

TRAVELLING NEW TRAILS

2015 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.

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GREG BOWIE
ABP Chair

ABP CHAIR REPORT

As the excellent prices of last year continued into 2015, we saw a growing sense of careful and cautious optimism in our industry. There has been consumer resistance to high beef prices and we knew there would be more competition from pork and poultry, but beef demand stayed relatively strong. With strong beef demand and continued short supplies of cattle, conditions are favourable for a sustained run of good prices. With rain finally coming to the southern U.S., ranchers there have started to rebuild cow herds and we were hoping that 2015 would bring a start to herd expansion here.

Of course, the cattle and beef industry never seems to follow a clear and easy path to future growth. In February, the first case of BSE in four years was confirmed in a beef cow from Alberta. We had hoped the previous case found in 2011 was the last, but it is not unexpected to find isolated cases of BSE as a country moves toward eradication of the disease. Fortunately, our most important export markets in the United States, Mexico, Japan, and Hong Kong did not place any restrictions on our trade, but we did see temporary trade restrictions imposed in other markets and this case will set back our timing for applying for negligible BSE risk status.

After dealing with the BSE case in the winter, the spring brought drought conditions to wide areas of the province. Dry conditions greatly affected pastures and forced many producers to continue feeding cows

that normally would have been on grass. First cut hay crops were devastated and by late July multiple municipalities and counties had declared agricultural disasters. August through to early September brought significant rain to many parts of the province. Although the Alberta Minister of Agriculture and Forestry declared a province-wide agricultural disaster near the end of August, and some areas are still extremely dry, the rains provided substantial benefits for second cut hay, fall grazing, some grain and silage crops and soil moisture reserves.

We were pleased to see the provincial and federal governments respond fairly quickly to the drought. AFSC allowed producers to harvest insured forage and grain crops for feed without losing the right to receive an insurance settlement. The provincial government reduced the fees for the water pumping program that provides pumps and pipes for filling dugouts and reservoirs. Producers could also get access to vacant crown land for grazing. The federal government announced a tax deferral program that allowed producers to defer a portion of the sales proceeds of breeding livestock for one year to help them replace the breeding animals next year. The dry conditions have been variable across the province and both the federal and provincial governments have stated that no decision on disaster assistance will be made until after the harvest is completed this fall.

Drought conditions are not exactly synonymous with encouraging herd expansion and the Statistics Canada cattle inventories for July confirmed that cow numbers will not be expanding this year. As we see another year in a prolonged consolidation phase, there is continued concern about the potential impact of tight cattle supplies on our feeding and processing infrastructure. Hopefully, better weather conditions next year and continued good prices will see us start to rebuild the cow herd.

As our industry travels the long and bumpy trail toward exciting opportunities and a bright future, I have been actively involved in helping our board set the direction for our organization and supporting the staff in their work on implementing our priority activities. With our focus on improving government relations, I have met the new Minister of Agriculture and Forestry, Oneil Carlier on several occasions and hosted him for a visit at my ranch. I have joined in the discussions around increased industry funding and am one of the participants in the McDonald's Verified Sustainable Beef Pilot Project. I am also working with the board and staff members to improve producer and delegate engagement with Alberta Beef Producers (ABP).

ABP is a producer organization that is funded by producers, run by producers, and works on behalf of producers. Clearly, listening and talking to grass roots producers are vital elements in helping us to effectively speak and work on their behalf. We are committed to improving our contact with grass roots producers and we will be using our delegates to make this engagement happen.

Our delegates are producers who are elected by the other producers in their respective zones to make sure that their issues and concerns are reflected in ABP policies and actions. Delegates have been described as our greatest asset and we will provide our delegates with the information and support they need to be this asset. We want our delegates to be much more active in talking with grass roots producers in their zones and we want these producers to feel that they have been heard and are able to influence the direction of ABP. It is my hope that 2015 marks not only the end of our herd consolidation, but also the beginning of a new and increased level of producer and delegate engagement with ABP. ▼

Sincerely,

Greg Bowie, Chair



RICH SMITH
Executive Director

EXEC DIRECTOR REPORT

After recognizing 2014 as a year of change, the focus at ABP for this year has been making those changes work for the benefit of producers and the industry. We also soon realized that the changes did not end with the New Year and 2015 continues to bring more changes and challenges for our industry. Our vision, mission, and long-term goals have not changed, but we certainly will be travelling new trails to reach our objectives for the year and these goals.

During our Plan Review in 2014, one of the strong messages we heard from producers was the need for ABP to be better at engaging and influencing the provincial government. With enhanced government relations already being one of our top priorities this year, the election of a new government for the first time in almost 44 years made the challenge even bigger. ABP joined a long list of organizations working hard to get to know the people and priorities of the new NDP government.

We have had good meetings with the Ministers of Agriculture and Forestry, Environment and Parks, and Jobs, Skills, Training and Labour. We are committed to working collaboratively with the new government to ensure that the interests of cattle producers and Albertans are served by government policies and legislation. These ministers have told us that they are prepared to work with industry to achieve thoughtful examination of the issues leading to careful and deliberate decisions.

With the support of producers we talked to during our meetings last

year, ABP has made industry funding another one of our top priorities for the year. It is clear to many people in our sector that we do not have a sufficient level of industry funding to remain competitive in a global market for cattle and beef. The shortage of industry funding is made more acute by reductions in government support for marketing and research activities, as well as increased government requirements for matching industry funding when assistance is provided.

At \$1 per marketing, the National Check-off is at the same level it was when it was first proposed over 20 years ago. ABP was an active participant in the development of the National Beef Strategy (NBS), an ambitious five-year plan to help our industry seize the tremendous opportunities provided by a growing global demand for protein. The NBS is a united plan for our industry that is the result of an unprecedented level of collaboration among national and provincial organizations. The national organizations that will be primarily responsible for the implementation of the strategy have estimated that a National Check-off of \$2.50 per marketing will be required to achieve the objectives in the strategy.

On a provincial level, ABP sought the advice of producers in addressing the shortfall in industry funding caused by over \$2 million per year in service charge refunds. When all producers paid a non-refundable service charge, producers had the ability to ensure that our sector had a sufficient level of industry funding to support critical marketing and research activities. After considering a number of options for increasing the amount of industry funding available in Alberta, including a non-refundable provincial levy for marketing and research, producers recommended that ABP simply take steps to retain the revenue from the \$2 provincial service charge. ABP will be working with industry organizations and the government to gain authorization to collect a non-refundable \$2 service charge with a commitment to use the revenue retained from service charge refunds

for only marketing, research, and industry collaboration activities.

There has been a considerable amount of media attention focused on farm and ranch safety and the fact that Alberta is the only province in Canada where farm and ranch workers are not covered by provincial occupational health and safety legislation. We were expecting changes in labour legislation affecting farm and ranch workers regardless of which party won the election in May, but the election of a New Democratic Party government likely means that these changes will come quickly. Our industry recognizes the need to improve the health and safety of farm and ranch workers, but we also believe that education and training to build a culture of safety will ultimately be more effective than legislation and regulations.

Through our participation in the Farm Safety Advisory Council, our membership on the Board of Ag for Life, and our support for Alberta FarmSafe, we have demonstrated a commitment to more education and training for farm and ranch workers. However, our industry also is prepared to work with the government on appropriate changes in labour legislation, while recognizing that it is critically important for any changes to respect the unique and diverse nature of farm and ranch work. We have been working with Alberta Agriculture and Forestry and Alberta Jobs, Skills, Training, and Labour to address farm and ranch safety and we greatly appreciate the commitment we have received from the ministers to continue this consultation and collaboration.

Clearly, producers and producer organizations such as ABP need to be adaptable to be successful in a changing world. The following pages of this Annual Report contain detailed descriptions of the work being done by ABP and our industry partners as we travel new trails to a prosperous future. ▼

Sincerely,

Rich Smith, Executive Director



DAVE SOLVERSON
CCA President

CCA REPORT

For all the uncertainty some producers have endured this year as a result of extreme weather, the one constant that has enabled everyone to stay focused is the market price for cattle. Calf and feeder prices continue to sell incredibly strong. As we head into the fall run, limited supplies and strong demand for Canadian calves allows prices to be very resilient. Producers were ecstatic with prices a year ago, and calves have added another 50 to 70 cents/lb. this fall. The weaker Canadian dollar has been a big contributor to the Canadian cattle market. Many producers have taken advantage of these strong prices, as a significant number of calves were forward sold for fall delivery as producers have been proactively marketing cattle through less traditional channels.

While the good times continue to roll in the markets, the Federal Election on October 19 may have producers wondering what else fall may bring. Resolving the World Trade Organization (WTO) dispute with the U.S. over Country of Origin Labelling (COOL) is the Canadian Cattlemen's Association (CCA) highest priority, as outlined in our Federal Election Priorities document.

The CCA specifically requested all Parties seeking to form the Government of Canada in the 42nd Parliament to declare their intention to swiftly impose retaliatory tariffs on U.S. exports the moment Canada is authorized to do so by the WTO if the U.S. has not eliminated the incentive to segregate imported livestock by that time.

In mid-September, the CCA attended the WTO arbitration panel hearing in Geneva regarding U.S. COOL. The panel, which heard arguments from Canada, Mexico and the U.S. on their respective calculations, is expected to release its decision later this year.

Canada has requested authorization to impose tariffs on more than C\$3.1 billion per year of U.S. exports. Mexico requested authorization for over US\$713 million in retaliatory tariffs.

The U.S. estimates the costs related to COOL arbitration at US\$91 million. The CCA notes that the U.S. estimate of an arbitration amount ignores any valuation related to segregation of cattle, transportation issues or price suppression in the Canadian market. Given that the WTO has already found these issues to be at the core of the COOL violation, the CCA feels confident that our calculations will be strongly considered by the arbitrators.

Once WTO authorization is received, Canada will be in a position to implement the tariffs. The CCA urges the U.S. Congress to finally repeal COOL on red meat or face billions of dollars in retaliation.

Arbitration follows the decisive victory for Canada's cattle industry on May 18, 2015 when the Appellate Body of the WTO issued a final ruling confirming that U.S. COOL discriminates against live imports of Canadian cattle and hogs. This fourth and final ruling from the WTO on COOL concluded the legal battle initiated by the CCA in 2007 challenging the U.S. labelling law for violating the U.S.'s international trade obligations.

