

**ALBERTA BEEF PRODUCERS
MINUTES OF THE BOARD OF DIRECTORS MEETING
THURSDAY FEBRUARY 18, 2009, 8:30 a.m.
AT THE CAPRI HOTEL, RED DEER, ALBERTA**

Present: Rick Burton - *Chair*
 Kevin Boon - *Vice Chair*
 Doug Sawyer - *Finance Chair*
 Erik Butters - *Past Chair*
 Brian Edge - *Zone 3*
 Frank Murphy - *Zone 4*
 Rob Somerville - *Zone 5*
 Greg Bowie - *Zone 6*
 Ben Schrader - *Zone 7*
 Brian Chomlak - *Zone 8*
 Darcy Eddleston - *Zone 8 (at large)*
 Janys Boyte - *Zone 9*
 Stuart Thiessen - *CFC*
 Dave Solverson - *CFC*
 Darryl Carlson - *CIC Chair*
 Larry Delver - *CIC*

“That the Minutes of the January 15, 2009 Board of Directors meeting be approved with changes.”

Carried

3. Financial Statement

(a) Financial Statement ending:

Sawyer presented the financial statement to the Board.

Motion by Sawyer/Somerville:

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

Carried

Staff: Rich Smith - *General Manager*
 Barb Sweetland - *Promo Manager*
 Laura Procnier - *Controller*
 Lori Creech - *Comm. Manager*
 Reynold Bergen - *AH&W Manager*
 Adrienne Waller - *Legal Counsel*
 Rosanne Allen - *Exec Assistant*

4. Decision Items

(a) Beef Research Strategy – Science Cluster Application:

Andrea Brocklebank, CCA Research Manager, made a presentation on the Beef Cattle Research Council (BCRC) application for Beef Science Cluster Funding from Agriculture and Agri-Food Canada. Government research funding is declining and as a result, the Beef Research Strategy has been developed. The creation of one research agency will accomplish a number of positive results such as establishing a consensus on R&D priorities and what is funded, directing funding to achieve stated outcomes and meeting federal and provincial government expectations of industry commitment.

This funding represents an opportunity to gain substantial leverage from industry investment and encourage further progress on a national beef research strategy. Brocklebank is looking for a letter of support, a financial contribution and the promise of a further alignment of resources moving forward.

There would be enough money to financially support this project out of the surplus from this year’s budget.

Motion by Thiessen/Boyte:

“That Alberta Beef Producers send a letter of support for the Beef Science Cluster Application to Agriculture and Agri-Food Canada.”

Carried

Guests: Andrea Brocklebank - *CCA*

Absent: Gerald Maser - *Zone 1*
 Brent Carey - *Zone 2*
 Roy Eckert - *Zone 6 (at large)*
 Chuck MacLean - *CFC Chair*

The Chairman called the meeting to order at 8:40 a.m.

1. Adoption of Agenda

Additions: 4(k) CCIA Vote; 4(l) Denver Roundtable; 4(m) CCA Vacancy; 6(e) Beef Value Round Table; 6(f) AFAC; 6(g) Land Use Framework;

(a) Approval of Agenda:

Motion by Murphy/Chomlak:

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

Carried

2. Approval of Minutes

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

Motion by Bowie/Sawyer:

(b) Committee and Budget Decisions:

Smith distributed the proposed budget for the 2009/2010 year showing allocations for Committees and Councils. Sawyer reviewed the projected financial position as of the

year end on March 31, 2009. We are anticipating a surplus due to higher than expected marketings and the Board discussed appropriate ways to invest this surplus, including the addition of funds to the Trade Advocacy Reserve Fund, the provision of funding for the Beef Science Cluster Application, and the allocation of funding for the Feed Grain Research Project.

Motion by Thiessen/Eddleston:

“That Alberta Beef Producers transfer \$1.5 million to the Trade Advocacy Reserve Fund.”

Carried

Motion by Edge/Solverson:

“That Alberta Beef Producers support the Beef Science Cluster Application in the amount of \$125,000 for four years, to the amount of \$500,000.”

Carried

Motion by Thiessen/Edge:

“That Alberta Beef Producers transfer \$950,000 plus the balance of the current years funding for the Feed Grain Research Project to the Long-term Projects Fund.”

