

**ALBERTA BEEF PRODUCERS  
MINUTES FOR THE BOARD OF DIRECTORS MEETING  
JUNE 13, 2016, 1:00 p.m.**

**AT THE DELTA EDMONTON SOUTH HOTEL, EDMONTON, AB**

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**Present:** Bob Lowe - *Chair*  
Roland Cailliau - *Vice-Chair*  
Charlie Christie - *Finance Chair*  
Howard Bekkering - *Zone 1*  
Cecilie Fleming - *Zone 2*  
Chris Israelson - *Zone 3*  
Tim Smith - *Zone 4*  
Kelly Fraser - *Zone 5*  
Tim Sekura - *Zone 6*  
Colin Campbell - *Zone 7*  
Lyndon Mansell - *Zone 8*  
Norm Hennigar - *Zone 9*  
John Buckley - *Director at Large*  
Rick Friesen - *Director at Large*  
Melanie Wowk - *CCC Chair*  
Bryan Thiessen - *CFC Chair*  
Greg Bowie - *Past Chair*

**Staff:** Rich Smith - *Executive Director*  
Fred Hays - *Policy Analyst*  
Rosanne Allen - *Executive Assistant*  
Katelyn Laverdure - *Communications*  
Laura Proconier - *Controller*  
Karin Schmid - *Beef Production*  
Tom Lynch–Staunton - *Govt. Relations*

**Guest:** Les Dunford - *Town and Country*

The Chair called the meeting to order at 12:45 p.m.

### **1. Adoption of Agenda**

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(a) Adoption of Agenda:

Additions: 6(l) AFAC update; 6(m) Livestock Assurance Fund Tribunal; 6(n) Sustainable Canada AGM; 6(o) Springbank dry dam;

Motion by Buckley/Bekkering:

**“That the agenda be approved with changes.”**

Carried

### **2. Minutes of the Previous Meetings**

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(a) Minutes of the May 18, 2016 meeting:

Motion by Wowk/Fleming:

**“That the minutes of the May 18, 2016 Board of Directors meeting be approved with changes.”**

Carried

### **3. Financial Report**

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(a) Financial Statement ending May 31, 2016:

Christie presented the financial statements and there were not significant items for the Board to consider. Marketings are down by over 80,000, but JBS has not submitted their April remittance yet. We are 17% of the way through the fiscal year and 14% of the year’s budget has been spent.

Motion by Christie/Cailliau:

**“That the financial statement be accepted for information purposes only.”**

Carried

(b) Approval of Audited Financial Statements:

The auditors met with the Audit Committee before the Board meeting. The auditors found the ABP financial statements, accounting and reporting processes, and internal controls in very good order. The auditors were complimentary about the quality of materials and cooperation they received from Proconier and unusually, there were no adjustments related to the audit. The auditors are prepared to release the audited statements after Board approval.

Motion by Thiessen/Sekura:

**“That the ABP Board of Directors accept the Final Audit Findings and the audited financial statements as presented by the auditors.”**

Carried

### **4. Decision Items**

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(a) ACFA/Industry Funding Next Steps:

ABP has received a reply from the Alberta Cattle Feeders’ Association (ACFA) to the letter that ABP sent them after the last meeting between the respective Executives. ACFA does not support a non-refundable service charge and continues to press for the development of an industry plan. ABP believes that the National Beef Strategy is a credible industry plan and the National Cattle Feeders’ Association was involved in the development of this plan. ACFA would like to see a renewal of the MOA between the two organizations, but ABP does not see a need for a renewed MOA now. ACFA also suggests that the Cattle Feeder Council (CFC) may be redundant, but ABP and the CFC members do not think ACFA represents all cattle feeders in Alberta. Despite these points of disagreement, both organizations recognize that there are many areas of agreement and cooperation between our organizations, as

illustrated by the MLA reception, and further conversations are worthwhile.