In addition to resolving COOL, CCA's election priorities are:

- Successfully negotiate and implement the Trans-Pacific Partnership Agreement to address the 38.5 percent tariff imposed by Japan on Canadian beef;
- Establish technical conditions that enable commercially meaningful beef exports to the European Union (EU) and implement the Canada-EU

Comprehensive Economic and Trade Agreement;

- Remove the "temporary restrictions" imposed by Korea, Taiwan, and Indonesia on Canadian beef products since February 2015;
- Restore access for over 30 month beef to Mexico;
- Secure full access for Canadian beef exports to China;
- Ensure expeditious procedures and resources exist to facilitate importation to Canada of live breeding stock and genetics.

The CCA elections document also identified a number of issues that can help create the operating environment for beef cattle herd expansion in Canada, such as fully funding programs that help producers manage risk, investing in infrastructure, secure access to high value and growing markets, policies that ensure the competitiveness of Canadian producers, investment in research and sustainable practices and access to sufficient labour.

Workforce issues, social license and the extreme dry conditions in pockets of B.C., Alberta and Saskatchewan were among the discussions CCA had at the annual meeting of the Federal, Provincial and Territorial Ministers of Agriculture in Charlottetown, PEI in July. While late rainfall across a broad swath of Western Canada alleviated the situation somewhat, the precipitation came too late for many crops but benefitted pastures and later seeded cereals. The CCA continues to urge those who manage the programs to make decisions in a timely manner to allow producers to make timely decisions that are best suited for their operations.

The CCA participated in the Trans-Pacific Partnership (TPP) negotiations in Hawaii. Although it was hoped an agreement would be reached at that meeting, the complexity of the negotiations are such that additional work will be required before the trade deal can be concluded. The CCA hopes that negotiations resume quickly in order to maintain the momentum achieved in Hawaii.

Canadian participation in a TPP free trade agreement will be crucial to the future sustainability of Canada's livestock and meat sector. The TPP is an opportunity to eliminate the 38.5 percent tariff on Canadian beef in Japan and restore Canada's competitive position with Australian beef. Australia already implemented an FTA with Japan earlier this year and enjoys a growing tariff advantage that will eventually make it difficult for Canadian beef to remain competitive in Japan.

Japan has had a year round supply of Canadian beef since 2013, however the combination of the 38.5 percent tariff and safeguard trigger (tariff increases to 50 percent if imports increase beyond a set formula) have dampened Japanese importers' ability to significantly increase their purchases of Canadian beef.

The CCA's objective is that Canada negotiate the elimination of both the tariff and the safeguard trigger in a bilateral agreement between Canada and Japan or the TPP.

The TPP figured prominently in discussions at CCA's 2015 semi-annual meeting in Winnipeg in August and will be central to discussions at the upcoming Five Nations Beef Alliance (FNBA) meeting in Durango. Earlier this year the CCA, as part of the FNBA, reconfirmed its view that Canada must intensify negotiations in the TPP to ensure that it is a part of a 12-country deal.

Work continued on the Canada-EU Comprehensive Economic and Trade Agreement with a goal to ensuring the technical details in the completed text are such that the CCA can support. Canada's beef producers already have access to the EU, which is underutilized, and the CCA encourages producers and feedlot operators interested in exporting beef to familiarize themselves with the respective requirements.

Canada prides itself on its testing and surveillance networks and in 2015 we have had two demonstrations of the strength of our systems. In February,

Canada reported Bovine Spongiform Encephalopathy (BSE) Case 19.

Canada is recognized as a controlled risk country for BSE by the World Organisation of Animal Health (OIE), meaning it's permitted to export beef from any age of animal given the established human and animal health controls it has in place.

Prices for all cattle remained very strong (and even strengthened) which is a good indication of a rational response from the market regarding the temporary suspensions over Case 19. In June the CFIA provided an update to its investigation, noted that the data collected was being analyzed by experts and the conclusions will be found in the final report to be posted on the CFIA website this fall.

The CFIA and Agriculture and Agri-Food Canada continue to work with trading partners to lift temporary restrictions put in place as a result of this case. Peru recently removed its temporary suspension and resumed imports of Canadian beef. China had earlier resumed trade back in April. The CCA hopes that Korea, Taiwan and Indonesia will be inspired to also resume importing safe and nutritious Canadian beef.

In September Bluetongue virus (BTV) was found in beef cattle in Ontario through Canada's Bovine Serological Surveillance program. There is no risk to human health associated with BTV and this occurrence will not affect exports of Canadian live cattle to the U.S. or exports of meat or meat products.

Bluetongue is an animal health disease transmitted by a species of biting midge. Cattle typically show no signs of clinical infection but BTV can cause serious illness and death in sheep, deer and potentially other wildlife. There is no effective treatment for BTV.

Most of Canada is free of the disease given our climate – midge activity ceases with the first hard frost. This latest occurrence of the virus appeared on a birth farm outside of

its normal region in Canada, impacting Canada's status with the OIE as a country free of BTV. In beef cattle the impact of BTV is primarily to the genetics industry.

As a result of not being able to claim freedom for BTV, the CFIA suspended several certificates for live ruminants and semen and embryos due to current certificate requirements. These certificates will have to be renegotiated with the respective countries to meet requirements for bluetongue, and will become available as negotiations proceed. The U.S. and Mexican markets remain open as the virus is already endemic in these countries.

According to OIE rules, it will take up to two years for Canada to regain its BTV free status provided it meets requirements.

The CCA will continue its work to address the factors that may be preventing some producers from expanding their herds to take advantage of current market opportunities.

The National Beef Strategy was launched on January 1. A collaborative effort by Canada's national and provincial beef sector organizations, the strategy is about how the organizations can work together to best position the beef industry to compete for a larger share of the world market and to produce the high quality beef product of choice in the world.

The strategy received unanimous support from stakeholders in principle. At present provincial associations are holding discussions regarding next steps. Achieving the goals identified in the Strategic Plan, which are estimated to require a projected National Check-off investment of \$17-18 million, or around \$2.50 per head (a \$1.50 increase from the current \$1 national check-off). ▼

Sincerely,

Dave Solverson, President



TIM OLEKSYN
BCRC Chair

BCRC REPORT

The Beef Cattle Research Council (BCRC) funds leading-edge research to advance the Canadian beef cattle industry. The BCRC administers the research allocation of the National Check-off and manages Canada's Beef Cattle Industry Science Cluster funded under Growing Forward 2 with additional support from a number of industry and government funders.

Canada's Beef Cattle Industry Science Cluster

Joint industry and government commitments to the second Cluster (2013 – March 31, 2018) total \$20 million, including \$14 million in funding from AAFC, \$1 million in provincial government investments, and \$5 million in funding from the research allocation of the National

- traits, as well as test whether genomic tests can sort cattle into more uniform slaughter groups
- provide Canada's beef industry with a package of improved tame and native forages
 - define how the environmental footprint of the Canadian beef industry has changed over the years
 - improve education for packing plants on effective food safety procedures that are practical and cost-effective

Technology Transfer & Knowledge Dissemination

The BCRC continues to advance the implementation of its Knowledge Dissemination and Technology Transfer Strategy to convert applied research into effective, utilized tools that drive industry competitiveness.

Summaries of completed and in-progress research projects and other written articles are continually made available through the BCRC website. Short, engaging videos highlight research results and encourage producers to make informed production decisions. A series of webinars held each year virtually connect producers with researchers

fund research of interest to the Canadian beef industry to create and post research summaries onto www.beefresearch.ca as well.

Researcher Mentorship

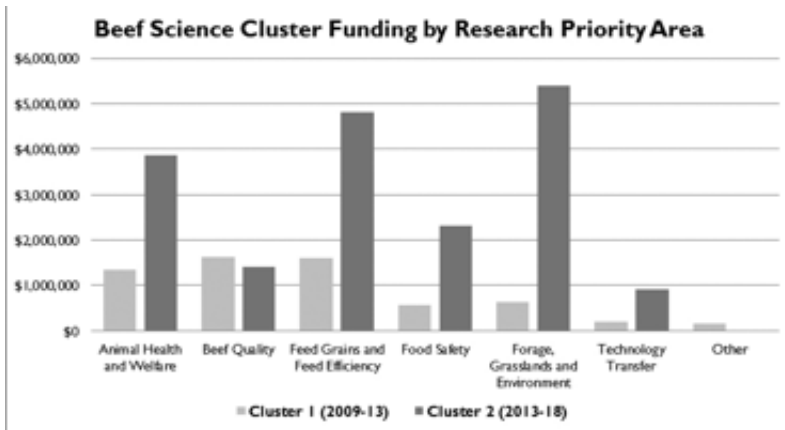
The Beef Researcher Mentorship program, launched in 2014, grew out of concerns that many new applied researchers have limited background in Canadian cattle, forage or beef production and have few industry contacts, making it challenging for them to develop an effective, industry-focused research and extension program. This program matches applied researchers with producers and other industry experts to help expand their industry knowledge and contacts in practical, meaningful ways.

National Beef Strategic Plan

National and provincial beef cattle organizations agree that optimizing changes to the state of Canada's beef industry in the future requires a strategic approach that all sectors can align with and unite under. The National Beef Strategy, released in January 2015, is a collaborative effort by Canada's national and provincial beef sector organizations. The National Beef Strategy aims to achieve targeted industry goals identified as being crucial to long-term competitiveness of the industry. These goals include increasing the carcass cutout value, reducing cost disadvantages compared to main competitors and increasing production efficiency. Concrete targets attached to these goals ensures the results are measurable and in turn demonstrates the value of investments in programs and research. The BCRC will play an integral role in achieving several of the industry goals established through strategic investments in research and extension. Consequently, the BCRC has developed a long-term plan to identify the necessary funding requirements to achieve these goals.

Verified Beef Production™ program

Verified Beef Production™ (VBP) is Canada's on-farm food safety program for beef production, based on HACCP and reviewed by CFIA. The



Check-off and provincial beef industry groups. Funding was directed to 26 research projects. Project summaries can be found at www.beefresearch.ca.

