	0.1%	14,416	0.4%
CYL Second Step	1,918	0.0%	-	0.0%
Town Halls	527	0.0%	-	0.0%
Auction Market System	150	0.0%	-	0.0%
<b>Total Expenses</b>	<b>3,490,637</b>	<b>100.0%</b>	<b>3,576,110</b>	<b>100.0%</b>
Excess (deficiency) of revenue over expenses	(75,929)		42,563	
Net assets, beginning of year	545,671		503,108	
Net assets, end of year	\$469,742		\$545,671	

# BCRC FINANCIAL STATEMENTS

## BEEF CATTLE RESEARCH COUNCIL

Schedule of Revenue, Expenditures and Net Assets (Unaudited)  
Year ended June 30, 2013, with comparative figures for 2012

	2013		2012	
Revenue				
National Check Off	\$760,769	80.5%	\$1,044,540	80.5%
ABP Beef Science Cluster	139,967	11.1%	143,951	11.1%
TB Diagnostic Testing	49,485	3.5%	45,750	3.5%
Miscellaneous Revenue	83,323	3.0%	38,566	3.0%
Interest Revenue	27,059	1.9%	-	0.0%
On Farm Food Safety	-	0.0%	25,133	1.9%
<b>Total Revenue</b>	<b>1,060,603</b>	<b>100.0%</b>	<b>1,297,940</b>	<b>100.0%</b>
Expenses				
Cluster Projects	249,928	56.5%	526,617	56.5%
BCRC division services	369,121	18.8%	174,792	18.8%
Projects	287,741	13.9%	129,045	13.9%
Quality Starts Here	80,639	8.3%	77,544	8.3%
On Farm Food Safety	20,725	2.5%	23,295	2.5%
<b>Total Expenses</b>	<b>1,008,154</b>	<b>100.0%</b>	<b>931,293</b>	<b>100.0%</b>
Excess of revenue over expenses	52,449		366,647	
Net assets, beginning of year	2,734,504		2,367,857	
Net assets, end of year	\$2,786,953		\$2,734,504	

# ELECTION BACKGROUNDER



**ZONE 1 INCLUDES:** Vulcan County; County of Newell No.4; County of Forty Mile; Cypress County; M.D. of Taber; Special Area No.2 South of the Red Deer River.

**Zone 1 Candidates: Acclaimed**

**John De Groot** and family operate a run a small feedlot and cow calf herd near **Vauxhall**. De Groot has just completed his second year as a delegate and has served six additional years previously. He currently sits on the Cow Calf Council and the Environment Committee.

De Groot says, "I would like to serve as an Alberta Beef Producers delegate because I am concerned about the future of the family-run farm. I would like to see reasonable government regulations for all parties in agriculture."

**Rick Friesen**, along with wife Kathy farm in the **Vauxhall** area. They have two adult children who have found careers off the farm. Rick and Kathy along with two brothers operated a cow calf to feedlot operation.

"I have been privileged to serve as an ABP delegate in Zone 1 for the past four years. During this time I have sat on the Communications Committee as well as the Cattle Feeder Council and the Cow Calf Council.

With your support I would like to serve another term as a delegate and represent this zone."

**Brad Osadczuk** along with wife Elaine and their three daughters ranch in the **Jenner** area. They operate a cow calf operation alongside Brad's parents Don and Terry.

"I am very interested in getting involved with ABP to help where I am able."

**Cattle Feeder Council Delegate: Acclaimed**

**Howard Bekkering** is the yard manager at Bow River Feeders near **Vauxhall**. His operation is mostly a backgrounding feedlot with 230 head of cow calf pairs. Howard and wife Kathy have four daughters. Howard is just completing his third two-year term as a Cattle Feeder Council Zone Delegate where he has served as the CFC representative to the Board of Directors for the past four years.

"I am looking forward to continuing to learn and contribute to the beef industry in Alberta."



**Mark Francis**  
Taber  
403.223.4807



**Garth Porteous**  
Bow Island  
403.952.1569



**ZONE 2 INCLUDES:** County of Warner No. 5; County of Lethbridge No.26; Cardston County; M.D. of Pincher Creek; M.D. of Willow Creek; M.D. of Ranchlands; Improvement District No. 4 (Waterton); Kananaskis Improvement District.



