

**ALBERTA BEEF PRODUCERS
MINUTES FOR THE BOARD OF DIRECTORS MEETING
OCTOBER 20, 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*
Tim Smith - *Zone 4*
Kelly Fraser - *Zone 5*
Tim Sekura - *Zone 6*
Colin Campbell - *Zone 7*
Lyndon Mansell - *Zone 8*
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*
Karin Schmid - *Beef Production*

Absent: Bryan Thiessen - *CFC Chair*
John MacArthur - *Zone 9*

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

1. Adoption of Agenda

(a) Adoption of Agenda:

Additions: Move Alberta Cattle Health Issue from Discussion Items to Decision Items;

Motion by Fleming/Mansell:

“That the agenda be approved with changes.”

Carried

2. Minutes of the Previous Meetings

(a) Minutes of the September 15, 2016 meeting:

Motion by Sekura/Friesen:

“That the minutes of the September 15, 2016 Board of Directors meeting be approved with correction.”

Carried

3. Financial Report

(a) Financial Statement ending September 30, 2016:

Christie presented the financial statement to the directors and noted there were no significant items for the Board’s attention. Marketings are down from the previous year, but the expenses are aligned with the budget.

Motion by Christie/Cailliau:

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

Carried

Christie informed the directors that he will be resigning as a delegate and director effective November 9, 2016. The purpose of the resignation is to comply with the consecutive term limits requirements of the ABP By-laws. Christie will not serve as a delegate for one year, but hopes to return next year as a delegate and run in the election for Directors at Large. R. Smith reviewed this plan with Adrienne Waller, Corporate Counsel, and she agreed that it complied with the ABP By-laws. The change in the maximum consecutive terms for delegates from three (six years) to five (10 years) has caught some of the directors and adversely affected our succession planning. From a governance perspective, it will require much more planning by the Board to reduce the number of these situations.

4. Policy and Governance Issues

(a) Policy/Governance Issues:

The next section within our manual that needs to be investigated is the BCR section dealing with Board Management Delegation. It defines responsibilities of the Board that have been delegated to the staff. The whole section outlines how that works and is supported in the Governance Manual. It states how the board will delegate the authority and enable the staff to do the work.

Bob suggested that at every meeting, a different director should lead the discussion on policy and governance. Lowe agreed to lead the discussion in November.

Buckley believes that the Board should be able to reduce its meetings from 10 a year to six or seven because the directors are becoming more strategic and delegating more efficiently.

The Governance Manual states when policies should be reviewed and how often. As new directors join the Board, the older ones need to become mentors to support them while they are learning their duties.

5. Council and Committee Reports

(a) Cow Calf Council:

The council approved the decision to provide \$2000 to producers under the age of 25 to attend the Cow Calfenomics seminars. Any producer interested in attending needs to apply to ABP and we will cover their registration. The first seminar is November 1st.

The Safety Net Sub-Committee has been discussing a number of insurance possibilities. Chris Simpson has provided some information on AgriStability. Livestock predation insurance is likely not appropriate unless it is an additional part of a broader insurance program. Feed Need model is being considered again.

(b) Environment Committee:

Cows and Fish had their AGM recently and a strategic planning exercise will be held at the end of October. ABP funds \$50,000 to Cows and Fish. They have received money from SARPAL for species at risk initiatives.

Laverdure is in charge of the 25th Anniversary video and some funding for it will be provided by WWF. The video will be ready by the AGM.

(c) Research Committee:

Committee meets in November to make final decisions for the antimicrobial use and resistance LOI's they received in the spring. A number of ALMA staff have transitioned over to Agriculture and will be working with ABP. The Worried About GHG Emissions brochure is at the printers and should be available soon.

(d) Wildlife Committee:

Campbell reporting on a situation with a producer not being able to get a suspected wolf kill confirmed by the Fish & Wildlife officers. The Wildlife Committee is providing a summary of the Miistakis report and a document on dealing with wildlife losses for producers at the fall meetings. The Waterton Biosphere has been talking with the government about changes in compensation programs for wildlife impacts. They have discussed various compensation options with Minister Carlier including a multiplier option. The government is aware of the Miistakiis report, but has not acted on it.

There was discussion of revising the ABP Ecosystems Services policy to address wildlife impacts. The directors also discussed having ABP collect information on wildlife impacts to support development of a policy on these impacts that could be taken to the government. We need to be clear on the process for collecting and managing information on wildlife impacts. There was a question about whether producers would be prepared to submit information to ABP when they often won't report impacts to Fish and Wildlife.

Motion by Buckley/Friesen:

“That the ABP Board of Directors task the Cow Calf Council, the Wildlife Committee and the Environment Committee to get together to refresh our current Ecosystem Services policy.”