Projects underway include:

- implement a longitudinal disease surveillance network for cow calf operations in western Canada
- study how selecting for improved feed efficiency impacts maternal

and other industry experts to discuss pertinent science-based topics. Interactive decision making tools developed by the BCRC enable producers to run scenarios and help make decisions for their own operations. All of these resources are available on www.beefresearch.ca.

The BCRC recently launched the capability for other organizations that

program identifies practical, industry-sanctioned practices to enhance confidence in Canadian beef.

The VBP program is now working with industry stakeholders to develop additional modules for animal care, biosecurity and environmental stewardship. Based on a risk assessment approach, priority outcomes that address the most important risks in these areas will be identified. Pilot projects will be completed to help make each module auditable in 2015-16. Training of existing qualified auditors will be done for national consistency, and education components will continue to be enhanced and delivered. Each provincial delivery group in conjunction with their provincial cattle association has worked with Growing Forward 2 programming where it exists. This may include workshop delivery, assistance for equipment if available, and in some provinces, partial cost of an on-farm validation audit. Each provincial VBP advisory group sets priorities for VBP activity in their province or region, as funding and support allows. National VBP outlines expected outcomes and provides education components and base materials for each region to use.

The additional modules will be an opportunity for producers to secure further recognition for credible production practices. The resulting program will dovetail in with the work of Canada's Roundtable for Sustainable Beef and the Beef InfoXchange System.

The development of a strategic plan and business plan that sets out a long-term sustainable funding and delivery model for VBP is also a key priority in 2015/16.

Subscribe to the BCRC Blog

Learn more about ongoing beef, cattle and forage research that benefits Canadian producers by joining our free email list at www.beefresearch.ca/blog/subscribe. ▼

Respectfully submitted,

Tim Oleksyn, BCRC Chair



ROB MEIJER
Canada Beef President

CANADA BEEF REPORT

The 2013/14 fiscal year was pivotal for Canada Beef. This was the final year of our first three-year strategic plan that saw Canada Beef come together as a global company complete with engaged employees and an elevated focus on developing business with consumers directly. Over the past three years, we also made it a priority to only invest time and money in projects that reflect a distinct return on investment. We took initial steps to align our beef and veal industry under a common national strategic vision. We also reimagined our organization's relationship with the consumer to ultimately achieve brand loyalty, rather than building on volume and value of beef itself. We developed mind-share over market-share and began building consumer relationships with Canadian beef.

We have continued to rationalize our operations through focusing on global markets and selecting brand partnerships that align with our Canadian values. We have managed to save over \$3 million by finding efficiencies, which has translated into an increased investment in programs and services. We have challenged our staff and industry to think differently – pushing the status quo, while still believing in the power and excellence of our industry players. Uniting the resources at our disposal is essential to progress; it is something our industry has come to expect and our public has come to demand. However, we still respect the different teams and players in the Canadian beef league and how each must work

towards differentiation in order to sustain their own priorities.

The National Check-off (NCO) continued to bring in much needed funding for the research and marketing activities of Canada Beef. Roughly \$7.7 million was raised by the NCO in 2014/15, \$5.5 million of which was used to support the promotion of Canada Beef at home and abroad. Levies collected in the upcoming fiscal year will be applied to Canada Beef's new three-year strategic plan, which kicked off April 1, 2015.

The National Beef Strategy partners, consisting of the Beef Cattle Research Council, Canadian Cattlemen's Association, Canadian Beef Breeds Council, National Cattle Feeder's Association and Canada Beef, are in ongoing discussions about the NCO and Import Levy. Canada Beef and our strategy partners will continue engaging with provincial producers about future levy rates to ensure the National Check-off and Import Levy remain beneficial for all involved.

Last year, the collection rate of the Import Levy was over 90 percent, and most beef importers are now paying the levy.

Since the Import Levy was introduced in 2013, it has raised \$1.1 million with roughly \$900,000 received during the 2014/15 fiscal year. Although these funds cannot be used for the promotion of Canada Beef, they are directed to researching and marketing the nutritional aspects of beef, which is beneficial for all producers.

Communicating the Canada Beef brand story is one of our most important responsibilities. Our brand story is the cornerstone on which brand awareness, brand loyalty and buying decisions are built. Our global marketing efforts continue to adapt to the evolving demands for protein around the world. We are committed to further solidifying our positive brand opinion here at home while growing foreign markets and emerging geographies.

North America is not only our largest and most important market – it is home. Canada and the United States form the foundation for the Canada Beef brand to reach further corners of the globe. We continue to invest domestically to ensure Canadian beef remains a staple of Canadian diets and we are adapting to evolve with the ever-changing needs of the U.S. market.

Our alignment with the CFL is the ideal platform to highlight Canadian beef as the optimum source of protein for professional athletes and athletic Canadians. This message has been effective enough to be recognized by both the trade and wellness communities. We extended the power of beef as a protein message to consumers by partnering with Loblaw's Health and Wellness Division to provide in-store consumer engagement programs across Canada.

Our initiatives to target emerging demographics have focused on the Hispanic market in the U.S. Through market development programs to increase sales volumes through major distributors to the U.S. Hispanic demographic, we are able to strategically create brand presence with key clients.

Traditional marketing initiatives are proving to be effective in establishing the Canada Beef brand throughout Latin America. Through trade events, inbound trade missions, the distribution of technical and promotional materials to targeted recipients and markets, and even partnering with celebrity chefs, we have created a boom in the demand for Canadian beef.

Our ongoing partnership with Air Canada Vacations and Karisma Resorts continues to drive value and raise the status of Canadian beef through the five-star resort segment in the Mayan Riviera. Through this partnership, we engaged influential food personalities as brand ambassadors to raise public brand awareness, including high-profile chefs. At Karisma's Canadian Beef

Culinary Series, 12 of Canada's best chefs educated consumers about the quality of Canadian Beef. The series was then leveraged through our partners' social media platforms to engage with consumers in Mexico, North America and even Europe.

No market holds greater potential for growth than Asia, and Canada Beef continues to build on the momentum we have earned there in previous years. Our consumer-facing marketing efforts have been expanded and we have developed a new, innovative market outreach approach to relay our brand message to key influencers and officials. While our focus has been on the major markets of Japan, China, Korea, Hong Kong and Macau, we are expanding efforts to capture consumer attention in the emerging markets of Southeast Asia.

The Asian hub pioneered the Canadian Beef Branding Series, an important initiative that is expandable and scalable to other global markets. The series brought together key trade contacts, media, government and food enthusiasts alike to learn about the Canadian beef industry, our brand and the Canadian Beef Advantage on both emotional and technical levels. The series featured several events throughout Asia with regular participation from Agriculture Minister Gerry Ritz. The participation of key government officials such as Agriculture Minister Ritz, Canadian cattle producer representatives and celebrity chefs helped to create an atmosphere a level above a standard trade event. Proving effective in communicating the Canadian Beef story that connects every link in the value chain, the series has been a catalyst for brand awareness, media coverage and brand loyalty in the Asian market.

While the Canada Beef brand is well-known in many corners of the globe, we continue to develop new markets with substantial room for growth. In the past year, we have participated in selected international trade events in the Middle East and Europe: Gulfood, the world's biggest

food and hospitality trade show, and SIAL, the world's largest food innovation observatory.

A central business objective, or brand action plan, of the past fiscal year was the opening of the Canadian Beef Centre of Excellence (CBCE). It is the jewel of the Canada Beef brand and one of our richest resources. Through the lens of "Connect, Innovate and Inspire," the CBCE is poised to bring our brand and our story to life for industry partners, influencers, media and consumer audiences. With multi-media presentation and broadcasting capabilities, and a skilled staff of teaching and cooking professionals, the CBCE is a knowledge hub for our brand and embodies our upcoming three-year brand building strategy.

Engagement is more than simply broadcasting our message; we must create conversation points and spur creative thought, and we must do this with an international audience. Our loyal brand advocates want two-way, reciprocal communication, so we will find ways to engage consumers through building communities that bring our brand to life.

We look at our producer families and beef industry as investors. Rather than simply reporting what we have done, we are making it a priority to inform our investors on what is about to happen. This allows them to see and feel what success looks like and encourages them to actively participate. This is our Canada Beef brand and it is one that we all have a stake in.

We look forward to having everyone join us on our journey. ▼

Respectfully submitted,

Rob Meijer, President & VP Global Brand & Business Development, Canada Beef



TIM SMITH
CCC Chair

CCC REPORT

A resolution was brought to the Cow Calf Council (CCC) regarding an alternative to tagging mature bulls and cows with RFID tags. Canadian Cattle Identification Agency was asked to explore some alternatives to tagging unruly cattle because of the potential risk. This has not been totally resolved, but is continuing to be discussed and ABP will be kept informed. A fall meeting resolution dealing with Johne's Disease brought forward a request to have the Government of Alberta provide shared funding for testing cow herds in the province. ABP approached the provincial veterinarian about this and the provincial government will not fund this project.

Safety-net Subcommittee

The Growing Forward 3 program is being reviewed at present by Agriculture and Agri-Food Canada (AAFC) and the Canadian Cattlemen's Association. Agriculture Financial Services Corporation (AFSC) wants to make more of their forage and pasture programs accessible to beef producers but part of the issue is premium costs. AFSC hosted four producer consultation meetings early in August. They are developing a "feed need" program that would cover a producer's feed requirement, and the pilot should be available in 2016. The subcommittee had presentations from the Drought and Excess Moisture Advisory Group (DEMAG), Alberta Agriculture and Forestry (AF) and AFSC. Clarification was made with AFSC on AgriStability hay values and program computations. Rather than a deadline of February 28 for pasture insurance coverage contracts, a review to change this to April 1 was explored.

The Canadian Revenue Agency tax deferral for breeding cattle process during a drought was reviewed. AFSC reviewed the process to access AgriRecovery during a drought. If approved it is supported as a 60:40 federal to provincial ratio. The subcommittee made a motion to have the ABP Board of Directors request a provincial government AgriRecovery assessment and initiation of The Tax Deferral Program. The subcommittee also requested implementing a rider on hay insurance for hay used as silage; deferring the premium payment for the Western Livestock Price Insurance to the sale of the contract; and recommending swath and bale grazing insurance.