Carried

After assessing the financial position of ABP, the Board reviewed the 2009/2010 budget and decided to proceed with a budget based on 4 million marketings. The proposed budget provides equal funding for the Cattle Feeder Council, Cattle Industry Council, and Cow/Calf Committee/Council. Funds were allocated for the operation of the Animal Health & Welfare and Competitiveness/Value Creation Working Groups, along with a larger allocation of funds for the Environment Committee. The Board provided three larger and equal amounts of funding to the Promotion, Communication, and Research Committees.

Motion by Sawyer/Thiessen:

“That the 2009/2010 budget be approved as amended.”

Carried

(c) Resolutions from Fall meetings directed to Board and Committees:

1. Motion by Schrader/Somerville:

“Be it resolved that ABP launch legal action to protect producers’ information collected by the Alberta government or government sponsored agencies including ALIS and CCIA under the guise of animal health and food safety, if the information is not kept totally confidential and used for emergency purposes only.”

Zone 7

Defeated

This is a concern that has been raised with the government and there are questions about the right of CCIA to use the producer information that is being gathered under mandatory provisions. The Board recognized the importance of the motion but made the decision to look into the legality of the government sharing the information before they launched legal action.

Motion by Thiessen/Schrader:

“That Alberta Beef Producers seek a legal opinion as to the circumstances under which the Alberta government can share information collected under the Animal Health Act.”

Carried

2. Motion by Schrader/Bowie:

“Be it resolved that ABP seek legal council on whether the Alberta government is in contravention of the privacy act by asking producers to sign away rights.”

Zone 7

Carried

This motion is referring to statements on the Premise Identification Application form and program conditions of AFRP II.

4. Motion by Schrader/Boyte:

“Be it resolved that ABP address, with the Alberta government, the issue with AFRP money being included as allowable income in AgriStability as that was not the original intent.”

Zone 7

Defeated

While ABP recognizes that including AFRP payments as allowable income represents a change in policy for these programs, this change is consistent with our policies on risk management programs and reduces the trade risk associated with the programs.

5. Motion by Boyte/Edge:

“Be it resolved that ABP obtain a legal opinion regarding the constitutionality of the mandatory requirements of the Alberta Livestock & Meat Strategy, as the cost is incurred by the primary producer. Is the indenture of a producer’s time and financial contribution constitutional?”

Zone 9

Defeated

The government has a mandate to take appropriate action to protect animal health and food safety. Legislation that contributes to these objectives is likely within the bounds of the constitution. The Board did not disagree with the spirit of the motion, but did not believe that there was anything that ABP could legally do about it.

Motion by Boyte/Schrader:

“Be it resolved that Alberta Beef Producers seek a copy of the regulation impact report for each Animal Health Act regulation to review and report back to the Board.”

Carried

6. Motion by Schrader/Carlson:

“Be it resolved that ABP do a cost/benefit analysis of BSE testing versus total cost of Alberta Livestock and Meat Strategy.”

Zone 9

Defeated

We have assessed the costs and benefits of BSE testing already and concluded that the costs are greater than the benefits. We do not have the information required to do a cost/benefit analysis on the ALMS.

7. Motion by Murphy/Bowie:

“Be it resolved that ABP determine the legality of our automatic inclusion in the BSE class action and publish these findings in an ABP producer publication.”

Zone 4

Carried

Waller explained that producers are not a part of the class action suit unless they sign up for the suit.

8. Motion by:

“Be it resolved that ABP must confirm the legality of the BSE class action lawsuit inclusion of Alberta producers as class members without their express consent to opt in and report this finding in their publication (Grass Routes) to producer members.”

Zone 4

Declared redundant

The Board carried a previous motion regarding the legality of the inclusion of Alberta producers in a class action suit.

9. Motion by Chomlak/Eddleston:

“In the view that Alberta Ag and the Federal CFIA have not resolved the BSE issue successfully, be it resolved that ABP request an external review of AB Agriculture and Federal CFIA BSE surveillance program.”

Zone 8

Defeated

The motion was defeated because the OIE already has conducted an extensive external review of our BSE surveillance program before giving Canada controlled risk status.

10. Motion by Boyte/Somerville:

“Be it resolved that ABP lobby the Alberta Government to reinstate regional veterinary diagnostic pathology labs across the province.”

Zone 9

Carried

The provincial vet did voice his concern that there were no diagnostic labs in Alberta.

11. Motion by Boyte/Schrader:

“Be it resolved that ABP begin to use confidential electronic voting for all board of director meetings and committee meetings.”

