

**ALBERTA BEEF PRODUCERS
MINUTES FOR THE BOARD OF DIRECTORS MEETING
WEDNESDAY MAY 18, 2016, 8:30 a.m.
AT THE ABP BOARD ROOM, CALGARY, AB**

Present: Bob Lowe - *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*
Greg Bowie - *Past Chair*

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

Absent: Roland Cailliau - *Vice-Chair*
Bryan Thiessen - *CFC Chair*

The Chair called the meeting to order at 8:45 a.m.

1. Adoption of Agenda

(a) Adoption of agenda:

Additions and Changes: 6(i) VBP/ABQSH update becomes 4(j) VBP/ABQSH update; 6(d) Grazing Stakeholder Meeting becomes 4(k) Grazing Stakeholder Meeting; 6(h) On Farm Slaughter program;

Motion by Fleming/Buckley:

“That the agenda be approved with the changes.”

Carried

2. Minutes of the Previous Meetings

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

Motion by Israelson/Sekura:

“That the minutes of the March 17, 2016 Board of Directors meeting be approved with changes.”

Carried

(b) Minutes of the May 2, 2016 Conference Call:

Motion by Buckley/Friesen:

“That the minutes of the May 2, 2016 Board of Directors conference call be approved.”

Carried

(c) Minutes of the May 6, 2016 Conference Call:

Motion by Fleming/Bekkering:

“That the minutes of the May 6, 2016 Board of Directors conference call be approved.”

Carried

3. Financial Report

(a) Statement of Financial Position March 31, 2016:

The financial position as of March 31st was provided to the directors in the package.

Motion by Christie/T. Smith:

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

Carried

(b) Financial Statement ending April 30, 2016:

We are only one month into the new fiscal year and no large expenditures have been made yet.

Motion by Christie/T. Smith:

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

Carried

4. Decision Items

(a) Budget Decisions for 2016-2017:

The Board package included the statement of financial position as of March 31, 2016. With \$4.9 million in the Operating Reserve Fund for the 2016-2017 year, there was over \$2.34 million in the Unrestricted Net Assets. The Trade Advocacy Reserve Fund had \$4,218,971 after withdrawal of the two legal assessments during the 2015-2016 year. Procnier and R. Smith believe that \$2 million in unrestricted net assets provides more than sufficient funds to cover a wind down of ABP if the organization was forced to cease operations. The directors had been given a document that outlined possible budget decisions regarding allocation of funds from Unrestricted Net Assets.

Although the preliminary CCA budget had an overall increase in total provincial assessments, the final budget had held total provincial assessments at the same level as in the previous year. The ABP assessment has increased as a result of Alberta having a larger share of marketings. The directors recognized that this change in the budget was a positive step and appreciated the CCA commitment to providing budget information sooner.

The budget decisions document proposed increasing the ABP budget by \$79,706 to cover the entire CCA assessment and transferring \$281,029 into the Trade Advocacy Reserve Fund to bring this account back to \$4.5 million. These allocations would leave the Unrestricted Net Assets just slightly under \$2 million.

Motion by Campbell/Buckley:

“That the ABP Board of Directors approve the final budget adjustments as presented.”

Carried

(b) CCA Legal Assessment:

ABP had just received a legal assessment from CCA. The retainer fee with the Washington D.C. legal firm has been renegotiated following the repeal of COOL, but the new fee structure has not been implemented yet. The total CCA legal assessment is \$271,010 and the ABP portion of the assessment is \$144,357.54.

Motion by Fleming/Buckley:

“That ABP pay the Canadian Cattlemen’s Association Legal Assessment in the amount of \$144,357.54 from the Trade Advocacy Fund.”

Carried

(c) Industry Funding Actions:

The results of the meetings with ACFA and the Minister were discussed during the May conference calls. ACFA is not prepared to support the ABP proposal for a return to a non-refundable service charge. The government officials seemed receptive to the concept of a non-refundable service charge, but are still anxious to see alignment between ABP and ACFA on this issue. There was a suggestion that the legislation could be changed to allow non-refundable service charges and then the industry could then make the decision.

The directors discussed possible processes for establishing producer and industry direction for returning to a non-refundable service charge. There was some thought that the government might require a plebiscite, but the directors believe that ABP has made a great deal of effort to get producer input on returning to a non-refundable service charge. The issue has been openly discussed during the Fall Meetings for the past two years and producers have made numerous resolutions to return to a non-refundable service charge.