AgriStability and the Advanced Payment Program

The Feeders Association of Alberta administers the Advanced Payment Program (APP) lending programs; these require producers to participate in AgriStability. AAFC places assignments on a producer's AgriStability account as security. However, 85 percent of beef producers do not have AgriStability because of limited sector adaptability. The CCC is exploring ways to delink AgriStability from APP and promote alternative security methods.

Other areas of focus

During the summer DEMAG had three meetings to evaluate the drought in many parts of Alberta. Reports were made each time in the ABP Grass Routes weekly e-mail news.

AF staff discussed social license and the beef producer's responsibility to customers who purchase food products. Customer choices can drive producer practices but by understanding these dynamics the industry has more opportunity to grow the sector.

The council met with the Alberta Conservation Association (ACA) about their wildlife conservation program. They purchase habitat land and usually lease it back to the rancher. They typically don't compete in any property transaction with an interested landowner. ACA has an

ecological goods and services policy, but not one for paid hunting.

The council discussed producer acceptance of Ducks Unlimited (DU) programs with the organization. The main concern was having DU purchase farmland with substantial wetlands, putting on an easement to protect the wetlands and then reselling the remaining farmland for about 70 percent of the original value.

The Western Canadian Cow Calf Production Survey reviewed the 2014 calf crop year program. This was done across the western provinces as a way to identify management practices and benchmark production for the cow calf industry. Eighteen percent of females started calving in the first part of March, and another 18 percent in the second half of the month. Over 70 percent of respondents sold a portion of their calves at weaning. The complete report is available on line at <http://www.wbdc.sk.ca/wcccs.htm>.

John Bland is now on the Alberta Forages Industry Network (AFIN) board where research and development is a major focus of the group. Many AF research and development staff have left the department, leaving support for forages limited.

Cow-Calfenomics Meetings will continue with the AF one-day seminars for the cow calf sector. ABP is part of the program planning and the council provides financial support sponsorship of up to \$3,000 for students and young producers. ▼

Sincerely,

Tim Smith, Chair

- Brodie Haugan, Zone 1
- Jake Meyer, Zone 2
- John Bland, Zone 3
- Walt Suntjens, Zone 4
- Rose Wymenga, Zone 5
- Kelly Fraser, Zone 5
- Assar Grinde, Zone 6
- Ted Ford, Zone 7
- Brian Chomlak, Zone 8
- Norm Hennigar, Zone 9
- Rick Friesen, Board representative



HOWARD BEKKERING
CFC Chair

CFC REPORT

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. Although the past year has been a good one for cattle feeding margins, there certainly is no shortage of cattle feeding issues for the CFC to address and three of the key topics are highlighted in this report. The council has held three meetings this year, including one during the Semi-Annual General Meeting in June and one in August that featured a tour of the Alberta Field Crop Development Centre in Lacombe.

Role of Cattle Feeder Council

During the ABP Plan Review in 2014, there was careful consideration of the three sector councils that are established in the ABP by-laws. After consultation with producers, the ABP directors and delegates made the decision to eliminate the Cattle Industry Council in favour of creating a Cattle Industry Leaders Forum. However, they decided to retain the Cow Calf and Cattle Feeder Councils to ensure that the perspectives of these sectors would be included in the development of ABP policies and priorities.

The mandate of the Cattle Feeder Council is to provide recommendations to the ABP Board of Directors on policy and strategic direction. There are membership organizations that may be seen as providing representation for specific sectors of the industry and some cattle feeders question the need for the CFC. However, the CFC members believe that the council is a vital part

of ABP that provides effective representation, particularly for those cattle feeders who do not belong to one of the membership organizations. The council members see that the CFC makes ABP a more fully representative organization.

Farm and ranch safety

As noted in the Executive Director's report, the health and safety of farm and ranch workers in Alberta is a topic that continues to receive a considerable amount of attention and puts substantial pressure on the government. There are many people in the media and the Alberta legislature who see changes in legislation as a solution to this issue, and the NDP made a commitment during the election campaign to do just that. The agriculture industry strongly supports actions that will truly improve the health and safety of farm and ranch workers. However, we do not believe that widespread legislative changes and the imposition of onerous and inconsistently enforced regulations are the principal actions that will make farms and ranches safer work places.

The CFC, ABP, and our partners in the Intensive Livestock Working Group are committed to improved education and training for farm and ranch workers, as well as support for a provincial coordinating body for farm and ranch safety. We are prepared to accept the removal of the farm and ranch exemption from the Occupational Health and Safety Act provided the industry is given time to work with government to identify practical and achievable practices for agriculture that could be included in codes and regulations. We also support a requirement for farms and ranches to provide an appropriate level of baseline insurance coverage for employees, but we don't support mandatory WCB coverage for these workers.

Agricultural labour issues

Although the drop in oil prices has provided workforce relief for some Alberta feeding operations, the

agriculture and agri-food industry in Alberta and across Canada continues to face critical shortages of workers. Despite providing competitive wages and benefits, primary producers and processing plants simply are not able to find enough people willing to work where the cattle and beef industry in Canada needs them. Processing plants, feedlots and farms are missing business opportunities due to worker shortages and our ability to take advantage of market access gains is being severely limited. The changes to the Temporary Foreign Worker Program last year have adversely affected the labour situation for primary producers and had a significant detrimental impact on processing plants.

Our industry needs access to Canadian and foreign workers who are willing and able to work in the livestock production and processing sectors. Through the CFC, ABP is a member of the Agriculture Industry Labour Council-Alberta (AILCA), an organization of many commodity groups in the Alberta agriculture industry. ABP joins the other members of AILCA in supporting the recommendations of the National Agriculture and Agri-Food Workforce Action Plan that was developed by the Canadian Agriculture Human Resources Council. The CFC is providing sponsorship for the second Agriculture Labour Summit that the AILCA is presenting in Red Deer on October 20, 2015. ▼

Sincerely,

Howard Bekkering, Chair

- Garth Porteous, Zone 1
- Jimmy Nelson, Zone 2
- Bryan Thiessen, Zone 3
- Craig Ference, Zone 4
- Charlie Christie, Zone 5
- Cecil Anderson, Zone 6
- Ken Stanley, Zone 7
- Philip Amyotte, Zone 8
- John MacArthur, Zone 9
- Tim Sekura, Board representative

GOVERNANCE REPORT

The ABP Governance Committee is one of two oversight committees prescribed in the ABP by-laws and is responsible for guidance of the governance policies and practices of the organization. In this role, the committee reviews ABP corporate governance 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 could affect the governance provisions of the ABP Plan Regulation and ABP by-laws, as well as the policies and practices of the Board of Directors.

The Governance Committee is appointed by the ABP Board of Directors and currently consists of five members supported by the Executive Director. Four of the members have been appointed by the Board of Directors, Cow Calf Council, Cattle Feeder Council, and Cattle Industry Council, respectively. The fifth member is appointed by the committee and is an independent person from outside the organization, not directly involved as a delegate with ABP. With the elimination of the Cattle Industry Council, the Governance Committee will have only four members in future years. The Governance Committee has selected a non-delegate member and will make a recommendation to the board for a committee chair in October.

Over the past five years, the Governance Committee has completed a thorough review of ABP governance policies and practices, along with developing a number of important and useful governance documents. The committee has prepared 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 (AGM) in December 2013.

The major committee activities during 2014 were a review of the Governance Committee Charter with Maryann Urbanowski, of Marketing Council, and monitoring the development of the ABP Policy Manual that was completed on July 10, 2014. The committee also followed the progress of the ABP Plan Review to assess the impact of proposed changes to the governance of the organization. Finally, the committee reviewed the delegate and director expense guidelines and provided recommendations to the Board of Directors for changes in the honorarium rates.

The new committee members were appointed at the 2014 AGM, but the committee has been waiting for developments on the ABP Plan Review and the full review of ABP councils and committees that was conducted by the board. Now, most of the regulation amendments proposed by the delegates at the 2014 AGM have been prepared and approved. The by-law amendments were approved by the delegates during the 2015 Semi-Annual General Meeting. The board has established two strategic committees to deal with Environment and Wildlife, as well as acted on the advice of the ABP Beef Production Specialist to establish a Research Committee.

With the Plan Review work largely complete and the committee roles and membership very close to being developed, the Governance Committee can begin its two key tasks for the year. The committee will be reviewing the Plan Review decisions to ensure that our governance processes are consistent

with the requirements of our regulations and by-laws. The Governance Committee also needs to do a thorough analysis of the Means policies in the ABP Policy Manual. These are the policies that direct board governance, board-management delegation, and executive limitations. With the development of these Means policies and further travel along the ABP governance journey, we have been making changes in the roles and responsibilities of the Board of Directors and the ABP staff.

It is important to ensure that the changes underway at ABP are consistent with corporate governance practices that satisfy the Governance Committee. We also need to ensure that there is consistency among the ABP regulations and by-laws, the ABP Policy Manual, and the ABP Governance Manual. Reviewing these documents and ensuring governance consistency is clearly the type of oversight for which the Governance Committee was established. This work will be an important role for the committee and the committee must believe that the revised Governance Committee Charter will enable it to fulfill this role effectively.

Corporate governance was defined by the original committee chair as the framework of rules and practices by which a board of directors ensures accountability, fairness, and transparency in the organization's relationship with all stakeholders. Governance is a journey and ABP has made considerable progress on that journey over the past five years. The Governance Committee is committed to continuing to provide guidance for ABP along that journey. ▼

Regards,

John Buckley, Board representative
Rose Wymenga, Cow Calf Council
Dan Rosehill, Cattle Industry Council
Garth Porteous, Cattle Feeder Council
Shelley Morrison, Non-delegate member



BRIAN CHOMLAK
Audit Chair

AUDIT REPORT

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;
- One member appointed by the Cattle Industry 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 ABP Semi-Annual Meeting.

The members of the Audit Committee are dedicated to the beef industry in Alberta and have demonstrated that commitment through a willingness, not only to offer their time and hard work for the greater good of the industry, but more importantly, to offer it with enthusiasm and good humour. ▼

Regards,

Brian Chomlak, Chair, CCC

Cecilie Fleming, Board of Directors
Shelley Morrison, Independent
George L'Heureux, CIC
Jimmy Nelson, CFC



DARREN BEVANS
Research Chair

RESEARCH REPORT

The response to the ABP and ALMA partnership call for research proposals was extremely successful with 25 Letters of Intent (LOIs) received. Earlier this summer, the ABP Research Committee, along with other invited knowledgeable representatives evaluated those LOIs and requested 13 full proposals. The full proposals will undergo peer review and final funding decisions will be made in November.

