

ALBERTA BEEF PRODUCERS
MINUTES FOR THE BOARD OF DIRECTORS MEETING
MARCH 17, 2016, 8:30 a.m.
AT THE ABP BOARD ROOM, CALGARY, AB

Present: Bob Lowe - *Chair*
Roland Cailliau - *Vice-Chair*
Charlie Christie - *Finance Chair*
Howard Bekkering - *Zone 1*
Cecilie Fleming - *Zone 2*
Chris Israelson - *Zone 3*
Walt Suntjens - *Zone 4 (for Tim Smith)*
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*

Absent: Tim Smith - *Zone 4*

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

1. Adoption of Agenda

(a) Adoption of Agenda:

Additions: 4(j) Ottawa Fly In; 6(i) Beef Farmers of Ontario; 6(j) Compromised animals at Auction Marts;

Motion by Cailliau/Israelson:

“That the agenda be approved with additions.”

Carried

2. Minutes of the Previous Meetings

(a) Minutes of the February 17, 2016 meeting:

Motion by Fleming/Sekura:

“That the minutes of the February 17, 2016 Board of Directors meeting be approved as amended.”

Carried

(b) Minutes of the March 1, 2016 conference call:

Motion by Bekkering/Fleming:

“That the minutes of the March 1, 2016 Board of Directors conference call be approved.”

Carried

3. Financial Report

(a) Financial Statement ending February 29, 2016:

The directors reviewed the financial statement presented by Christie. The processors are behind in submitting check-off and that was reflected in the marketing numbers. ABP has contacted LIS about processors being late in making payment to producers. Not all the money in the 2015-2016 budget will be spent and there will be money going into the unrestricted net assets at year-end.

Motion by Christie/Buckley:

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

Carried

4. Decision Items

(a) ABP Plan 2016-2017:

The plan was circulated at the last meeting and emailed out to delegates for their input. R. Smith has not received any comments or proposed changes for the draft objectives or strategies.

Lowe read through each objective and the directors discussed any changes or clarifications that were needed. Once approved, the plan will be sent to all of the delegates.

Motion by Buckley/Cailliau:

“That the ABP Board of Directors approve the ABP Plan 2016-2017 with the changes as discussed.”

Carried

(b) ABP Budget 2016-2017:

The Board meeting package included a draft budget with changes from the preliminary budget that the directors reviewed at the February meeting. After service charge refunds, ABP will retain \$4.5 million for the 2016-2017 budget. There likely will be a further \$400,000 available from Unrestricted Net Assets for the next budget, creating a total budget of \$4.9 million.

There was a lengthy discussion about the CCA assessment. The CCA budget has not yet been passed, but the changes

included in this draft include the proposed CCA allocation. Members of the CCA Executive have asked for more time to review proposed budgets and more information on previous budgets. The current CCA assessment for ABP reflects a small increase in overall provincial assessments and an increase in the ABP share of assessments based on marketings.

ABP has suggested that assessments be based on retained service charge revenue, rather than the raw number of marketings, but this recommendation was not supported by the other provinces. ABP also has informed the CCA that we do not have the financial resources to pay larger assessments. There have been suggestions that ABP may want to establish a cap on the percentage of the ABP budget that is directed to CCA assessments. Dennis Laycraft, CCA Executive Vice-President, was asked to join the meeting and provide information to the directors on the CCA priorities, expenses and budget.

Motion by Cailliau/Thiessen:

“That ABP adjust the Canadian Cattlemen’s Association allocation in the draft budget to balance the budget for the 2016-2017 fiscal year.”

Carried

(c) Bill 6 Update and Actions:

The government has not yet announced the members of the working groups despite the passing of the dates for the proposed first meetings of the groups. No one has heard yet who has been approved to sit on the committees.

The Alberta Wheat Commission has been providing significant staff support for the AgCoalition, while Allen and Jeanette Kennard, ABP Receptionist, have begun giving administrative support Laverdure is helping with communications.

The livestock and poultry associations have put together a questionnaire for WCB that the AgCoalition is bringing forward to them. When we receive the responses, we will make sure it is circulated to the producers.

(d) Industry Funding Strategy and Position:

R. Smith passed out information framing the discussion on industry funding. Included in the information were the resolutions from the AGM dealing with funding and the allocation of \$0.60 from the \$2.00 Service Charge to be set aside for marketing, research, and industry collaboration. The Board held a lengthy discussion about the benefits or necessity of having ACFA support for a return to some form of non-refundable service charge. There was an understanding that the ACFA likely would need to have some control over the investment of the retained service charge refund revenue in order to support a non-refundable service charge.

