

**ALBERTA BEEF PRODUCERS  
MINUTES OF THE BOARD OF DIRECTORS MEETING  
THURSDAY NOVEMBER 19, 2009, 8:30 a.m.  
AT THE ABP BOARD ROOM, CALGARY, ALBERTA**

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**Present:** Rick Burton - *Chair*  
Erik Butters - *Past Chair*  
Doug Sawyer - *Finance Chair*  
Gerald Maser - *Zone 1*  
Brent Carey - *Zone 2*  
Brian Edge - *Zone 3*  
Pat Rutledge - *Zone 4*  
Rob Somerville - *Zone 5*  
Greg Bowie - *Zone 6*  
Roy Eckert - *Zone 6 (at large)*  
Ben Schrader - *Zone 7*  
Brian Chomlak - *Zone 8*  
Darcy Eddleston - *Zone 8 (at large)*  
Janys Boyte - *Zone 9*  
Chuck MacLean - *CFC Chair*  
Stuart Thiessen - *CFC*  
Dave Solverson - *CFC*  
Darryl Carlson - *CIC Chair*  
Larry Delver - *CIC*

**Staff:** Rich Smith - *General Manager*  
Adrienne Waller - *Legal Counsel*  
Laura Procnier - *Controller*  
Barb Sweetland - *Promotion Mgr*  
Lori Creech - *Comm. Manager*  
Reynold Bergen - *R & T Manager*  
Fred Hays - *Policy Analyst*  
Rosanne Allen - *Executive Assistant*

**Guests:** Shelley Morrison - *AGM Chair*

The Chairman called the meeting to order at 8:30 a.m.

**1. Adoption of Agenda**

(a) Approval of Agenda:

Additions: 4(k) AGM motions; 4(l) U of S sponsorship;  
6(h)(x) Marketing Organization Initiative update; 6(i)  
WCA update; 6(j) CCA update on Asia trip

Motion by Chomlak/Bowie:

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

Carried

**2. Approval of Minutes**

(a) Minutes of the October 15, 2009 Meeting:

Motion by Schrader/Somerville:

**“That the Minutes of the October 15, 2009 Board of Directors meeting be approved (with changes).”**

Carried

(b) Matters arising:

Somerville reminded the Board that one item from the CVC working group was deferred until Adrienne Waller had a chance to look at the motion. Waller will be joining the meeting later in the morning and she will be asked about the matter at that time.

Bowie asked what had been done on the motion for a tax deferral for producers who are forced to sell to calf crops because of the drought.

The letter to Minister Morton regarding the grazing lease rental rates was deferred until the matter could be discussed with the Cow/Calf Council. There was a question about the establishment of the Land Use Framework sub-committee. The comment was made that the Regional Advisory Councils (RACs) have not really produced any plans yet and the consensus of the Board was to wait until there was something to review. Sawyer asked that the sub-committee also look into the confidentiality agreement for the RAC members, as well. Smith suggested that the new Board could appoint two people to the LUF sub-committee and they could choose two more to make a committee of four. As the process goes forward there will be the opportunity for public input and we need to be ready for that.

**3. Financial Statement**

(a) Financial Statement ending October 31, 2009:

Sawyer spoke to the Board about the current state of the finances. Marketings are down slightly from last year but the percentage of money spent to date is in line with our budget.

Motion by Maser/Carey:

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

Carried

**4. Decision Items**

(a) Drought Actions/AgriRecovery:

Burton, Sawyer, Schrader and Smith will be meeting with the Agriculture Minister next Thursday to discuss AgriRecovery. Sandy Russell and Leon Stang from SSGA spoke to the Cow/Calf meeting on November 13<sup>th</sup> about the steps they have taken regarding AgriRecovery and expressed an interest in working together with ABP on a request for AgriRecovery.

Hays has developed a document calculating the cost to producers of the drought. In a presentation to the Board, he explained the background behind the numbers in the report. Schrader would like to send a copy of the report to the Saskatchewan Cattlemen's Association and to the Drought Committee with Alberta Agriculture.

Motion by Schrader/Thiessen:

**“That ABP work with the Saskatchewan cattle industry on a confidential basis to share cost numbers on the drought.”**

Carried

The Board agreed that ABP should take two pages of the Drought Conditions document containing drought maps, cow numbers and forage supply outlooks to the meeting with the Minister.

Motion by Schrader/Chomlak:

**“That the four page document intended for the Minister on Nov 26<sup>th</sup> be reduced to page one and page two with the removal of the projected program costs and the addition of the forage projections from page four.”**

Carried

Thiessen suggested that we strike a small sub-committee to review the numbers in case the Minister goes forward with AgriRecovery and we are asked for cost projections. Ben Schrader, Greg Bowie, Rob Somerville and Larry Delver have agreed to sit on the sub-committee.