This \$1 million targeted call focused on forage is a win for the beef industry, allowing for increased support of projects in a priority area that has seen chronic underinvestment in recent years. As always, we are working closely with funding organizations beyond ALMA, such as Saskatchewan Agriculture Development Fund, to reduce duplication, encourage collaboration and to leverage these forage research funds to the best of our ability.

The management committee of the Alberta Beef, Forage and Grazing Centre met in August to discuss initial strategy for operations of the Centre. This committee is comprised of two representatives each from Alberta Agriculture and Forestry, Agriculture and Agri-Food Canada, and ABP as signatories to the agreement. The ABP representatives are Rich Smith and Charlie Christie. At that meeting it was determined that a core group of “Research and Extension Team Leaders” will act as a coordinating body and liaison with the greater project team, which is everyone involved in research and extension who will be supporting the objectives of the Centre.

This core group will have met in late September to discuss implementation and alignment of research and extension activities that support the goals in the strategic plan, coordination of the larger project team, capacity needs, including allocation of ABP funding towards the initiative, how to include other stakeholder groups who aren't signatories on the agreement, and advisory board representation.

As a reminder, the strategic goals of the Centre are as follows, and tie in closely with the outcomes in the National Beef Research Strategy:

- Reduce winter feeding costs by 50%
- Reduce environmental footprint of the cowherd by 15%
- Improve cow efficiency by 15%
- Reduce backgrounding costs by 50%
- Improve late summer/fall pasture productivity by 30%
- Build and maintain research and extension capacity

Other research projects funded by ABP that are currently underway include:

- The second Beef Industry Science Cluster portfolio of projects with extra funding towards five specific projects under the Cluster:
 1. The effect of age of beef cattle on pain, as well as pain mitigation during routine management procedures
 2. How selecting for improved feed efficiency impacts maternal traits, as well as whether genomic tests can sort cattle into more uniform slaughter groups
 3. Enhance understanding of the causes of dark cutters
 4. Improve education for packing plants on effective food safety procedures that are practical and cost-effective
 5. Antimicrobial resistance in cattle, humans and the environment to macrolides, including any potential linkage of antimicrobial use in feedlot cattle to resistant bacteria in human clinical isolates
- The ongoing feed grains project, providing improved varieties of barley and triticale
- The types and potential risk factors of lameness in feedlots

- Improving grazing capacity through introduction of bloat free legumes into existing pasture stands
- Optimizing calving outcomes through more effective management of trace mineral supplementation
- The effect of supplemental protein in late gestation on cow and calf performance

Research capacity continues to be a concern. A large proportion of Agriculture and Agri-Food Canada scientists are eligible to retire within the next three years, and the situation is similar across the university system. ABP strongly advocates for the need to fill vacant and retiring research positions, ideally with a mentorship period for the incoming researcher. ABP also strategically invests in areas where capacity building or maintenance is an issue to stress that industry supports positions in key areas. While ABP no longer has the research funds available to create chair positions, supporting meritorious research projects submitted in priority areas sends the message that industry finds continued work in these areas valuable, and can help trigger renewed government investment.

ABP strongly believes in supporting research that improves the viability, competitiveness, and sustainability of the beef industry in Alberta and Canada. Substantial long-term investments in feed grain breeding (\$1.7 million over seven years) and the Beef Industry Science Clusters (\$1.2 million over nine years) demonstrates our commitment.

Don't forget to visit www.albertabeef.org/page/research for everything related to beef research. ▼

Darren Bevans, Chair
Howard Bekkering, Zone 1
Jimmy Nelson, Zone 2
Brian Edge, Zone 3
Tim Smith, Zone 4, CCC
Nanita Blomquist, Zone 5
Ralph Buhler, Zone 6
Colin Campbell, Zone 7
Lyndon Mansell, Zone 8
Mike Lutzak, Zone 8
Charlie Christie, CFC
Larry Delver, CIC

MARKETING & EDUCATION REPORT

June 2015 began a new two-year grant of the “Alberta Beef Famous Taste” marketing campaign. The funding, in large part, came from the Alberta Meat and Livestock Agency (ALMA) with CEO Gordon Cove’s team providing financial support, as well as the expertise necessary for effective consumer communication. Thank you ALMA for your help, your commitment to on-going funding supports ABP in building brand loyalty and reaching new markets.

The goals of the 2015 marketing campaign are a continuation of the successes achieved over the past three years, with the aim to continue to expand our consumer reach. This two-year funding cycle is driven by three key objectives: build new market opportunities with a focus on new Canadians and young urban foodies, educate consumers about beef consumption and production, and develop meaningful partnerships with influencer groups and organizations.

Metrics demonstrated ABP achieved its objectives with its television ad and Taste Express retail appearances in 2012, 2013 and 2014. Deciding to build on our strong foundation in 2015, our strategy to date has proven cost-effective and yet still meaningful in the current marketplace. By developing high-quality, long-lasting creative work in previous years ABP has been able to successfully re-use materials while staying relevant to the market.

The 2015 campaign used the following proven tactics to tell consumers the Alberta Beef Famous Taste story:

Television: From June - September thousands of consumers viewed the ABP TV ad and logo paired with the

cooking program “Best Recipes Ever” streaming on CBC satellite feeds like CBRT, and CBXT. Consumers also saw the ad featured on City TV’s Canadian Food Championships, as well as nationally on Food Network Canada.

Digital Ads: From June - September ABP had an online presence (recipes and visuals on stills) on CBC throughout Alberta. The ads also appeared online via Calgary Avenue Magazine, Avenue Weekender and Avenue Food & Drink e-newsletter. This same reach was delivered in mirror copy in the Edmonton area. Impressions for this tactic alone were documented in excess of four million viewers.

Tasting Events - Retail and PR appearances: From June to the time of publication of this report, our Famous Taste Express BBQ continued to appear across Alberta promoting our product to consumers wanting to enjoy local food. Save-On Foods has been a particularly active retail partner, supplying ABP with thousands of dollars’ worth of complimentary beef and grocery shopping coupons for beef products. ABP also partnered with Freson Bros. Grocery store events have been paired with an in-store labelling program to prompt consumers to select Alberta Beef over generic packaging. In 2015 the tour was expanded to include Northern Alberta.

Although our marketing campaign reaches the most consumers at one time in arguably in the most memorable way possible, there are other tactics we use to promote the Alberta Beef brand.

Social Media: while social media has been included in previous campaigns ABP added in a new content generation strategy to increase its social media presence and reach. This included building stronger relationships with food media and key influencers via a meals series and a video content series highlighting local chefs and the various methods they use to prepare Alberta Beef.

The Media and Influencer meals series is comprised of hosting a variety of meals with food and lifestyle writers communicating food preparation tactics and meal creation ideas for beef. The meal series was kicked off in June with Sip & Savour – an intimate dinner hosted at Our Daily Brett that featured contemporary beef dishes paired with locally produced whisky from Alberta’s own Highwood Distillers. The event received positive coverage on food blogs and extensive social media reach.

A video content series is being developed to share the story of Alberta Beef as a premium brand. To do so ABP is partnering with local restaurants, chefs and producers to share Alberta Beef’s story. Chefs from various food genres (Vietnamese, Korean, Italian and Canadian) will provide consumers with insights on how to prepare traditional and contemporary dishes with Alberta Beef. Videos will profile the many great ways Alberta Beef can be prepared to satisfy a variety of food palettes. Videos will be released quarterly over 2015 and 2016 and promoted through various social media platforms.

We are excited about the momentum and recognition this campaign has delivered to date and look forward to continuing to share Alberta Beef’s story with consumers as we move into 2016. ▼

COMMUNICATIONS REPORT

One of the results of the ABP Plan Review was a review of committee structure and while we no longer have a communications committee we still have plenty of communications initiatives to tell you about. The Plan Review was as much an internal review as it was an external one which brought on the decision to remove operational committees in favour of working groups that will come together on topics of importance at the time they are needed. A group was struck during the Plan Review process to review the role of delegates and it was obvious delegate engagement was a topic we need to focus on.

At the Semi-Annual in June a delegate engagement brainstorming session was held. The biggest message received leaving the session was that delegates feel out of the loop and uninformed. The idea that our delegates are our greatest assets can only be true if they are being utilized. If delegates don't feel confident in working on behalf of ABP and our industry then their role is not being fulfilled. Strong direction and action items came out of the session to develop a process for engagement that will foster two-way communication between producers, delegates, board members and the organization.

After reviewing the communications budget over the last year we have been able to make some beneficial additions to our communication initiatives. Along with the weekly update, delegates are receiving weekly media monitoring reports containing news articles from the week that provide insight into different views expressed on current events that impact our industry. Cost reductions to our quarterly printed newsletter have freed up some room in the budget for

monthly advertorial inserts that are now alternating between Alberta Beef Magazine and Alberta Farmer Express.

Part of 2015 was spent updating our crisis communications. A two-day simulated disease outbreak exercise took place in September with Alberta Agriculture and Forestry, and Karin Schmid, ABP Beef Production Specialist, acted as the liaison between the government and ABP. Prior to the exercise we attended multiple planning sessions with the government, Canadian Cattlemen's Association and Alberta Cattle Feeders' Association. These sessions provided us with insight as to where our plan needed to be strengthened. The most recent BSE case also gave us the opportunity to evaluate strengths and weaknesses on a smaller scale.

Our second year of Producer Day promotions with Canada Beef and the CFL took place this summer. Marketing and communications have handled this project and we had some exciting things planned for the pre-game activations this year. The Edmonton Producer Day football game took place on July 31 and the Alberta Beef Famous Taste Express showed up to tailgate with Eskimo's fans. The Calgary Producer Day game followed on August 1 and ABP had a promotional booth set up in the pre-game fan zone handing out beef jerky, recipes and the ever-popular Worried About Hormones brochure. A different beef producing family was introduced at each game and a video highlighting the industry prepared by Canada Beef was played for the football fans in attendance.

Every year we sponsor the Alberta Farm Writers' Association tour for agriculture media and communicators and this year Alberta hosted the national group, the Canadian Farm Writers' Federation. ABP increased our contribution for this year to receive stronger recognition with this important group of national media.