Zone 9

Defeated

This was brought forward by a producer who felt there was a lot of pressure on delegates when they voted on motions. Directors believed that producers should be able to know how delegates are voting and delegates should be prepared to make their votes public.

12. Motion by Chomlak/Eddleston:

“Be it resolved that all age verification and Meat Strategy information be strictly confidential, available only to the producer who has submitted it. This information will be available for sale with the animals in question for additional monies, if requested by the purchaser only.”

Zone 8

Defeated

Producers felt that this information has value and producers should receive some benefit for making the information available. ABP agrees with the ideas that the information has value and producers should have control over access to this information, but the motion is overly restrictive in the compensation area. Producers may be willing to share their information in exchange for information from other participants in the supply chain.

13. Motion by Bowie/Solverson:

“Be it resolved that ABP send a letter to inform the original mover of any resolution that passes at the zone level as to the direction and status of that resolution.”

Zone 6

Carried

The original producer had concerns about the results of resolutions that are passed. The zones will have the contact information for the movers and the results of the resolutions debate can be sent to the zone directors to pass along to the movers.

14. Motion by Edge/Solverson:

“Be it resolved that ABP conduct studies and negotiations with the federal and provincial governments so as to develop a combined tax

deferral and young farmer loans program so as to facilitate both, a more manageable exit opportunity for senior producers wishing to do so and a financing program for young and new entrants into agriculture so as to create new producers and leaders for a successful industry in the future.”

Zone 3

Defeated

The Board recognizes that there are already programs that address this issue and maybe we could provide advice for people who want take these actions. If the goal is to release people from tax liability, the Board felt they could not vote for this motion.

15. Motion by Murphy/Eddleston:

“Be it resolved that ABP take steps to eliminate interprovincial brand inspection for cattle where ownership doesn’t change.”

Zone 4

Carried

The Board agreed that the producer has a legitimate concern. This is something that should be brought to the LIS table for discussion. There is now a revision in LICA that makes brand inspection unnecessary if you are moving the cattle from near the border. It should also be presented to Saskatchewan because even though we cannot affect their decisions, we could voice our concerns.

Board/CCA Resolutions:

17. Motion by Schrader/Somerville:

“Be it resolved that ABP, through the Canadian Cattlemen’s Association, lobby the federal government to challenge the USDA on COOL legislations as an unfair trade barrier.”

Zone 7

Carried

We are already taking this action, but passing the motion confirms our position. The action was suspended while we assessed the impact of the final rule, but CCA has called for the action to continue now. At the time this resolution was passed, the action they were looking for had already been done.

18. Motion by Burton/Delver:

“Be it resolved that ABP, through the Canadian Cattlemen’s Association, lobby the Canadian Government to stop the importation of USA beef into the Canadian beef market.”

Zone 2

Defeated

We believe in trade and our industry benefits from more open borders, not trade restrictions. Furthermore, we export far more to the US than we import from them by a 4:1 ratio. Restricting U.S. imports could lead to retaliatory

action that would cost the Canadian industry far more than we would gain from the import restriction.

19. Motion by Burton/Carlson:

“Be it resolved that ABP through the Canadian Cattlemen’s Association ask the Canadian Government and the Canadian Department of Agriculture to refrain from launching major media releases and announcements on any further BSE cases found in Canada.”

Zone 2

Defeated

The intent was to reduce the amount of effort used to gain media attention for this problem. Our strength is that we are very public and any indication that we are not being open would negatively impact on producers. Canadian beef consumption increased during BSE and our high level of integrity and trust was a factor in the support we received from the public.

Rich Smith will meet with the Committee and Council chairs to determine the appropriate forum for consideration of the resolutions that were directed to committees.

20. Motion passed at Cow/Calf Committee meeting:

Motion by Murphy/Boon:

“The Cow/Calf Committee recognizes that the AFRPII payments are a feed proxy received by all sectors of the beef industry and that the cow/calf sector is the only sector that faces a future obligation of age verifying the 2008 calf crop to receive the AFRPII 2009 payment. The Cow/Calf Committee recommends that beginning with the 2009 calf crop cow/calf producers who age verify be reimbursed \$12.00 per head by government annually to compensate for the regulatory burden created.”

Defeated at this time

The Cow/Calf Committee wanted the government to recognize that age verification adds to the regulatory burden. Delegates recognize that age verification is a burden to cow/calf operators but passing this resolution would once again be asking for a handout from the government. Shouldn’t we be asking the processors to reimburse cow/calf operators for age verification? A concern with the Board is the risk of countervail.