The directors also discussed developing a strategy for including ACFA in our organization, possibly through joining the Cattle Feeder Council (CFC). It would be possible to provide seats for ACFA members on the CFC through changes in the ABP by-laws. After much discussion, the directors agreed that ACFA members already have ample opportunity to participate in ABP business through becoming CFC delegates. ACFA members seem unwilling to participate in the CFC and ABP.

(d) MLA Reception:

Tom Lynch-Staunton joined the meeting via conference call to discuss plans for the MLA Reception with the directors. The intention of the reception is to create an opportunity for members of the legislature to get to know our organization and learn about the industry. The event will last from 5:30 to 9:30 p.m. The directors were asked to arrive around 5:15 while the staff members were asked to arrive an hour earlier to help get everything set up. Oneil Carlier, Minister of Agriculture and Forestry will welcome everyone and there will be short presentations by Lowe and Martin Zuidhof, the ACFA Chair. There will be display screens around the reception room that will be playing a rolling slide presentation about the beef industry. There will be beer and wine and a variety of appetizers.

Tom will also try to put together some useful facts about the industry for the government should we need it. Based on responses to the invitation, it seems that attendance should be good, but it could be affected by an evening sitting of the legislature.

(e) Canadian Beef Industry Conference:

Cargill informed R. Smith that a group the size we are hoping to have on the tour is too large for their facility. R. Smith approached Harmony Beef as a possible tour location, but the date of the tour is the projected opening date for the plant.

The Grey Eagle Casino is booked solid and they are starting to book into the Carriage House Inn. There will be a shuttle from the Carriage House to the Grey Eagle for participants.

(f) PNWER Grant Application:

The PNWER meeting is coming to Calgary from July 17th to 21st this year. In the past, PNWER has received funding from ALMA for the event but the funding procedure has changed this year. ALMA can no longer fund PNWER directly, but would need the funding to go through an organization. ABP has been approached to submit the funding request on PNWER’s behalf.

Motion by Fleming/Mansell:

“That ABP support the Pacific Northwest Economic Region by making an application for

funding through the Alberta Livestock and Meat Agency.”

Carried

(g) BCRC Appointments:

ABP has four seats on the council and we have used different systems to select our representatives. Karin Schmid and R. Smith suggested that we continue to have one member from the CFC and one member from the Research Committee with two members at large elected by the ABP delegates. They proposed that the ABP representatives sit for two years on the BCRC and that two representatives be selected each year to provide continuity. They recommended that Bryan Thiessen and Chris Israelson continue for another year as representatives, while the Research Committee would appoint a representative for two years and the delegates would elect a representative at the upcoming Semi-AGM.

The directors accepted these recommendations and there was a recommendation that the Board could appoint a non-delegate if no delegate is elected to the position. R. Smith will send out an email to the delegates informing them of the election.

(h) ABFGC Advisory Committee Appointment:

Alberta Beef Forage and Grazing Centre (ABFGC) is establishing an Industry Advisory Board and ABP is entitled to have one representative on this board. Karin Schmid had asked delegates to indicate their interest in this position and Stuart Somerville, Gordon Graves, and Assar Grinde all expressed an interest in sitting on this board. The directors thought that they needed more information before making a decision and decided to have R. Smith ask each candidate to submit a short biography with reasons for their interest in the position and their qualifications to represent ABP on this board.

(i) UCVM Cattle Conference Free Registration:

ABP sponsors the UCVM Beef Cattle Conference and as a result, we have a free registration. Wowk agreed to attend the conference.

(j) VBP/Alberta Beef Quality Starts Here:

The VBP needs long term funding and the hope is that 6% from the proposed increase \$2.50 to the National Check-off will be allocated to VBP. Until the increase has been put in to place they will need interim funding. The \$100,000 that was funded by ABP in the past was for a specific project but they need funding for the long term. VBP falls under BCRC funding and receive about 1.5% from their funding.

Motion by Campbell/Friesen:

“That ABP tentatively support the proposal of a 6% allocation of the proposed \$2.50 National

Check-off be allocated to the Verified Beef Project.”

Carried

Fleming noted her conflict of interest and abstained from voting.