One of the tours offered to was focused on the beef industry and they spent some time at the Canadian Beef Centre of Excellence, CL Ranches and the University of Calgary's veterinarian school.

ABP is constantly working towards better communications with producers. Tell your neighbours, friends, relatives or someone sitting beside you at the coffee shop that they can sign up for our weekly news updates online at www.albertabeef.org/page/news/ or by contacting katelynl@albertabeef.org. Being on our email list means receiving your quarterly Grass Routes newsletter electronically, which saves money and resources. ABP is on twitter [@albertabeef](https://twitter.com/albertabeef). Our twitter account is connected to a strong community of ag-minded people who are continuously sharing information. You can also like our facebook page at www.facebook.com/ABBeefProducers and be sure to comment on and share our posts.

Cattle Country with Jim Fisher runs every Wednesday on radio stations all over the province. If you have something you would like to hear covered during these spots let us know and we'll do our best to incorporate it. As we head towards the New Year keep your eyes on your mailbox, post or electronic, for our latest issue of Grass Routes due out in January. ▼



JUDY FENTON
Environment Chair

ENVIRONMENT REPORT

The Environment Committee (EC) began the year by reviewing its Terms of Reference and policy files. This helped to bring the new members up-to-date within the committee. Their second task was to review the environment resolutions and decide on a strategy to move these files forward.

There was some discussion about the government's continuation with the regional plans. The North Saskatchewan Regional Plan was on hold, pending the provincial election. The resolutions sent to the EC from the board are all related to ecological services. CCA has been working on these therefore we are obtaining a report from Fawn Jackson prior to moving forward to save on duplication.

Last fall Robert George from the Alberta Environment and Parks Water Policy Branch discussed a water conservation policy for upstream oil and gas operations. He addressed the need to cease issuing licences to oil and gas companies for fresh water.

Fred Hays, ABP Policy Analyst, put together a report for the committee on private and public rangeland quality in the province. For June 2014 the province's rangeland was assessed at 67 percent healthy. By September 44 percent was graded good-to-excellent.

Dr. Anne Smith, AAFC Lethbridge, presented to the committee on remote sensing for pasture management that talked about rangeland health and vegetation index using satellites. Carole Bettac, Alberta Innovates Bio Solutions, addressed an

ecosystems services roadmap and market-based systems that show some opportunities for development. Dr. Marion Weber discussed ecosystems services support and development for agriculture. She wanted to initiate a study looking at cost-benefits of best management practices, and the risks of participating in ecosystems service markets.

The committee had a presentation from Shari Clare, U of Alberta, about creating incentives to restore drained wetlands. The project will target about 488 wetlands in the Nose Creek Watershed in Rocky View County and south of the City of Calgary. This study will help determine the monetary value of wetlands. The committee members stressed that landowners who have retained wetlands should not be penalized while those who have destroyed the wetlands benefit through restoration projects.

Dave Poulton, Poulton Environmental Strategies, discussed problems facing conservation offsets and explained biodiversity offsets. He spoke about offsetting in Alberta law and policy and the implications these have for landowners. A recent report dealing with "Biodiversity and Conservation Offsets: A Guide for Albertans" can be found at the University of Calgary website <http://cirl.ca/publications/occasional-papers>.

Cows & Fish held their Annual General Meeting on June 11, 2015. Peggy Strankman continued as President, and Judy Fenton and Fred Hays represented the EC members and staff, respectively. Doug Sawyer represented CCA under a MOU signed by the two groups. Cows and Fish is the lead in the delivery of the Rancher's Range Management Course.

Alberta Beef Producers presented Bar S Ranch and the Chattaway family with the 2015 Environmental Stewardship Award (ESA) at the AGM in December 2014. Clay Chattaway, along with his sons Morgan and Scott, operate the ranch located west of Nanton. The Bar S Ranch is a fourth generation cow calf yearling operation

with 20,000 acres of deeded and lease land. Clay's grandfather came to the area in 1900 and in 1919 he bought a good part of what's known as the Bar S today. Rotational grazing plays a large role in the grazing system: cattle are typically moved every three to four days. Usually cattle can graze year round with only a couple weeks of feeding before calving time, using as little hay as possible.

Their stewardship goal is to leave the land in better shape than it was received through proper management that aims to improve their grass and cattle while supporting healthy water streams.

The ESA judging team started touring the nominees operations at the beginning of September. Range management, riparian areas and water management, animal welfare and community involvement are a few of the areas taken into consideration during the evaluation process. Every year the decision is a difficult one for the judging team with consistently strong nominees and this year certainly was no different. The winners of the 2016 ESA will be announced at ABP's AGM this December in Calgary. The ESA highlight video focuses on the importance of the environment to beef producers in Alberta. The video is available to use at zone events through the ABP office or your zone director.

The environment is a very important topic for all of agriculture and ABP needs be involved on the many issues that may impact our industry. The Environment Committee continues to work for the betterment of the industry for beef producers. ▼

Regards,

Judy Fenton, Chair

- John de Groot, Zone 1
- Bob Lowe, Zone 2
- Chris Israelson, Zone 3
- Greg Bowie, Zone 6
- Gary Seutter, Zone 6
- Les Grier, Zone 8
- Ron Wieler, Zone 9

ANIMAL HEALTH & WELFARE REPORT

With dry conditions in many parts of the province, and other areas where precipitation arrived too late, feed supplies may be tight for some producers this winter. It is important to ensure that you have enough feed to keep your cows in a body condition score (BCS) of at least 2.5 through the winter. Keeping this level of condition will help to ensure that the cows cycle and rebreed successfully after calving. For more information visit www.bodyconditionscoring.ca - if you don't have high speed Internet, all of the website content is available on USB by contacting the ABP office.

Alternative feed sources will be important throughout the winter, and many of these are available at lower prices than hay is currently. Don't be afraid to use some of these alternative sources, but make sure to consult your veterinarian or nutritionist to make sure that the alternative feeds you choose will meet your cows' nutritional requirements over the winter. Avoid pellet screenings in the event of ergot contamination.

If you do have concerns about animal welfare in the coming months, the Alberta Farm Animal Care (AFAC) ALERT line is a confidential reporting system that is available. Phone 1-800-506-2273 to report livestock care concerns.

Down, diseased, dying or dead. If you have an animal in one of those categories, or that is displaying neurological symptoms, please consider getting it BSE tested. Maintaining a strong surveillance system is key to sustain trading relationships with many countries. As application for negligible risk status is now delayed until 2020, it becomes even more important to demonstrate a commitment to ongoing

surveillance. The veterinarian's visit is covered, and there is a \$75 payment to aid with disposal costs. For more information visit <http://www1.agric.gov.ab.ca/general/progserv.nsf/all/pgmsrv187>.

We continue to work with Alberta Environment and Parks doing surveillance, movement and population monitoring of the bison outside of Wood Buffalo National Park, and will be working with the provincial and federal governments on a long term strategy to mitigate the potential disease risk posed by some of those animals. Although progress on this file seems very slow at times, it is being and will continue to be made.

One of the items brought up during the industry roundtable meeting on compromised and unfit animals led by AFAC earlier this year was the lack of readily available information on other options. Information on the ABP website about on-farm emergency slaughter can be found at <http://www.albertabeef.org/page/cattle-practices> under the heading "Should I transport this animal?" This section also has a decision tree to help make transport decisions.

Emergency preparedness is an important topic, but one that unfortunately often gets overlooked. Do you have a contingency plan for emergencies you may experience on your operation? There is a simple brochure to help producers get prepared for emergencies on the ABP website at <http://www.albertabeef.org/uploads/CPPreparedness-156.pdf>.

As an organization ABP has reviewed and revised its emergency communications plan and participated in an Agriculture and Forestry led disease outbreak scenario in September. AFAC is also hosting a crisis communications workshop that ABP staff will be attending in October.

There has not been a lot of movement on the Veterinary Drug Directorate (VDD) proposals around oversight

of own-use importation of veterinary drugs and active pharmaceutical ingredients, and increased veterinary oversight on the prudent use of medically important antimicrobial drugs in livestock feed and water, likely due to the upcoming federal election. ABP will continue to engage with CCA and the VDD as these discussions pick up again after the election.

Effective January 1, 2016 certain requirements in the Code of Practice regarding the use of pain control during castration and dehorning take effect.

- **Castration** – Use pain control, in consultation with your veterinarian, when castrating bulls older than nine months of age
- **Dehorning** – Use pain control, in consultation with your veterinarian to mitigate pain associated with dehorning calves after horn bud attachment.

These and other animal health and welfare issues will continue to be high priorities for ABP in the future. ▼



COLIN CAMPBELL
Wildlife Chair

WILDLIFE REPORT

During the past three years, a Wildlife Working Group (WWG) designated by the Board of Directors handled issues dealing with wildlife. Once major issues were completed the WWG was to be disbanded. However, the board felt continuing wildlife issues were the norm. After the review of ABP's committees and councils a Wildlife Committee (WC) was formed in the spring 2015 with Terms of Reference.

The Wildlife Committee's objectives include using the Miistakis report to help develop a policy position on dealing with wildlife impacts, developing rapport with provincial government officials, and developing a wildlife communication plan.

Alberta Game Management Advisory Group (AGMAG) is an industry-government advisory group meant to engage game-resource stakeholders in a collaborative process to inform the development of game management policies and legislation through:

- Knowledge transfer on key game management issues
- Eliciting perspectives and proposed solutions
- Facilitating the development of a shared vision for game management

Rick McKnight is the representative to this group and Colin Campbell is an alternate. Last year livestock losses from coyotes continued to be a regional issue; this was also seen in the Miistakis report. In 2012, AGMAG presented a submission to have coyotes placed on the wildlife predator list. This had not been accepted and it will be taken up with them again. The

December 2014 meeting was in conflict with the ABP AGM and there was direction to have this changed. A June meeting was planned but then postponed because of the election.

The Endangered Species Conservation Committee is a government committee that deals with impacts and management of endangered plant and animal species. Species-at-risk legislation is developed and this can impact the agriculture industry. Gordon Graves is the representative and Brad Osadczuk the alternate.

Cecil Anderson is the ABP representative on the Predator Compensation/Shot Livestock Group. Gordon Graves and Rick McKnight sit on the ABP Cow Calf Council Safety-net Subcommittee.