Carried

ABP actions on wildlife should be consistent with our Ecosystems Services policy and work being done by the Waterton Biosphere.

(e) Cattle Feeder Council:

Thiessen has called for a CFC meeting for the beginning of November. There are several issues for CFC to address before the AGM.

6. Decision Items

(a) Plans for Fall Meetings:

Information packages were put together for the zone directors to pick up and distribute at the fall meetings. R. Smith suggested dynamic duo exercises to encourage producer engagement and participation in the meetings. There is a notes program on the iPads for zones that would like to display answers on the screen and promote discussion among the producers.

There was a suggestion to open the meetings with the engagement exercise followed by zone reports and showing the DVD just before coffee. The video has been reduced to 15 minutes this year. The fall meeting packages include documents relating to wildlife and an AFSC survey on forage and pasture insurance. R. Smith will be adding a document on the highlights of ABP activities for the year.

On the industry funding issue, we will tell producers that ABP received clear direction from the fall meetings and the AGM last year and we have been pursuing a return to a non-refundable service charge. However, this is not a quick or easy process. We have asked the government to change the legislation to allow for a non-refundable service charge, but we will also need to persuade the government that producers support a non-refundable service charge. We are committed to implementing the increase in the National Check-off, but producers told us to deal with service charge refunds before proceeding with the NCO increase. ABP is aware that the use of the NCO for provincial programs is not acceptable to Alberta producers, but some provinces will not participate in the NCO unless they retain this ability.

(b) Municipal Taxation Research Proposal:

ABP has been working with the ACFA on the issue of municipal taxation, an issue that has been made more urgent by the Lethbridge County Infrastructure Levy on confined feeding operations. The ACFA has approached the School of Public Policy at the University of Calgary to study the subject of municipal tax reform. A proposal

from the School of Public Policy was included in the Board package and ACFA is asking ABP to share the costs of this project. The total cost of the project will be \$75,000 and ACFA is asking the government to contribute to these costs. ACFA also is asking the Minister of Municipal Affairs to convene a working group to address provincial solutions to the issue of municipal taxation and infrastructure deficits. This is an important issue for all confined feeding operations because the action taken in Lethbridge is harmful to the industry and could be adopted by other municipalities if we don't find a better provincial solution.

Motion by Fleming/Friesen:

“That ABP support the *Research Program on Tax Reform in Agriculturally-Oriented Municipal Districts* in the amount of 50% of the required industry contribution.”

Carried

(c) Beef Consumer Research Proposal:

The ACFA has approached ABP about participation in a beef consumer research project. The purpose of the project would be to have collaboration among industry organizations to reach consumers and producers with a consistent and strong message. They brought a proposal from Communicatto for compiling existing research and conducting some additional research on consumer preferences. The total cost of the proposal is \$35,000 and ACFA is asking ABP to contribute 35% of this amount.

Canada Beef has just completed comprehensive research on consumer preferences. ALMA will be releasing the 2016 Canadian Consumer Retail Meat Study soon, and the 2016 Canadian Public Trust Research from the Canadian Centre for Food Integrity is available now. Under these circumstances, it is not clear what new information and benefits we would receive from the Communicatto project. There also is a question about what marketing direction Communicatto could provide that isn't already being addressed by Canada Beef, The CCA, and ABP.

Motion by Buckley/Campbell:

“That ABP decline funding for this project and encourage the Alberta Cattle Feeders' Association to connect with current research information.”

Carried

(d) National Beef Strategy Planning Group (NBSPG) Decisions:

The Board package included a resolution on budget revisions for the National Beef Strategy that had been approved by the NBSPG. The budget revisions involved shifting \$250,000 in issues management funding to BCRC which oversees VBP+ and increasing the overall budget for VBP+ to \$750,000. The NBSPG had asked provincial

organizations to review and respond to these budget revisions.

Motion by Cailliau/Israelson:

“That ABP support the National Beef Strategy Planning Group motion to revise the budget for the National Beef Strategy to reflect a shift in the issues management allocation and an increase in the VBP+ budget.”

Carried

(e) Forest Resource Investment Program Legacy Project - Buckley:

Buckley presented a proposal for a Forest Resource Investment Program (FRIP) legacy initiative involving the Jumping Pound Demonstration Forest to the board for consideration. The purpose of the initiative would be to update and revamp the demonstration forest into more of an Ecosystems Services demonstration area. A demonstration forest is used to educate consumers on the broader range of values found in managing an ecosystem properly. It teaches students about the biodiversity found in forest management areas.

This would also be an opportunity to show consumers how the cattle industry uses the land. Buckley has agreed to participate and he is suggesting that the organization also support the project. This would be one more avenue for ABP and the industry to show the public that we are good stewards of the environment.

