

# THE NEXT 50 YEARS

2019 Annual Report



**VISION** - Alberta Beef Producers is a strong, clear, and representative voice speaking and working on behalf of cattle and beef producers in Alberta and contributing to a vigorous and profitable beef industry.

**MISSION** - To strengthen the sustainability and competitiveness of the beef industry for the benefit of beef producers in Alberta.

# TABLE OF CONTENTS

PAGE 4

## CHAIR

PAGE 5

## EXECUTIVE DIRECTOR

PAGE 6-7

## CANADIAN CATTLEMEN'S ASSOCIATION

PAGE 8

## CANADA BEEF

PAGE 9

## PUBLIC AND STAKEHOLDER ENGAGEMENT

PAGE 10

## BEEF CATTLE RESEARCH COUNCIL

PAGE 11

## AUDIT

PAGE 12

## GOVERNANCE

PAGE 13

## RESEARCH

PAGE 14

## COW CALF COUNCIL

PAGE 15

## CATTLE FEEDER COUNCIL

PAGE 16

## GOVERNMENT RELATIONS AND POLICY

PAGE 17

## BEEF PRODUCTION

PAGE 18

## COMMUNICATIONS

PAGE 19

## MARKETING AND EDUCATION

PAGE 20-50

## FINANCIAL SECTION

PAGE 52-58

## ELECTION BACKGROUNDER





CHARLIE CHRISTIE  
ABP Chair

## A NOTE FROM OUR CHAIR

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This year, Alberta Beef Producers (formerly the Alberta Cattle Commission) celebrates 50 years of producers working on behalf of producers. The 50th anniversary is a significant milestone for the beef industry in Alberta. Fifty years ago, our industry came together with a vision for the future.

In the late 1960s, Alberta cattle producers believed their messages were not being heard by governments and thought they needed a stronger voice in Edmonton and Ottawa. Producers as a whole needed to be better organized, financed, and coordinated in their efforts to influence policy makers. On September 3, 1969, the first meeting of the newly established Alberta Cattle Commission was called to order - a group of producers working on behalf of producers.

In the 50 years of our existence, the issues our organization has addressed on behalf of cattle and beef producers have varied widely. However, the overall challenges producers face in maintaining sustainable and competitive operations have been relatively constant. Producers and ABP continue

to deal with retaining access to land and water, government policies, improving production efficiency, consumer perceptions of beef, and public pressure related to animal welfare, the environment, and food safety.

The vision for our industry from 50 years ago still holds true today. ABP's mandate has not changed and we continue to focus on our four priority areas of advocacy (government relations and policy), communications (to government, producers, and the public), promotion (marketing and education) and research (production and technology transfer). We as an organization are tasked with carrying out our mission and we recognize the opportunity we have before us. As we move forward into the next 50 years, we will continue to pursue these priorities while constantly working to make ABP a more efficient organization that engages producers and provides value for their check-off investments.

The outcome of the recent plebiscite on the refundable service charge, the 2019 Regulatory Review and, of course, this anniversary have all guided us to seize the opportunity to revitalize, streamline and modernize the organization. Over the past year, we have taken a close look at our priority activities to ensure that they are still important for the industry. We believe that the producers who are engaged with ABP and the industry still support our work in these areas. They recognize that these core activities bring the most benefit for the industry and the greatest return to producers for the investment of their check-off dollars. So we are not looking to fundamentally change our mandate or the work we do for producers, but rather looking to change how we do this important work.

The consideration of ABP structure and operations is timely because this is the year when we do our Regulatory Review, the five-year review of the regulations and by-laws that govern ABP. During this review, we will be

considering the size and composition of the delegate body and Board of Directors, our processes for geographic and sector representation, the timing and format of our fall meetings, and the timing and location of our general meetings. A small working group and our Board of Directors have developed a proposal for significant changes in our structure that will be presented to producers at our fall meetings.

After hearing from producers at the fall meetings, the delegates will make decisions on the proposed changes at our AGM in December. We will then follow the process of amending our regulations and by-laws to have the changes in place for the conclusion of our Regulatory Review at the end of June in 2020. Our goal is to create a leaner and more efficient organization.

Communication has and will always be a challenge in our industry, but we will continue to focus on improved ways of getting information to producers and consumers. We need producers to know what we do on their behalf and we need to share our story with the public, the story of our industry's great record, both environmentally and as a nutritionally rich food choice. We have a unique and engaging story to tell and now more than ever we need to tell it.

ABP without a doubt has been a cornerstone to our industry's success. We thank all those producers who have given considerable time and effort to serving our industry for the past 50 years as ABP delegates, directors and volunteers. Thank you to the families who have stepped up to fill the gaps while the delegates worked on behalf of the producers in our province. You have been and are our greatest strength.

We also thank, in advance, anyone who steps forward in the future to support your industry. You won't regret the commitment and the beef industry will be better for it. Your support will make us stronger for the next 50 years.

Sincerely,





RICH SMITH  
ABP Executive Director

# EXECUTIVE DIRECTOR

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The 50th anniversary of any organization is an event worth celebrating. As the second longest serving Executive Director of Alberta Beef Producers (ABP), it has been my honour to work for grassroots producers who are outstanding leaders of the cattle and beef industry. It has also been my privilege to lead a group of skilled and dedicated staff members who join me in working on behalf of all cattle and beef producers in Alberta. After 50 years, ABP remains a strong and vital organization that continues to speak and work effectively on behalf of these producers. This year, we will take some time to celebrate this anniversary, but our focus is on preparing for the next 50 years - the theme of this Annual Report.

In the Chair report, Charlie Christie talked about the 50th anniversary of ABP and the Regulatory Review of our structure and operations. We have taken time this year for a hard look at all elements of our structure and operations, including our strategic plan for the 2019/20 year. The ABP vision, a strong and clear voice for cattle and beef producers, and the ABP mission, to strengthen the sustainability and competitiveness of the beef industry, are still valid and important for our organization.

The Board of Directors and staff then spent a considerable amount of time establishing strategic objectives for the year with key performance indicators and measurable results.

The six strategic objectives address important issues for our industry and reflect input we have received from producers across the province. Our first objective is to establish productive working relationships with key officials in the new provincial government. We are revitalizing the structure and operations of ABP and implementing an enhanced communications strategy with measurements of engagement and effectiveness. We want positive government actions on a wide range of vital grazing lease issues and investments in research and technology that provide real benefits to producers. We want to increase the level of knowledge and understanding of the cattle and beef industry among young consumers and students. On the following pages of this Annual Report, you can read about the work being done by ABP councils, committees, and staff members to achieve these objectives.

One of the areas where we see great opportunity for making the industry stronger is through collaboration with other organizations in our industry. Our work with the Alberta Cattle Feeders' Association (ACFA) leading up to the plebiscite on the refundable service charge demonstrated that our two organizations could come together for a common cause. Although we did not get the results that both organizations wanted in the plebiscite, we saw great value in the collaboration and are committed to continuing and strengthening our relationship.

This year, we worked together with ACFA on our key lobbying priorities for the new government in Alberta and we have decided to do almost all our government relations work together. We find that joining together in meetings with the government ensures that Ministers hear the same strong message from both ABP

and ACFA. We have collaborated with ACFA on a Competitiveness Study and an MNP project to develop a strategy for municipal development plans and frameworks. We also are looking at further opportunities for collaboration and cooperation among our respective staff members to increase efficiency and reduce duplication of efforts.

Another valuable area of collaboration is the development of the Cattle Industry Leaders Forum (CILF). This forum brings together the leaders of the key organizations working on behalf of and serving cattle and beef producers to discuss broad industry issues and direction for addressing the challenges and opportunities facing our industry. We had considered the development of the CILF when we eliminated the Cattle Industry Council during the 2014 Plan Review, but we were distracted by other priorities. The CILF is not a decision making body, but rather a high level think tank that provides insights and advice to the people and organizations in the Alberta cattle and beef sector.

The inaugural meeting of the CILF was held in December of 2018 and the second meeting was held this past June. The participants in the inaugural meeting were ABP, ACFA, Western Stock Growers' Association, Alberta Milk, Alberta Auction Markets Association, and the Alberta Livestock Dealers and Order Buyers Association. For the second meeting, Cargill, JBS, Harmony Beef, Livestock Identification Services, and the Alberta Veterinary Medical Association also were invited. The leaders attending the CILF meetings find them worthwhile and we plan to convene the forum twice each year.

As you see, ABP is looking at significant changes in the way we do business as we get ready for the next 50 years. We hope these changes will invigorate the organization and create enthusiasm among the producers who are both the owners and the customers of ABP.

Sincerely,



DAVID HAYWOOD-FARMER  
CCA President

## CANADIAN CATTLEMEN'S ASSOCIATION

I am pleased to report to you as President of the Canadian Cattlemen's Association (CCA). It continues to be an honour and a privilege to be of service to the industry on behalf of Canada's beef producers.

The CCA continues to focus much of its efforts on trade and market access priorities, as well as environment and legislative issues. Additionally, eastern slaughter capacity, export diversification, transport regulations, BSE negligible risk status application, product labelling, and anti-beef sentiment in the press have kept the CCA staff extremely busy since March.

Exports of Canadian beef to Japan continue to gain in volume and value since the implementation of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) on December 30, 2018. On April 1, 2019, the second round of tariff cuts came into effect, reducing tariffs to 26.6 percent on

both Canadian fresh and frozen beef with further cuts to continue over the next several years. Statistics Canada data for January to July 2019 indicates a significant increase to Japan with volume up 52 percent to 27,424 metric tonnes and up 59 percent in value to CDN\$195 million, compared with the same period last year. Further, in May 2019 expanded access to the Japanese market was achieved for Canadian beef as Japan lifted its over 30-month (OTM) age restriction for beef exports. Exports of Canadian beef to Japan are expected to increase under the expanded access for OTM beef.

The Canada-EU Comprehensive and Economic Trade Agreement (CETA) also remains a focus with efforts to reduce technical barriers and promote additional eligible cattle into the EU certified program, and realize the full potential for Canadian beef access. Canada has experienced increased beef exports to the EU since CETA came into force nearly two years ago. More recently, beef exports to the EU are gaining traction, growing from 340 tonnes in 2016 to 1,059 tonnes in 2018, with 875 tonnes reported in the first seven months of 2019. On the flipside, EU beef exports to Canada have grown from 1,719 tonnes in 2016 to 3,237 tonnes in 2018, and 3,928 tonnes for the first seven months of 2019.

In late June, Canada lost access to the Chinese market for all meat products as a result of fraudulent pork export certificates. Canada typically has access for ractopamine free, frozen, boneless beef under 30-month (UTM), subject to a 12 percent Chinese import tariff. The Canadian beef industry has seen continued growth into the Chinese market since frozen UTM beef access was attained in 2012. In 2018, Canada exported 10,300 tonnes valued at \$97 million to China representing 2.6 percent of total exports and one percent of domestic beef production. From January through July 2019, exports were up 233 percent in volume and 207 percent in value to 11,555

tonnes valued at \$99 million. CCA is working closely with the Canadian Meat Council and the Government of Canada to resolve this issue as quickly as possible. CCA recently submitted a request to address the market access challenge, which included establishing a government-industry working group, funding an export development fund and supporting the permanent implementation of the Western Livestock Price Insurance Program with expansion to Eastern Canada.

In October 2018, NAFTA modernization negotiations concluded and the new USMCA was signed by the three leaders at the end of November, beginning the ratification steps required to implement the new trade agreement. In June 2019, Mexico became the first to ratify leaving ratification to Canada and the U.S. On May 29, Prime Minister Justin Trudeau tabled Bill C-100 "An Act to implement the Agreement between Canada, the United States of America, and the United Mexican States," which is the enabling legislation to implement USMCA. Second reading took place on June 20 and the bill was referred to the Standing Committee on International Trade.

Mandatory Country of Origin Labelling (mCOOL) continues to be a topic that surfaces from time to time, the latest being in a letter that outlined the requests of the Democrats regarding USMCA. CCA continues to work with the Government of Canada and American allies to battle mCOOL. While it is not expected, should mCOOL see resurgence, Canada has maintained the right to retaliate following the original ruling of the World Trade Organization. The priorities for 2019 include passing of the USMCA and ensuring mCOOL wording does not get reintroduced into the agreement. With Congress recessed until September, U.S. ratification before the Canadian election is unlikely.

In addition, the Government of Canada is currently providing an opportunity for stakeholders to contribute to

consultations regarding the next steps for the CPTPP agreement, including the accession of additional countries to CPTPP. CCA has met with the Taiwanese Embassy in Canada which has indicated their interest in joining; others who have expressed their interest in joining CPTPP include the U.K., South Korea and Thailand, all of which would be of interest to CCA. The CCA continues prioritizing the expansion of the CPTPP and a focus on the Vietnam market with the last of tariff cuts coming into effect.

The Eastern Canadian beef industry is in a tough situation with insufficient slaughter capacity in the region to handle the number of beef and dairy cattle on the market at certain times of the year. The result is depressed prices, delays in cattle slaughter and lack of market security. A working group has developed a number of short, medium- and long-term solutions, many of which depend on significant action and potential funding from the federal government to be implemented.

CCA is pleased with the final amendments to Bill C-68, the Fisheries Act. The amended Act received Royal Assent on June 21, 2019, and contained several Senate amendments, including the repeal of the 'Deeming Habitat' provision, or subsection 2(2). CCA has been asked to provide regulatory development input by the Department of Fisheries and Oceans on developing a Routine Works Regulation, essentially defining routine agricultural structures and activities for exemption, as well as related codes of practice and standards. This process will take several months.

CCA is part of a Canadian Food Inspection Agency (CFIA) led BSE Negligible Risk Application Industry/Government Working Group tasked with preparing Canada's OIE application for Negligible Risk Status. The application must be submitted by May 2020 for acceptance in July 2020. The OIE will then proceed with an in-depth review of Canada's submission and a final decision will be made in

March 2021. This is important because moving Canada to a Negligible Risk status is a critical first step in adjusting requirements for specified risk material to better align with that of the U.S. Achieving Negligible Risk status will also assist in enhancing competitiveness for eastern Canada fed cattle marketing.

With the creation of the new Food Policy Committee, a renewed focus on food labelling and food policy initiatives is underway. In May, CCA shared its perspective on the labelling and marketing of meat, plant-based proteins and lab grown proteins at Health Canada's 2019 Food and Nutrition Stakeholder Engagement Session and the Beef and Pork Value Chain Roundtables - joint session in Ottawa. The CCA's view is that for a product to be labelled or marketed as meat it must meet the legal definition of "meat" or "meat by-product" as defined in the Food and Drug Regulation. Subsequently, the Quebec Beef Producers made a submission through CFIA's complaint-based system about the labelling of an alternative-plant based protein product marketing itself as meat. The CCA is working with its U.S. counterpart, the National Cattlemen's Beef Association, on the need for a consistent approach to, and predictable rules for, the labelling of

**"a product to be labelled or marketed as meat it must meet the legal definition of "meat" or "meat by-product" as defined in the Food and Drug Regulation."**

meat products with international bodies like the International Meat Secretariat, International Beef Alliance and Codex Alimentarius Commission.

Regarding pending livestock transportation regulations, the CCA has drafted a letter sent to the Agriculture and Agri-Food Minister seeking a two-year delay on enforcement until the ongoing research project is completed. Several meetings have been held with the Minister on this issue. The Government of Canada recognizes there are challenges with the legislation as currently drafted, and have expressed a willingness to investigate possible options to deal with the concerns. The leadership of the CFIA is also engaged and is committed to finding a workable solution.

The Stakeholder and Public Engagement (PSE) division is now fully staffed and operational. They are becoming proactive on social media and advancing the positive story around beef and beef production. Moving forward, the PSE team will be directing attention to proactive campaigns and long-term planning.

Also, an updated National Beef Strategy covering the period 2020-24 was publicly released in October. In it the CCA will continue to advocate for the environmental, economic and societal benefits of sustainable beef production.

Finally, in preparation for the federal election that took place on October 21, CCA developed a summary of recommendations on the beef industry and its role as a key sector of sustainable growth in Canada. It was available at [www.cattle.ca](http://www.cattle.ca) and circulated to all prominent candidates across Canada. Provincial members were encouraged to use this document with their local MPs and to guide discussion and key messages.

Sincerely,

DAVID HAYWOOD-FARMER



# CANADA BEEF

Canada Beef is the organization responsible for the development of domestic and international markets for beef and veal. Funded and overseen by cattle producers, Canada Beef employs 28 staff who work in offices in Canada, Japan, China, Taiwan and Mexico. Canada Beef works to enable and sustain loyalty to the Canadian beef brand while building strong relationships with trade customers and partners around the world. These efforts increase demand for Canadian beef and enhance the value producers receive for their cattle.

## Export Market Development

The Canada Beef Export Market Development (EMD) programs provide cost-shared funding support for eligible Canadian Beef representative company-initiated projects and activities.

“This program is designed for producers, processors and supply chain companies interested in travelling to foreign markets to foster relationships, improve delivery systems and grow markets for Canadian beef,” says Michael Young, President, Canada Beef. “Eligible representatives will be able to access cost recovery funding for activities focused on increasing beef export volume, value and market access.”