Impact of Wildlife Survey: How agriculture contributes to wildlife study was to determine the impact of wildlife to agriculture was presented last year by the Miistakis Institute and preliminary information was released in September 2014. In February a 10-page summary was prepared, and the final report and summary were presented in May 2015. Information about the report was sent to a multitude of interested parties with access to it online. The WC met in June and July to prepare an operational plan to use the report to help advance ABP wildlife objectives.

In December 2014 the then Wildlife Working Group submitted a response to a consultant prepared survey on wildlife regulations for the Fish and Wildlife Policy Branch of the provincial government. This included a review of hunting and trapping licences, possession of wildlife and their parts, permits for importation, exportation and sale of wildlife, commercial wildlife activities, and establishing wildlife sanctuaries.

A cow calf producer had prepared a resolution through the Alberta Association of Municipal Districts and Counties against the discharge of firearms along or across undeveloped road allowances without permission. This was supported and areas were

defined that could be hunted beside roads on private property. Hunting outside road allowances without landowner permission is clearly defined as trespassing in the Petty Trespass Act.

Producers continue to provide a land base for hunting. However, the legal process prohibits farmers from charging for hunting on their property. The WC continues to push for changes to the legislation by exploring this as an Ecological Service.

Ranchers continue to have losses to crops and pastures with increased costs of fence repairs due to wildlife. During the committee assessment the WC will address compensation programs (those not having a premium component) and the Cow Calf Council will address insurance risk protection. The WC continues to explore with AFSC the possibility of a bale and swath grazing wildlife damage compensation program. ▼

Resolution Review

1. "... that ABP lobby the Government of Alberta so that losses to stored livestock cattle feed by wildlife be assessed and paid according to crop adjuster advice and funded by the province of Alberta." The lobbying process has been ongoing: this was considered completed.
2. A number of additional action items dealing with migratory bird management, power plant damage, AFSC/ACA plans and strategies dealing with stored feed losses; which staff to deal with at AFSC involving regulation or process changes have been completed.
3. Determining the Fish and Wildlife department's problem areas, how threshold levels are set current counts in problem areas, and the process to obtain seasonal permits for number control is in progress.

Colin Campbell, Chair

- Brad Osadczuk, Zone 1
- John Buckley, Zone 3
- Cecil Anderson, Zone 4
- Rick McKnight, Zone 7
- Gordon Graves, Zone 8
- Norman Hennigar, Zone 9

ABP OPERATIONS BUDGET FOR 2015-16

Alberta Beef Producers

Operations Budget for the year ending March 31, 2016

With comparisons to the actual expenses for the year ending March 31, 2015

	Budget March 31, 2016	Actual March 31, 2015
National Policy and Trade Advocacy Programs:		
Canadian Cattlemen's Association	\$ 1,451,100	\$ 1,446,325
U.S. and International Trade Management	35,000	33,779
Enhanced Federal Lobbying	35,000	25,270
National Governance and Oversight	35,000	37,909
Organizational Expenses:		
Board of Directors and board appointed representatives	133,000	127,587
Annual General Meeting	115,000	114,809
Fall producer meetings & resolutions policy development	100,000	95,386
Zone Committees	70,000	58,476
Semi-annual Meeting	72,000	71,400
Executive Committee	60,000	60,197
Annual Report	55,000	50,878
Audit Committee	2,000	144
Governance Committee	2,000	4,170
Operational Expenses:		
Salaries and benefits, related to priority areas	554,000	527,272
Marketing and Education	315,000	88,684
Communications	256,000	222,636
Industry Partnerships	178,000	132,557
Feed Grain Research Project	100,000	100,000
BCRC Science Cluster	100,000	100,000
Projects Reserve Fund	90,000	93,500
Research	68,800	63,348
Environment	55,000	45,975
Canfax Membership and Services	53,400	53,400
Provincial Advocacy	50,000	15,137
Sponsorships	30,000	13,090
Cattle Feeder Council	30,000	24,628
Industry Collaborations	25,000	-
Animal Health and Welfare	18,000	18,730
Cow Calf Council	18,000	16,007
Wildlife	18,000	10,656
Cattle Industry Council	5,000	394
Administrative Expenses:		
Rent, office supplies and equipment	400,000	370,051
Salaries and benefits	326,000	292,190
Plan Review	-	136,919
Legal, audit, and consulting	50,000	57,400
	4,905,300	4,508,902
Non Cash expense		
Amortization of furniture and equipment	20,000	18,523
Total operational budget	4,925,300	\$ 4,527,425
Capital asset budget	9,700	
	\$ 4,935,000	

ABP REFUND REPORT

Refund Report

Refund Period Ending	Number of refund requests	Number of marketings refunded	Net Amount Refunded	Refunded to Cow Calf # requests	Amount Refunded to Cow Calf	Refunded to Feedlots # requests	Amount Refunded to Feedlots
Dec-14	488	662,946	\$ 1,294,803	321	\$ 154,287	167	\$ 1,140,516
Jun-14	442	639,849	\$ 1,246,736	278	\$ 169,031	164	\$ 1,077,704
Dec-13	491	624,396	\$ 1,217,511	333	\$ 170,579	158	\$ 1,046,932
Jun-13	432	615,941	\$ 1,204,360	261	\$ 154,713	171	\$ 1,049,647
Dec-12	532	547,308	\$ 1,061,740	365	\$ 152,581	167	\$ 909,159
Jun-12	407	569,901	\$ 1,109,397	241	\$ 114,327	166	\$ 995,070
Dec-11	572	599,038	\$ 1,173,105	381	\$ 157,468	191	\$ 1,015,637
Jun-11	414	516,204	\$ 1,008,705	242	\$ 113,333	172	\$ 895,372
Dec-10	647	584,075	\$ 1,586,156	473	\$ 304,054	174	\$ 1,282,102
Jun-10	396	364,789	\$ 1,042,110	244	\$ 169,126	152	\$ 872,984
	4,821	5,724,447	\$ 11,944,622	3,139	\$ 1,659,499	1,682	\$ 10,285,123

Percentage of refunds allocated

14%

86%

Note: While there have been a total of 4,822 refund requests since the refund process was implemented, these requests have come from approximately 1,973 producers. Many producers have made refund requests in more than one refund period.

Refund Rates

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

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



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June 9, 2015

INDEPENDENT AUDITOR'S REPORT

Edmonton, Alberta

To the Directors and Delegates of Alberta Beef Producers

We have audited the accompanying financial statements of Alberta Beef Producers, which comprise the statement of financial position as at March 31, 2015 and the statements of operations, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Alberta Beef Producers as at March 31, 2015 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.

Kingston Ross Pasnak LLP
Chartered Accountants

ABP STATEMENT OF OPERATIONS

ALBERTA BEEF PRODUCERS

Statement of Operations

For the Year Ended March 31, 2015

	2015	2014
REVENUE		
Alberta service charge and levy revenue (Note 2)	\$ 11,107,741	\$ 10,814,716
Less dealer rebate	(182,146)	(185,924)
Less Alberta service charge refunded	(2,541,538)	(2,421,871)
Interprovincial marketings (Note 2)	133,563	142,949
	<u>8,517,620</u>	<u>8,349,870</u>
Canadian Beef Cattle Research, Market Development and Promotion Agency (Note 9)		
Canada Beef	2,914,334	2,974,782
Beef Cattle Research Council	728,584	743,695
	<u>3,642,918</u>	<u>3,718,477</u>
Excess of revenue over expenses before the undernoted	4,874,702	4,631,393
OTHER REVENUE		
Grants (Note 8)	615,883	408,011
Interest and other income (Note 4)	247,375	250,575
Producer Loyalty Partnership Program	10,000	10,000
Economic Impact of Wildlife study	-	13,426
	<u>873,258</u>	<u>682,012</u>
OTHER EXPENSES		
Grants (Note 8)	613,835	408,011
CCA legal assessment (Note 9)	297,458	318,633
ABP matching funds for Marketing Campaign	259,338	271,119
Conditionally approved projects, prior year	-	154,520
Economic Impact of Wildlife Study	-	13,426
Research commitments, prior year	-	300,000
	<u>1,170,631</u>	<u>1,465,709</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OPERATING EXPENSES	<u>4,577,329</u>	<u>3,847,696</u>
OTHER EXPENSES		
Operating Expenses (Schedule 1)	4,508,902	4,573,004
Amortization of furniture and equipment (Note 6)	18,523	29,092
	<u>4,527,425</u>	<u>4,602,096</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ 49,904</u>	<u>\$ (754,400)</u>

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS

Statement of Changes in Net Assets

Year Ended March 31, 2015

	Trade Advocacy Reserve (Note 3)	Operating Reserve Following year (Note 3)	Operating Reserve Future years (Note 3)	Condition- ally Restricted Reserve (Note 3)	Project Reserve Fund (Note 3)	Invested in Furniture and Equipment	Un- restricted	2015 Total	2014 Total
NET ASSETS - BEGINNING OF YEAR	\$ 4,181,367	\$ 5,011,000	\$ 1,309,800	\$ 5,000	\$ 366,650	\$ 75,450	\$ 2,300,647	\$ 13,249,914	\$ 14,004,314
Transferred to current year operations	-	(5,011,000)	-	-	-	-	5,011,000	-	-
Internally restricted for following year operations	-	4,925,000	-	-	-	-	(4,925,000)	-	-
Internally restricted transfers	463,821	-	190,200	(5,000)	195,000	-	(844,021)	-	-
(Deficiency) excess of revenue over expenses	(145,188)	-	-	-	(271,650)	(18,523)	485,265	49,904	(754,400)
Invested in furniture and equipment	-	-	-	-	-	5,103	(5,103)	-	-
NET ASSETS - END OF YEAR	\$ 4,500,000	\$ 4,925,000	\$ 1,500,000	\$ -	\$ 290,000	\$ 62,030	\$ 2,022,788	\$ 13,299,818	\$ 13,249,914

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS
Statement of Financial Position
March 31, 2015

