

**ALBERTA BEEF PRODUCERS
MINUTES OF THE BOARD OF DIRECTORS MEETING
MONDAY, DECEMBER 8, 2008
AT THE SHERATON CAVALIER, CALGARY, ALBERTA**

Present: Erik Butters - Chair
Rick Burton - Vice-Chair
Kelly Olson - Finance Chair
Gerald Maser - Zone 1
Brent Carey - Zone 2
Brian Edge - Zone 3
Frank Murphy - Zone 4
Doug Sawyer - Zone 5
Greg Bowie - Zone 6
Roy Eckert - Zone 6(at large)
Harvey Hagman - Zone 7
Darcy Eddleston - Zone 8(at large)
Gordon Graves - Zone 8
Donna Noullett - Zone 9
Stuart Thiessen - CFC Chair
Chuck MacLean - CFC
Dave Solverson - CFC
Tony Saretsky - CIC Chair
Darryl Carlson - CIC

Staff: Rich Smith - G.M.
Reynold Bergen - AH&W Manager
Laura Procnier - Controller
Barb Sweetland - Promo Manager
Lori Creech - Comm Manager
Rosanne Allen - Exec Assistant

Guests: Shelley Morrison - AGM Chair (Alt)
Brian Chomlak - Zone 8
Rob Somerville - Zone 5
Ben Schrader - Zone 7
Janys Boyte - Zone 9
Richard McKnight - Zone 7

Absent:

The Chairman called the meeting to order at 8:10 a.m.

1. Adoption of Agenda

Deletions: 4(e) ALMA – CPIP Project;

Additions: 4(e) Alberta Environmental Farm Plan; 4(f) Technical Issues; 6(e) CCIA Update

(a) Approval of Agenda:

Motion by Thiessen/Hagman:

“That the Agenda be approved with the changes discussed.”

Carried

2. Minutes of Previous Meeting

(a) Minutes of the November 16, 2008 meeting:

Motion by Bowie/Carey:

“That the Minutes of the November 16, 2008 meeting be approved as amended.”

Carried

3. Financial Report

Olson gave a brief update of the financial statement to date.

Motion by Olson/Graves:

“That the Financial Report be accepted as presented for information purposes.”

Carried

4. Decision Items

(a) Selection of Nomination Committee:

Motion by Olson/Murphy:

“That Erik Butters, Gordon Graves and Donna Noullett be appointed to the nominating committee.”

Carried

(b) Ratification of Appointment of Sheldon Hauca, CFC delegate for Zone 8:

Motion by Graves/Eddleston:

“That Sheldon Hauca be approved as the Cattle Feeder Council Delegate for one year.”

Carried

(c) ABP Standing Committees:

Butters spoke to the Board regarding the committees and the role of delegates in the organization through committee work. It is going to require some careful consideration of the new Board to make sure the delegates feel connected without duplication. What we need to do now is do some careful thinking about the Committees in an effort to give the new Board some direction in January.

The current committee structure is applicable until the Board changes it and committees have budget for the remainder of the fiscal year. If it is necessary, an existing committee could hold a meeting before the changes are implemented.

(d) ALMS Strategy and AGM ALMS Discussion:

Smith explained to the Board that a significant number of the resolutions coming to the AGM deal with ALMS and before the resolutions, someone from the Board will give an update on ALMA and ALMS. There will be some discussion on the reportable and notifiable diseases regulation that will come into effect in January.

Butters will speak about the position we have taken from the start. There are some portions of the strategy that we like, portions that have potential and portions that we are not comfortable with. He will also touch some on the Animal Health Act Regulations. There is some concern about the reportable disease portion of the regulations. The Board discussed the new Animal Health Regulations that may be coming into effect. How is the government going to know if producers have complied and what enforcement will be done? It was clear to the Board that the regulations were put together without input from anyone with real knowledge of the industry. We need to sit down with the new Chief Vet to discuss changes in the regulations. How difficult is it going to be getting these regulations changed? The penalties for noncompliance are unknown at this time.

We need to move up the ladder to speak with Brent McEwan and John Knapp because we are not getting results from the current contacts. Burton was told that a meeting could be arranged with Brent McEwan, but he has not heard anything about it yet.

(e) Alberta Environmental Farm Plan (AEFP):

The Public Affairs Committee deals with the environmental issues and one of them is the AEFP. Shelley Morrison, Vice-Chair AEFP, was called to speak about it. There is no agreement yet because the feds have not signed. Funds are not coming in and Morrison is looking for a letter from us to support the funding for AEFP and stating the importance of the EFP. They need some commitment. They have received funding until January but they will be in the same position then and have no idea if there will be any funding after March. Looking down the road the AEFP could be a benefit to ALMA program. The feds are giving all of the money to the provincial government who are then responsible for dispersing it.