Eligible activities fall into five categories:

Export Market Investigation (EMI)	Export Market Adaptation (EMA)	Market Diversification (MDP)	Promotion & Marketing Programs (PMP)	Competitive Advantage Benchmarking (CAB)
Outgoing Missions, Training and innovation.	Incoming Missions, Training and Innovation	Trade Shows and Seminar Participation	Marketing, Promotion, Collaterals, Tasting Programs and Advertising	Yield and Financial Performance Benchmarking Analysis, Sensory Testing

For more information about this program please contact Michael Young at [myoung@canadabeef.ca](mailto:myoung@canadabeef.ca).

## New e-newsletter communication

Canada Beef is pleased to announce

the upcoming launch of their electronic newsletter Canada Beef Performs.

“We know beef producers are interested in hearing about the return on their investment in Canada Beef and the work our team is doing in Canada and the export marketplace,” says Michael Young. “To keep producers informed we’ve developed a monthly e-newsletter that highlights our programs, activities and accomplishments. It will feature updates on domestic and export markets, consumer marketing activities, highlights from the Centre of Excellence and a calendar of upcoming events.”

Anyone interested can sign up for the newsletter at [canadabeef.ca/producer](http://canadabeef.ca/producer).

## Domestic market development

The 2018 consumption data showed a slight year-over-year increase in per capita beef consumption, from 2017 to 2018. Per capita beef consumption was up 0.7 percent at 18.8 kg (retail weight), and total beef consumption was up 1.8 percent to 975,670 tonnes. Seventy-seven percent of beef consumed in Canada was sourced from domestic production, down from 80 percent in 2017. During January–April 2019, beef disappearance is estimated to be down three percent over the same time period in 2018. Although the beef supply available was up nine percent (as both slaughter volumes and carcass weights posted increases), exports during the first four months of the year were up 20 percent, leaving less beef

in the Canadian marketplace.

**Strong international demand**

Overall Canadian beef exports from January to July 2019 were up 14.5 percent in volume and 24.2 percent in value year-over-year. Canada’s top five markets and the percentage they represent of total exports are: U.S.

(71.8%), Japan (10.8%), China (4.6%), Mexico (3.4%), and Hong Kong (3.3%).

## Japan

Canada Beef International Inc. (CBII) Japan organized a media event at the Embassy of Canada in Tokyo on April 23. Fifteen members of the media from local newspapers, food magazines and industry publications attended along with representatives from Cargill Japan and JBS Japan. Canada’s Trade Commissioner and the Canadian Food Inspection Agency Counsellor from the Embassy of Canada were also in attendance. Twenty articles were published following this event.

CBII Japan supported a BBQ event held August 2 at grocery chain Kinsho’s flagship store in Osaka. The event was designed to provide retail customers with samples of Canadian beef and learn about its quality and safety; over 1,000 customers attended. Partners included Cargill and Prima Ham. Sampling and education events increase sales and build brand awareness benefiting the entire value chain from packer to distributor to retailer.

## China

CBII China partnered with Dairy Land to support the application of Canadian beef images to Dairy Land’s logistic trucks in Macau. Dairy Land is one of the most influential food distributors in Macau and a major importer and distributor of Canadian Beef. Their trucks have high visibility, reinforcing the Canadian beef brand.

A Canadian Beef Fair launched in Yata supermarkets August 20–26. Yata is a local Japanese-style supermarket in Hong Kong with 11 stores. The promotion featured sales pricing and increased visibility for a variety of cuts. Yata is a long-term partner of Canada Beef, selling 2,000–3,000 kg/month.

CBII China partnered with Moorigins Steaks at 25 retail locations; 70 percent of the steaks sold at Moorigins are Canadian.

# PUBLIC AND STAKEHOLDER ENGAGEMENT

Through 2019, the Public and Stakeholder Engagement (PSE) team has continued to evolve, beginning with the addition of two new members. Stakeholder Engagement Specialist Amie Peck, who joined the team in May, will support ongoing projects such as Content Corral and the Media Advisory Committee. Stakeholder Engagement Technical Consultant Domonique Anderson has also been hired on a one-year contract to provide research and content creation support. These additions have increased the capacity of the PSE team and broadened our services to our stakeholders, such as:

## Issues management

The Weather Network: On July 18, The Weather Network shared a video titled “Cutting back on beef is necessary and easy to do” on its website, Twitter and Facebook platforms. Following efforts to promote more positive messaging on the Beef Advocacy Canada and Canada Beef social media channels, the PSE team determined more direct action was needed to establish a relationship and help correct misconceptions. The outcome of the subsequent meeting was an agreement to share research and conservation information specific to the beef industry with The Weather Network, in collaboration with key industry contacts like Dr. Tim McAllister and Ducks Unlimited.

The 3% Project: Jill Harvie was pleased to coordinate farm tours across the prairies for environmental activist and UN Policy Advocate, Steve Lee. On the last leg of Canadian school tours for the 3% Project, Lee made several stops coordinated by PSE and provincial

staff, and concluded his journey at the Hughes ranch near Longview to learn about the vital role of native grasslands. PSE plans to share more valuable information with Lee as he writes a book and hopefully shares more positive information about the beef cattle industry with audiences.

## Ongoing projects

A Media Advisory Committee was formed in late May 2019 to provide direction on strategies and campaigns to impact public trust. A one-year commitment to the committee was made and includes quarterly in-person meetings, with two meetings held to-date. The committee has been instrumental in setting direction and focus for the upcoming PSE campaigns.

Our social media sharing platform, the Content Corral, was launched in mid-August to coincide with the Canadian Beef Industry Conference. This platform is a centralized library of beef advocacy content designed to be shared on various social media channels in order to amplify positive messaging. A small team of content creators upload articles, graphics, and videos for end users, who have taken Beef Advocacy Canada training, to share through their personal networks. Content Corral will also act as a conduit for campaigns created by the PSE team, such as the ‘One Ingredient’ campaign from Canada Beef, and will be critical for quickly disseminating key messages on arising issues.

The filming of a video series at the Waldron Ranch was conducted in early July 2019. Interview participants included Alberta Beef Producers, Ducks Unlimited, Nature Conservancy, Waldron Ranch and local ranchers. The videos will be linked to new signage on the highway in front of the Waldron, to outline the history and benefits of the grazing co-op for visitors and tourists. Clips of interviews will also be used for various campaigns and available via Content Corral. The Waldron also played host to students from the Royal

Ontario Museum who filmed a piece on grassland conservation for their own purposes.

## Public outreach

In partnership with Canada Beef, the PSE team published a new microsite, intended to provide the general public with production information specific to the cattle industry and you can see it at [www.raisingcdnbeef.ca](http://www.raisingcdnbeef.ca). The Where Canadian Beef Comes From booklet is in digital form, along with sections on nutrition, the economy, environment, and antibiotics/hormones. This resource will be used at various tradeshow and events to answer common questions surrounding the Canadian beef industry.

### Guardians of The Grasslands

In partnership with Ducks Unlimited, the Nature Conservancy of Canada and others, the PSE team released a mini-documentary titled Guardians of the Grasslands in late fall. The film explores how cattle are essential to the preservation of one of the most endangered ecosystems in the world – the temperate grasslands. Promotion of the film included a main screening event in Calgary and other local screenings across Canada.

For the 2019/20 fiscal year, PSE will be operating with a \$720,000 budget and a further \$173,000, to be used for issues management activities by Canada Beef and overseen by the PSE Manager. This increase in funds comes mainly from a \$200,000 deferral of the previous year’s budget due to late remittance and program establishment. These increased funds will primarily be used for increased proactive media strategies, public communication, and increased salaries and operating expenses associated with new staff. This will allow the team to fulfill its mandate and continue to serve the beef industry in the public domain. With support from the PSE team and other staff, the PSE program will thrive and develop more valuable resources and strategies in the coming years.

# BEEF CATTLE RESEARCH COUNCIL

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The Beef Cattle Research Council (BCRC) is Canada's industry-led funding agency for beef, cattle and forage research. Its mandate is to determine research and development priorities for the Canadian beef cattle industry and to administer the Canadian Beef Cattle Check-Off funds allocated to research. The BCRC is led by a committee of beef producers who proportionally represent each province's research allocation of the Canadian Beef Cattle Check-Off.

Following a transition year in terms of both funding and program administration, the BCRC has expanded and continues to advance its programming.

## National Beef Strategy

The BCRC is a key partner in renewing and achieving the goals of the National Beef Strategy. Research and technology transfer outcomes in all four pillars (productivity, competitiveness, beef demand, and connectivity) of the 2020-24 strategy are addressed by the BCRC.

BCRC programs are established to validate and enhance the Canadian Beef Advantage, to increase, maintain and enhance consumer confidence, and support public trust and sustainability. The BCRC works to increase productivity through investments in genetic selection, research, research capacity and technology adoption, enhance competitiveness through investments in surveillance and support an outcome/science-based regulatory system through targeted research funding.

## Canada's Beef Cattle Industry Science Clusters

The Science Clusters are a partnership with Agriculture and Agri-Food Canada (AAFC) that combines their strengths with the BCRC's to make joint-

investments in a variety of research programs with the greatest potential to advance the industry.

## Beef Science Cluster III in progress

Funding for the current Cluster was announced by AAFC in July 2018. Covering the period to March 31, 2023, \$21 million has been directed to 26 research projects. The funding includes \$14 million from AAFC, \$5 million in funding from the research allocation of the Canadian Beef Cattle Check-Off and \$1.5 million in in-kind contributions from industry.

This Cluster will work to increase beef exports and supply growing global beef demand by supporting research and technology transfer that advances Canadian beef and forage production while enhancing industry competitiveness and the public's trust in responsible production.

## Priority research projects

In addition to the Cluster projects, research aimed at achieving specific goals of high priority to the beef industry are sought. Since June 2018, the council has launched an annual targeted call for letters of intent. Applicants are required to source 50 percent or greater of project funding in order to leverage check-off dollars for a significant return on producer investment. Summaries of all research projects are available on [BeefResearch.ca](http://BeefResearch.ca).

## Proof of concept projects

Also being funded are short-term proof of concept-based (POC) research projects to help inform whether a concept is worth pursuing as a larger, more defined research investment. BCRC approved funding in February 2019 for four POC projects. These projects were funded in large part by a private industry partner. A second call for POC projects was launched August 2019.

## Research capacity

The BCRC identified that gaps in research capacity are a high priority

and in 2018/19 began the process of developing Research Chairs in partnership with key research institutions through a competitive call for proposals. The intent of BCRC investments is to leverage other funding to implement long-term research capacity in priority areas.

From the proposals submitted in 2018/19, two concepts were selected for further development:

- A Beef Production Systems Chair is proposed to be established at the University of Alberta "to increase the competitiveness of those sectors of the Canadian beef industry that rely heavily on grazing-based forage resources, while maintaining a strong focus on beef production and market outcomes."
- At the Western College of Veterinary Medicine, University of Saskatchewan, a BCRC Chair in One Health and Production-Limiting Diseases is proposed to be established with the goal "to increase capacity for applied field research and surveillance in specific priority areas outlined by the beef industry including: animal health and welfare, antimicrobial use, resistance and alternatives, and on-farm food safety."

BCRC has conditionally committed \$150,000/year for five years to each of the Chair positions conditional upon the institution securing matching funds. Efforts are currently being led to secure matching funds through sources such as the NSERC Industrial Research Chair program with the goal of matching funds and the new Chair positions being in place in 2019/20.

## Knowledge and Technology Transfer

The BCRC continues to develop and distribute several extension resources for Canadian cattle producers, including interactive decision-making tools, videos, articles, webinars, and infographics.

continued on page 11





HOWARD BEKKERING  
Audit Chair

# AUDIT COMMITTEE

Audit committees are viewed as a critical component of the overall corporate governance process. The ABP Audit Committee was appointed by the Board of Directors to assist the board in fulfilling its oversight role and to help discharge its fiduciary responsibilities. The primary tasks of the Audit Committee are to:

- Identify and monitor the management of principle risks that could impact financial reporting.
- Monitor the integrity of the financial reporting process and the system of internal controls regarding financial reporting and accounting compliance.
- Monitor the independence and performance of the external auditors.
- Provide an avenue of communication between the auditor, management, and the Board of Directors.

The Audit Committee is comprised of:

- One member appointed by the Board of Directors;
- One member appointed by the Cattle Feeder Council;
- One member appointed by the Cow Calf Council; and
- One non-delegate member appointed by the members of the Audit Committee.

The Audit Committee has reviewed and considered ABP's internal control and risk management procedures as well as the financial reporting and disclosure procedures. The committee met with the auditors to review the final audited financial statements prior to the commencement of the ABP Semi-Annual Meeting.

Sincerely,

HOWARD BEKKERING

Assar Grinde, Board of Directors  
Martin Clausen, Cow Calf Council  
Glen Kummer, Cattle Feeder Council

## Beef Cattle Research Council report continued

All are available on [www.beefresearch.ca](http://www.beefresearch.ca), and regularly promoted through various channels, including the BCRC Blog and the BCRC e-newsletter, The Wire.

## Advancement of the Verified Beef Production Plus program

In addition to funding research, the BCRC is responsible for the delivery of the Verified Beef Production Plus (VBP+) program, which verifies on-farm practices related to food safety, animal care, biosecurity, and environment. Ongoing national industry investment will ensure the consistent delivery of the VBP+ program as it becomes a core pillar in verifying sustainable beef production in partnership with end-users.

## For more information

To learn more about BCRC initiatives and take advantage of our extension resources, visit our website at [www.beefresearch.ca](http://www.beefresearch.ca).



HOWARD BEKKERING  
Governance Chair

## GOVERNANCE COMMITTEE

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The ABP Governance Committee is one of two oversight committees prescribed in the ABP by-laws and is responsible for the governance policies and practices of the organization. In this role, the committee reviews ABP corporate governance guidelines and practices, monitors trends and best practices in corporate governance, and makes recommendations to the ABP Board of Directors regarding appropriate changes in corporate governance. These changes can affect the governance provisions of the ABP Plan Regulation and ABP by-laws, as well as policies and practices of the Board.

The committee was established by the ABP Board of Directors and currently consists of four members, supported by the Executive Director. Three of the members are appointed by the ABP Board, Cow Calf Council, and Cattle Feeder Council, respectively. The fourth member is appointed by the committee and is an independent person from outside the organization, not directly involved as an ABP delegate. This year, the committee appointed Howard Bekkering, a past ABP delegate and director, as the non-delegate member. The committee members also recommended Bekkering become

committee chair, a recommendation that was approved by the ABP Board of Directors.

Over the past nine years, the committee has completed a thorough review of ABP governance policies and practices, along with developing a number of important and useful governance documents describing delegate, director, and zone committee responsibilities. The committee prepared the Code of Conduct and Conflict of Interest Policy that each director signs every year, as well as a Concerns and Complaints Procedure that the Board approved in 2012. The committee put a significant amount of effort into the development of the ABP Governance Manual that was approved at the Annual General Meeting in December 2013. In 2017, the committee completed a thorough review of the Governance Manual and had the revised manual approved by the Board of Directors.

The role of the Governance Committee has evolved as the ABP Board of Directors has placed more focus and attention on governance. The Board now includes a governance and policy session on the agenda of every board meeting. This past January, the Board of Directors participated in a full afternoon session on governance with Maggie Kiel, of MNP. During the session, Kiel and the directors identified gaps in ABP governance policies that need to be addressed. Rather than asking the Governance Committee to address these gaps, the Board established a small working group to work with Kiel.

In March, the working group met with Kiel and did a thorough review of the ABP Policy Manual. While the Governance Manual was seen as a good foundation for the governance of the organization, the “Means” policies section of the Policy Manual was missing a number of critical policies, and contained a number of policies that were more statements than actual policies. The working group has started the process of developing key policies

that ABP requires and hopes to finish the process this year. The Governance Committee and the Board of Directors will review and approve these policies.

One area of significant activity for the committee in the past year has been developing a policy addressing harassment in our workplace. This was identified as a gap in ABP policies by the Governance Committee in 2017 and an issue that fall emphasized the need for such policy. At a meeting before the 2018 Semi-AGM, the Governance Committee reviewed harassment policies from industry and government connections and identified the elements that should be included in the ABP policy. In late November 2018, the Governance Committee held a meeting to work on policy wording. Former committee member, Garth Porteous, provided valuable insights on the format and wording of the policy.

This spring, a draft ABP Workplace Respect, Violence, and Harassment Policy was reviewed by the new Governance Committee and a revised draft was sent to the Board of Directors for comments and suggestions. After reviewing the recommendations from the Board of Directors, the committee spent time making final revisions to the policy, which was approved at the Board of Directors meeting on July 17, 2019.

With the Respect, Violence, and Harassment Policy completed, the Governance Committee will be working on enhanced delegate, director, and designated representative responsibilities, a code of conduct for delegates, and by-law amendments allowing for removal of a delegate. Governance is a journey and the committee is dedicated to providing guidance for ABP along that journey.