**Jake Meyer**  
Welling  
403.393.8022



**Cecilie Fleming**  
Granum  
403.687.2288



**Jimmy Nelson**  
Stirling  
403.635.7075

**Zone 2 Candidates: Acclaimed**

**Darren Bevans** of **Raymond** manages Deseret Ranches of Alberta.

"I am fortunate to participate in multiple segments of the industry including cow calf, backgrounding, stockers, and finishing cattle. I am very optimistic about the coming years and want to be part of the process that moves our entire

industry forward. It starts with communications. I am committed to gaining an understanding of the Zone 2 producer concerns and zone priorities, and then driving these concerns and priorities to ABP to achieve real and measurable results with our check-off dollars."

**Bob Lowe** operates a feedlot west of **Nanton** and also has a ranch in Manitoba.

"I have been an ABP delegate for six years and have served on the board of directors for the last four years. I currently chair the Environment Committee and I represent ABP on the CCA Board of Directors and the Canadian Cattle Identification Agency."

**Zone 2 can appoint up to one Zone Delegate for the 2013-2015 term.**

# ELECTION BACKGROUNDER



**ZONE 3 INCLUDES:** Improvement District No. 9 (Banff), M.D. of Bighorn, Mountain View County, Rockyview County, Wheatland County, M.D. Foothills, Calgary.

## Zone 3 Candidates: Acclaimed

**John S. Bland**, along with several family members and his wife Bernice, run a cow calf and haying/custom operation in the **Strathmore** area. They also grow some grains.

"I have been a delegate for four years. Two of those have been as a Zone Director on the Board of ABP. I have also served on the Marketing and Education Committee for four years and the Animal Health and Welfare Working Group for one year. I look forward to another year as a delegate."

**John Buckley** and his partners operate Quarter Circle X Ranch, a cow calf and backgrounding operation in the Jumping Pound District southwest of **Cochrane**. Over the past four years as a delegate John has represented producers from Zone 3. John has been a member of the Cow Calf Council for the past three years and served on the Board of Directors for the past two years. John believes that it is crucial for our industry to present a strong unified and informed voice in the formulation and amending of policy that affects our livelihood.

**Chris Israelson** comes from a mixed family farm in **Didsbury**. Along with his father, they operate a commercial and purebred cow herd as well as a backgrounding operation. His brother runs a grain and forage farm producing all the feed required for the livestock side of the business. Chris has incorporated a custom silage business

into the operation serving a large demographic of livestock producers both in the beef and dairy industries.

"Like many young livestock people I have come up through the 4-H program, raising and showing cattle. I still support the youth programs by judging achievement days locally. I am also involved in the local Agricultural Society where I currently sit as Vice President, along with being a director of a local roping association. I am, like so many producers of my generation, working to find a balance between raising livestock profitably, family life and sometimes off farm jobs to keep the family farm intact. I would like to be involved with ABP with a goal of creating a predicable future for all producers while limiting government regulation and involvement in our grass roots industry."

## Cattle Feeder Council Delegate: Acclaimed

**Bryan Thiessen** and family own and operate a feedlot and farming operation southeast of **Strathmore**. Both his father and brother have been very active over the years working with ABP.

"I believe that it is my duty as well to volunteer my time to help ABP achieve its goals. It is important that the industry as a whole has a strong voice when dealing with both the Provincial and Federal Governments. I believe that ABP is currently the only organization that has this ability."



**Brian Edge**  
Cochrane  
403.932.3763



**Peg Strankman**  
Airdrie  
403.827.5313

# ELECTION BACKGROUNDER



**ZONE 4 INCLUDES:**  
Flagstaff County, M.D.  
Wainwright, County  
of Paintearth, M.D. of  
Provost, Special Area  
No. 4, Special Area  
No. 2 North of the Red  
Deer River, Special  
Area No. 3, M.D. of  
Acadia.



**Walt Suntjens**  
Hanna  
403.779.2212



**Pat Rutledge**  
Monitor  
403.577.2382



**Craig Ference**  
Kirriemuir  
403.552.3755

## Zone 4 Candidates: Acclaimed

**Judy Fenton** along with husband Henry and son Gordon own and operate a cow calf ranch in the **Irma** area. Judy has been involved with ABP for a number of years serving the past four years as the Zone 4 representative on the Board of Directors. Currently Judy serves on the Environment Committee and she is their representative to "Cows and Fish" Board of Directors. As well Judy is the ABP board's representative to the Cattle Feeder Council and the International Livestock Congress.

Judy believes that "we must work together to build a strong and profitable beef industry in which we can all take pride. Profitability will encourage young producers and ensure the future of the beef industry."