(f) Livestock Production Insurance:

The Safety Net Subcommittee has had several conference calls and has developed a resolution that T. Smith has brought forward to discuss with the board. Ontario has a cost of production resolution. Agriculture Canada indicated that there is a fund available that is not used very much and could be used to fund research into the proposal.

Motion by T. Smith/Campbell:

“Be it resolved that ABP should investigate the viability of whole farm production insurance. If no model is currently available for study in Canada, then ABP should utilize the Agri-Risk Initiative fund, preferably cost shared with other producer groups nationally, to undertake an in-depth investigation into the viability and design of a whole farm production insurance product.”

Carried

(g) ABQSH appointment:

The AGM is November 24th and they have asked us to name our representative for this meeting and for the ABQSH Board of Directors.

Howard Bekkering nominated Cecilie Fleming. Fleming accepted the nomination.

The ABP Governance Manual should state the responsibilities of ABP representatives in reporting to the Board.

(h) LIS Appointment:

Norm Hennigar submitted his resignation to the Executive after the September Board meeting. With the resignation we will need to appoint someone else to represent ABP on the LIS board. There is not a lot of time involved in the appointment. There are 4 or 5 board meetings a year and the next one will be in December. Mansell offered to represent ABP on LIS.

(i) Ottawa Fly In – November 22, 2016:

We have scheduled a Fly In on November 22, 2016. Normally, ABP sends four directors to Ottawa with a mix of experienced and new people. Lowe, Cailliau, Fraser, and Bekkering will do the fly in.

(j) AFSC Hay Insurance Survey:

AFSC is conducting a survey on forage and pasture insurance and has provided us with surveys to be distributed to interested producers at the fall meetings.

(k) Alberta Cattle Health Issue:

In late September, the United States Department of Agriculture notified the CFIA that a case of bovine tuberculosis had been detected in a cow from southeastern Alberta when it was slaughtered in the U.S. The directors had heard an update on the case during a conference call on October 13, 2016 and held a long discussion of the situation at this meeting. The directors focused on the impacts of the TB investigation on the producers who have herds under investigation and quarantined. Most of these producers have no facilities, no feed, sometimes no water, and no money to hold and feed their calves through a prolonged quarantine period. In addition to the financial and physical challenges presented by the quarantine, there is a substantial psychological and emotional toll on the producers affected by the investigation and the possible loss of their cattle herds.

The directors identified specific activities that ABP could do to help the producers. ABP and CCA will strongly encourage the CFIA to increase their testing capacity in order to have the investigation move more quickly and improve their communications with the affected producers. ABP will seek answers to the questions we are hearing from producers and put the information on our website. We will work with the provincial government on the provision of financial support and compensation for the affected producers. ABP also will work to find a way to have the calves moved off the quarantined ranches to a secure facility. This would greatly reduce the burden of the quarantine on many of the affected producers. We

know this will be a topic at the fall meetings, especially the meetings in Brooks and Medicine Hat, and Schmid will distribute speaking points to all the directors before the meetings begin.

7. In Camera

8. Discussion Items

(a) Industry Funding Strategy:

Based on conversations ABP has held with senior officials in Agriculture and Forestry, we sent a letter to Minister Carlier formally requesting that he proceed with changes to the *Marketing of Agricultural Products Act* (MAPA) to allow service charges to be non-refundable. A copy of the letter was sent to the Premier. We made it clear that we are not seeking a non-refundable service charge to support ABP operations, but rather to provide much needed funding for important research, market development and industry collaboration activities.

Even if the MAPA is amended, we will still need to convince the government that producers want a non-refundable service charge. We received resolutions to this effect from all of the 2015 fall meetings and our delegates supported resolutions at the 2015 AGM. However, we also know that the ACFA is not supporting a non-refundable service charge and is actively lobbying the Minister on this matter. While continuing our discussions with the ACFA, ABP will need to increase our efforts at the political level to move the issue ahead. We also will seek the support of other provincial cattle organizations to make our Minister aware of the importance of addressing the service charge issue in order to have ABP move forward with the National Check-off increase.

(b) GRSB/CRSB Report:

Fleming, Bowie and R. Smith attended the Global Roundtable for Sustainable Beef (GRSB) conference and the Canadian Roundtable for Sustainable Beef (CRSB) meeting in Banff recently. Bowie thought it was a great meeting and the quality of the speakers was very good. Cherie Copithorne-Barnes agreed to stay on as the CRSB Chair, while Bowie and Lowe were successful in the election for supply chain stakeholder positions on the CRSB Council. This puts three producers on the council. Bowie heard that the tour was very good and participants really enjoyed it.

Fleming agreed that the speakers were great. The Brazilian presenter, John Carter, was very passionate. There were several producers, but Fleming thought there should be more. Wowk and her husband attended as producers. There needs to be more of a give and take between consumers and producers.