(k) Grazing Stakeholder Meeting:

R. Smith distributed a report from Roland Cailliau on the Grazing Stakeholder meeting and a proposed letter to Graham Statt, the ADM Operations for Environment & Parks. On April 21st, Cailliau and Buckley attended a grazing lease meeting with the NAGA, AGLA, Western Stock Growers, Sustainable Canada and Alberta Environment & Parks. This was an opportunity for the grazing community to meet with the government to help in developing a response to the Auditor General’s report that was released in 2015. There was some discussion about the meaning of the term “public lands.” While the government agreed with the negative connotation, there was the suggestion that the government was bound by the term “*public land*.”

The Business Plan of the Department of Environment and Parks refers to development and implementation of a recreation management strategy “Crown Lands,” referring to land under the administration of Environment and Parks pursuant to the *Public Lands Act* and the *Provincial Parks Act*. The letter to Graham Statt uses this statement as the basis for encouraging the government to use the term “Crown Lands’ instead of “public lands” in the context of grazing leases.

Motion by Friesen/Sekura:

“That ABP send the proposed letter signed by John Buckley and Roland Cailliau to Graham Statt.”

Carried

5. In Camera

6. Discussion Items

(a) Provincial Weather Conditions:

R. Smith received a moisture situation update and there is great concern mounting for pasture and hay crops. The spring has been unusually warm and dry with only some areas of southern Alberta and east along the Saskatchewan border seeing near normal precipitation. Fortunately, several days of cool rainy weather are forecast across most of the province for the long weekend.

(b) Fort McMurray Fire:

Further to previous discussions about the Fort McMurray fire, there have been a number of events to raise money for the Red Cross to support the fire victims. R. Smith, Proconier, Laverdure, and Beth Castle participated in an

Ag for Life event in Airdrie that ABP helped sponsor and which raised \$15,000 for the Red Cross. Bekkering attended an event at the Brooks Centennial Arena that was very well attended. The IGA in Bonnevillie did a lunch with the money going to the Red Cross.

There will be a ripple effect throughout the province as the fire season becomes more volatile. There was a suggestion that ABP needs to think more strategically and plan for long-term support a year or two in the future when the public and media are no longer as interested in helping people affected by the fires.

(c) Earls Restaurant Issue:

The directors heard an update on the Earls restaurant issue. Earls is working on finding a Canadian/Alberta beef supply and if they can find a supply chain that meets their requirements, they are committed to serving Alberta beef again in their restaurants. The directors were told that emails pointing to a connection between the Earls announcement and the Halal certification at Creekstone Farms had no basis in facts. Lowe thanked Laverdure for the good work she did with media calls during the Earls situation.

(d) Bill 6 Update:

The government has begun to contact the people who will be sitting on the Bill 6 Working Groups as part of the consultation process. The AgCoalition has been informed about which of the coalition nominees will be on the Working Groups, but we don't know who the other members of the groups will be. Stuart Thiessen and John Bland are members of the Employment Standards and Labour Relations Working Groups, respectively, while Lyndon Mansell is an alternate on the Education Working Group and Roland Cailliau and Charlie Christie have been named as alternates for all groups. Page Stuart and John Lawton from ACFA have also been chosen to be members of a working group. The AgCoalition has established a technical support group to provide information and assistance to the coalition nominees on the working groups. The farmers and ranchers on the Working Groups will have to be diligent to ensure that the Bill 6 regulations and standards are acceptable for the industry.

(e) Municipal Infrastructure Levy:

Lethbridge County has approved a business tax on livestock operations and a special tax on cropland to raise funds for infrastructure improvements in the county. The Lethbridge levy structure is very unfair and has livestock operations contributing most of the infrastructure funding and cattle feeders carrying by far the greatest burden. ABP is part of the Intensive Agriculture Operations Working Group (IAOWG) that is working on a proposal for provincial standards for assessing infrastructure levies that would be more equitable for all agricultural producers. The IAOWG must submit its proposal to the government in July.

We recognize the challenges rural municipalities face in maintaining infrastructure and are sympathetic to the unequal distribution of tax revenue among municipalities. However, ABP has strongly opposed the Lethbridge County taxes. We think a fair way to raise money for roads and bridges would be through a fuel tax as long as this tax revenue is distributed properly.