**Tim Smith**, from the **Coronation** area, is an active and engaged producer who motivates those around him to maximize performance. He currently works with other producers to gain efficiencies for larger scale. His family roots date back to over 100 years of ranching in the Nose Hills area. Smith, with his wife and children, have built a reputable 700 cow herd from humble origins. They operate a mixed farm that exemplifies family values and looks for a very positive future for the cattle industry. The playing field for Alberta producers is under minded at many levels. Smith advocates proactively, lobbying governments to support cattle production as a viable and sustainable industry in this province and country. He believes that the direction and leadership in their Nose Hills area ranch promotes

a positive future for the Alberta beef herd. Quality beef production in a competitive yet sustainable format must allow for the legacy of the land to be placed into succession.

"For many years I have been part of a custom silaging unit that is pulling individuals together to provide equipment and labour which allow the economy of scale to prevail. Many feedlots and ranches have benefitted from our cooperated efforts. As your zone delegate, I will be approachable to address weaknesses and will strive to build upon the strengths of our industry."

**Zone 4 can appoint up to one Zone Delegate for the 2013-2015 term.**



# ELECTION BACKGROUNDER



**ZONE 5 INCLUDES:** Clearwater County, Lacombe County, County of Stettler, Red Deer County, Kneehill County, Starland County.

## Zone 5 Candidates

**Nanita Blomquist** was raised on a cow calf and grain farm northeast of **Big Valley**.

“Together with my family and husband we have a commercial cow calf operation and background our own calves in the Big Valley area. We also have a small Simmental seed stock operation that my husband operates. I have been involved in the industry through our family farm and have worked professionally in the industry since graduating from the University of Alberta with a Bachelor of Science in Agriculture. I was involved with the CCA’s Cattlemen’s Young Leaders program and was one of the first six who participated in the pilot program. With your support, I look forward returning as a delegate to continue representing the Zone 5 producers.”

**Trevor N. Harnack** runs a cow calf operation near **Innisfail**.

**Arnie Tateson** was born and raised in the Brooks area and now ranches together with his son Matt at **Endiang**. Arnie takes an active role in community events especially in local hockey by either coaching or refereeing.

Arnie is a returning delegate and is looking forward to continuing to have a more active role in the beef industry.

**Rose Wymenga** and husband Dick own and operate a commercial cow calf and backgrounding operation in the **Leslieville** area. Wymenga is a current delegate serving on the

Cow Calf Council and the Animal Health and Welfare Working Group. Rose has been on the Beef Education Association Committee and an ABP representative on the Beef Information Centre. She continues to promote Alberta beef at tradeshow including Agri-Trade in Red Deer and the Calgary Stampede. Wymenga is actively involved with her local community through volunteering with the community centre and was a 4-H club leader for ten years.

“I believe that producers and consumers need to be educated on the safe production and preparation of beef in all of the many stages from pasture to plate. With all the changes in the beef industry, including traceability and age verification, we as producers must stay united, be active in lobbying, work with provincial and federal governments, and participate as partners in the beef food chain. We must focus on the concerns facing the future of our industry and our livelihood.”

## Cattle Feeder Council Delegate: Acclaimed

**Charlie Christie** and wife Rochelle operate a mixed grain, cow/calf, and feedlot operation near **Trochu**.

“I enjoy being involved in the industry and having served for six years on the Cattle Feeder Council, I look forward to working for our industry once again. It is an exciting time for the Alberta beef industry. There are challenges ahead, so I will strive to have all sectors of the supply chain pulling together to advance our position in the marketplace.”



**Charlie Christie**  
Trochu  
403.442.2470



**Doug Sawyer**  
Pine Lake  
403.886.2525

# ELECTION BACKGROUNDER



## ZONE 6 INCLUDES:

Parkland County, Edmonton, Strathcona County, Brazeau County, Leduc County, Beaver County, County of Wetaskiwin, County of Camrose, Ponoka County, Improvement District No.13.



**Greg Bowie**  
Ponoka  
403.783.8753



**Chris Simpson**  
Bentley  
403.843.2269



**Dave Solverson**  
Camrose  
780.672.7141

## Zone 6 Candidates: Acclaimed

**Ralph Buhler** has been involved in the cattle industry all of his life. He currently runs 800 cows with a partner in **Camrose**. They background all their yearlings to 1,000 pounds plus. In addition they grain farm about 5,000 acres in county of Camrose and county of Leduc.

**Gary Seutter** has been involved in the cattle business his whole life. Gary runs 350 cows on 2500 acres of crop and pasture east of **Millet**.

**Tim Sekura** and family operate a cow calf and backgrounding operation north of **Rocky Rapids**.

"After serving four years as an ABP delegate, and sitting on the Communication Committee, I look forward to serving another term. Being involved with knowledgeable, committed people for the betterment of our industry is very rewarding and I hope to continue to do my part and support ABP as the voice of the beef producer."