With respect to industry funding, a return to a non-refundable service charge would require a legislative change that the government may be prepared to pursue. If the legislation is changed to allow non-refundable service charges at the request of producers, the next step would be to establish the process for determining the wishes of producers. An increase in the National Check-off (NCO) requires only an amendment to the Commission Regulation by ABP and approval by Marketing Council. Marketing Council is well aware of the discussions at the fall meetings over the past two years and knows the NCO increase is supported by producers. Between now and the AGM in December, ABP will work on a return to a non-refundable service charge and at the AGM, we will request a change in the Commission Regulation to increase the National Check-off.

(b) Future Direction for ALMA and R&D Funding:

Since its inception, the Alberta Livestock and Meat Agency (ALMA) has contributed a substantial amount of funding to support research and market development projects and programs. This funding has been extremely valuable for the industry and we want to ensure that there will be continued investment in the industry through the new delivery model at Alberta Agriculture and Forestry (AF). There does not seem to be much value in trying to change the decision regarding the dissolution of ALMA, but ABP will be encouraging the AF staff to work with the industry on future funding investments.

Some ALMA Board members have been approaching industry organizations about the development of an industry-led and industry-government funded organization to invest in research and innovation. Under our current funding constraints, ABP does not have any money available for investment in this type of organization, but such an organization could be an appropriate place for investment of retained refund revenue if there was proper governance. ABP will participate in the discussions among the livestock organizations about the proposed organization.

(c) Alberta Beef Export Development Fund:

Glenn Brand approached R. Smith once again with a new request for ABP to provide funding, possible with contributions from beef exporters, for the development of a proposal to Alberta Agriculture and Forestry (AF) for an Alberta Beef Export Development Fund. The ABP Board sees value in companies such as Harmony Beef and Western Royal Angus differentiating and selling beef in ways that Cargill and JBS are not doing. ABP would have no objection to AF operating an export development program that supports the efforts of these companies, but the Board does not think it is appropriate for ABP to invest producer funds in the development of this type of program.

Our producer funds are directed to the national market development programs operated by Canada Beef.

(d) Municipal Tax and Levy Proposal:

ABP has been approached to contribute funding toward a lawsuit that has been launched against Lethbridge County by a number of cattle feeders in the county. The intention of the lawsuit is to delay the implementation of the unfair business tax on livestock operations that the county wants to use to fund infrastructure improvement. ABP recognizes the infrastructure funding challenges many municipalities are facing and we are committed to working toward a provincial solution to these challenges that won't place an unreasonable burden on one sector of the industry. ABP is a member of Intensive Agriculture Operations Working Group (IAOWG) that has been directed to submit a recommendation on infrastructure levies to the government by the end of July. The Board believes that ABP should be focusing our efforts on finding a solution to the infrastructure levy issue and that it is not appropriate to invest producers' funds in the lawsuit.

(e) ABFGC Industry Advisory Board Representative:

The three delegates who are interested in sitting as the ABP representative on the Alberta Beef, Forage and Grazing Centre Industry Advisory Board submitted brief resumes for the directors to review before voting for a representative. The nominees were Gordon Graves; Assar Grinde; and Stuart Somerville.

Motion by Mansell/Cailliau:

**That Laura Procnier and Katelyn Laverdure act as ballot counters."**

Carried

Assar Grinde was elected as the ABP representative on the Alberta Beef, Forage & Grazing Centre Industry Advisory Board.

Motion Buckley/Israelson:

**"That the ballots be destroyed."**

Carried

(f) Governance Committee Chair:

The Governance Committee has appointed Doug Sawyer as the non-delegate member and they recommend that John Buckley be appointed as Chair

Motion by Campbell/Fraser:

**"That John Buckley be approved as the Governance Committee Chair."**

Carried

(g) NCOA Annual Forum:

By June 24<sup>th</sup>, we need 10 delegates for the National Check-off Agency (NCOA) Annual Forum. Most of the

resolutions that Alberta has brought forward over the last 2 years have been addressed to some extent. Melinda German has been hired as the General Manager of the Agency and there is starting to be some separation between the NCO administration activities of the Agency and the marketing and promotion activities of Canada Beef (CB). However, more work needs to be done to complete the separation process.

Israelson, Bowie, Fleming, Thiessen, Bekkering, Campbell, Mansell, Friesen, Christie and Cailliau agreed to represent ABP at the Annual Forum. Buckley will go as an alternate for anyone who is unable to attend.