Sincerely,

HOWARD BEKKERING

Fred Lozeman, Board of Directors  
Jodi Flaig, Cow Calf Council  
Craig Lehr, Cattle Feeder Council



FRED LOZEMAN  
Research Chair

## RESEARCH COMMITTEE

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Last year's research call, partnering with Saskatchewan Cattlemen's Association (SCA) for the second time, resulted in five jointly funded projects.

- ANH.02.18 (Dr. Kim Stanford, AF) - "Simple strategies to reduce impacts of ergot alkaloids on beef cattle"
- ANH.05.18 (Dr. Dongyan Niu, UCVM) - "Use of bacteriophage derived lysins in combatting multidrug resistant pathogens that cause bovine respiratory disease"
- ANH.11&12.18 - (Dr. Cheryl Waldner, WCVM) - "An interactive tool to inform Johne's disease control in beef herds: What test, when and how often?" and "Managing calves before arrival at the feedlot to reduce infection, disease, and antimicrobial resistance: What is it worth?"
- ANH.13.18 (Dr. Nathan Erickson, WCVM) - "Comparison of immune response and respiratory disease sparing effect of homologous and heterologous vaccine programs in neonatal calves"
- FRG.01.18 (Dr. Surya Acharya, AAFC Lethbridge) - "Improving lipid content in vegetative tissue to increase the nutritive value of herbaceous legume forages"

Recently completed projects include:

- FRG.02.15 (Dr. Vern Baron, AAFC Lacombe) - "Evaluation of alfalfa lines and populations for reduced dormancy, higher yield and winter hardiness across Canada"
- FRG.07.15 (Dr. Pierre Hucl, U of S) - "Selection of annual forage wheat lines for yield and quality"
- FRG.11.15 (Dr. Surya Acharya, AAFC Lethbridge) - "Production of oil in vegetative tissues to increase the nutritive value of forage legumes."
- FRG.13.15 (Dr. Akim Omokanye, Peace Country Beef and Forage Association) - "Fall or spring management options for pastures: renovate or rejuvenate?"
- FRG.14.15 (Dr. Greg Penner & Dr. Bill Biligetu, U of S) - "Improving neutral detergent fibre digestibility of hybrid brome grass"
- FRG.19.15 (Dianne Westerlund, Chinook Applied Research Association) - "Perennial forage variety evaluation and demonstration at multiple sites in Alberta"
- ANH.11.14 (Dr. Greg Penner, U of S) - "Does providing additional protein in late gestation reduce protein catabolism and improve cow and calf performance?"
- "Compromised cattle benchmarking project" (Dr. Karen Schwartzkopf-Genswein, AAFC Lethbridge; Dr. Melissa Moggy, AFAC)

Fact sheets on all ongoing and completed projects can be found at [www.albertabeef.org/producers/industry-research](http://www.albertabeef.org/producers/industry-research). If you're interested in what research your National Check-Off dollars are supporting visit [www.beefresearch.ca](http://www.beefresearch.ca).

This year, ABP held a joint call for proposals with the BCRC addressing key objectives in the areas of feed and forage production and utilization, and animal health and welfare. The Research Committee reviewed 41 letters of intent and invited 23 of those to submit full proposals. Final decisions will be made in late January/early February.

ABP works hard to ensure that your provincial check-off dollars are invested in high quality research projects with tangible short, medium, and long-term benefits to producers and the wider industry. As our research dollars are extremely limited, we also work to leverage other funding sources.

In the last five years, ABP support of research projects, as well as core funding to the barley breeding program at the Field Crop Development Centre and the activities of the Alberta Beef, Forage and Grazing Centre have totaled over \$644,000. This may seem like a lot of money, but a well-designed, multi-year cattle feeding or grazing trial usually costs between \$300,000 and \$500,000.

In that same five-year time frame, we have leveraged over \$21 million in funding from other sources.

With feed supply a potential concern this fall in certain areas, we'd also like to invite you to check out the new feed testing tools developed by the Alberta Beef, Forage and Grazing Centre that can be found at [www.beefresearch.ca/feedtesting](http://www.beefresearch.ca/feedtesting).

These tools allow you to enter your own feed test results to provide a quick analysis of nutritional quality of feed for different classes of cattle, and relative pricing (not actual feed cost) of feed based on quality. They are not intended as a substitute for proper ration balancing software or the services of a nutritionist.

Sincerely,

FRED LOZEMAN

Craig Lehr, Cattle Feeder Council  
Kevin Stopanski, Cow Calf Council  
Graeme Finn, Zone 3  
Jesse Williams, Zone 4  
Stuart Somerville, Zone 5  
Ralph Buhler, Zone 6  
Martin Clausen, Zone 7  
Rod Carlyon, Zone 7  
Jodi Flaig, Zone 8  
Mike Nadeau, Zone 9





TIM SMITH  
Cow Calf Council Chair

## COW CALF COUNCIL

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The Cow Calf Council (CCC) has been active, focusing on issues such as improving forage and pasture insurance programs, wildlife conflict and management, addressing the need to salvage or sell meat from injured animals on farm, and providing insight on several external watershed groups and government advisory committees.

The council reviewed and updated the terms of reference to support the development of a workplan to guide our activities for the year and strive for various targets. For example, the target of the Cull Cow Working Group (Kasur, Flaig) was to create recommendations for government to allow the sale or donation of meat from cows slaughtered on farm (mainly injured, non-diseased animals). A draft policy has been completed and submitted to government for comment. We believe we can influence changes that will ensure food safety, yet allow for us to capture value from these animals.

The Wildlife Working Group (Hansen, Nadeau, Flaig) has been working closely with the Waterton Biosphere Reserve Association and Alberta Environment and Parks to develop an informal “Beef Industry-Government Wildlife Working

Group.” This group will address issues surrounding the increasing conflict between livestock and predators. A pilot project has been developed to help producers reduce conflict in conjunction with improving the predator compensation model, which we hope to implement in two regions in Alberta by next spring. This group participated in a workshop hosted by the Miistakis Institute at the end of June, where we found common ground on several issues with the pilot project. For example, we recognized the need for more people who are able to verify predation and have included a predator kill verification course in the project, allowing for more people, including some landowners, to become certified in verifying kills.

The Safety-Net Subcommittee (Dmytriw, Flaig, Kasur, Smith, Grinde, Hansen and Graves) has developed several recommendations and priorities for AFSC to improve their forage, pasture, and production insurance programs. These recommendations include being able to base the hay insurance program on individual moisture coverage, improving the accuracy of farm precipitation, developing a “feed-need” production insurance product, and other additional improvements. The committee has also reviewed proposed improvements to the federal AgriStability program and is supporting the recommendations put forward by the Canadian Cattlemen’s Association, such as eliminating the Reference Margin Limit and allowing for more eligible expenses like on-farm feed production. Dmytriw also participates in the Drought and Excess Moisture Advisory Group, which is a provincial government supported advisory committee that addresses areas of extreme drought or flooding in the province, and makes recommendations on disaster support for those areas.

The Ecosystem Services Working Group (Clausen and Freimark) continued to advocate for recognizing the value

of ecosystem services that beef producers provide, which benefit the environment, cattle, wildlife, and Alberta’s citizens. The group has provided feedback on various ways to capture value such as carbon credit protocol for converting annual cropland to pastures or for avoiding conversion of native grasslands. The group helped develop and review a memorandum of understanding (MOU) with Ducks Unlimited to recognize areas of collaboration in environmental stewardship advocacy. This MOU was approved by the ABP Board of Directors and has already gathered some attention in the media.

In addition to our committee work, members of the CCC also participate in many external organizations and advisory committees. We continue to support representation in eight regional watershed groups throughout the province and designate members to sit on the Cows and Fish board, the Endangered Species Conservation Committee, the Agri-Environmental Partnership of Alberta, and the Alberta Forage Industry Network. Participation in these groups plays an important role in ensuring our voice is heard, and that any policy developed minimizes impact or provides benefits to producers.

We look forward to continuing the work we do on behalf of cow calf producers in the areas of wildlife, environmental, and safety-net issues. I hope harvest is finished, winter is mild and we all enjoy peace and great fellowship this Christmas season as our cattle bring prosperity.

Sincerely,

TIM SMITH

Kevin Stopanski (Zone 1), Shane Hansen (Zone 2), Keith Chitwood (Zone 3), Shawn Freimark (Zone 4), Katlyn Benedict (Zone 5), Kolton Kasur (Zone 6), Martin Clausen (Zone 7), Emil Dmytriw (Zone 8), Mike Nadeau (Zone 9), Jodi Flaig (at large), Kody Traxel (at large), Brodie Haugen (Board of Directors).



KEN STANLEY  
Cattle Feeder Council Chair

## CATTLE FEEDER COUNCIL

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The ABP Cattle Feeder Council (CFC) was created to provide a forum for discussion and recommendations on issues of particular importance to the cattle feeding sector of our industry. The mandate of the Cattle Feeder Council is to provide recommendations to the ABP Board of Directors on policy and strategic direction related to the sector. The Alberta Cattle Feeders' Association (ACFA) is a membership organization that provides representation for a significant number of large cattle feeders in Alberta, but the Cattle Feeder Council has also provided ABP with effective representation of the cattle feeding sector, particularly for those feeders who are not members of the ACFA. With ABP and the ACFA reaching an agreement on increased collaboration between the organizations and a commitment to work more closely together on issues of common interest, the role of the ABP Cattle Feeder Council may change in the future. However, the council remains active and held a productive meeting in late March to consider a number of important issues.

One area where ABP and ACFA have already collaborated is funding for a major study, conducted by Serecon Inc., on the competitiveness of the beef

industry in Alberta. ABP, with support from ACFA, had funded a large study on competitiveness by Informa Economics in 2006 and NCFA had later funded a smaller study by Noblepath in 2016. With a provincial election this year, ACFA and ABP thought it was important to have a current assessment of the competitiveness of our industry to inform our advocacy work with the new government. We now have the results of the competitiveness study and will be preparing a summary document for distribution to the media, producers, and the government.

ABP and ACFA also have been supporting a group of cattle feeders across Alberta who have been working to find a practical solution to the issue of winter manure management for feedlots. Although the Agricultural Operation Practices Act generally does not allow feedlot operators to spread manure on frozen or snow-covered land, these feeders believe there are good environmental, management, and animal health reasons for cleaning pens and spreading manure during the winter. They have participated in a three-year Alberta Agriculture and Forestry pilot project assessing winter manure management and the project has been renewed for another year. The project has not yet provided enough data for the government to change its policy regarding spreading manure on frozen or snow-covered land. However, we hope to see a policy soon that would allow producers to submit nutrient management plans that include this practice on land where there would be no adverse environmental effects.

Cattle feeders and all other operators of confined feeding operations (CFOs) have great concerns about recent actions taken by rural municipalities in the areas of taxation and development policies. Many of these municipalities are facing severe infrastructure (roads and bridges) challenges and are looking for ways to raise more revenue and restrict CFO development in their municipalities. The Lethbridge County business tax

on CFOs, which costs feedlots there a substantial amount of money, has withstood court challenges from a group of cattle feeders. We are already hearing about other municipalities considering a similar tax on CFOs in their areas. We are also seeing a number of municipalities including significant CFO exclusion zones in the Municipal Development Plans.

ABP and ACFA are working together and with our partners in the Intensive Livestock Working Group (ILWG) to address the issues affecting the relationship between CFOs and their neighbours and municipal governments. We think that these issues are a primary cause of the actions against CFOs that have been taken by rural municipalities. The ILWG has submitted a proposal for government funding for a Building Public Trust in the Confined Feeding Industry project. ABP and ACFA also have engaged MNP to provide producer training and strategies for engaging municipalities and the provincial government on Intermunicipal Development Plans and Intermunicipal Collaboration Frameworks. ABP and ACFA have been trying to convince the Government of Alberta to improve assessment of agricultural land and agricultural operations in order to create a more equitable system of municipal taxation that would eliminate the need for unfair business taxes.

The Cattle Feeder Council and ABP are also in the process of reviewing our funding for the ILWG after the loss of government funding meant that industry has to fund it ourselves. We still strongly support the ILWG, but we don't think that the current level of funding is necessary or affordable.

Sincerely,

KEN STANLEY

Craig Lehr (Zone 1), Jimmy Nelson (Zone 2), Walt Suntjens (Zone 4), Cam McLerie (Zone 5), Cecil Andersen (Zone 6), George L'Heureux (Zone 8), John MacArthur (Zone 9), Jeff Havens (at large), Glen Kummer (at large), Tim Sekura (Board of Directors).



TOM LYNCH-STAUNTON  
Government Relations and Policy Manager

# GOVERNMENT RELATIONS AND POLICY

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This year was another active year for government relations and policy development. In April, we saw another change in Alberta as the United Conservative Party (UCP) was elected to form government, with the NDP as the official opposition. During election years, it is important to ensure our candidates are well informed on issues that affect producers and our industry. Prior to the election, we sent candidates from all parties an ABP Election Briefing Note highlighting issues and recommendations in areas such as grazing leases, environmental policy, labour issues, regulatory burden, municipal taxation on feedlots, wildlife issues and research investments. To complement these recommendations, we hosted lunch meetings for the UCP, NDP, and Alberta Party at the Canadian Beef Centre of Excellence before the election, so we could discuss our positions while eating good beef.

Because of the work done leading up to the election, we were able to engage with the newly elected government early on with the fourth Annual MLA Beef and Beer Reception, hosted with ACFA and the Alberta Small Brewers Association in May. It was ideal timing for the reception as we were able to make connections

in a comfortable environment with new MLAs from both parties. We had over 100 people in attendance and it was the most successful reception we've hosted to date.

Following the reception and throughout the summer, we had several meetings between our directors and the Ministers of Agriculture, Environment and Parks, Labour, Red Tape Reduction, Health, and Education, along with senior government staff, to advance our key priorities and recommendations which are outlined below:

1. Increasing government funding for beef, feed grains, and forage research and innovation.
2. Increasing provincial funding of local government rural infrastructure systems that support agriculture and agri-food, particularly roadways and bridges. This includes enabling municipalities to boost their infrastructure investments by modernizing property tax assessment and taxation of farmland.
3. Improving access to labour through the Temporary Foreign Workers program and the Alberta Immigrant Nominee Program and creating improved paths to permanency for foreign agriculture workers.
4. Ensuring long-term secure tenure of grazing leases and implement the modernized Alberta Grazing Rental Rate Framework that was developed by all grazing associations in Alberta.
5. Improving labour legislation to be more applicable and practical for farms and ranches, while ensuring proper protections for employees.
6. Improving the Business Risk Management programs for industry:
  - AFSC hay, pasture, lack of moisture, and production insurance products
  - Wildlife compensation for livestock depredation and crop damage
7. Reviewing and revising transport regulations to be more practicable for farms and ranches (including the MELT Program).

8. Reducing bureaucratic red tape that inhibits the ability to do business in areas such as:
  - Grazing lease and permit transfers and renewals
  - Approvals for water permits, licenses, lease improvements, etc.
  - Temporary Foreign Worker application and approval process

Our meetings with government have been productive, and we have already seen some success, including Alberta Environment announcing extended tenure for exemplary stewardship on lease land (from 10-20 years) and a commitment to work with the beef industry in modernizing the grazing lease rental rate framework. In addition, Alberta Environment has indicated their willingness to work with us on wildlife conflict and to solve issues around our predator compensation program.

We are working with government to allow for the sale of meat from livestock that are slaughtered on farm, developing programs and opportunities to capture value from ecosystem services that farms and ranches provide like carbon credits, developing recommendation on how the beef industry can contribute to Canada's goals on conservation of biodiversity, and other issues that arise.

We continue to work with ACFA and other industry organizations to present sound policy solutions to government MLAs and staff on issues that affect beef producers and opportunities to capture value for the industry. We want to strengthen government relations and lobbying collaborations with industry partners such as ACFA, WSGA, and the Grazing Leaseholders Associations, as well as organizations like Ducks Unlimited who have complementary conservation and stewardship objectives. We look forward to working with the government and all beef industry stakeholders on good, practical policy for the benefit of Alberta's beef producers and citizens.

Sincerely,

TOM LYNCH-STAUNTON





KARIN SCHMID  
Beef Production Manager

## BEEF PRODUCTION REPORT

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On February 20, 2019, the Health of Animals Regulations Part XII, humane transport were updated and come into force February 20, 2020. If you transport cattle, it is important to familiarize yourself with the new regulations.

The full text of the regulations, along with the Regulatory Impact Analysis Statement can be found here: [www.gazette.gc.ca/rp-pr/p2/2019/2019-02-20/html/sor-dors38-eng.html](http://www.gazette.gc.ca/rp-pr/p2/2019/2019-02-20/html/sor-dors38-eng.html).

The biggest change is the reduction in transport time from 48 hours to 36 hours, with no flexibility in the 36-hour cut-off time for unforeseen circumstances. After 36 hours of transport, rest stop duration where feed and water must be provided has increased to eight hours from five hours. An exemption from these mandated times exists for trailers or other conveyances equipped to provide feed and water to animals throughout the journey, but these trailers do not exist in any great numbers for cattle in North America. Compromised animals can be transported for a maximum of 12 hours before mandatory feed, water, and, rest. Young animals that can't be fed exclusively on hay or grain can be transported in a single trip only for a maximum of 12 hours (i.e. a baby calf is not permitted to be transported

for six hours, unloaded, reloaded, and transported again for six hours).