Motion by Murphy/Thiessen:

“To enhance long-term sustainability the Cow/Calf Committee wants Alberta Beef Producers to focus their attention on eliminating regulatory burden and unnecessary costs, and improving trade both inter-provincially and internationally as opposed to asking for ad-hoc payments.”

Carried

There is so much more to be gained by reducing regulatory burden than receiving more government money. One of the first steps toward reduced regulatory burden would be elimination of user fees in the processing sector.

(d) Resolutions carried at AGM:

Action already is being taken on most of these resolutions. The remaining will be addressed at the next meeting.

(e) ILC – Inviting American State Representatives and Sponsorship:

Butters opened the discussion about the initiative. This is in line with our goal of furthering relations between Canadian and U.S. producers. If we do this again, we need to put a limit on how much is spent and who we want to invite.

Burton suggested appointing Board directors to work together to decide on the initiative. Greg Bowie and Rob Somerville volunteered to be a working group to make the US visit happen.

Motion by Sawyer/Bowie:

“That the following motion be lifted.”

Carried

Motion by Bowie/Eckert:

“That Alberta Beef Producers investigate the possibility of sharing with the Provincial government and the Canadian Embassies the cost of inviting two representatives from American producers associations in at least 10 of the American states.”

Defeated

Motion by Murphy/Thiessen:

“That Alberta Beef Producers Board of Directors support the plan to invite American representatives to the International Livestock Congress to a maximum of \$19,000.”

Carried

Motion by Bowie/Somerville:

“That Alberta Beef Producers sponsor the International Livestock Congress in the amount of \$5000.”

Carried

(f) ABP Regulation Amendments:

Waller spoke to the Board regarding amendments to the Cattle Marketing Regulation and the Authorization Regulation. The amendments to these regulations have been prepared and will be approved by Marketing Council next month. Approval would extend the regulations for another five years until the next plan review is required.

Motion by Bowie/Murphy:

“Be it is resolved that ABP make the Cattle Marketing Regulation in the form prepared by Legislative Counsel dated 12/02/2009 1:41:00 PM a copy of which was distributed to each of the board members at the meeting on Wednesday, February 18, 2009.”

Carried

Waller spoke briefly about the current status of the plan review.

(g) National Johnes Disease Strategy:

Boyte spoke to the Board about Johnes Disease and the impact it has on our industry. ABP has been involved with the national initiative to develop a program that will address the concerns producers have in regards to Johnes.

The Alberta Johnes Disease Working Group has been developed to set the direction of a program to prevent or reduce Johnes Disease in Alberta. Previously the Alberta government administered a Johnes Disease program based on testing. The question now is who will administer a new program – the government or the industry. Boyte recognizes that ABP is not set up to administer the new program. ABP and CCA have had a lot of input into the national program. The second issue is if we are moving to the new program, how do we deal with producer education and awareness of the disease.

There is some concern about the possibility of a zoonotic link between Johnes Disease and Crohn’s disease.

It was suggested that maybe the Animal Health and Welfare Working Group would be better suited to answer these questions and present the Board with the best options.

(h) 4-H Sponsorship Proposal:

Creech presented the sponsorship request to the Board. 4-H is asking for \$28,250. The idea is to give back to the youngsters who pay check-off for their steers. In the past Producer Liaison paid the sponsorship but that committee no longer exists.

Motion by Thiessen/Eddleston:

“That Alberta Beef Producer sponsor 4-H in the amount of \$26,500.”

Carried

(i) CPIP Extension proposal:

Smith spoke to the Board about this proposal. The ALMA is proposing to partner with ABP in hiring experts to assist AFSC and ARD personnel with producer education and program extension on CPIP. ABP supported the projects that led to the development of the CPIP and we are part of the CPIP Steering Committee, but the program now is being developed and implemented by AFSC and ARD.

We have no role in the administration and management of the CPIP.

Since the CPIP is now an AFSC and ARD program, we do not think it is appropriate for ABP to take funding from the ALMA to participate in the delivery of a government program.

DIRECTION to Rich Smith to write a letter politely declining the offer from the ALMA.

(j) AEPA MOU:

Waller has been asked to review the document and the discussion has been deferred until that time.

(k) CCIA Vote:

Motion by Thiessen/Murphy:

“That Alberta Beef Producers Board of Directors approve Darcy Eddleston as our member representative to vote at the 2009 Canadian Cattle Identification Agency Annual General Meeting.”