(f) CRSB Semi-AGM:

Fleming, Bowie, R. Smith and Lowe attend the CRSB Semi-Annual General Meeting. The discussion on the Deloitte Sustainability Assessment was done well and we will soon have a good baseline assessment of our industry. There is some frustration with the slow pace of the CRSB work on a sustainability verification framework to follow the McDonald's sustainability pilot project. The Earls announcement showed the need to move more quickly on this framework. There also is a need to have more producers involved with the CRSB and on the CRSB council. The CRSB has established its indicators and the verification committee is continuing its work. The Global Roundtable for Sustainable Beef (GRSB) will be meeting in Banff on October 4 - 7, 2016.

(g) NCOA Annual Forum:

The Annual Forum will be occurring in conjunction with the CBIC. Alberta is entitled to send 15 delegates to the forum, 10 appointed by ABP and 5 appointed by ACFA. ABP and ACFA have also agreed to share the two Alberta positions on the NCOA Board. Doug Sawyer and John Schooten are sitting as directors for Alberta, but John's current term ends at this forum. The delegates and director nominations must be submitted by June 24th. The directors discussed the role of the NCOA and considered whether it is still appropriate to have ACFA, an organization that is not an NCOA funder, appoint a director.

Motion by Buckley/Fleming:

“Despite the Memorandum of Agreement between ABP and the Alberta Cattle Feeders Association (ACFA) having expired as of June 30, 2013, the intent of ABP is to continue to fulfill the arrangements dealing with delegates to the Annual Forum (10 from ABP and five from ACFA) and directors on the NCOA Board (one director appointed each year with ABP and ACFA alternating in making the appointments) until further notice.”

Carried

(h) Inspection of On-Farm Aettebatoirs:

If there was more availability of on-farm slaughter, there could be a reduction in compromised cattle coming to auction markets. One of the barriers to more on-farm slaughter is the difficulty getting the inspection required to allow the beef from the animals to be distributed more

widely. It is worth considering ways to facilitate provincial meat inspection for mobile abattoirs.

(i) Council and Committee Reports:

(i) Research Committee:

The committee has called for Letters of Intent from researchers for the antimicrobial use and resistance call.

(ii) Wildlife Committee:

Committee met on April 25th at which time they discussed the Occupier's Liability Act and the legal opinion they received on this act. The committee recommended that the ABP Board send a copy of the Act and a copy of the legal information to the Minister of Environment and to the Alberta Game Policy Advisory Committee for information purposes.

DIRECTION to the Board to send the information received regarding the Occupier's Liability Act to AGLA and Western Stock Growers.

The meeting re-summarized some of the points made at the forum held in Edmonton in January.

The committee also suggested that hunters report their kill within 48 hours instead of the current 3 to 4 months. Developing a handout for producers on dealing with dead stock; spoke about the problems with wolves in the Peace Country; impact of the Metis population on hunting; Wood Buffalo fly over spotted no bison in agricultural areas.

(iii) Cattle Feeder Council:

Nothing to report

(iv) Cow Calf Council:

Nothing to report

On direction from the federal government, AFSC has stopped work on the feed needs model for forage and pasture insurance.

(v) Environment Committee:

Will be meeting in Edmonton in June and will have three speakers in: one from Ducks Unlimited; Bill Werry, Deputy Minister of the Alberta Climate Change Office will speak on climate change; and Janet Dietrich from the Agri-Environmental Partnership.

(j) Zone reports:

Zone 1: Attended the Brooks Trade Show. JBS is very interested in the 'Worried About...' pamphlets. A large number of them were passed out.

Zone 2: Participated in the Trade Show with Zone 1. They have actively begun looking for new delegates to run for open positions in the fall.

Zone 3: the zone will be holding a zone meeting before the Semi-AGM in June.

Zone 4: will be meeting before the Semi-AGM

Zone 5: the zone is meeting on May 25th

Zone 7: The zone attended a Trade Fair in Hinton and thinks that they will not attend in the future. It has turned into an event to hand out pamphlets and is no longer worth the cost for ABP to attend.

Zone 8: The zone attended the Two Hills Trade Show; the 4H Show and BBQ; and sponsored supper at the regional Heifer Show

7. Reading Materials

(a) BOD Resolutions and Action Items:

(b) Beef Supply at a Glance:

8. Next Meeting and Upcoming Events

(a) MLA Reception – May 24, 2016, Federal Building, Edmonton, AB

(b) Board meeting – June 13, 2016, Delta South Hotel, Edmonton, AB

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

(d) Board Meeting – July 21, 2016, ABP Board Room, Calgary, AB

9. Adjournment

The meeting was adjourned on a motion by Bekkering at 3:35 p.m.