The regulations also prohibit anyone from leaving an animal at a slaughter plant or assembly centre unless the person transporting the animal provides the receiver with written notice that the animal has arrived and a document containing information on the condition of the animals, date and time it was last provided access to feed, water, and rest, and date and time of arrival at the slaughter establishment or assembly centre. The receiver of the animal assumes responsibility for the animal's care as soon as they acknowledge receipt of notice and accompanying information. The transporter retains responsibility for the care of the animal until the receiver has provided acknowledgement and documentation.

Every commercial carrier or any other person transporting animals during the course of business or for financial benefit must have a contingency plan establishing measures to take if there are unforeseen delays or circumstances that could result in the animal's unnecessary suffering, injury or death; or if the animal becomes compromised or unfit during loading, unloading, or transport. Commercial carriers will be responsible for training employees, or ensuring training is received. Canadian Livestock Transport is an available option, but after March 1, 2020, mandatory entry level training from Alberta Transportation is required for all new Class 1 and Class 2 drivers that are farmers and farm workers.

CFIA posted a document to help provide context to the regulations ([www.inspection.gc.ca/animals/terrestrial-animals/humane-transport/interpretive-guidance/eng/1480700699158/148070076974](http://www.inspection.gc.ca/animals/terrestrial-animals/humane-transport/interpretive-guidance/eng/1480700699158/148070076974)). Work is ongoing to ensure that this document provides the necessary shared understanding between regulators and industry as to how various pieces of the legislation will be interpreted. Other issues being discussed with CFIA include identifying potential solutions to limited rest stop infrastructure, a common

understanding of how loads that may exceed the feed/water/rest intervals due to uncontrollable circumstances will be dealt with, and challenges regarding the February 20, 2020, implementation date.

New traceability regulations are expected to be published for public comment in winter/spring 2020. Some more notable changes proposed include the read-in of animals every time they are transported to a new premise (supported by the Cattle Implementation Plan) and a reduction in allowable time to report movement or death of an animal from 30 days to seven. More information is available at [www.inspection.gc.ca/animals/terrestrial-animals/traceability/regulatory-update/eng/1557981179942/1557981180213](http://www.inspection.gc.ca/animals/terrestrial-animals/traceability/regulatory-update/eng/1557981179942/1557981180213). It will be more important than ever to ensure you know your premise ID number (PID) and that premise information is kept current. If you don't know if you have a PID, please visit: [www.alberta.ca/register-with-the-animal-premises-identification-program.aspx](http://www.alberta.ca/register-with-the-animal-premises-identification-program.aspx).

The Managing TB and Brucellosis Working and Stakeholder Group had agreed to support a project examining diagnostic techniques for TB in bison using grant money the Canadian Bison Association (CBA) held for a number of years waiting for the right project. Earlier this summer, CBA received notice that this funding was to be returned to Alberta Agriculture. ABP, CBA, CCA and the Bison Producers of Alberta strenuously objected to returning the funds and are disappointed that our lobbying efforts to date have been unsuccessful. In the meantime, we are exploring other means of funding to ensure this project continues.

Over the last three years, 17,518 mule and white-tailed deer, 1,021 elk, and 584 moose were examined as part of the province's regular CWD testing program. In addition, 818 elk from CFB-Suffield were also tested. No evidence of bovine tuberculosis (bTB) was discovered. Trace-in work from the B.C. bTB investigation will proceed this fall and winter.

Sincerely,

KARIN SCHMID





KATELYN LAVERDURE  
Communications Manager

## COMMUNICATIONS REPORT

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ABP communications are focused on our 2019 strategic objective to improve our communications with producers and the public through an enhanced communications strategy with robust measurements of engagement and effectiveness. Following the plebiscite vote, we took time to review our communications initiatives and reflect on the lack of producer engagement. As budgets were established moving into the 2019-2020 fiscal year, our communications department decided to make some adjustments and focus this year on attaching concrete measurables to our programs.

An external review of our communications plan was completed, and a decision was made to conduct an audit of our social media accounts and create a dashboard for measuring reach and engagement of our communications tactics. The audit showed that our social presence is strong and engagement is above average. The dashboard has been developed to track, review and adjust our communication efforts as needed. This will help us establish which tactics are resonating with producers (and consumers), and will allow us to measure our impact and communicate

back the value of our reach to target audiences. In order to make room in the budget for new initiatives, the Grass Routes newsletter will now go out twice a year as winter and summer issues.

After the launch of our redesigned website, some of our other communications tools needed an update to fit with the All for the Beef branding. The summer issue of our Grass Routes newsletter had a new look and the Cattle Country radio spot received a script update. A decision was made by the Board of Directors to quit mailing out the Annual Report, and as such, this report was sent to our email list, posted on our website and social media, and will be available at fall meetings or by request.

Alberta Beef Producers celebrated our 50th anniversary in September. To honour the occasion, we partnered with Alberta Beef Magazine on editorial content and advertising for the September issue, encouraged delegates to get involved in the #ABP50 conversation on social media and developed anniversary merchandise.

The 2019 Environmental Stewardship Award (ESA) recipient was announced in December at the ABP Annual General Meeting. The Radau family with Coulee Crest Farm in Red Deer County were this year's award recipients. Each year, ABP recognizes an operation that demonstrates leadership in environmental stewardship - one that contributes to the land while improving productivity and profitability. You can learn more about Coulee Crest Farm and the award on our website at [www.albertabeef.org/producers/environmental-stewardship-award](http://www.albertabeef.org/producers/environmental-stewardship-award). Nominations have closed for the 2020 Environmental Stewardship Award and a winner has been selected. Judging and filming took place in September and the recipient will be announced at our 2019 Annual General Meeting in December.

The fourth Canadian Beef Industry Conference took place August 13-15

back in Calgary this year at the BMO Centre on Stampede Park. The conference theme was Securing our Future and featured two keynote speakers: Timothy Caulfield and Karl Subban. The pre-conference tour, hosted by Alberta Beef Producers, took a group of 100 attendees to Coulee Crest Farm, WA Ranches - the University of Calgary's working ranch used to provide practical, hands-on experience for veterinary medicine students, and Ballco Feeders. Other highlights included the Beef Cattle Research Council Bov-Innovation sessions, an international panel discussion on trade, live cattle demonstrations, and presentations on technology and data. ABP staff members provided in-kind support to the conference operations committee.

ABP is always working towards stronger engagement with producers. Tell your neighbours, friends or someone sitting beside you at the coffee shop that they can sign up for our weekly news online at [www.albertabeef.org/producers/newsletter](http://www.albertabeef.org/producers/newsletter). Signing up means you will also receive our Grass Routes newsletter in your inbox, which saves money and resources. Our Twitter account is connected to a strong community of beef enthusiasts who are always sharing information about the industry, their love of Alberta Beef and agriculture. You can find us on Twitter @albertabeef and on Instagram @alberta.beef. You can also like our Facebook page @ABBeefProducers and be sure to comment/share our posts. You can read about our new social media marketing venture in the next report.

Tune into Cattle Country with Jim Fisher every Wednesday on radio stations all over the province. You can read our monthly industry news advertorials in Alberta Beef Magazine or Alberta Farmer Express, and our next Grass Routes newsletter will be out in the winter.

Sincerely,

KATELYN LAVERDURE



BRAD DUBEAU  
Marketing and Education Manager

## MARKETING AND EDUCATION

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This past summer saw Alberta Beef Producers marketing campaign engaging with consumers at Country Thunder, Calgary; Big Valley Jamboree, Camrose; Chasing Summer, Calgary; and Chaos, Edmonton. Utilizing video content on event jumbo screens and running social media driven contests allowed us to reach significant audiences in our demographic. We attended the Calgary Stampede where producers represented ABP and had the opportunity to connect with consumers from across the country about the benefits of our industry. Thank you to all the cattle producers who came out and provided support - we appreciate it. ABP will partner with Chef Corbin at Christmas in November, Jasper, where he will demonstrate a beef dish recipe that will be featured at a main dinner to over 1,900 guests.

The second portion of the campaign, which runs throughout the winter months, will see ABP execute media planning, buying, content development, project management and execution of a paid social media campaign. This will include influencer partnership fees and media hard costs to boost ABP's campaign related posts across all social media platforms (Facebook, Twitter, and

Instagram). Influencer partnerships lend trust and credibility to Alberta Beef. We will engage food and lifestyle bloggers in paid partnership campaigns to create blog and social media content focused around beef. These partnerships will go further than recipes, including lifestyle and educational content, and will extend our reach beyond ABP's existing followers. ABP will also be developing a Pinterest platform. Pinterest is a visual discovery engine designed to help users discover and curate interests and inspiration in visual boards. Content is pinned to boards organized by the user into categories. In Canada, Pinterest has approximately 1.4 million users, who pin about 4.5 million posts a day. The most pinned category is food and drink. We will use Pinterest to connect with our target audience, serving them All for the Beef content that will engage them in our industry and inspire them to "think beef."

We were planning to host an Alberta Beef Steak Challenge in Medicine Hat on July 19-20 in conjunction with the Medicine Hat Exhibition and Stampede Horse Show, but due to unforeseen complications in securing judges, we had to cancel for this year. This event would have been a pro and amateur BBQ competition featuring Alberta Beef. We continue to explore the opportunity and are optimistic that it will be feasible to move forward in the summer of 2020.

ABP's kindergarten to grade six resources are currently being revamped, after temporarily placing them on hold over the summer as the new provincial government studied changes proposed for grade four curriculum. After meeting with the Minister of Education in August, the decision was made to continue moving forward with the revamp and a planned launch date of January 1, 2020, was set. The next step will be to develop a more science or social based resource applicable to senior high students focusing on the importance of the beef industry to Alberta's environment.

This is in its infancy and depending on potential curriculum changes and available resources, we will hold off on development until 2021.

Alberta Beef Producers participated in Aggie Days at Calgary Stampede and Amazing Ag in Edmonton. Both events were successful and great opportunities to connect with youth in Alberta about the beef industry.

We continue to sponsor smaller events around the province as resources allow and are a bronze sponsor of 4-H Alberta. This past February, Alberta Beef was a major sponsor at the third Meet in The Middle event, focusing on education professionals this year. We also participated in the Feed A Farmer Cook-off consumer event that was sponsored by Ag for Life with commodity support. Both events coincided with Canada's Ag Day on February 12, 2019.

In August, ABP was one of the commodities to sponsor Alberta on the Plate, which creates an additional layer of awareness to Alberta's Local Food Week - held annually the third week of August and ties into Open Farm Days. This program engages farmers/ranchers, growers, chefs, restaurateurs and processors. This was the first year for Alberta on the Plate with the hope of becoming an annual event targeting small and large cities across the province.

We continue to support the efforts at Glenbow Ranch and the Prairie Lands Education Program, as well as the Urban Farm at the Edmonton Valley Zoo. This summer will see signage completed at the Glenbow Ranch which will showcase the importance of utilizing cattle grazing on native prairies. This is sponsored by ABP, Glenbow Ranch Park Foundation, Alberta Parks and TD Friends of the Environment. The Urban Farm at the Edmonton Valley Zoo was officially open on June 27, 2019.

Sincerely,

BRAD DUBEAU

# ABP 2019-20 OPERATIONS BUDGET

## Operations Budget for the year ending March 31, 2020

### With comparisons to the actual expenses for the year ending March 31, 2019

	Budget March 31, 2020	Subtotal by area	Percent of Operations Budget	Actual March 31, 2019	Subtotal by area
National Policy and Trade Advocacy Programs:					
Canadian Cattlemen's Association	\$ 1,760,810			\$ 1,766,280	
Enhanced Federal Lobbying	35,000			28,506	
National Governance and Oversight	30,000			17,768	
U.S. and International Trade Management	30,000	\$ 1,855,810	36.26%	31,443	\$ 1,843,997
Organizational Expenses:					
Board of Directors and board appointed representatives	125,000			104,417	
Annual General Meeting	120,000			114,788	
Fall producer meetings & resolutions policy development	90,000			87,298	
Semi-annual Meeting	72,000			66,374	
Zone Committees	63,000			55,013	
Executive Committee	60,000			50,363	
Annual Report	20,000			48,333	
Audit Committee	2,000			635	
Governance Committee	2,000	554,000	10.83%	3,785	531,005
Operational Expenses:					
Salaries and benefits, related to priority areas	615,000			597,191	
Marketing and Education	316,500			306,177	
Communications	285,000			274,658	
Industry Partnerships	230,000			221,263	
Project Reserve Fund	75,000			30,900	
Research Committee	88,000			83,878	
Feed Grain Research Project	-			50,000	
Service Charge Campaign	-			185,843	
Canfax Membership and Services	53,400			53,400	
Cow Calf Council	52,000			29,902	
Sponsorships	40,000			30,307	
Cattle Feeder Council	20,000			51,759	
Provincial Advocacy	30,000			14,270	
Environmental Stewardship Award (ESA)	20,000			19,384	
Animal Health and Welfare	17,000			7,580	
Industry Collaborations	10,000			14,165	
Cattle Industry Leaders Forum	-	1,851,900	36.19%	-	1,970,677
Administrative Expenses:					
Rent, office supplies and equipment	400,000			382,472	
Salaries and benefits	336,000			315,695	
Legal, audit, and consulting	100,000			38,660	
Non Cash expense					
Amortization of furniture and equipment	20,000	856,000	16.73%	11,120	747,946
Total operational budget	5,117,710	5,117,710	100.00%	5,093,626	5,093,626
Capital asset budget	10,290				
	<u>\$ 5,128,000</u>				



# ABP REFUND REPORT

Refund Report Refund Period Ending	Number of refund requests	Number of marketings refunded	Net Amount Refunded	Refunded to to Cow Calf # requests	Amount Refunded to Cow Calf	Refunded to to Feedlots # requests	Amount Refunded to Feedlots
Dec-18	597	745,667	\$ 1,467,774	405	\$ 214,778	192	\$ 1,252,996
Jun-18	431	701,400	\$ 1,353,160	256	\$ 161,104	175	\$ 1,192,056
Dec-17	453	716,624	\$ 1,414,277	274	\$ 139,511	179	\$ 1,274,767
Jun-17	396	576,869	\$ 1,124,459	221	\$ 133,260	175	\$ 991,199
Dec-16	429	683,325	\$ 1,343,890	244	\$ 112,518	185	\$ 1,231,373
Jun-16	401	597,675	\$ 1,132,472	218	\$ 135,845	183	\$ 996,626
Dec-15	429	633,744	\$ 1,239,422	268	\$ 140,995	161	\$ 1,098,427
Jun-15	388	564,365	\$ 1,113,233	218	\$ 126,484	170	\$ 986,749
Dec-14	489	662,967	\$ 1,294,845	291	\$ 135,955	198	\$ 1,158,890
Jun-14	442	639,849	\$ 1,246,736	244	\$ 154,600	198	\$ 1,092,136
Dec-13	491	624,396	\$ 1,217,511	306	\$ 156,936	185	\$ 1,060,575
Jun-13	432	615,941	\$ 1,204,360	232	\$ 142,473	200	\$ 1,061,887
Dec-12	532	547,308	\$ 1,061,740	332	\$ 143,423	200	\$ 918,317
Jun-12	407	569,901	\$ 1,109,397	219	\$ 105,554	188	\$ 1,003,843
Dec-11	572	599,038	\$ 1,173,105	350	\$ 144,556	222	\$ 1,028,549
Jun-11	414	516,204	\$ 1,008,705	221	\$ 107,185	193	\$ 901,520
Dec-10	647	584,075	\$ 1,586,156	438	\$ 275,373	209	\$ 1,310,783
Jun-10	396	364,789	\$ 1,042,110	223	\$ 152,695	173	\$ 889,414
	8,346	10,944,137	\$ 22,133,352	4,960	\$ 2,683,245	3,386	\$ 19,450,107
	Percentage of refunds allocated				12%	88%	

Note: While there have been a total of 8,346 refund requests since the refund process was implemented, these requests have come from approximately 2,225 producers as many producers have made refund requests in more than one refund period. 1,596 Cow Calf and 629 Feedlots

## Refund Rates

The full \$3 service charge and levy was refundable until November 30, 2010.

Thereafter, only the \$2 Alberta Service Charge was refundable.

Note, effective April 1, 2018 the Non refundable levy increased to \$2.50.