## ZONE 7 INCLUDES:

M.D. of Opportunity, M.D. of Lesser Slave River, Athabasca County, Woodlands County, County of Barrhead, Westlock County, County of Thorhild, Lac Ste. Anne County, Sturgeon County, Yellowhead County, Improvement District No. 12, Municipality of Jasper.

## Zone 8 Candidates: Acclaimed

**Ted Ford** and his wife Kaye run a smaller cow calf and backgrounder operation east of **Fawcett**. Ford is a returning ABP delegate, where in the past he has served on the Cow Calf Council, the Safety Net Sub-committee, and as the Zone Coordinator. He was the Chair of the Cow Calf Council for two years as well as being a member of the ABP Board of Directors during this time. Ted is currently on the Board of Directors for the local natural gas coop and is involved with his local church, and is a volunteer fire fighter.

**Zone 7 can appoint up to two Zone Delegates for the 2013-2015 term.**

**Cattle Feeder Council Delegate**

**Zone 7 can appoint up to one Cattle Feeder Council Zone Delegate for the 2013-2015 term.**



**Bernie Regner**  
Newbrook  
780.398.2365



**Danny Tonhauser**  
Sangudo  
780.785.2760



**ZONE 9 INCLUDES:** M.D. of Mackenzie, Mackenzie County, County of Northern Lights, Clear Hills County, Northern Sunrise County, Saddle Hills County, M.D. of Fairview, M. D. of Peace, M.D. Spirit River, Birch Hills County, M. D. of Smoky River, M. D. of Big Lakes, County of Grande Prairie, M. D. of Greenview, Improvement District No. 25.

## Zone 9 Candidates: Acclaimed

**Maarten Braat** and his wife run a cow calf operation in the **Fort Vermilion** area.

"We are also involved in the community in various volunteer organizations. I am involved in the bison strategies: step-by-step we move forward to a solution of eradicating the tuberculosis and brucellosis in the bison. There is also much work to do in the beef industry and our position is fragile so we have to be bold going forward."

**Zone 9 can appoint up to two Zone Delegates for the 2013-2015 term.**

**Cattle Feeder Council Delegate**

**Zone 9 can appoint up to one Cattle Feeder Council Zone Delegate for the 2013-2015 term.**



**Roland Cailliau**  
Valleyview  
780.524.4402



**Ron Wieler**  
Fort Vermilion  
780.927.4255

# ELECTION BACKGROUNDER



**ZONE 8 INCLUDES:** Smoky Improvement District No. 24, Regional Municipality of Wood Buffalo, Lac la Biche County, Improvement District No. 349, Smoky Lake County, County of St. Paul, M.D. Bonnyville, Lamont County, County of Two Hills, County of Vermilion River, County of Minburn.



**Danny Hozack**  
Streamstown  
780.875.5692



**Mike Lutzak**  
Hairy Hill  
780.603.3590



**Sheldon Hauca**  
Vegreville  
780.367.2404

## Zone 8 Candidates

**Brian Chomlak** along with his wife and brother run a cow calf operation in **Beauvallon**.

“I am a fourth generation cattle and grain farmer. I have been an ABP delegate for the past twelve years and Zone Director on the Board of Directors for the last four years. I just completed my third year as the Chair of the Animal Health and Welfare Working Group. I am the ABP representative on Animal Farm Animal Care, and have been for the past four years, and am currently serving as the Vice Chair.

As an ABP delegate it is very important to work with all levels of government so we can keep doing what we do and not be regulated out of the cattle business. With three generations removed from the farm, it is very important to tell our story about beef production. I am willing to work on these issues on your behalf. I hope to see all producers at the fall meetings.”

**Bill Fox** owns and operates a mixed farm north of **Elk Point**.

“For the past several years, I have been an ABP delegate and have served on the Environment Committee throughout this time. I have been the ABP representative on the North Saskatchewan Watershed Alliance for the past decade. As well, I have been on the Beaver River Watershed Alliance since it started. I am a graduate of the Vermilion School of Agriculture’s Practical Agriculture Program and am President of the Lakeland College Alumni Association. I have worked with the Alberta Conservation Tillage Society as well as delivering the Classroom Agriculture Program (CAP) presentations in several Zone 8 grade four classrooms. With my background, I believe I could provide valuable assistance to the ABP organization and to producers. I would appreciate the opportunity to serve another term.”