Carried

(l) Denver Roundtable:

(m) CCA Vacancy:

Tony Saretsky is the current Vice-President of CCA with the expectation that he would stand for election as President after Brad Wildeman’s term was up. Saretsky did not stand for election as an ABP director on CCA and is standing down as Vice-President. Travis Toews has agreed to let his name stand for the CCA Executive and Burton has chosen to give up his position as a CCA director.

Motion by Sawyer/Somerville:

“That the Alberta Beef Producers Board of Directors accept Rick Burton’s resignation as a director representing ABP on the Canadian Cattlemen’s Association Board of Directors.”

Carried

Motion by Solverson/Eddleston:

“That the Alberta Beef Producers Board of Directors appoint Travis Toews as a director representing ABP on the Canadian Cattlemen’s Association Board of Directors.”

Carried

5. In Camera

6. Discussion Items

(a) ALMS Update – producer letter:

The second letter to producers has been mailed. Rick Burton has been named to the ALMA Cattle Producer Advisory Committee. There is some concern that despite the talk from the ALMA and ARD about wanting input from ABP, there is only one ABP member out of 11 people on the Cattle Producer Advisory Committee. There are also concerns that this committee lacks representation from the northern part of the province.

(b) Animal Health Regulations:

A number of ABP representatives met with people from the office of the Chief Provincial Veterinarian to discuss the reportable diseases regulations. There is still concern about two types of Salmonella becoming reportable diseases and we are reviewing a proposed policy that would direct responses under this regulation.

There are still issues with the deadlines for submitting age verification information as the current regulation will discourage producers from entering actual birth dates. We have seen some agreement from ARD about the need to change this regulation, but have not seen any changes.

There also is confusion about the requirement to read and submit animal identification numbers from animals leaving feedlots of over 5000 head annual capacity unless the animals are going directly to a slaughter plant. We have heard ARD officials say that this reading out is not necessary, but again, the regulation has not been changed.

ABP will continue to seek clarity and improvements in these regulations.

(c) NCBA Report:

The Executive, GM and chairs of CFC and CIC attended NCBA. Chuck MacLean submitted a report for the Board which can be found in the Reading Material. The attendees spoke to their experiences at the meeting.

The biggest asset to attending NCBA is the networking that the ABP delegates do while they are there. The value in CCA and ABP in attending state functions is great.

Boon suggested that, in the future, we try to set up meetings with our American counterparts before we go.

(d) FAA Convention Report:

Burton, Sawyer and Schrader attended the convention. Burton was asked to participate in a panel discussion with ACFA and WSGA representatives, as well as provide an industry update. Schrader commended Burton on his representation of ABP at the convention. A resolution to have a directional check-off was defeated by a clear majority, while a resolution to support the position that the current check-off continue to be paid directly to ABP was carried. On the whole it was a positive meeting from

ABP's standpoint and a lot of credit can go to Burton for how he represented the organization.

(e) Beef Value Chain Roundtable:

Solverson attended the Beef Value Chain Roundtable in Ottawa. The theme was how the industry can become more competitive and decrease regulatory burden. It was a very well attended roundtable.

General Manager

(f) AFAC:

Doug Sawyer attended an AFAC meeting February 4th in Red Deer. The AFAC AGM will be on March 24th where they will be celebrating their 15th anniversary. Dr. Ray Fenton will receive an award of distinction. AFAC is looking for funding from ALIDF to continue with the on-call vet program.

(g) Land Use Framework:

Smith spoke briefly on the current state of development for the Land Use Framework.

7. Reading Material

- (a) BOD Resolutions and Action Items
- (b) Beef Supply at a Glance
- (c) NCBA report written and submitted by Chuck MacLean
- (d) ILC invitation letter

8. Next Meeting and Upcoming Events

- (a) Board Meeting – Thursday March 26, 2009 – ABP Board Room
- (b) Red Meat Reception – Wednesday April 29, 2009 – Royal Glenora, Edmonton, AB
- (c) Board Meeting – Thursday April 30, 2009 - TBD
- (d) Semi-Annual Meeting – June 8 – 10, 2009 – Delta South, Edmonton, AB
- (e) ILC – July 10, 2009 – Round-Up Centre, Stampede Grounds, Calgary, AB
- (f) Board Meeting – July 16, 2009 – ABP Board Room, Calgary, AB TENTATIVE

9. Adjournment

Adjourned on a motion by Stuart Thiessen at 5:25 p.m.

Chairman