(b) Plan Regulation/By-Laws/Delegate Terms:

The plan and bylaws have been approved, but there is an opportunity for the delegates to make changes at the AGM. Marketing Council has indicated that will not support an increase in director term lengths, but they do not have a position on delegate terms. If we want to make changes in term lengths, we will need resolutions passed by the delegates at the AGM.

Motion by Thiessen/Somerville:

**“That we recommend to the delegate body that delegates be allowed to serve five (5) consecutive terms (two year terms) followed by at least one year where the producer is not eligible to be a delegate.”**

Carried

Motion by Carey/Maser:

**“That a delegate be limited to 8 consecutive terms as a director.”**

Carried

Notice of these resolutions will be sent to delegates in advance of the AGM.

Carlson suggested to the board that Cattle Industry Council delegates should not have to be eligible producers. Waller

says that it could be done now because the Marketing Council does not consider delegates to be members of the commission. Delegates who are not eligible producers could not become a member of the commission (directors) and would not have a vote except at the CIC.

Sawyer asked to table this discussion so Waller could finish presenting information to the Board.

(c) Conflict of Interest/FOIP Requests:

Waller provided a report for Directors that addressed the ALMA Conflict of Interest resolution from the Semi-Annual General Meeting. In this report, Waller reviewed the Interim Conflict of Interest and Code of Conduct Policy for ALMA and identified areas where this policy should be revised. ABP has forwarded a letter and a copy of Waller's full report to ALMA and the provincial Auditor General. The ALMA Board is meeting in January and they will approve a final draft of their code of conduct and conflict of interest information policy at that time and will forward a copy of it to ABP.

ABP has also sent FOIP requests for information on program payments to ALMA Board members to ARD, ALMA, and the Agency Governance Secretariat. Smith received a call from the Agency Governance Secretariat FOIP coordinator informing him that they have no information that ALMA and ARD don't have. Smith will provide information to ALMA and ARD on the specific programs for which the payment information is being requested.

A second resolution at the Semi-AGM asked for the name and amount that applicants received through AFRP, AFRP II, ALMA directed programs and any other support programs. There was concern expressed about the possible reaction of producers to ABP asking for this information. It was pointed out that BSE payments can be found on the internet, but the AFRP payments will not be made public. There was a question about whether this request would provide benefits for cattle producers and the point was made that the government should provide information on all public funds that are given to people or businesses.

Motion by Thiessen/Somerville:

**“That ABP execute the direction from the delegate body at the 2009 Semi-Annual meeting to formally request, through the Freedom of Information and Protection of Privacy Act, the name and amount that applicants received from AFRP I, and AFRP II, ALMA directed programs and any other support programs, including supplemental information that will make the data more useful.”**

Carried

(d) LIS Check-off Administration:

Smith addressed the issue of having LIS administer the collection and refunding of the service charge. This is not

a new idea and ABP considered it several years ago, but it has been suggested by ACFA and WSGA members during the refund process consultations and at a few fall meetings. The suggestion does not seem to have any significant support among cattle producers. It was raised at only five out of 26 fall meetings and the only resolution on this matter that passed directs ABP to explore the feasibility of entering into an agreement with LIS. Waller included a report on ABP's legal authority to administer the service charge in the Board package.

There are serious questions about whether it is even feasible, let alone desirable or cost-effective, to have LIS administer the collection and refunding of the service charge. ABP will consider all options for making the refund process sound and efficient, but the directors believe that the final decisions must be made by cattle producers and ABP.

(e) CCA Legal Assessment:

Over the last few years we have had a legal contingency item in our budget to cover CCA special assessments for legal activities related to trade issues. When the 2009/2010 budget was revised, the money allocated to this item was removed. Now, CCA has submitted a "legal assessment" invoice to ABP and other provincial associations in order to build its legal fund back to a desirable level as they proceed with work on the WTO case against COOL, the WTO case against Korea, and a challenge against OTM imports in the U.S. The ABP share of this assessment is \$215,000.00. The Board still wants the ABP Finance Chair and General Manager to meet with their CCA counterparts to discuss our future funding commitments to CCA, but the directors recognized the need to support this assessment now.