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June 10, 2019  
Edmonton, Alberta

## INDEPENDENT AUDITOR'S REPORT

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To the Directors and Delegates of Alberta Beef Producers

### Opinion

We have audited the financial statements of Alberta Beef Producers (ABP), which comprise the statement of financial position as at March 31, 2019, and the statements of operations, changes in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of ABP as at March 31, 2019, and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of ABP in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing ABP's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate ABP or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing ABP's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report to the Directors and Delegates of Alberta Beef Producers  
(continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ABP's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on ABP's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause ABP to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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**Kingston Ross Pasnak LLP**  
Chartered Professional Accountants



# ABP FINANCIAL STATEMENTS

## Statement of Operations Year Ended March 31, 2019

	2019	2018
<b>REVENUE</b>		
Alberta service charge (Note 2)	\$ 7,431,149	\$ 7,398,881
National Levy (Note 2)	9,375,358	3,644,163
Less dealer rebate	(188,886)	(182,208)
Less Alberta service charge refunded	(2,894,134)	(2,586,985)
Plus recovery of dealer rebate and voluntary contributions	73,200	48,249
Interprovincial marketings (Note 2)	109,569	91,291
	13,906,256	8,413,391
Canadian Beef Check-Off Agency (Note 9)		
Canada Beef	4,448,172	2,915,330
Beef Cattle Research Council	3,891,231	728,833
The National Agency	506,587	-
Public and Stakeholder Engagement	529,369	-
	9,375,359	3,644,163
Excess of revenue over expenses before the undernoted	4,530,897	4,769,228
<b>OTHER REVENUE</b>		
Grants (Note 7)	1,076,905	1,046,777
Interest and other income (Note 4)	350,820	177,751
Producer Loyalty Partnership Program	15,000	12,500
Provincial research and development	4,250	5,600
	1,446,975	1,242,628
<b>OTHER EXPENSES</b>		
Grants (Note 8)	1,048,164	1,046,777
CCA legal assessment (Note 9)	-	147,315
ABP matching funds for Marketing Campaign	-	129,755
Research commitments, conditionally restricted fund	-	17,500
Producer Loyalty Partnership Program	4,786	1,237
Provincial research and development	4,674	6,940
	1,057,624	1,349,524
<b>EXCESS OF REVENUE OVER EXPENSES BEFORE OPERATING EXPENSES</b>	4,920,248	4,662,332
<b>OTHER EXPENSES</b>		
Operating Expenses (Schedule 1)	\$ 5,082,506	\$ 4,859,272
Amortization of furniture and equipment (Note 6)	11,120	13,250
	5,093,626	4,872,522
<b>DEFICIENCY OF REVENUE OVER EXPENSES</b>	\$ (173,378)	\$ (210,190)

# ABP FINANCIAL STATEMENTS

## Statement of Changes in Net Assets Year Ended March 31, 2019

	Trade Advocacy Reserve (Note 3)	Operating Reserve Following year (Note 3)	Operating Reserve Future years (Note 3)	Invested in Furniture and Equipment (Note 6)	Unrestricted	2019 Total	2018 Total
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 4,336,000	\$ 5,303,000	\$ 1,100,000	\$ 39,351	2,000,127	<b>\$ 12,778,478</b>	12,988,668
Transferred to current year operations	-	(5,303,000)	-	-	5,303,000	-	-
Internally restricted for following year operations	-	4,530,898	-	-	(4,530,898)	-	-
Internally restricted transfers	-	-	-	-	-	-	-
Deficiency of revenue over expenses	-	-	-	(11,120)	(162,258)	<b>(173,378)</b>	(210,190)
Invested in furniture and equipment	-	-	-	936	(936)	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 4,336,000</b>	<b>\$ 4,530,898</b>	<b>\$ 1,100,000</b>	<b>\$ 29,167</b>	<b>2,609,035</b>	<b>\$ 12,605,100</b>	<b>12,778,478</b>

# ABP FINANCIAL STATEMENTS

## Statement of Financial Position March 31, 2019

	2019	2018
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 2,002,603	441,253
Operating Reserve Fund, Following year (Note 3)	4,530,898	5,303,000
Investments (Note 4)	7,751,585	7,582,325
Service charge receivable	2,525,762	1,578,305
Interest and other receivables	401,729	348,314
Prepaid expenses	23,035	22,942
Inventory (Note 5)	5,115	7,148
	<b>17,240,727</b>	<b>15,283,287</b>
OPERATING RESERVE FUND, Future years (Note 3)	<b>1,100,000</b>	<b>1,100,000</b>
FURNITURE AND EQUIPMENT (Note 6)	<b>29,167</b>	<b>39,351</b>
	<b>\$ 18,369,894</b>	<b>\$ 16,422,638</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 2,280,954	1,410,972
Goods and Services Tax payable	40,471	39,546
Alberta marketings held in trust	1,674,584	1,547,460
Deferred revenue (Note 7)	1,768,785	646,182
	<b>5,764,794</b>	<b>3,644,160</b>
<b>COMMITMENTS (Note 10)</b>		
<b>NET ASSETS</b>		
Trade Advocacy Reserve Fund (Note 3)	4,336,000	4,336,000
Operating Reserve Fund, Following year (Note 3)	4,530,898	5,303,000
Operating Reserve Fund, Future years (Note 3)	1,100,000	1,100,000
Invested in Furniture and Equipment (Note 6)	29,167	39,351
Unrestricted	2,609,035	2,000,127
	<b>12,605,100</b>	<b>12,778,478</b>
	<b>\$ 18,369,894</b>	<b>\$ 16,422,638</b>

ON BEHALF OF THE BOARD

 Director

 Director



# ABP FINANCIAL STATEMENTS

## Statement of Cash Flow Year Ended March 31, 2019

	2019	2018
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenue over expenses	\$ (173,378)	\$ (210,190)
Items not affecting cash:		
Amortization of furniture and equipment	11,120	13,250
Loss on disposal of furniture and equipment	-	161
Change in unrealized (loss) gain on investments held at year end	(61,161)	50,967
	<b>(223,419)</b>	<b>(145,812)</b>
Changes in non-cash working capital:		
Service charge receivable	(947,457)	(224,190)
Interest and other receivables	(53,415)	421,695
Prepaid expenses	(93)	(5,919)
Inventory	2,033	9,976
Goods and Services Tax payable	925	11,117
Accounts payable and accrued liabilities	869,982	(760,390)
Alberta marketings held in trust	127,124	(109,758)
Deferred revenue	1,122,603	(367,834)
	<b>1,121,702</b>	<b>(1,025,303)</b>
Cash flow from (used) by operating activities	<b>898,283</b>	<b>(1,171,115)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(2,673,156)	(2,947,000)
Proceeds from sale of investments	2,565,057	2,795,156
Purchase of furniture and equipment	(936)	(7,387)
Cash flow used by investing activities	<b>(109,035)</b>	<b>(159,231)</b>
<b>INCREASE (DECREASE) IN CASH</b>	<b>789,248</b>	<b>(1,330,346)</b>
CASH - BEGINNING OF YEAR	<b>6,844,253</b>	<b>8,174,599</b>
<b>CASH - END OF YEAR</b>	<b>7,633,501</b>	<b>6,844,253</b>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 2,002,603	\$ 441,253
Operating reserve fund, following year (Note 3)	4,530,898	5,303,000
Operating reserve fund, future years (Note 3)	1,100,000	1,100,000
	<b>\$ 7,633,501</b>	<b>\$ 6,844,253</b>

# ABP FINANCIAL STATEMENTS

## Notes to Financial Statements

Year Ended March 31, 2019

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### 1. DESCRIPTION OF BUSINESS

Alberta Beef Producers ("ABP") was incorporated under the Marketing of Agricultural Products Act for the purpose of initiating and carrying out projects and programs to stimulate, increase and improve the production and marketing of cattle and cattle products. Effective since April 1, 2018, ABP is authorized under its Plan Regulation and Commission Regulation to collect a \$2.00 refundable Alberta service charge and a \$2.50 (2018 - \$1.00) non-refundable National Levy from producers who sell or who are in the business of feeding and slaughtering their own cattle ("Alberta Service Charge and Levy").

The National Levy is paid to the Canadian Beef Check-Off Agency ("the Agency"). The National Levy is paid to the Agency by all the provincial cattle associations to fund research, market development and promotion projects for the benefit of Canadian producers.

Effective April 1, 2018, the ABP Board of Directors allocates the National Levy as follows: an Agency fee of 5.43% is withheld to enable the Agency to operate and thereafter the net funds are allocated 50% to Canada Beef ("CB"), 44% to Beef Cattle Research Council ("BCRC"), and 6% to Public and Stakeholder Engagement.

ABP meets the qualification of a not-for-profit organization as defined in paragraph 149(1) of the Income Tax Act, Canada and as such is exempt from income taxes.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for Not-for-Profit Organizations. Significant accounting policies observed in the preparation of the financial statements are summarized below.

#### Cash, cash equivalents and restricted cash

Cash, cash equivalents and restricted cash consist of cash on deposit, less cheques issued.

#### Financial statement presentation

ABP has chosen to continue to present net assets invested in furniture and equipment as a separate category of internally restricted net assets.

# ABP FINANCIAL STATEMENTS

## Notes to Financial Statements

Year Ended March 31, 2019

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

#### Revenue recognition

The Alberta Service Charge (Note 1) collected is held in trust until such time as the refund period is complete. When the number of marketings retained is known, the revenue is recognized. The revenues reported represent Alberta Service Charge collected and management's best estimate of uncollected fees. Due to the uncertainties in the industry reporting, there may be adjustments in future periods and such adjustments may be material to the financial position of ABP.

ABP pays a dealer rebate of \$0.05 per head to those who collect and remit the Alberta Service Charge and Levy collected on behalf of ABP.

ABP follows the deferral method of accounting for contributions, which includes government grants. Grant revenue is recognized in accordance with the terms of the grant agreements when received or receivable if the amounts to be received can be reasonably estimated and collection is reasonably assured.

Investment income includes interest and realized and unrealized gains and losses on investments. Revenue from investments and other income is recognized on an accrual basis as it is earned.

#### Budgeting process

The net revenues remaining from the Alberta Service Charge and Levy collected less refunds of the Alberta Service Charge and payments to the National Agency in one year are to be used for the following year's draft budget. This process of collecting net revenue one year for the following year's expenditures enables ABP to budget effectively and ensure there are funds available for core operations. The budget is finalized once the total amount available to be spent is known.

#### Refunds

The Alberta Service Charge and Levy is payable by producers who sell cattle and by producers who feed and slaughter their own cattle. The Alberta Service Charge paid by or on behalf of a producer is refundable to that producer on request of that producer. A producer could request a refund of all or a portion of the \$2.00 Alberta Service Charge. The National Levy is non-refundable. The refund is only available to Alberta residents selling or feeding and slaughtering cattle in Alberta.

#### Interprovincial marketings

When non-Alberta residents sell cattle in Alberta, the purchaser or livestock dealer is deducting and remitting a \$4.50 (2018 - \$3.00) Federal Levy and not the Alberta Service Charge and Levy. The \$4.50 (2018 - \$3.00) Federal Levy is collected by ABP on behalf of the Canadian Beef Check-Off Agency. Payments of the Federal Levy are forwarded to the Agency for national beef cattle research, marketing and promotion projects for the benefit of Canadian producers. The Agency pays a portion of the Federal Levy to the provincial cattle association in the province where the seller resides. When an Alberta resident sells cattle in another province, the provincial cattle association in that province is, in turn, collecting the Federal Levy from the Alberta producer. The Federal Levy is non-refundable.

# ABP FINANCIAL STATEMENTS

## Notes to Financial Statements

Year Ended March 31, 2019

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Investments

Investments are recorded at market value. ABP's investments consist of government bonds which are held primarily for trading purposes. The portfolio is managed by a third party investment manager and is subject to an investment policy set by the Board of Directors and which has as its main objective the growth and preservation of capital. Transition costs are recognized immediately in the statement of operations.

#### Inventory

Inventory is valued at the lower of cost, determined on an average cost basis, and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less estimated selling costs. Cost of inventories includes materials and other costs incurred in bringing the inventories to their present location and condition.

#### Furniture and equipment

ABP provides amortization on its furniture and equipment using the straight-line method at the following rates:

Furniture and fixtures	10 years
Computer equipment	4 years
Audio-visual equipment	5 years

#### Financial instruments

All financial instruments are initially measured at fair value, and, unless otherwise noted, ABP subsequently measures its financial instruments at amortized cost.

#### Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. These estimates included the useful lives of the furniture and equipment, collection of Alberta Service Charge, collectability of accounts receivable and inventory obsolescence.

#### Disclosure of allocated expenses

ABP has chosen to continue to classify their expenses by function and allocate their expenses to a number of functions to which the expenses relate. ABP has allocated salary expenses to Operational Expenses and to Administrative Expenses (Note 13).



# ABP FINANCIAL STATEMENTS

## Notes to Financial Statements Year Ended March 31, 2019

### 3. INTERNALLY RESTRICTED NET ASSETS

#### Trade Advocacy Reserve Fund

In 2005, the Board of Directors passed a motion to establish a reserve fund for the purpose of future trade advocacy and legal defence projects.

In 2019, the transactions in the fund consisted of expenses of \$nil (2018 - \$147,315) and a transfer from the Unrestricted Fund in the amount of \$nil (2018 - \$120,735).

	Withdrawal	Transfer	2019	2018
Balance, beginning of year	\$ -	\$ -	\$ 4,336,000	\$ 4,362,580
Payment of CCA legal assessment	-	-	-	(147,315)
Motion to transfer funds into fund	-	-	-	120,735
	\$ -	\$ -	\$ 4,336,000	\$ 4,336,000

#### Operating Reserve Fund

On April 30, 2009, the Board of Directors passed a motion to establish a reserve fund for the purpose of allocating operational funds for the following budget years.

	2019	2018
Balance, beginning of year	\$ 5,303,000	\$ 4,296,549
Transferred from the fund for operations in current year	(5,303,000)	(4,296,549)
Allocation from the current year to the following year's operations budget	4,530,898	5,303,000
	\$ 4,530,898	\$ 5,303,000

#### Operating Reserve Fund, future years

In 2010, the Board of Directors established this fund to cover budget shortfalls caused by short-term declines in cattle marketings during the cattle cycle. The purpose of this fund is to allow ABP to maintain a high level of services for the benefit of producers during these periods. The cattle herd in Alberta is currently at a low level and the Board of Directors expects that the number of marketings will be low over the next few years as the herd is rebuilt.

	2019	2018
Balance, beginning of year	\$ 1,100,000	\$ 1,500,000
Motion to transfer funds out of the fund	-	(400,000)
Balance, end of year	\$ 1,100,000	\$ 1,100,000

# ABP FINANCIAL STATEMENTS

## Notes to Financial Statements Year Ended March 31, 2019

### 4. INVESTMENTS

	2019	2019	2018	2018
	Cost	Fair Value	Cost	Fair Value
Bonds:				
Provincial government, bearing yield rates ranging from 1.35% to 3.20%, due between June 2019 and December 2021	\$ 7,667,406	\$ 7,751,585	\$ 7,559,308	\$ 7,582,325

Although some of the bonds have maturity dates beyond one year, due to their ability for prompt liquidation, all have been classified as current assets.

Interest and other income is comprised of the following:

	2019	2018
Interest on investments	\$ 141,476	\$ 140,048
Change in unrealized gain (loss) in investments held at year end	61,162	(50,967)
Interest on bank balance	202,638	89,081
Other income	145,962	84,969
	2,220	3,701
	\$ 350,820	\$ 177,751

### 5. INVENTORY

	2019	2018
Inventory consists of the following:		
Promotional items	\$ 5,115	\$ 7,148

During the year ended March 31, 2019, ABP expensed \$12,371 (2018 - \$15,364) of its inventory in the regular course of operations and had no inventory write-downs.

### 6. FURNITURE AND EQUIPMENT

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Furniture and fixtures	\$ 46,679	\$ 25,131	\$ 21,548	\$ 26,217
Computer equipment	19,347	12,115	7,232	11,655
Audio-visual equipment	10,378	9,992	387	1,479
	\$ 76,404	\$ 47,238	\$ 29,167	\$ 39,351

# ABP FINANCIAL STATEMENTS

## ALBERTA BEEF PRODUCERS Notes to Financial Statements Year Ended March 31, 2019

### 7. DEFERRED REVENUE

	Opening	Additions	Recognition of Revenue	2019	2018
AG Plastics	\$ -	\$ 1,000,00	\$ -	\$ 1,000,00	\$ -
Knowledge Transfer Grant	-	475,000	(35,606)	439,394	-
Substantivity Measurement	-	167,378	(40,833)	126,547	-
Climate Change Extension Initiative	112,000	-	(14,815)	97,185	112,000
Targeted Antimicrobial Use Resistance Research Call	\$ 221,707	-	(166,280)	55,427	221,707
Rancher Research Pilot Project	94,45	19,35	(90,872)	22,93	94,45
Alberta on the Plate	-	18,000	-	18,000	-
Environment Grant	25,342	-	(21,602)	3,740	25,342
AHI Investigation Summary and Producer Education Information Program (1)	3,276	-	-	3,276	3,276
Cow Calf Sector Sustainability Extension Initiative	2,000	-	280	2,280	2,000
Satellite Derived Forage Insurance Grant	-	281,54	(281,545)	-	-
Targeted Forage Research Call	187,39	-	(187,399)	-	187,39
Elastrator Bands Development Grant	-	153,44	(153,447)	-	-
Alberta Beef: Marketing Campaign	-	84,78	(84,786)	-	-
	\$ 646,182	\$ 2,199,506	\$(1,076,905)	\$ 1,768,785	\$ 646,182

(1) Funds from the Animal Health Investigator (AHI) program are earmarked for producer education and awareness programs regarding the effects of the oil and gas industry on cattle health.