## **5. In Camera**

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## **6. Discussion Items**

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### (a) Semi-AGM Plans:

The agenda for the semi annual was in the meeting package. There will be an operations update; a number of interesting presentations during the day, updates from industry organizations that are funded by ABP, and an election for an at-large representative to BCRC.

### (b) Executive Director Evaluation:

Strive has put together a questionnaire that the directors will receive by email on June 14th and need to complete as part of the Executive Director evaluation. A report will be derived from the questionnaire and the Board will review the report at the next meeting. The deadline for the survey is June 24<sup>th</sup> to give time for preparation of the report before the Board meeting.

### (c) Canada-U.S. Trade Program at CBIC:

The arrangements for the ABP tour before the CBIC and the Canada-U.S. trade program at the CBIC are coming together. The tour will include stops at Western Feedlot and Vandervalks with lunch and presentations from the Waterton Biosphere and Cows and Fish in Stavelly.

### (d) McDonald's Pilot/CRSB Actions:

Lowe spoke about the Wrap-Up Conference and Celebration Dinner for the McDonald's Sustainable Beef Pilot Project that occurred in June 1, 2016. The conference confirmed that the pilot project was successful and McDonald's has achieved its goal of beginning to source verified sustainable beef for its restaurants. Now the program will transition to the Canadian Roundtable for Sustainable Beef (CRSB) and the CRSB must ensure that the momentum for verified sustainable beef continues.

The CRSB has developed indicators that are awaiting final approval and is working on a verification/assurance process that will complete the framework. The CRSB is making sure that the framework is consistent with the Global Roundtable for Sustainable Beef and International

Social and Environmental Accreditation and Labelling (ISEAL) standards. The CRSB will also be releasing the results of the Canadian Beef Industry Sustainability Assessment this summer.

A major challenge for our sustainability initiatives will be getting a much larger number of producers involved in the verification process. The CRSB will have a significant influence on our industry through this process and it will be important to have producer representation on the CRSB council. ABP and CCA will need to work to ensure there is more producer representation on the council.

### (e) VBP/Alberta Beef Quality Starts Here update:

VBP+ will be launched on June 15<sup>th</sup>. The VBP+ program includes training and auditing in the cow calf and feedlot sectors for animal care, biosecurity, and environmental stewardship, as well as on-farm food safety practices. There are still discussions about including the Feedlot Level Assessment Tool (FLAT) in the VBP+ program.

### (f) Earls Restaurant Update:

The Earls restaurant situation illustrates the importance of the CRSB and the work the industry is doing on verified sustainable beef. Earls has asked to join the CRSB and is honouring the commitment to build a supply of Canadian beef for their restaurants. Seven of their Alberta restaurants are now serving Canadian and Alberta beef. Although the industry reacted effectively to Earls' original announcement, it was pressure from customers and Alberta restaurant owners that made the company truly engage our industry.

### (g) Bill 6 Working Groups:

The first meetings of the six working groups will be occurring in June and the directors spent some time discussing the topics that the working groups would be addressing and the working group process. The AgCoalition is providing support to the producers who have been selected for the working groups and is setting up three meetings of the Industry Advisory Leadership Committee across the province in late June.

### (h) Climate Change Plan:

Further to discussions at the MLA reception, Environment and Parks Minister Shannon Phillips asked ABP provide our policy positions and recommendations for climate leadership. Our climate change plan should be consistent with the CCA position. The Environment Committee will be meeting on June 15<sup>th</sup> and Climate Change Office Deputy Minister Bill Werry will be discussing climate change.

### (i) Canada Beef Inc update:

Directors continue to hear about problems with Canada Beef operations and ABP thinks the Agency Board should address these issues more actively. The Agency has taken

steps to deal with the requests the provincial funders made after the Winnipeg meeting last year. The Agency has hired a General Manager and engaged legal counsel to renew the Agency and Service agreements with provincial funders, but the work on the provincial funders' requests is not completed. Doug Sawyer, the ABP representative on the Agency Board, stated that the Agency wants new agreements with the provincial funders signed this year and clarification is needed on the use of NCO funds for VBP+ and issues management.