The Board reviewed and debated a new funding proposal that would have a small council, with members from ABP, ACFA, and possibly one or two other producer organizations, make decisions about the allocation and investment of the retained service charge refund revenue. A substantial amount of this funding would likely be invested in activities conducted by ABP and ACFA. The council would be different from the Cattle Industry Leaders Forum because the forum will be a think tank, not a decision making body.

The ABP Executive will be seeking a meeting with the ACFA Executive as soon as possible. A meeting with Agriculture and Forestry Minister Carlier will be arranged very soon after the ACFA meeting. At this meeting, the ABP representatives will formally start discussion of industry funding with the Minister.

Motion by Buckley/Israelson:

“That the ABP Executive approach the Alberta Cattle Feeders Association with the proposed Industry Funding Strategy.”

Carried

(e) Alberta Beef Industry Export Development Program:

This is a program modeled after a similar Canadian Pork International program that was suggested to ABP by Glenn Brand. In the program model, ALMA would provide funding for export development activities and ABP would administer the program for a fee. When Glen Brand brought this proposal to ABP, he was asked to find the level of support for the program from Canada Beef and Alberta processors. Harmony Beef, Western Royal Angus, Rocky Mountain Beef, and John Schooten support the need for such a program, while Cargill and JBS did not see a need for it. After careful consideration, the ABP directors decided that ABP would not support the development of this program. ABP already strongly supports the international marketing efforts of Canada Beef and does not see a need for another export development program. The directors thought that ALMA could make better investments by providing the funding to Canada Beef or directly to the processors interested in the program.

(f) Roles and Responsibilities of ABP representatives:

Doug Sawyer proposed that ABP develop a document outlining what we expect of delegates when they represent ABP at outside organizations. They need to know their authority, roles, and responsibilities. They need to be aware of ABP policies on the issues that arise at the organization and seek more information if they are unsure of the policies. They also need to report to the board on the decisions and activities of the organization. A policy will be brought forward to the next board meeting for approval. Fleming suggested that R. Smith speak with Jim Brown to clarify the ABP position.

(g) Policy on NGO Memberships:

Fraser presented an updated policy to the board on dealing with Non-government Organizations.

Motion by Fraser/Buckley:

“That the ABP Board of Directors accept the updated policy on membership in Non-Governmental Organizations as presented.”

Carried

(h) CRSB Membership:

ABP has received an invoice for membership in the CRSB. We were members last year and the membership fee for associations such as ABP has increased from \$1,500 to \$2,000. Producers can buy individual memberships for \$500 and should be encouraged to join the CRSB. The CRSB Semi-AGM will be held on April 21st and 22nd in Winnipeg. R. Smith has agreed to help facilitate discussion on the Deloitte Sustainability Assessment at the meeting, while Lowe and Bowie also will attend the meeting.

Motion by Fleming/Friesen:

“That ABP pay the \$2000 membership to the Canadian Roundtable for Sustainable Beef.”

Carried

(i) April-May Board Meeting:

In the past, we have often tried to hold a Board meeting in Edmonton in the spring and timed the meeting to coincide with a dinner or reception for the MLA’s. If we are able to arrange a reception on an appropriate date, there will be a Board meeting held in conjunction with it. R. Smith has been working with the ACFA on the idea of a Beef Day at the Legislature and will discuss arrangements with Lynch-Staunton.

(j) Ottawa Fly-in:

The next fly-in is on April 19th. This is a good opportunity for new directors who have not been before. Cailliau, Christie and Lowe are going on the Fly In and Fraser will confirm whether she can participate.

5. In Camera

6. Discussion Items

(a) CCA AGM Report:

Lowe circulated a report on the resolutions that were passed at the AGM in March. The Animal Health and Care Committee discussed antimicrobials. There was a CCIA update and Cattle Implementation Plan (CIP) conference call that may provide some direction going forward. The current CFIA regulatory proposal is not consistent with the CIP recommendations. ABP has written to the government

a number of times supporting the Cattle Implementation Plan and opposing regulations that go beyond the CIP.

The new President is Dan Darling from Ontario; David Haywood-Farmer from BC is the new Vice-President and the third officer is Ivan Johnson from PEI.

(b) Sustainable Beef:

Where Food Comes From has developed a desktop assessment program for sustainability. The transition from the McDonald’s Pilot to the CRSB is happening, but not as quickly as hoped.