**Gordon Graves** has a mixed cow calf and grain operation in the **Iron River** area. The cattle portion includes a commercial herd and two purebred herds. Gordon is Co-Chair of the Beaver River Watershed Alliance, is a

director for the Alberta Conservation Tillage Society, a long-time volunteer firefighter, and is presently the Fire Chief at Iron River.

“I have a keen interest in research, land use, the environment, and safety nets – all very important to the future of the cattle industry. It is my hope to continue working for the producers on these and other fronts.”

**Lyndon Mansell** runs a cow calf, backgrounder operation near **Innisfree**. Lyndon hopes to represent the producers as a Zone 8 delegate.

“It is important to continue to improve the profitability of cow calf operations, which will attract some new producers and encourage succeeding generations to help build the industry. The beef value chain depends on guys like us caring for and calving the cows to produce calves for the rest of the industry to make money on. We must keep pace using technology and research to raise the most efficient and healthiest beef in the world.”

# 2013 FALL MEETING & ELECTION SCHEDULE

**ZONE 1** (MEETING 7 p.m. START FREE SUPPER 6 p.m.)

**OCT 23** **MEDICINE HAT, FEEDING COMPANY**  
Bev Yee, ESRD on SSRP

**OCT 24** **BROOKS, BOW SLOPE SHIPPING**  
Karin Schmid, ABP

**ZONE 2** (MEETING 7 p.m. START FREE SUPPER AT 6 p.m.)

**OCT 28** **FORT MACLEOD, AUCTION MARKET**  
Ryder Lee, CCA

**ZONE 3** (ALL MEETINGS 7 p.m. START)

**OCT 28** **SUNDRE, WEST COUNTRY CENTRE**  
Rich Smith, ABP

**OCT 30** **STRATHMORE, GOLF COURSE**  
Karin Schmid, ABP

**NOV 4** **COCHRANE, RANCHEHOUSE**  
John Masswohl, CCA

**ZONE 4** (ALL MEETINGS 7 p.m. START FREE SUPPER AT 6 p.m.)

**OCT 21** **CZAR, COMMUNITY HALL**  
Chuck MacLean, Canada Beef Inc.

**OCT 23** **VETERAN, COMMUNITY HALL**  
Rich Smith, ABP

**OCT 28** **HANNA, LIONS HALL**  
Martin Unrau, CCA President

**ZONE 5** (ALL MEETINGS 7 p.m. START WITH FREE BEEF ON A BUN SUPPER AT 6 p.m.)

**OCT 29** **SPRUCE VIEW, COMMUNITY HALL**  
Martin Unrau, CCA President

**OCT 30** **BIG VALLEY, COMMUNITY HALL**  
Ryder Lee, CCA

**NOV 5** **LESLIEVILLE, COMMUNITY HALL**  
John Masswohl, CCA

**ZONE 6** (ALL MEETINGS 7 p.m. START FREE SUPPER AT 6 p.m.)

**OCT 22** **BRETON, COMMUNITY HALL**  
Stirling Fox, JBS

**OCT 24** **PONOKA, LEGION**  
Brian Perillat, CanFax

**OCT 29** **CAMROSE, REGIONAL EXHIBITION**  
Ryder Lee, CCA

**ZONE 7** (ALL MEETINGS 7 p.m. START FREE SUPPER AT 6 p.m.)

**OCT 29** **HAZEL BLUFF COMMUNITY HALL**  
**OCT 30** **MAYERTHORPE, LEGION**

**ZONE 8** (ALL MEETINGS 7 p.m. START)

**OCT 28** **GOODRIDGE, COMMUNITY HALL**  
Doug Sawyer, ABP Chair

**OCT 29** **KITSCOTY, COMMUNITY HALL**  
Karin Schmid, ABP

**OCT 30** **WARWICK, COMMUNITY HALL**  
Martin Unrau, CCA President

**ZONE 9** (ALL MEETINGS 7 p.m. START WITH FREE BEEF ON A BUN SUPPER AT 6 p.m.)

**OCT 29** **GRIMSHAW, LEGION HALL**  
Speaker TBA

**NOV 5** **GRANDE PRAIRIE, STONEBRIDGE INN**  
Rich Smith, ABP

**NOV 7** **HIGH PRAIRIE, PEAVINE INN**  
Doug Sawyer, ABP Chair

**ELECTIONS ARE BEING HELD  
IN ZONES 5 AND 8.**



[www.albertabeef.org](http://www.albertabeef.org)

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Alberta Beef Producers 165, 6815 – 8 Street NE, Calgary, AB T2E 7H7