Refer to Note 8 for details of the external restrictions on these amounts.

# ABP FINANCIAL STATEMENTS

## Notes to Financial Statements

Year Ended March 31, 2019

### 8. GRANTS

	2019	2018
Satellite Derived Forage Insurance Grant	\$ 281,545	\$ 195,460
Targeted Forage Research Call	187,398	206,025
Targeted Antimicrobial Use Resistance Research Call	166,280	248,291
Elastrator Bands Development Grant	153,447	97,170
Rancher Research Pilot Project	90,873	2,492
Alberta Beef: Marketing Campaign	56,047	100,000
Sustainability Assessment Tool and Extension Pilot Grant	40,831	-
Knowledge Transfer Grant	35,606	-
Environmental Grant	21,602	-
Climate Change Extension Initiative	14,815	-
Wood Buffalo Biosecurity Grant	-	76,938
Farm Feedlot Sampling Grant	-	2,400
Cow Calf Sector Sustainability Extension Initiative	(280)	118,000
	<b>\$ 1,048,164</b>	<b>\$ 1,046,776</b>

#### Satellite Derived Forage Insurance Grant

ABP has received funding from the Agriculture and Agri-Food Canada AgriRisk Initiatives Program for a project entitled, Assessing the Feasibility and Development of an Innovative Forage Insurance Plan using Satellite-Derived Biophysical Parameters with a focus on Alberta. It is a two-year project that was suggested to ABP by the Agriculture Financial Services Corporation in Alberta. Our industry has been looking for better forage and pasture insurance programs for some time and we hope this project will contribute to the development of more effective programs. ABP has engaged the University of Manitoba as the lead researcher on the project and AgReSoft Enterprises Ltd. as a consultant on the project. ABP will provide in-kind project management services, but will not be contributing cash to the project. \$281,546 (2018 - \$195,460) was recognized as revenue which agrees to the eligible expenses incurred.

#### Targeted Forage Research Call

In 2015, Alberta Livestock and Meat Agency (ALMA) provided ABP with a \$950,000 grant to administer and deliver a call for research proposals in the area of forage. \$187,399 (2018 - \$206,025) was recognized as revenue and eligible expenses. The project is complete as of March 29, 2019.

#### Targeted Antimicrobial Use Resistance Research Call

In 2016, ALMA provided ABP with a grant in the amount of \$1,425,000 to administer and deliver a call for research proposals in the area of antimicrobial use and resistance (AMU/AMR). With the dissolution of ALMA, this grant agreement has continued between ABP and Alberta Agriculture and Forestry. \$166,280 (2018 - \$248,291) was recognized as revenue and eligible expenses.

#### Elastrator Bands Development Grant

In 2017, ABP received a grant from the Canadian Agricultural Adaptation Program for the development of analgesic elastrator bands. \$153,447 (2018 - \$97,170) was recognized as revenue and eligible expenses incurred. The project was complete as of April 10, 2019.

#### Rancher Research Pilot Project

In 2017, Alberta Agriculture and Forestry provided ABP with a grant in the amount of \$109,350 to carry out an extension project encouraging the adoption of new management practices, technologies, and innovations on a subset of pilot ranches in Alberta. \$90,873 (2018 - \$2,492) was recognized as revenue and eligible expenses incurred.



# ABP FINANCIAL STATEMENTS

## Notes to Financial Statements Year Ended March 31, 2019

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### 8. GRANTS (*continued*)

#### **Alberta Beef: Marketing Campaign**

In 2017, Minister of Alberta Agriculture and Forestry provided ABP with \$184,786 for use in a two year provincial marketing campaign. \$56,047 (2018 - \$100,000) was recognized as revenue and eligible expenses incurred.

#### **Sustainability Assessment Tool and Extension Pilot Grant**

In late 2018, Alberta Agriculture and Forestry approved a grant to ABP in the amount of \$239,112 for a Sustainability Assessment Tool and Extension Pilot project that involves adapting a sustainability assessment tool for use in Canada, encouraging producers to come together in their use of the tool, and increasing producer understanding of practices that will improve the sustainability of their operations. ABP received the initial payment of \$167,378.40 on this grant. \$40,831 was recognized as revenue and eligible expenses incurred.

#### **Knowledge Transfer Grant**

In 2018, Alberta Agriculture and Forestry provided ABP with a grant in the amount of \$500,000 to carry out knowledge translation and transfer (extension) activities related to managing grazing in average and extreme conditions, species/variety selection for regional adaptation, and critical elements of animal nutrition and feed quality, along with an expansion of the Rancher Researcher Pilot project, and to facilitate the transfer of valuable information from foragebeef.ca to beefresearch.ca. \$35,606 was recognized as revenue and eligible expenses incurred.

#### **Environment Grant**

In 2012, ABP received a grant from Alberta Agriculture and Rural Development (ARD) for an Overwintering Sites project. \$21,602 (2018 - \$nil) was recognized as revenue and eligible expenses incurred.

#### **Climate Change Extension Initiative**

ABP received a grant from Alberta Agriculture and Forestry (AF) to undertake a two-year Climate Change Extension Initiative. The purpose of the grant is to develop and implement beef cattle climate change practices among cattle and beef producers and increase participation in the project, an extension coordinator will be hired to develop and implement the program while working with AF and ABP staff. ABP will be providing in-kind project management services and in-kind support for the extension coordinator. \$14,815 (2018 - \$nil) was recognized as revenue and eligible expenses incurred.

#### **Wood Buffalo Biosecurity Grant**

In 2012, Growing Forward provided ABP with an initial grant to assist with costs related to a study on tuberculosis and brucellosis present in bison outside Wood Buffalo National Park. In 2014, Growing Forward 2 provided ABP with a second grant of \$425,450 to continue work on this project. \$Nil (2018 - \$76,938) was recognized as revenue which agrees to the eligible expenses incurred.

#### **Farm Feedlot Sampling Grant**

In 2015, the Public Health Agency of Canada entered into an agreement with ABP to assist with on-farm feedlot sampling for the Canadian Integrated Program for Antimicrobial Resistance Surveillance (CIPARS) and FoodNet Canada. The total value of the contract is \$12,600. \$Nil (2018 - \$2,400) was recognized as revenue and eligible expenses incurred.

#### **Cow Calf Sector Sustainability Extension Initiative**

In 2017, Growing Forward II provided ABP with \$120,000 for the use in a one year study on cow calf sustainability extension initiatives. (\$280) (2018 - \$118,000) was recognized as revenue and eligible expenses incurred.

# ABP FINANCIAL STATEMENTS

## Notes to Financial Statements Year Ended March 31, 2019

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### 8. GRANTS *(continued)*

#### **Alberta on the Plate**

During the year, ABP received \$18,000 from the Government of Alberta for match funding for Alberta on the Plate initiative celebration to take place in August 2019 during the Canadian AG. This project will be cost shared with other commodities.

#### **Ag Plastics Recycling Pilot Project Grant**

In February of 2019, Alberta Agriculture and Forestry provided ABP with a grant in the amount of \$1,000,000 for a three-year ag plastics recycling pilot project that will expand ag plastics recycling collection sites and services in Alberta leading to the development of a permanent and sustainable provincial ag plastic recycling program. ABP will be the program administrator of the grant for the project, while the Agricultural Plastics Recycling Group will provide advisory and oversight services for the project.

# ABP FINANCIAL STATEMENTS

## Notes to Financial Statements Year Ended March 31, 2019

### 9. RELATED PARTY TRANSACTIONS

#### National Organizations:

The Alberta Beef Producers Plan provides for ABP to be the provincial member of and contribute funds to the national organizations. As a contributing organization, ABP is entitled to representation as follows:

1. Canadian Cattlemen's Association (CCA)
  - a) The number of seats on the Board of Directors of the CCA is based upon the proportionate share of the CCA annual assessment. Effective July 1, 2012, ABP is entitled to seven of the twenty-eight seats.
2. Canadian Beef Check-Off Agency (the "Agency"). As a contributing organization, ABP is entitled to representation as follows:
  - a) The Agency  
Alberta is entitled to two of sixteen seats on the Board of Directors of the Agency and by agreement, these seats are divided between ABP and the Alberta Cattle Feeders' Association. Canada Beef is the Marketing and Promotion Committee of the Agency.  
  
Public and Stakeholder Engagement is a national check-off initiative jointly operated by CCA and Canada Beef.
  - b) Beef Cattle Research Council (BCRC)  
BCRC is responsible for providing research services for the Agency. A number of representatives to the Beef Cattle Research Council based on its proportionate share of total funding. For the year ending March 31, 2019 ABP was entitled to four of the eleven seats.

3. Payments

	2019	2018
CCA Monthly Assessments Payments	\$ 1,766,280	\$ 1,541,137
CCA, Other		
Research project funding, BCRC	\$ 27,047	\$ 139,460
Young Cattlemen's Council, membership	2,500	2,000
Canadian Round Table for Sustainable Beef Project	2,000	2,500
CCA Legal Assessment	-	147,315
VBP + Enhanced Tools Project	-	50,000
	<b>\$ 31,547</b>	<b>\$ 341,275</b>

# ABP FINANCIAL STATEMENTS

## Notes to Financial Statements Year Ended March 31, 2019

### 9. RELATED PARTY TRANSACTIONS *(continued)*

ABP made additional payments to the foregoing parties for contracted services as follows:

	2019	2018
Payments to Canfax, a division of CCA:		
Membership and services	\$ 53,400	\$ 53,400
Communications	10,200	10,200
Research projects	-	12,000

	%	2019	%	2018
Canadian Beef Check-Off Agency				
The National Agency	5.43%	\$ 506,587	-	\$ -
The net balance has been allocated as follows:				
Canada Beef	50.00%	4,448,172	80.00%	2,915,330
Beef Cattle Research Council	44.00%	3,891,231	20.00%	728,833
Public and Stakeholder Engagement	6.00%	529,369	-	-
		\$ 9,375,359		\$ 3,644,163

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

	2019	2018
Amounts payable at March 31, 2019 to the following:		
Canadian Beef Check-Off Agency	\$ 1,434,690	\$ 1,130,006
Canadian Cattlemen's Association - Funding for research project	2,048	-

Amounts receivable at March 31, 2019 from the following:

Canadian Beef Check-Off Agency	\$ 432	5,495
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Amounts receivable and payable at year-end are in the normal course of operations. The amount owing to and from Canadian Beef Check-Off Agency includes the monthly collection of the National Levy and the province of origin amounts.



# ABP FINANCIAL STATEMENTS

## Notes to Financial Statements

Year Ended March 31, 2019

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### 10. COMMITMENTS

Operating leases:

ABP leases office space and equipment under various operating leases. The future minimum lease payments over the next five years and thereafter are as follows:

2020	\$	152,064
2021		158,862
2022		160,041
2023		156,547
2024		159,701
Thereafter		<u>28,328</u>
	\$	<u>815,543</u>

#### Commitment to Edmonton Valley Zoo

In 2019, a \$30,000 ten year agreement was signed with Valley Zoo Development Society to help fund the bovine enclosure in the Urban Farm, \$3,000 per year with the final payment due March 2028.

In 2019, one payment was made for \$3,000.

# ABP FINANCIAL STATEMENTS

## Notes to Financial Statements

Year Ended March 31, 2019

### 11. DIRECTOR, DELEGATE AND NON-DELEGATE EXPENSES

With respect to payment of honoraria and the reimbursement of expenses to producers elected as a delegate or a director and to the payment of the daily allowance and reimbursement of expenses to producers not elected as a delegate or director of ABP who worked as a delegate or director of ABP with respect to authorized ABP programs or activities, the following director and delegate honoraria, and non-delegate daily allowances, and expenses are included in each of the categories is as follows:

	2019	2018
Board of Directors and Board Representatives	\$ 76,386	\$ 60,407
Annual General Meeting	57,289	49,831
Executive Committee	49,207	50,146
Semi-annual Meeting	28,316	31,703
Enhanced Federal Lobbying	26,103	20,256
Cow Calf Council	20,797	27,509
U.S. and International Trade Management	17,015	13,938
Fall producer meetings and Resolution Policy Development	16,548	18,930
Canadian Cattlemen's Association	12,926	16,414
Cattle Feeder Council	9,652	10,270
Provincial Advocacy	8,033	9,209
Research Committee	6,834	4,272
Industry Partnerships	6,141	3,578
Animal Health and Welfare	4,960	13,473
Audit and Governance Committees	3,956	1,701
Marketing and Education	3,821	1,912
Zone Committees	3,054	3,427
Canadian Beef Check-Off Agency	1,235	225
Environment Committee	717	1,408
Beef Cattle Research Council	670	525
Communications	225	343
	<b>\$ 353,885</b>	<b>\$ 339,477</b>

# ABP FINANCIAL STATEMENTS

## Notes to Financial Statements

Year Ended March 31, 2019

### 12. FINANCIAL INSTRUMENTS

ABP is exposed to various risks through its financial instruments. The following analysis provides information about the ABP's risk exposure and concentration as of March 31, 2019. Unless otherwise noted, ABP's risk exposure has not changed from the prior year.

#### Credit, liquidity and price risk

ABP has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed in investments. The risks that arise from transacting financial instruments include credit risk, liquidity risk, and price risk. Price risk arises from changes in interest rates, foreign currency exchange rates, and market prices. ABP does not use derivative financial instruments to alter the effects of these risks. ABP manages these risks using extensive risk management policies and practices, including various Board-approved asset mix strategies and risk management limits.

Changes in interest rates and credit ratings are the main cause of changes in the fair value of government bonds resulting in a favourable or unfavourable variance compared to book value. Credit risk is mitigated by investing in securities with a rating of BBB or better and diversifying the securities. Interest rate risk is mitigated by managing maturity dates and payment frequency. ABP is also exposed to interest rate fluctuations on its cash balances. A sensitivity analysis for interest rate risk has not been performed for the year ending March 31, 2019 as the effect of a change in interest rates would have been minimal as the interest on the existing cash on hand is not a material amount. ABP limits credit risk associated with accounts receivable by dealing with counterparties that it believes are creditworthy. ABP has a significant number of customers which minimizes concentration of credit risk.

### 13. ALLOCATION OF EXPENSES

The salaries of the Executive Director and Controller have been allocated proportionately as determined by the Board of Directors on an annual basis. Costs that can be directly attributable to the individual programs and functions have been allocated to the specific programs and functions.

	Operational Expenses		Administrative Expenses	
	2019	2018	2019	2018
Executive Director	40%	40%	60%	60%
Controller	30%	30%	70%	70%

# ABP FINANCIAL STATEMENTS

## Notes to Financial Statements

Year Ended March 31, 2019

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### 14. SUBSEQUENT EVENTS

Subsequent to year end, Alberta Agriculture and Forestry approved grant funding of \$3,000,000 to ABP to assist with the costs associated with a Strategic Initiative Supporting Feed Grain and Forage Production and Utilization in Alberta.

Subsequent to year end, the Board of Directors passed a motion to move \$597,102 from unrestricted net assets to the 2019-2020 operating reserve budget for a total budget of \$5,128,000; this leaves \$2,011,933 in unrestricted net assets.

Subsequent to year end, the Board of Directors signed an agreement with the Alberta Cattle Feeders' Association (ACFA) to increase collaboration in the Alberta beef industry which focuses on working together for the benefit of producers and the industry.

Effective April 1, 2019, the Agency fee will change from 5.43% to 5% and thereafter the net funds will be allocated based on the following ratios, 50% to Canada Beef ("CB"), 44% to Beef Cattle Research Council ("BCRC"), and 6% to Public and Stakeholder Engagement.

Effective April 1, 2020, the net funds will be allocated 60% to Canada Beef ("CB"), 32% to Beef Cattle Research Council ("BCRC"), and 8% to Public and Stakeholder Engagement.