Motion by Thiessen/Eddleston:

**"That ABP pay the Canadian Cattlemen's Association 'legal assessment' invoice."**

Carried

(f) SRM Program Letter:

Smith presented an industry letter written to Minister Ritz regarding the cost of removing SRM from OTM cattle and the regulatory disadvantage this creates for Canadian processors. The extra cost associated with Canadian SRM removal requirements has been estimated at \$31.70/head. While the ultimate objective for our industry is harmonization of the SRM removal and disposal policies in Canada and the United States, the letter asks the federal government to create a program that pays \$31.70/head to abattoirs for every OTM animal slaughtered in Canada. The letter was signed by representatives of CCA, the Beef Value Chain Round Table, the Canadian Meat Council, several processors, and other organizations. CCA is asking provincial organizations to send a copy of the letter, along with a letter supporting the concept, to provincial agriculture ministers.

Motion by Edge/Sawyer:

**"That ABP forward the Canadian Cattlemen's Association letter to Minister Groeneveld with a cover letter."**

Motion by Edge/Sawyer:

**"That the motion be amended to read: 'subject to the Board approving the cover letter'."**

Carried

**"That ABP forward the Canadian Cattlemen's Association letter to Minister Groeneveld with a cover letter subject to the Board approving the cover letter."**

Carried

The Board discussed the merits of the letter and the concerns the letter raises with the perception at the producer level of making payments to processors. The letter from ABP will focus on the real goal of achieving SRM harmonization and note that the payment is simply a stop gap to protect OTM processing capacity until this goal can be reached.

(g) Cattle Industry Conference and NCBA Convention:

We typically send our Executive to ABIC, while any interested directors and delegates are welcome to attend at their own expense.

Motion by Thiessen/Carey

**"That the ABP Board of Directors send four representatives, including the General Manager, to the Alberta Beef Industry Conference."**

Carried

Motion by Thiessen/Carey

**"That the ABP Board of Directors send the three members of the Executive and the General Manager to the National Cattlemen's Beef Association Conference in January."**

Carried

(h) Refundable Check-off Process:

The discussion of the refundable check-off process began with Procnier reviewing the 50 responses to the consultation paper that we received from producers and stakeholders. The responses did not provide many practical and worthwhile suggestions. Some of the common themes Procnier found were giving producer the choice of checking a box on a manifest if they wanted a refund or did not wish to pay check-off in the first place; streamlining the process to make it easier for producersto collect refunds; and no charging of administration fees. The Auction Mart Association was strongly against supplying more information than they already provide. Though some of the larger auction marts did not see a

problem, smaller auctions did not think they had the capability.

The consultation paper proposes that ABP would charge a non-refundable administrative levy of \$0.10 to cover the commission we pay to remitters and the costs of administering the refund process. Smith has heard verbally from Marketing Council that they will not support a non-refundable administrative levy, but the provincial government may help with some transition funding. Smith asked for direction from the Board regarding a request for the transition grant. With no confirmation of the situation in writing, the Board chose to follow their current direction at this time.

Waller and the Directors worked through the refund process, and the changes that are being proposed, step by step. A number of producers had expressed concerns about requesting refunds monthly and the Board discussed several options before deciding to propose a system of semi-annual requests for refunds. The directors decided to remove the requirement for more information from dealers, auction mart, and purchasers based on enhanced auditing of the collection process. The Board agreed to leave a non-refundable administrative levy in the proposal. Finally, the Board recognized the need to inform producers that cattle sold outside of Alberta are subject to a non-refundable federal levy.

Motion by Delver/Carey:

**“That the ABP Board of Directors approve the proposed refund process document as presented and amended for distribution to delegates at the AGM.”**

Carried

(i) ILC – Young Ranchers Program:

In conjunction with the ILC program in Denver in January 2010 there will be a young ranchers program. The ranchers would do a tour, participate in a round table and go to ILC. It would cost about \$2000 to send someone down to participate.

There was the question of how to make a fair choice of an ABP representative for this program. The Board agreed on the merit of the program but did not feel they had the time or funds to participate in the program. The Board decided not to sponsor the program at this time.

(j) Zones 8 and 9 Delegate Appointments:

Motion by Chomlak/Eddleston:

**“That the ABP Board of Directors ratify the appointment of Bill Fox sanctioned by the zone for a one year term effective November 16, 2009.”**

Carried

Motion by Boyte/Carey:

**“That the ABP Board of Directors ratify the appointment of Martin Braat sanctioned by the zone for a two year term.”**

Carried

(k) U of S sponsorship:

U of S is sending down their range team to ILC and is looking for \$200. The Board declined sponsoring the team.

**5. In Camera**

**6. Discussion Items**

(a) Willow Butte Cattle Company:

Waller reported that the case has been adjourned until February, 2010.

(b) Fall Meeting Review and Resolutions Committee:

The Board briefly discussed their impressions from the fall meetings.

(c) AGM Update:

The four station buffet will become a single buffet in an effort to save money. The Minister has been invited to the AGM and to speak on the Monday evening.