Motion by Olson/Graves:

“That the Alberta Beef Producers Board of Directors write a letter to the Alberta government in support of the Alberta Environmental Farm Plan.”

Carried

(f) Technical Research Issues:

Dr. Edge spoke to the Board about setting our priorities for research. If the Board would at least have two or three delegates from the Board develop a priority list. If there is

no budget at this time at least we will have a list of priorities and be able to seek letters of intent. This needs to be done by the end of the year. Burton pointed out that we still have a Tech Committee until the Board decides that we don't. Smith suggested that Brian put together a committee to discuss the issues. It will be finalized on Wednesday with the new Board.

5. In Camera

6. Discussion Items

(a) Review of agenda for AGM:

Smith walked through the agenda with the Board to familiarize them with what will be happening during the AGM.

(b) Review of hosting list for AGM:

The Executive will be doing the hosting tonight. We always struggle with introductions at the AGM. We need to give some direction to our co-chairs. We do not need to introduce all guests, but we should concentrate on delegates from other provincial organizations, senior government officials and past chairs.

(c) Review of resolutions for AGM:

The Board briefly discussed the resolutions and their order, supporting the decisions made by the Resolutions Committee.

(d) Auditor resolution:

Olson explained that he would be bringing the motions for the Budget and the Auditor to the AGM tomorrow.

(e) Canadian Cattle Identification Agency (CCIA) Update:

There was a meeting on December 1st. They discussed the removal of the replicated databases. There was some talk about how we can audit the CCIA system to meet foreign buyer's expectations. There is some concern about whether the age verification information will stand up to an audit. Currently Cargill assumes that all the cattle are OTM unless proved otherwise. The Saskatchewan government had representatives there and will take their cues from the industry. One of the challenges for CCIA is the reduction in the number of calves. Eddleston is on a Budget Committee to solve some of the financial issues that are arising.

The CCIA staff is growing quickly, in part because of the age verification issue. Currently they are spending a majority of their time inputting age verification information. There is the potential for severe problems if this is not handled correctly. The CCIA surplus is being drawn down and there needs to be a cost attached to this work. Why do they spend 1.5 million to store their data

with another organization when they could spend less than that to purchase a computer that would do the job?

Butters asked about the release of information. It is one thing for the government to release age verification information that is supplied voluntarily and another issue to release that information when it is required under law. There is also the issue of Cargill saying that if they do not have access to the replicated database they will go back to dentition. The system has not been designed with tolerance in mind. With the new philosophy with how everything should be run they are being inundated.

What do we do about this firewall position? Our position has been taken to CCIA but it still needs to be fleshed out. One issue is when you sell the animal you sell all of its information with it. Collecting carcass data becomes a problem for plants as well. Dentition came into effect after plants were built and dentition areas were put in wherever there was space. Some Board members argued that age verification information is proprietary and unless someone is willing to pay for it they see no reason to release it.

We need to define a clear way forward to make this work. More discussion with the government and the supply chain is needed to see if we can't work our way through this. Producers will have to do this but without some incentive for the producer to get some value out of it the accuracy may not be what we require. Is there a value and how much value is there? If there is a value for the cow/calf producer to age verification it is pretty well hidden. There was a suggestion of hiring someone on a contract basis to work with the councils on the traceability issues.

It has been a position of CCA and provincial associations to have producers age verify on a voluntary basis, but it has fallen off because the cow/calf producer has not seen the benefit. We now have 44% of the 2008 calves age verified. Although the 2007 numbers looked very bad in the fall of 2007, it was simply that producers were late sending the information and we are down only 8% from the 2006 numbers. We have never asked for mandatory age verification but support a market driven age verification program. Age and source verification could become significant parts of future marketing programs.

7. General Information

- (a) Resolution table
- (b) Beef Supply at a Glance

8. Next Meeting and Upcoming Events

- (a) Board of Directors Orientation – Wednesday, January 14, 2009, ABP Board Room
- (b) Board Meeting – Thursday, January 15, 2009, ABP Board Room
- (c) Board Meeting – Wednesday February 18, 2009 Capri Hotel, Red Deer

- (d) Board Meeting – Thursday March 19, 2009, ABP Board Room
- (e) Red Meat Reception – April/May, 2009
- (f) Board Meeting – April/May 2009
- (g) Semi-Annual Meeting – June 8 – 10, 2009, Delta Edmonton South

9. Adjournment

Motion to adjourn by Murphy at 10:25.

Carried