### 15. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.



# ABP FINANCIAL STATEMENTS

## Operating Expenses

(Schedule 1)

Year Ended March 31, 2019

	2019	2018
National Policy and Trade Advocacy Programs:		
Canadian Cattlemen's Association (Note 9)	\$ 1,766,280	\$ 1,541,137
U.S. and International Trade Management	31,443	20,777
Enhanced Federal Lobbying	28,506	23,315
National Governance and Oversight	17,768	20,491
Organizational Expenses:		
Annual General Meeting	114,788	101,968
Board meetings and Board appointed representatives	104,417	76,317
Fall producer meetings and resolution policy development	87,298	94,349
Semi-annual Meeting	66,374	65,550
Zone Committees	55,013	57,274
Executive Committee	50,363	51,191
Annual Report	48,333	48,475
Governance Committee	3,785	2,101
Audit Committee	635	410
Operational Expenses: (Note 13)		
Salaries and benefits related to programs	597,191	578,403
Marketing and Education	306,177	287,226
Communications	274,658	240,927
Industry Partnerships	221,263	181,886
Service Charge Campaign	185,843	12,511
Research Committee	83,878	65,040
Canfax Membership and Services (Note 9)	53,400	53,400
Cattle Feeder Council	51,759	28,260
Feed Grain Research Project	50,000	100,000
Project reserve fund	30,900	267,300
Sponsorships	30,307	33,857
Cow Calf Council	29,902	41,768
Environment Stewardship Awards	19,384	18,843
Provincial Advocacy	14,270	14,819
Industry Collaborations	14,165	3,257
Animal Health and Welfare	7,580	17,616
BCRC Science Cluster	-	100,000
Administrative Expenses: (Note 13)		
Rent, office supplies and equipment	382,471	376,407
Salaries and benefits	315,695	297,833
Legal, audit and consulting	38,660	36,564
	<b>\$ 5,082,506</b>	<b>\$ 4,859,272</b>

# CANADIAN BEEF CHECK-OFF AGENCY

## CANADIAN BEEF CATTLE RESEARCH, MARKET DEVELOPMENT AND PROMOTION AGENCY, OPERATING AS CANADIAN BEEF CHECK-OFF AGENCY

Schedule of Revenue, Expenditures and Net Assets (Unaudited)

For the year ended March 31, 2019, with comparative figures for March 31, 2018

	2019		2018	
<b>Revenue:</b>			Restated	
Canadian Beef Check-Off: *				
Domestic Beef Check-Off:				
Alberta	\$ 9,673,668	46.5%	\$4,057,994	33.3%
Saskatchewan	3,723,753	17.9%	1,120,761	9.2%
Ontario	931,522	4.5%	905,224	7.4%
Quebec	1,585,171	7.6%	726,720	6.0%
Manitoba	1,433,176	6.9%	505,394	4.1%
British Columbia	746,236	3.6%	255,391	2.1%
Nova Scotia	75,990	0.4%	80,157	0.7%
New Brunswick	72,223	0.3%	19,231	0.2%
P.E.I.	58,490	0.3%	30,331	0.2%
	18,300,229	88.0%	7,701,203	63.2%
Import Levies	1,094,435	5.3%	947,730	7.8%
Other income	42,300	0.2%	78,036	0.6%
	19,436,964	93.5%	8,726,969	71.6%
Government of Canada-Growing Forward II	(145,768)	(0.7%)	2,905,041	23.8%
Canadian Agriculture Partnership	1,208,183	5.8%	-	0.0%
Canadian Agriculture Adaptation Program	61,068	0.2%	-	0.0%
Western Economic Diversification	-	0.0%	289,541	2.4%
Amortization of Deferred Capital Contributions	250,073	1.2%	263,146	2.2%
<b>Total Revenue</b>	<b>20,810,520</b>	<b>100%</b>	<b>12,184,697</b>	<b>100.0%</b>
<b>Expenses:</b>				
Canadian Beef Check-off Agency:				
Board of Directors	210,208	1.1%	200,644	1.5%
Canadian Beef Check-off Operations	449,202	2.3%	399,472	2.9%
	659,410	3.4%	600,116	4.4%
Programs:				
Public Stakeholder and Engagement (CCA)	736,624	3.8%	95,239	0.7%
Marketing (Canada Beef):**				
Marketing - Generic Beef	818,190	4.3%	849,902	6.2%
Marketing - Branded	8,193,415	42.8%	9,538,656	69.6%
	9,011,605	47.1%	10,388,558	75.8%
Research (Beef Cattle Research Council)	5,589,419	29.2%	1,361,648	9.9%

# CANADIAN BEEF CHECK-OFF AGENCY

## Provincial Investment:

Canadian Beef Cattle Check-off returned to respective provincial cattlemen's associations based upon the agreed allocation percentages

Federation des Producteurs de Bovins du Quebec	1,407,097	7.4%	717,218	5.3%
Beef Farmers of Ontario	453,259	2.4%	431,060	3.1%
Nova Scotia Cattlemen's Association	25,915	0.1%	40,166	0.3%
Manitoba Cattle Producer's Association	79,183	0.4%	39,364	0.3%
New Brunswick Cattle Producers	20,703	0.1%	19,352	0.1%
Prince Edward Island Cattle Producers	17,730	0.1%	15,444	0.1%
Saskatchewan Cattlemen's Association	-	0.0%	-	0.0%
Alberta Beef Producers	-	0.0%	-	0.0%
	2,003,887	10.5%	1,262,604	9.2%
Provincial Allocations from Federal Levy on interprovincial marketings	1,143,405	6.0%	-	0.0%
<b>Total Expenses</b>	<b>19,144,350</b>	<b>100.0%</b>	<b>13,708,165</b>	<b>100.0%</b>
Excess (Deficiency) of revenue over expenses	1,666,170		(1,523,468)	
Net assets, beginning of year	6,991,085		8,514,553	
<b>Net assets, end of year</b>	<b>\$ 8,657,255</b>		<b>\$6,991,085</b>	
Net assets, end of the year consist of:				
Unrestricted	\$ 3,705,459		\$ 2,039,289	
Internally restricted	3,000,000		3,000,000	
In the event of a wind down of the Agency				
Other restricted net assets	1,000,000		1,000,000	
Consolidation reserve transfers	951,796		951,796	
Resulting from the combining of Beef Information Centre and Canada Beef Export Federation in July 2011				
	<b>\$ 8,657,255</b>		<b>\$6,991,085</b>	

\* Effective April 1, 2018, the Federal Levy was increased to \$2.50 from \$1.00.

## Marketing (Canada Beef):\*\*

Market Development – North American Canada	\$1,551,895	17.2%	\$1,584,942	15.3%
Market Development – Global Markets	2,776,015	30.8%	4,512,255	43.4%
Operations – Canada	3,426,367	38.0%	3,134,285	30.2%
Operations – Foreign	1,257,328	14.0%	1,157,076	11.1%
	<b>\$9,011,605</b>	<b>100.0%</b>	<b>\$10,388,558</b>	<b>100.0%</b>

# CANADIAN CATTLEMEN'S ASSOCIATION

Schedule of Revenue, Expenditure and Net Assets (Unaudited)  
For the Year ended June 30, 2019, with comparative figures for June 30, 2018

	2019		2018	
<b>Revenue:</b>				
Assessments				
Alberta	\$ 1,835,700	41.1%	\$ 1,558,019	45.6%
Saskatchewan	599,540	13.4%	537,060	15.7%
Ontario	411,142	9.2%	375,281	11.0%
Manitoba	258,001	5.8%	238,502	7.0%
British Columbia	138,944	3.1%	132,756	3.9%
Quebec	90,824	2.0%	-	0.0%
Nova Scotia	-	0.0%	12,069	0.4%
New Brunswick	10,057	0.2%	10,057	0.3%
Prince Edward Island	9,770	0.2%	9,770	0.3%
<b>Total Assessments</b>	<b>3,353,978</b>	<b>75.0%</b>	<b>2,873,514</b>	<b>84.2%</b>
Legal assessments	214,773	4.9%	206,229	6.0%
Public and Stakeholder Engagement	355,174	8.0%	143,145	4.2%
Young Leaders	-	0.0%	88,443	2.6%
Other	167,567	3.8%	33,717	1.0%
Town Halls	12,000	0.3%	8,802	0.2%
Young Cattlemen's Council	64,500	1.4%	37,814	1.1%
International Beef Alliance	107,519	2.4%	-	0.0%
Young Leaders	104,000	2.3%	-	0.0%
National Beef Strategy	23,485	0.5%	6,099	0.2%
Sponsorship	10,000	0.2%	10,000	0.3%
Interest	14,145	0.3%	8,551	0.2%
Investment Revenue - recognized	23,333	0.5%	25	0.0%
Other income	19,080	0.4%	-	0.0%
<b>Total Revenue</b>	<b>4,469,554</b>	<b>100.0%</b>	<b>3,416,339</b>	<b>100.0%</b>
<b>Expenses:</b>				
Canadian Cattlemen's Foundation	52	0.0%	56	0.0%
CCA Division Services	368,049	8.5%	358,261	10.1%
Calgary Office	1,255,148	29.0%	1,301,840	37.0%
Ottawa Office	421,195	9.7%	354,484	10.1%
Public and Stakeholder Engagement	355,174	8.2%	139,241	4.0%
Legal Reserve	214,773	5.0%	206,229	5.9%
Communications	51,009	1.2%	44,885	1.3%
Convention	21,667	0.5%	17,972	0.5%
Town Halls	6,066	0.1%	8,802	0.3%
Executive & Finance	207,761	4.8%	172,005	4.9%
Advocate Services	397,805	9.2%	313,282	8.8%
Annual Meeting	92,603	2.1%	109,299	3.1%
Semi Annual Meeting	60,692	1.4%	58,620	1.7%
Animal Health & Meat	91,968	2.1%	83,565	2.4%
Animal Care Committee	29,023	0.7%	21,888	0.6%
Value Creation & Competitiveness	3,513	0.1%	3,807	0.1%
Foreign Trade Committee	67,890	1.6%	111,393	3.2%
Domestic Ag Policy	8,779	0.2%	11,221	0.3%
Young Cattlemen's Council	34,731	0.8%	37,814	1.1%
International Beef Alliance	152,408	3.5%	38,984	1.1%
Young Leaders Development	97,116	2.2%	88,443	2.5%
Environment	53,017	1.2%	32,274	0.9%
National Beef Strategy	21,347	0.5%	6,099	0.1%
<b>Total Expenses</b>	<b>4,011,785</b>	<b>100.0%</b>	<b>3,520,464</b>	<b>100.0%</b>
Revenue/ Expenses (Expenses/ Revenue)	457,769		(104,125)	
Net assets, beginning of year	688,250		792,375	
<b>Net assets, end of year</b>	<b>\$ 1,146,019</b>		<b>\$ 688,250</b>	

# BEEF CATTLE RESEARCH COUNCIL

Schedule of Revenue, Expenditures and Net Assets (Unaudited)  
Year ended June 30, 2019, with comparative figures for 2018

	2019		2018	
<b>Revenue:</b>				
National Check Off **	\$ 5,851,923	77.5%	\$ 1,435,011	47.6%
Investment Income	249,926	3.3%	-	0.0%
Interest Earned	89,052	1.2%	53,936	1.8%
Other Project Funds	1,088,056	14.4%	759,148	25.2%
Verified Beef Production Plus	160,626	2.1%	40,542	1.4%
Enhanced VBP Plus	(39,863)	(0.5)%	721,577	24.0%
VBP+ Industry& Market Alignment	149,001	2.0%	-	0.0%
<b>Total Revenue</b>	<b>7,548,721</b>	<b>100.0%</b>	<b>3,010,214</b>	<b>100.0%</b>
<b>Expenses:</b>				
Operations and Administration	724,836	16.2%	583,012	20.8%
BCRC Projects	2,012,604	45.0%	555,708	19.8%
Verified Beef Production Plus	520,665	11.6%	231,604	8.2%
Cluster II Projects	-	0.0%	724,111	25.8%
Cluster III Projects	1,067,890	23.9%	31,537	1.1%
Enhance VBP Plus	-	0.0%	684,349	24.3%
VBP+ Industry& Market Alignment	146,107	3.3%	-	0.0%
<b>Total Expenses</b>	<b>4,472,102</b>	<b>100.0%</b>	<b>2,810,321</b>	<b>100.0%</b>
Excess Revenue over Expenses	3,076,619		199,893	
Net assets, beginning of year	3,371,064		3,171,171	
<b>Net assets, end of year *</b>	<b>\$ 6,447,683</b>		<b>\$ 3,371,064</b>	

\* The majority of the net assets are committed to future year projects and are essentially held in trust for these projects.

\*\* Effective April 1, 2018, the Federal Levy was increased to \$2.50 from \$1.00.



# CANFAX MARKETING

## CANFAX MARKETING

Schedule of Revenue, Expenditures and Net Assets (Unaudited)

For the year ended June 30, 2019, with comparative figures for June 30, 2018

Canfax, a division of CCA, the prior year numbers have been calculated but not included in ABP reporting previously.

	2019		2018	
<b>Revenue:</b>				
Canfax Subscriptions	\$ 243,716	56.4%	\$ 246,091	57.8%
CCA Dues	15,000	3.5%	15,000	3.5%
ABP Dues	21,000	4.9%	21,000	4.9%
ABP Membership Fees	32,400	7.5%	32,400	7.6%
ABP Monthly Website Market Articles	10,200	2.4%	10,200	2.4%
Media Contracts	22,184	5.1%	22,083	5.2%
Grading and Slaughter Data	2,120	0.5%	2,383	0.6%
Data Collection	2,400	0.6%	2,400	0.6%
Mobile APP	23,850	5.5%	13,650	3.2%
Daily Snap Shot	4,900	1.1%	4,767	1.1%
Sponsorship	5,000	1.2%	5,000	1.2%
Interest Income	5,430	1.3%	3,289	0.8%
Miscellaneous	43,325	10.0%	47,608	11.1%
<b>Total Revenue</b>	<b>431,525</b>	<b>100.0%</b>	<b>425,871</b>	<b>100.0%</b>
<b>Expenses:</b>				
Administrative	456,124	100.0%	451,257	100.0%
<b>Excess of Expenses over Revenue</b>	<b>(24,599)</b>		<b>(25,386)</b>	
Net assets, beginning of year	84,446		109,832	
<b>Net assets, end of year</b>	<b>\$ 59,847</b>		<b>\$ 84,446</b>	

# CANFAX RESEARCH

## CANFAX RESEARCH

Schedule of Revenue, Expenditures and Net Assets (Unaudited)

For the year ended June 30, 2019, with comparative figures for June 30, 2018

Canfax Research, a division of CCA, the prior year numbers have been calculated but not included in ABP reporting previously.

	2019		2018	
<b>Revenue:</b>				
Investment Income	\$ 4,444	1.9%	\$ -	1.9%
CCA Dues	25,000	10.6%	25,000	10.6%
Canada Beef Contract	56,500	23.9%	56,500	23.9%
Contract Income	51,982	22.0%	35,263	22.0%
Monthly Price and Grade Reports	8,396	3.6%	8,412	3.6%
Quarterly Reports	5,375	2.3%	5,500	2.3%
BCRC Research Analysis	61,500	26.0%	48,200	26.0%
Canadian Beef Breeds Council	2,000	0.8%	-	0.8%
Canadian Beef Check-Off Agency	5,000	2.1%	10,000	2.1%
Canadian Roundtable for Sustainable Beef	16,145	6.8%	11,938	6.8%
Sponsorship	-	0.0%	-	0.0%
Miscellaneous	-	0.0%	499	0.0%
<b>Total Revenue</b>	<b>236,342</b>	<b>100.0%</b>	<b>201,312</b>	<b>100.0%</b>
<b>Expenses:</b>				
Administrative	169,721	100.0%	219,611	100.0%
Excess Revenue over Expenses (Expenses over Revenue)	66,621		(18,299)	
Net assets, beginning of year	123,096		141,395	
<b>Net assets, end of year</b>	<b>\$ 189,717</b>		<b>\$ 123,096</b>	

# CANADIAN ROUNDTABLE FOR SUSTAINABLE BEEF

## Schedule of Revenue, Expenditures and Net Assets (Unaudited)

For the year ended June 30, 2019, with comparative figures for June 30, 2018

CRSB, a division of CCA, the prior year numbers have been calculated but not included in the ABP reporting previously.

	2019		2018	
<b>Revenue:</b>				
Membership Revenue	\$ 290,347	22.4%	\$ 476,893	36.4%
ALMA	-	0.0%	113,451	8.6%
Agriculture and Agri-Food Canada (MULTISAR Project)	605,397	46.6%	721,006	55.0%
Alberta CAP Funding	250,000	19.2%	-	0.0%
Federal CAP Funding	153,286	11.8%	-	0.0%
<b>Total Revenue</b>	<b>1,299,030</b>	<b>100.0%</b>	<b>1,311,350</b>	<b>100.0%</b>
<b>Expenses:</b>				
Administrative	179,246	15.1%	162,368	16.3%
ALMA	-	0.0%	114,594	11.5%
Agriculture and Agri-Food Canada (MULTISAR Project)	605,397	51.0%	721,006	72.2%
Alberta CAP Funding	250,000	21.0%	-	0.0%
Federal CAP Funding	153,286	12.9%	-	0.0%
<b>Total Expenses</b>	<b>1,187,929</b>	<b>100.0%</b>	<b>997,968</b>	<b>100.0%</b>
Excess Revenue over Expenses	111,101		313,382	
Net assets, beginning of year	313,382		-	
<b>Net assets, end of year</b>	<b>\$ 424,483</b>		<b>\$ 313,382</b>	



**THANK**

**YOU BEEF**

**PRODUCERS**

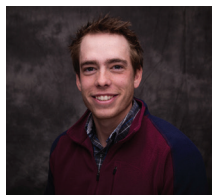
**OF ALBERTA**



# 2019 ELECTION BACKGROUNDER

## Zone 1

Vulcan County, Newell County No. 4, Forty Mile County No. 8, Cypress County, Taber, Special Area No. 2 (south of the Red Deer River).



**Brodie Haugan**

Sitting delegate  
Orion  
403-580-9534  
brodie.haugan@gmail.com

### Zone 1 Candidates: Acclaimed

**Brad Osadczuk** and family live and ranch in the **Jenner** area in southeast Alberta. They are primarily a cow calf operation. Brad has been a delegate for ABP for six years and has served on the Board of Directors for two years. He currently represents ABP on the Board of Directors for CCA.