Smith also suggested that the directors look at the decisions of the Resolutions Committee about the distribution of resolutions and to let him know if there are any additional resolutions that they would like to see on the floor at the AGM.

It was the decision of this Board that the election of zone directors would take place at the AGM on Monday morning at 11:15 a.m. and each zone would elect their Cow/Calf Council members at the same time.

(d) Traceability Principles:

At the last meeting in October the Board approved the traceability principles and instructed Smith to work with the government and industry organizations to finalize the document. At the next meeting between industry and government, Smith was informed that Alberta Government legal officials are not comfortable with the degree to which the document could bind and fetter the government in its legislative and regulatory capacity.

Smith also noted that there is a difference between the intended definition of a premise in the CCA Traceability Principles and the definition in the Alberta Animal Health Act. Smith will continue working with CCA, ARD, and ALMA representatives to refine the traceability principles document and address the disparity in premise definitions. It may not be possible to get full agreement on principles that ABP and CCA can support, but the benefits of even partial agreement make the exercise worthwhile.

Eddleston is part of the Cattle Movement Working Group and this group has been told that ARD, CCIA, and LIS will share responsibility for traceability in Alberta.

(e) Wood Buffalo Park discussion:

Chomlak, Murray Kerik and Martin Braat will be meeting with ARD and SRD on December 3<sup>rd</sup> to discuss the TB and Brucellosis infected bison in the park and control measures that would keep these bison away from our cattle herds.

(f) AFSC Crop Insurance:

The drought has shown the need for review of the forage and pasture insurance programs. ABP will be working with Merle Jacobson of AFSC to see how we can contribute to this review.

(g) Montana Stock Growers Association conference:

The directors were informed about this conference and asked if someone would be able to attend. The delegates who attended in the past felt it was worthwhile. None of the directors were able to make a commitment at this time to attend the meeting.

(h) Marketing Organization Initiative:

Dave Solverson informed the Board that he was appointed by CCA to replace Kevin Boon on this committee. Eddleston also sits on the committee through CCMDC.

(i) CCA visit to Japan:

Travis Toews joined the meeting via conference call and brought the directors up to date on his trip to Japan with Brad Wildeman. They met with the Japanese Meat Traders Association and a group of meat trade journalists. There was a large contingent of Canadian and Alberta officials in Japan, including Minister Gerry Ritz, Minister George Groeneveld and representatives from AMAS, ALMA, and ARD. Travis thought that the meetings went well although there were some challenges in getting agreement among all the Canadian and Alberta officials about a position on traceability.

The primary message Travis heard was that the Japanese want access to more Canadian beef products, consistent year-round access to high quality products. It is very unlikely that there will be an expansion of market access in Japan (under 30 month) before elections that are scheduled for next summer. There was no indication that enhanced traceability would lead to more access and full traceability is not a prerequisite for market access. The technical work supporting expanded access is largely done, now we must work on the political work.

There was good news from Hong Kong where our market access has expanded to include bone-in UTM beef and boneless OTM beef. This could double our sales in Hong

Kong which has become our third largest export destination.

(j) Resolution on proprietary information:

There was a recommendation that came out of the CVC committee and a Board resolution from earlier in the year to investigate the legality of agencies sharing proprietary information that is collected under the mandatory provisions of legislation and regulations. For example, producers are required by regulations under the Animal Health Act to age verify cattle, while CCIA has been sharing birth date information with industry participants. The Government of Alberta thinks that the Animal Health Act allows the sharing of information for marketing purposes. Waller has started to investigate the legal implications of information sharing by CCIA or ARD and will prepare a legal opinion for the Board.

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**7. Reading Material**

- (a) BOD Resolutions and Action Items
- (b) Beef Supply at a Glance

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**8. Next Meeting and Upcoming Events**

- (a) New Delegate Orientation – November 25, 2009, ABP Board Room, Calgary, AB
- (b) Annual General Meeting – December 7 – 9, 2009, Sheraton Cavalier, Calgary, AB
- (c) BOD Orientation – January 20, 2010, ABP Board Room, Calgary, AB
- (d) Board Meeting – January 21, 2010, ABP Board Room, Calgary, AB
- (e) Board Meeting – February 17, 2010, ABP Board Room, Calgary, AB
- (f) Board Meeting – March 18, 2009, ABP Board Room, Calgary, AB
- (g) Red Meat Reception – April/May, Edmonton, AB TBD
- (h) Board Meeting – April/May, Calgary, AB TBD

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**9. Adjournment**

Meeting adjourned on a motion by Thiessen at 6:05 p.m.

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Chair

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General Manager