(c) Municipal Taxation of Intensive Agriculture:

Stuart Thiessen spoke to the board in February about the possible changes in municipal taxation of intensive agricultural operations. The municipalities are looking at creating a levy on intensive operations to raise money for infrastructure investments. ABP is prepared to work with municipalities on the development of a more fair taxation system, but does not support a simple per head levy that unfairly affects large feedlots. Fleming attended a ratepayer meeting in Lethbridge on the issue. Lethbridge County needs to raise \$3 million more a year to address their infrastructure challenges. Whatever happens in Lethbridge will be precedent setting across the province.

(d) Cattle Inventory Update:

The January 1st inventory came out and Canfax is saying there are some signs of cattle herd expansion. The beef cow inventory in Alberta went up 0.8% and replacement heifers are up 5.2%.

(e) Alberta Beef Quality Starts Here update:

Fleming talked to the directors about the Beef Advocacy Canada program. Applications for the Cattlemen’s Young Leaders mentorship program must be submitted by March 31st.

Andrea Brocklebank joined the meeting to talk about the development of a database to support growth of VBP+. BCRC is responsible for overseeing the VBP program and more funding will be needed for VBP+ if it is going to be the framework for national sustainability verification. In time, VBP+ could be funded from the National Check-off, but a more consistent national approach to the program will be necessary. A business plan has been developed for VBP+ expansion and an application has been approved for government funding of the database development. Industry funding in the order of \$200,000 over two years is needed to secure the government funding and decision on the availability of the industry funding must be made quickly if the project is going to proceed.

Motion by Israelson/Hennigar:

“That ABP support the VBP+ Expansion Project for up to \$100,000 over the next 2 years.”

Carried

A number of large feedlots have been audited recently and more feedlots are pushing to be audited on the other modules. They are ready but are waiting for the CSRB indicators to be confirmed. The ABQSH should be accrediting people by May at the earliest but probably June or July. The grant from ABP is not being used yet. There is a VBP+ board meeting on April 19th.

(f) Canada Beef Inc update:

Melinda German became the General Manager of the National Check-off Agency as of March 1st.

(g) Council and Committee Reports:

(i) Wildlife Committee:

Had a meeting on February 29th to discuss the recommendations that came out of the forum on January 29th. There were 8 recommendations but the committee is concentrating on the first four for now. A few changes were made to the Terms of Reference at the meeting and Campbell is bringing them forward for Board approval.

Motion by Campbell/Sekura:

“That the ABP Board of Directors approve the Wildlife Committee Terms of Reference as presented.”

Carried

We need a definition of Ecological Goods and Services from the ABP standpoint. It is one of the targets.

Buckley pointed out that the Governance Committee should be developing Terms of Reference and bringing any ratification to the board.

(ii) Cattle Feeder Council:

Nothing to report

(iii) Cow Calf Council:

Nothing to report

(iv) Environment Committee:

Nothing to report

(v) Research Committee:

Call for letters of intent will go out March 28th.

(h) Zone reports:

Zone 2: The zone participated at Ag Expo, Beth Castle oversaw the booth and did a great job. Contributed funding to the Oldman Watershed.

Zone 5: Will have a zone meeting in April.

Zone 6: Had a zone meeting in February. There is a broker from La Capital Insurance telling producers that he is from ABP and in the area to sell insurance.

Zone 7: Will be attending the trade show in Hinton,

Zone 8: Had a zone meeting after the February board meeting. The delegates attended the trade show in Two Hills.

Zone 9: Good ag show, was well attended.

(i) Beef Farmers of Ontario AGM:

February 17th was the AGM and Bekkering attend for ABP. Fully funded risk management programs. 31% of the membership uses the maximum loan limit of \$250,000. Their issues are the same as ours. There was a presentation on Ontario Cornfed. Have increased exports to Saudi Arabia and the Gold Coast. Had a resolution on the National Check-off, but it was not debated because it was not presented in enough time for it to be addressed. Resolution on directional check-off was defeated.

(j) Compromised animals at Auction Marts:

Sekura spoke to five different markets and all of them are trying to not put compromised animals through the ring. In Westlock, the auction mart has guys checking cattle coming in and if there are any questions they are sent home or sold out of the back. One auction mart has a representative from a dog food company that will buy marginal cattle. Sekura will try and call the rest of the auction marts before the next board meeting.

7. Reading Materials

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

8. Next Meeting and Upcoming Events

- (a) Board meeting – April/May – TBD
- (b) Board meeting – June 13, 2016, Delta South Hotel, Edmonton, AB
- (c) Semi-Annual General Meeting – June 14, 2016, Delta South Hotel, Edmonton, AB

9. Adjournment

The meeting was adjourned on a motion by Mansell at 4:05 p.m.