“I am active in my community and have sat on various boards and have been a 4-H leader in the past. I am very passionate about our cattle industry and wish to be involved moving forward with the challenges and successes that lie ahead of us.”

**Kevin Stopanski** along with his wife Carmen and three boys farm and ranch a 160-cow calf operation near **Jenner**. Kevin is involved as a director in both the Suffield Grazing Co-op and the Tide Lake Grazing Co-op.

“My wife and I have enjoyed being involved as leaders and as parents in our local 4-H for the last 15 years. I have enjoyed being an ABP delegate for the last four years. I have learned a lot about our industry and would like to continue to represent my zone and my industry.”

**Kody Traxel**, alongside his family, operates an Angus-based program near **Cypress Hills**. They have purchased Angus cattle, the K Lazy T Cattle Co., and a commercial herd as well. Kody has been actively involved with ABP for two years and spent countless hours in all corners of agriculture. Aside from agriculture he has worked in the oilfield as a field operator near Jenner.

“My passion is agriculture and my excitement to drive our industry is large. I hope to be involved in communication to our consumers as well as uniting our producers in all corners of the beef industry.”

### Cattle Feeder Council: Acclaimed

**Craig Lehr** was born and raised on the family farm northeast of **Medicine Hat** where he now lives with his wife Nicole and their two kids. Short Grass Ranches Operations include cow calf, backgrounding, feedlot, irrigation, hay and grain farming.

“I am an Olds College graduate receiving a Diploma in Ag production and Ag business. I got involved with ABP because I wanted to learn more about the business of beef and do my part in dealing with the issues that face our industry. My first year has been a great experience and challenge. It was an honour to be elected to the BCRC Advisory Council getting me involved on the national level as well.”



# 2019 ELECTION BACKGROUNDER

## Zone 2

Warner County No. 5, Lethbridge County, Cardston County, Pincher Creek No. 9, Willow Creek No. 26, Ranchlands No. 66, Crowsnest Pass, Kananaskis.



**Fred Lozeman**

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Claresholm  
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**Shane Hansen**

Sitting delegate  
Cardston  
587-370-2870  
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**Jimmy Nelson**

Sitting delegate  
Stirling  
403-635-7075  
jimmy@nfr.ag

### Zone 2 Candidates: Acclaimed

**Darren Bevans** is General Manager of Deseret Ranches located near **Raymond**. He is a graduate of the University of Saskatchewan and is a former ABP delegate who was very involved with the Research Committee and with BCRC. After a couple of years away he is hoping for the opportunity to get back involved in helping to advance the future of beef.

**Sheila Hillmer** along with Martin and sons Keeley and Braeden are cow calf producers near **Del Bonita**. Sheila has been a delegate and served on the ABP Board of Directors for the past two years. Sheila works in the feedlot sector and is a strong advocate for the beef industry.

**Trish Vachon**, alongside her partner Bob and their families, operates a feedlot and backgrounding operation west of **Nanton**. Trish comes from a strong farm and ranch background and has been involved in the cattle industry all her life. Through the years she has served in all capacities on several community boards and recognizes the importance of stakeholder engagement.

“This is an exciting time in the industry, and I believe producer input and clear communication amongst all industry groups is needed for a sustainable future.”

## Zone 3

Wheatland County, Mountain View County, Bighorn No. 8, Foothills No. 31, Rocky View County, I.D. No. 9 - Banff, Calgary.



**Keith Chitwood**

Sitting delegate  
Rocky View County  
403-992-3094  
kachtwood@gmail.com

**Morrie Goetjen**



Sitting delegate  
Cochrane  
403-863-7484  
moegetch@yahoo.com

### Zone 3 Candidates: Acclaimed

**Jim Bowhay**, along with his wife Nola and family, operates a mixed farm operation in **Sundre**. The mixed operation includes cow calf, meat goats, butcher turkey, and laying hens. Jim often refers to it as a mixed-up operation. Jim has been involved in both cattle industry and government while being on the provincial board of the Alberta Feeder Association for 12 years, on the LIS board for six years, and also worked in the field as a Brand Inspector for several years. Jim has a real passion for our youth in the industry which is demonstrated by close to 50 years of 4-H involvement. Jim has been involved in many boards over the years but feels a need to help not only this generation but the next ones coming up to be both sustainable and also profitable. Jim looks forward to the challenges and representing producers.

continued on page 54

# 2019 ELECTION BACKGROUNDER

## Zone 3 Candidates continued

**Graeme Finn** runs a cow calf operation with year round grazing, near **Crossfield** and is returning for his second term where he has served on the Research Committee. In 2018, the Research Committee appointed Graeme to a two year term to represent ABP on the Beef Cattle Research Council.

**Chris Israelson**, along with his wife Stacey and young family and father, owns a cow calf and backgrounding operation in the **Didsbury** area. Chris has been an ABP delegate for the past six years and has served on the

ABP Board of Directors for the past four years.

“I am like so many producers of my generation working to find a balance between raising livestock profitably, family life and sometimes off farm jobs to keep the family farm intact. My involvement with ABP allows me to continue my goal of creating a secure predictable future for all producers while limiting government regulation and involvement in our grass roots industry.”

**Cattle Feeder Council:** Zone 3 can appoint up to one CFC Zone Delegate for the 2019-21 term.

## Zone 4

Paintearth County No. 18, Flagstaff County, Provost No. 52, Wainwright No. 61, Special Area No. 2 (north of the Red Deer River), Special Area No. 3, Special Area No. 4.



### Garth Johnson

Sitting delegate  
Killam  
780-336-1999  
horizonelectronics  
@hotmail.com

### Zone 4 Candidates: Acclaimed

**Regan Curry** is a fourth-generation rancher and is raising the fifth generation near **Finnegan** in the southern half of the Special Areas with his wife Whitney. They run a purebred Black Angus herd, and a set of commercial cattle.

“Our aim is focused on creating hardy range cattle with an eye on the end product. I am here to do my part and ensure our business and way of life is here for generations to come.”

**James Madge** owns and operates a large mixed farm and feedlot east of **Hanna** in Special Area #2 along with his wife Carrie, their four children, and a son-in-law. His family has been farming and ranching in this area since 1905. He is currently a Special Area Advisory Council member, sits on the Henry Krugler Regional Water Commission and is Vice President of Chinook Applies Research Association.

“I look forward to this new opportunity of being involved with ABP to help grow and promote our great beef industry.”



### Shawn Freimark

Sitting delegate  
Castor  
403-740-9576  
ibcow@hotmail.ca

**Tim Smith** ranches near **Coronation** where the Ribstone Creek flows through the centre of his family operation at the foot of the Nose Hills. Tim has been a strong advocate for environmental stewardship, equitable safety net supporting programs, and has a focal interest in level playing fields between competing agricultural land usage. He sees the challenges of regulatory burdens and their effects on animal health, transportation and environmental land and water usage. Predominately a cow calf operation utilizing best management practice, the Smith ranch employs temporary foreign seasonal workers as well as Canadian youth and is transitioning into a new generation with inclusion being a main priority. Tim believes his efforts will be needed in countering the anti-beef, anti-science agenda in the coming years.

### Walter Suntjens

Sitting delegate  
Hanna  
403-854-6351  
walter.suntjens@netago.ca



# 2019 ELECTION BACKGROUNDER

## Zone 5

Stettler County No. 6, Lacombe County, Red Deer County, Starland County, Kneehill County, Clearwater County.



**Kelly Smith-Fraser**

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Pine Lake  
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**Katlyn Benedict**

Sitting delegate  
Wimborne  
403-396-1111  
kbenedic@ualberta.ca

### Zone 5 Candidates: Election

**Brendyn Elliot**, along with his wife Quinn and family, operates Belvin Angus near **Innisfail**. The ranch operation consists of 350 purebred Black Angus females as well as marketing over 100 bulls annually to commercial producers across Western Canada. Originally from southern B.C., he has called central Alberta home since attending Olds College in 2011 where he majored in Agricultural Marketing.

“I am very passionate about the beef industry and would be excited to be a positive voice for the producers and assist in moving the industry forward.”

**Kent Holowath** operates a grain and cow calf operation with his wife Jill and three kids at **Rumsey**. They have purebred commercial Black Angus cattle as well as a backgrounding operation. Currently Kent is the leader of the Rumsey 4-H Beef Club and a director on the Big Valley Feeder Association.

“I think it’s time to become more involved in the beef industry on a level other than as a grassroots producer.”

**Steve Schiestel** says his passion is operating a 220 head cow calf herd, foaling out a quarter horse mare or two and farming a bit of land near **Red Deer**. Steve is a Chartered Professional Accountant, partnering in a firm specializing in farm tax and estate planning.

“I have served as a director with the American Quarter Horse Association representing Quarter Horse breeders and competitors of Alberta in Amarillo, Texas. I have also served on the Canadian Quarter Horse Association, and as president and treasurer of the Quarter Horse Association of Alberta. I have great business acumen, experience in public speaking and professional presentations. I’m a published cartoonist with features in several magazines and websites.”

**Cathy Sharp** and her family own and operate a purebred cow calf operation east of **Lacombe**. Cathy is a returning delegate having served six terms. Cathy has served on the ABP Board of Directors and as an ABP representative to the Canadian Cattlemen’s Association Board of Directors.

“With the many industry issues up for debate we need a strong voice provincially and nationally. We need to support ABP as the voice of the beef producers of this province.”

**Stuart Somerville** farms with his wife and parents near **Endiang**. They run a cow calf operation and finish their own calves in their small feedlot. Stuart has served two terms as an ABP delegate and was a participant of the CYL program in 2014-15. Stuart has served as a CCA director since March of 2019. He has worked as a schoolteacher in Hanna and Delia for seven years and is always happy to volunteer with community events.

“I look forward to serving Alberta Beef Producers to help ensure a prosperous and sustainable future for us all.”

**Dick Wymenga** and his wife Rose operate a mixed grain and cattle operation with 200 cow calf pairs in the **Leslieville** area. Dick is a graduate of Olds College where he majored in Livestock Production.

“My role as an ABP delegate would include promoting Alberta beef as an environmentally sustainable product which enhances the land it utilizes and is a healthy addition to everyone’s diet.”

**Cattle Feeder Council:** Zone 5 can appoint up to one CFC Zone Delegate for the 2019-21 term.

# 2019 ELECTION BACKGROUNDER

## Zone 6

Ponoka County, Beaver County, Wetaskiwin County No. 10, Strathcona County, Camrose County, Leduc County, Parkland County, Brazeau County, Edmonton.



**Assar Grinde**

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**Cecil Andersen**

Sitting delegate  
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**Jill Burkhardt**

Sitting delegate  
Gwynne  
780-387-6323  
jill@crookedlakefarm.com

### Zone 6 Candidates: Acclaimed

**Kolton Kasur** and his wife run a herd of purebred Angus and Simmental cattle near **Bashaw**. He also sells livestock insurance at various sales throughout the province in the spring.

“Five years ago, I was lucky enough to quit my real job and ranch full time. We feed our calves through the winter and sell grass developed two-year-old bulls in our spring sale. I make my living in the beef industry, but it is also my family’s passion, which is why I am interested in being a delegate for my zone.”

Zone 6 can appoint up to two Zone Delegates for the 2019-21 term.

## Zone 7

Thorhild County No. 7, Barrhead County No. 11, Athabasca County, Lac Ste. Anne County, Woodlands County, Opportunity No. 17, Sturgeon County, Westlock County, Yellowhead County, Lesser Slave River No. 124, I.D. No. 12 - Jasper Park.No. 12, Municipality of Jasper.



**Lorrie Jespersen**

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**Rod Carlyon**

Sitting delegate  
Dapp  
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### Zone 7 Candidates: Acclaimed

**Colin Campbell** and his wife, Marilyn, own and operate a purebred herd of Angus in the **Bon Accord** area. From 1975 to 2010, Colin was heavily involved in regulatory and corporate liaison activities with Agriculture and Agri-Food Canada. Having served as an ABP delegate for eight years, of which he has served as zone director for five years, Colin has advocated to prevent or reduce costs being imposed on the sector.

While generally supportive of environmental and social initiatives, “I do not believe that the sector realizes the full cost of these actions. Industry leadership has to be

cautious about embracing these initiatives as in many cases, there is no true economic benefit to the sector. I strongly believe that the sector has to continue the search for new technology to remain economically competitive in today’s global protein sector and remain vigilant and aggressive in gaining and maintaining access in international markets. Further, beef cattle have an important role environmentally and economically in agriculture here in Alberta and the world. We as producers have adapted and will continue to do so for the betterment of society and the environment.”

continued on page 57

# 2019 ELECTION BACKGROUNDER

## Zone 7 Candidates continued

**Martin Clausen** ranches near **Westlock** and is returning for second term as a zone delegate.

**Glen Kummer** runs a cattle farm outside of **Barrhead** with his parents. They have 400 head of cows that they calve from January through February. They maintain a closed heard by finishing their own calves and keeping back replacement heifers.

“This will be my second term at ABP. My first two years were well spent getting my feet wet, learning what ABP does and how I can help the organization and the producers. I previously sat on the Cattle Feeders Council and I look forward to involving myself more in ABP and with the producers it serves.”

**Cattle Feeder Council:** Zone 7 can appoint up to one CFC Zone Delegate for the 2019-21 term.

## Zone 8

Smoky Lake County, St. Paul County No. 19, Two Hills County No. 21, Vermilion River County, Minburn County No. 27, Lamont County, Lakeland County, Lac La Biche County, Bonnyville No. 87, Wood Buffalo, I.D. No. 24 - Jasper Park.



**Emil Dmytriw**

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**Jodi Flaig**

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jodiflaig@hotmail.com



**George L'Heureux**

Sitting delegate  
Lac La Biche  
780-689-8036  
smilingcoyote@live.ca

## Zone 8 Candidates: Acclaimed

**Shane Franklin** has been ranching all his life in the **Bonnyville** area.

“In the early years, my father had 200 cows and 500 steers while forming Franklin Rodeo Company; a pro rodeo stock contracting company that I own and operate to this day. I was a Canadian Pro Rodeo Association board member for 10 years. Along with the rodeo company, I currently have a cow calf operation. I am interested in being an ABP delegate to help work towards a stronger Alberta beef industry.”

**Josie Pashulka** lives in the County of Two Hills near **Derwent**. She farms with her husband Ken and three sons and goes by Rusylvia Cattle Co. The Pashulka raise 400 cows with purebred Black Angus, Maine Anjou, Simmental, and black commercial cows. They farm 2,000 acres of grain, silage, hay and grazing corn. Their farm practices rotational grazing, winter grazing, zero till and use AI and embryo transfer with the cattle. Josie was a 4-H beef leader for 14 years and was active with club district and regional events. Josie has also been active with Vermilion and Myrnam Agriculture Societies.

Currently she teaches the Beef Artificial Insemination course at Lakeland College, and conducts the Green Certification testing of beef students. Josie is a VBP+ cattle auditor and is committed to the beef industry and food safety.

“I welcome discussions on the greatest industry - Agriculture and Beef Production.”

**Melanie Wowk** has a family run operation near **Beauvallon** with 280 commercial cow calf pairs.

“This will be my third consecutive delegate term. In 2017, I became finance chair, a position I have held for two years. Having been a practicing veterinarian in the cow calf sector since 1993, I believe I bring a well-rounded perspective to the beef industry. As my children and brand-new daughter-in-law are actively involved in our operation, my main objective as a Zone 8 delegate is to maintain an economically vibrant beef industry through public education about our industry, maintaining and developing export markets, and continually improving animal health and welfare.”



# 2019 ELECTION BACKGROUNDER

## Zone 9

Mackenzie County, Northern Lights County, Clear Hills, East Peace No. 131, Northern Sunrise County, Peace No. 135, Fairview No. 136, Birch Hills County, Saddle Hills County, Smoky River No. 130, Spirit River No. 133, Grande Prairie County No. 1, Greenview No. 16, Big Lakes.



**Gary These**

Sitting delegate  
Peace River  
780-625-6793  
gjthese@gmail.com

### **Zone 9 Candidates: Acclaimed**

**Mike Nadeau**, along with his wife and three children, has a joint venture ranching operation together with his in-laws southwest of **Beaverlodge**. They have a cow calf operation as well as a backgrounding feedlot.

“I have previously served a couple of terms as an ABP delegate, and believe the organization provides a valuable service to the beef industry here in Alberta. I have a passion for agriculture and wish to do my part to help ensure the beef industry is competitive and sustainable for future generations.”

Zone 9 can appoint up to two Zone Delegates for the 2019-21 term.



**Ron Wieler**

Sitting delegate  
Fort Vermillion  
780-841-7854  
ron.wieler@plantpioneer.com

### **Cattle Feeder Council: Acclaimed**

**John MacArthur** runs his operation in the **Fairview** area and is returning for his fourth term. He has served on the ABP Board of Directors for the past three years.

**VISION** - Alberta Beef Producers is a strong, clear, and representative voice speaking and working on behalf of cattle and beef producers in Alberta and contributing to a vigorous and profitable beef industry.

**MISSION** - To strengthen the sustainability and competitiveness of the beef industry for the benefit of beef producers in Alberta.

**FOR MORE INFORMATION**

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