There were a number of breakout sessions and each ABP participant tried to attend different sessions. A number of

countries are watching to see what happens with the CRSB because it is far ahead of any other countries.

The Global Roundtable sets the global principles and criteria for sustainability, while the individual country's roundtables develop their criteria and indicators to meet the global criteria. By the end of 2017, The CRSB will have the national sustainability indicators and verification framework operating. We are expecting that VBP+ will be a part of this framework.

(c) Grazing Stakeholder Advisory Committee – Cailliau and Buckley:

Cailliau and Buckley attended the meeting on October 3rd and they spoke about the most recent calculations for proposed grazing lease rental rates. There is a difference between north and south Alberta in cost of production for grazing. This gave them justification for the changes that are being proposed. After the discussion, they did get an agreement in principle for the rental rate development. This will go before the cabinet in the fall of 2017 and this will establish rental rates based on market prices.

The Minister of Environment and Parks wants to include all of the grazing leaseholders and those directly affected by leases on the advisory committee, including First Nations and environmental organizations. A second group will be the Operations Committee and will be populated by grazing lease holders and government.

(d) Agriculture Day in Alberta:

The Government of Canada has announced that February 16, 2017 will be Agriculture Day in Canada. The ATB is proposing to celebrate this day in Alberta with a dinner based on their successful "A Seat At Our Table" events. The dinner would celebrate agriculture and create an opportunity for conversation between millennials in our industry and consumers. They are looking for a three-year commitment of \$3,000 per year from industry partners. It fits well with our Partnership Guidelines and would be a good opportunity for our younger producers and staff members to meet with consumers.

The dinner will be held the same week as ABIC but should not be adversely affected by the event.

(e) Strengthening Investment in R&D – Lowe:

With the dissolution of ALMA looming, almost all of the livestock and poultry commodity organizations in Alberta have come together as a group to explore opportunities to strengthen investment in research and market development in our industry. The groups have established a steering committee to define a role for an industry organization and consider the potential relationship between an industry organization and the government on the issues of priorities and funding. Lowe is Chair of the steering committee and they are working with former Deputy Minister of Agriculture and Forestry John Knapp.

(f) Alberta Beef Quality Starts Here update:

Shannon Argent has taken a job with Olds College so ABQSH is currently looking for a provincial coordinator. They also have 2 one-year positions open to bring the program to producers.

Received over 300 applications from people with cattle experience. Funding is okay right now. The database is up and going and there is a national website that will be up by December. Every year, participants will need to submit their information to remain in the program.

ABQSH is waiting for a decision from the CRSB on the interval between audits. There is a need for the increase in the NCO to support expanded VBP+ activities and role. It will be important for provinces to meet the April 1, 2017 target to have the NCO increases in place.

(g) National Agency update:

Melinda German is working to renew all of the agency and service agreements with the provinces. Ontario has said that they will not move ahead with any increase to the National Check-off until the agreements have been signed and this needs to be done by the end of October. Alberta will not sign any agreement that places too much priority on the use of national check-off dollars for provincial programs. The Agency is also trying to increase their diligence for reporting and planning. There is a hope that all of the agreements will be similar or at least will be agreements that all provinces can accept.

Canada Beef has now split their board meetings to have separate meetings dealing with National Check-off and Canada Beef.

(h) Zone reports:

Zone 1: Nothing to report

Zone 2: Nothing to report, just looking forward to the fall producer meetings

Zone 3: Has a zone meeting last week to prepare for the fall meetings hopefully we will get a respectable turnout; co-sponsored an Ag meeting with Beth in Calgary

Zone 4: Things are moving smoothly for fall meetings

Zone 5: Having a zone meeting tonight in Red Deer; speakers are being arranged; the zone will be attending Agri-Trade

Zone 6: Having a zone meeting tonight; have arranged speakers for the meetings; Northlands is putting on a Beef Tech

Zone 7: Having a zone meeting next week; no speakers are planned for the fall meetings.

Zone 8: We have three new delegates this year; no speakers are planned

Zone 9: Have two new delegates. John MacArthur is the interim zone Director.

9. Reading Materials

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

10. Next Meeting and Upcoming Events

- (a) Resolutions Committee Meeting – November 16, 2016, ABP Board Room, Calgary, AB
- (b) Board meeting – November 17, 2016, ABP Board Room, Calgary, AB
- (c) New Delegate Orientation – November 23, 2016, ABP Board Room, Calgary, AB
- (d) Board meeting – December 5, 2016, Sheraton Cavalier, Calgary, AB
- (e) Annual General Meeting – December 5-7, 2016, Sheraton Cavalier, Calgary, AB

11. Adjournment

The meeting was adjourned on a motion by Fraser at 3:20 a.m.