(j) Council and Committee Reports:

(i) Cow Calf Council:

Have an action packed meeting planned for June 15<sup>th</sup>.

(ii) Environment Committee:

Having an action packed meeting on June 15<sup>th</sup>. The Deputy Minister of the Climate Change Office will be coming.

(iii) Research Committee:

Have received 15 letters of intent for the antimicrobial research call and the committee will be meeting in July to choose the applications for which they want full proposals.

(iv) Wildlife Committee:

Has a meeting scheduled for 7:00 p.m. on June 13<sup>th</sup>. Had a brief conversation with Minister Shannon Phillips about changes to wildlife management and compensation programs.

(v) Cattle Feeder Council:

Meeting scheduled for June 15<sup>th</sup>. The losses coming to the CFC are unprecedented and it will hit the cow calf industry by the fall. There will be limited cash flow to buy cattle with in the fall.

(k) Zone reports:

The zones had nothing to report at this time.

(l) AFAC update:

In February Greg Bowie was approved as the ABP representative and was elected Chair of AFAC. One of the issues is the lack of movement on a process for dealing with producers who are not taking care of their animals. Bowie met with AF Assistant Deputy Minister Jamie Curran and the Chair of the SPCA to discuss the problem. Bowie will be meeting with them again, as well as with government officials who are involved with cattle issues and upper management and Board members from the SPCA.

The government is very invested in dealing with the issue and developing steps to address the problem. There is a need for clarification of the roles and responsibilities of

AF, the SPCA, AFAC, and the RCMP on large animal care issues. The industry needs a more robust and effective process for addressing animal care issues to avoid them becoming major public trust challenges.

(m) Livestock Assurance Fund update:

The Livestock Assurance Fund Tribunal meets once a year unless there is a request for money out of the fund. Currently producers pay 10 cents per marketing into the fund and it is used to reimburse producers who have not been paid by a dealer. There are a few producers who have requested refunds on assurance fund payments, but they then lose eligibility to make claim from the fund. There is over \$10 million in the fund after the increase from \$0.05 to \$0.10 per marketing several years ago. LIS receives \$75,000 to administer the fund and the fund is invested through a government fund.

(n) Sustainable Canada AGM:

Friesen attended the Sustainable Canada AGM on May 24<sup>th</sup> where they discussed a number of different issues: Alberta now has a 24 hour hotline setup to report poachers; a document to indemnify leaseholders and landowners from liability in the case of accidents on their land; critical habitat orders for a number of species such as the cutthroat trout and destruction of any of its critical habitat; and proposed action plan for species at risk in southwestern Saskatchewan. There were a number of really good speakers on sage grouse protection, breeding, and relocation. Sustainable Canada has concerns about Species at Risk Partnerships on Agricultural Lands (SARPAL) program funds being allocated to MultiSAR.

(o) Springbank dry dam:

The Alberta government is proposing to construct a dry dam in Springbank to protect the Calgary from flooding along the Elbow River. The dam will be located south of Highway #1 and east of Highway #22 and will cover 3500 acres. There have been discussions among some cattle producers who may be coming to ABP for help to approach the government about the dam. The dam will flood grassland and there will be three of four families that will be affected if it ever floods. There were also previous plans to put a dry dam at McLean Creek instead, but the location of the dam was moved to Springbank.

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**7. Reading Materials**

(a) BOD Resolutions and Action Items:

(b) Beef Supply at a Glance:

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**8. Next Meeting and Upcoming Events**

(a) Semi-Annual General Meeting – June 14, 2016, Delta South Hotel, Edmonton, AB

(b) Board meeting – July 21, 2016, ABP Boardroom, Calgary, AB

- (c) Canadian Beef Industry Conference – August 8 – 11, 2016, Grey Eagle Resort & Casino, Calgary, AB
- (d) Board meeting – September 15, 2016?, ABP Boardroom, Calgary, AB

**9. Adjournment**

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The meeting was adjourned on a motion by Fraser at 4:40 p.m.