	2015	2014
ASSETS		
CURRENT		
Cash	\$ 1,446,976	\$ 1,736,833
Restricted cash	290,000	371,650
Operating Reserve Fund, Following year (Note 3)	4,925,000	5,011,000
Investments (Note 4)	7,356,083	7,204,842
Service charge receivable	994,876	1,297,832
Interest and other receivables	216,105	193,836
Goods and Services Tax recoverable	16,632	21,977
Prepaid expenses	68,496	119,601
Inventory (Note 5)	6,817	8,762
	15,320,985	15,966,333
OPERATING RESERVE FUND, Future years (Note 3)	1,500,000	1,309,800
FURNITURE AND EQUIPMENT (Note 6)	62,030	75,450
	\$ 16,883,015	\$ 17,351,583
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 1,870,246	\$ 1,902,237
Alberta marketings held in trust	1,628,546	1,807,262
Deferred revenue (Note 7)	84,405	392,170
	3,583,197	4,101,669
COMMITMENTS (Note 10)		
TRADE ADVOCACY RESERVE FUND (Note 3)	4,500,000	4,181,367
OPERATING RESERVE FUND, Following year (Note 3)	4,925,000	5,011,000
OPERATING RESERVE FUND, Future years (Note 3)	1,500,000	1,309,800
CONDITIONALLY RESTRICTED RESERVE FUND (Note 3)	-	5,000
LONG-TERM PROJECTS (Note 3)	290,000	366,650
INVESTED IN FURNITURE AND EQUIPMENT	62,030	75,450
UNRESTRICTED	2,022,788	2,300,647
	13,299,818	13,249,914
	\$ 16,883,015	\$ 17,351,583

ON BEHALF OF THE BOARD

 Director
 Director

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS

Statement of Cash Flow

Year Ended March 31, 2015

	2015	2014
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 49,904	\$ (754,400)
Items not affecting cash:		
Amortization of furniture and equipment	18,523	29,092
Loss on disposal of furniture and equipment	-	17,147
Change in unrealized gain on investments held at year end	(57,713)	(4,822)
	10,714	(712,983)
Changes in non-cash working capital:		
Service charge receivable	302,956	(132,728)
Interest and other receivables	(22,269)	(65,432)
Prepaid expenses	51,105	(51,987)
Inventory	1,945	(2,132)
Goods and Services Tax payable	5,345	(34,178)
Accounts payable and accrued liabilities	(31,992)	663,008
Alberta marketings held in trust	(178,716)	341,764
Deferred revenue	(307,765)	240,391
	(179,391)	958,706
Cash flow (used by) from operating activities	(168,677)	245,723
INVESTING ACTIVITIES		
Purchase of investments	(2,582,078)	(2,304,674)
Proceeds from sale of investments	2,488,551	2,203,777
Purchase of furniture and equipment	(5,103)	(60,351)
Cash flow used by investing activities	(98,630)	(161,248)
(DECREASE) INCREASE IN CASH FLOW	(267,307)	84,475
CASH - BEGINNING OF YEAR	8,429,283	8,344,808
CASH - END OF YEAR	\$ 8,161,976	\$ 8,429,283
CASH CONSISTS OF:		
Cash	\$ 1,446,976	\$ 1,736,833
Restricted Cash	290,000	371,650
OPERATING RESERVE FUND, Following year	4,925,000	5,011,000
OPERATING RESERVE FUND, Future years	1,500,000	1,309,800
	\$ 8,161,976	\$ 8,429,283

Cash included in the operating bank account bears interest at prime less 2% per annum.

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS Notes to Financial Statements Year Ended March 31, 2015

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 November 30, 2010, ABP is authorized under its Plan Regulation and Commission Regulation to collect a \$2.00 refundable Alberta service charge and a \$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").

Since April 1, 2000, \$1.00 (the "National Levy") of the per head service charge collected has been paid to the Canadian Beef Cattle Research, Marketing Development and Promotion 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 July 1, 2011, the ABP Board of Directors allocate the National Levy as follows: \$0.80 to Canada Beef (CB) and \$0.20 to Beef Cattle Research Council (BCRC).

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.

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.

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.

(continues)

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS

Notes to Financial Statements

Year Ended March 31, 2015

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

Budgeting process

The net revenue 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 will enable 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 \$1.00 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 \$3.00 Federal Levy and not the Alberta Service Charge and Levy. The \$3.00 Federal Levy is collected by ABP on behalf of the 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.

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	3-4 years
Audio-visual equipment	5 years

(continues)

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS

Notes to Financial Statements

Year Ended March 31, 2015

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

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 private enterprises 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 and collectability of accounts receivable.

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 salaries expenses to Council, Committee Staff and Project expenses in Priority Areas and to Office, legal and financial administration (Note 13).

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 2015, the transactions in the fund consisted of expenses of \$145,188 incurred (2014 - \$318,833) and a transfer from the Unrestricted Fund in the amount of \$463,821 (2014 - \$nil).

	Withdrawal	Transfer	2015	2014
Balance, beginning of year	\$ -	\$ -	\$ 4,181,367	\$ 4,500,000
Payment of CCA legal assessment	(145,188)	-	(145,188)	(318,633)
Motion to transfer funds into fund	-	463,821	463,821	-
	\$ (145,188)	\$ 463,821	\$ 4,500,000	\$ 4,181,367

(continues)

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS

Notes to Financial Statements

Year Ended March 31, 2015

3. INTERNALLY RESTRICTED NET ASSETS *(continued)*

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.

	2015	2014
Balance, beginning of year	\$ 5,011,000	\$ 5,170,000
Transferred from the fund for operations in current year	(5,011,000)	(5,170,000)
Allocation from the current year to the following year's operations budget	4,925,000	5,011,000
	\$ 4,925,000	\$ 5,011,000

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 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.

	2015	2014
Balance, beginning of year	\$ 1,309,800	\$ 1,375,000
Motion to transfer funds out of fund	190,200	(65,200)
	\$ 1,500,000	\$ 1,309,800

The operating reserve fund is held in investments (Note 4).

Conditionally Restricted Reserve Fund

In 2012, the Board of Directors passed a motion to establish a conditionally restricted reserve fund. When the board passes a motion to fund a project where certain conditions must be met, the funds will be placed in this fund until the conditions are satisfied. If the conditions are not satisfied the funding will return to the unrestricted net asset fund.

	2015	2014
Balance, beginning of year	\$ 5,000	\$ 154,520
Motion to transfer funds out of fund	(5,000)	(149,520)
	\$ -	\$ 5,000

(continues)

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS

Notes to Financial Statements

Year Ended March 31, 2015

3. INTERNALLY RESTRICTED NET ASSETS *(continued)*

Project Reserve Fund

In 2007, the Board of Directors established a project reserve fund for the purpose of segregating all multi year commitments. The Board established a policy that the full value of long-term commitments would be removed from the current year budget and placed in this fund. This policy was modified in 2013 and modified again in 2014. Now, the policy on long-term projects is when all the funding for a long-term project is available in a current budget year, this funding will be moved to the Project Reserve Fund (for long-term projects), but when all the funding is not available in a current budget year, the ABP Board of Directors may make long-term project commitments on a year to year basis subject to the availability of funding in future years.

	2015	2014
Balance, beginning of year	\$ 366,650	\$ 680,300
Current year research obligations expensed	-	(300,000)
Current year marketing campaign obligations expensed	(271,650)	(271,650)
Current year commitments	195,000	258,000
	\$ 290,000	\$ 366,650
Consists of:		
Current commitments	\$ 290,000	
Long term commitments	-	
	\$ 290,000	

Comprised of:

Research projects

As of March 2014 the Board of Directors had allocated \$95,000 to various research projects over the next two years

\$ 95,000

Board of Directors

The Board of Directors passed a motion to support any shortfall up to \$10,000 that may arise on the "Economic Impact of Wildlife Study" as a result of less municipality funding received than was anticipated

\$ 10,000

Marketing and Education Committee

Balance, beginning of year

\$ 271,650

Alberta Beef: Famous Taste Campaign

(271,650)

Recognized in 2015

Addition in 2015

185,000

\$ 185,000

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS Notes to Financial Statements Year Ended March 31, 2015

4. INVESTMENTS

	2015	2015	2014	2014
	Cost	Fair Value	Cost	Fair Value
Bonds:				
Provincial government, bearing yield rates ranging from 1.52% to 4.76%, due between June 2015 and January 2018	\$ 7,135,348	\$ 7,356,083	\$ 7,041,821	\$ 7,204,842

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:

	2015	2014
Interest on investments	\$ 93,866	\$ 101,027
Change in unrealized gain in investments held at year end	57,713	4,822
	151,579	105,849
Interest on bank balance	82,202	89,778
Other income	13,594	54,948
	\$ 247,375	\$ 250,575

5. INVENTORY

	2015	2014
Inventory consists of the following:		
Promotional items	\$ 6,817	\$ 8,762

During the year ended March 31, 2015, ABP expensed \$18,983 (2014 - \$8,121) of its inventory in the regular course of operations and had no inventory write-downs.

6. FURNITURE AND EQUIPMENT

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Furniture and fixtures	\$ 103,303	\$ 62,423	\$ 40,880	\$ 50,251
Computer equipment	28,599	15,188	13,411	15,250
Audio-visual equipment	11,056	3,317	7,739	9,949
	\$ 142,958	\$ 80,928	\$ 62,030	\$ 75,450

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS Notes to Financial Statements Year Ended March 31, 2015

7. DEFERRED REVENUE

	Opening	Additions	Recognition of Revenue	2015	2014
AMR Diagnostic Panel Grant	\$ -	\$ 134,910	\$ (88,317)	\$ 46,593	\$ -
Environment Grant	68,444	-	(33,908)	34,536	68,444
AHI Investigation summary and producer education information program (1)	3,276	-	-	3,276	3,276
Alberta Beef: Famous Taste Campaign	201,850	50,300	(252,150)	-	201,850
Technological Communications Grant	81,000	9,000	(90,000)	-	81,000
Body Condition Scoring Grant	37,600	14,114	(51,714)	-	37,600
Wood Buffalo Bio Security Grant	-	99,794	(99,794)	-	-
	\$ 392,170	\$ 308,118	\$ (615,883)	\$ 84,405	\$ 392,170

(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.

8. GRANTS

	2015	2014
Alberta Beef: Famous Taste Campaign	\$ 250,102	\$ 252,150
Wood Buffalo Bio Security Grant	99,794	68,181
Technological Communications Grant	90,000	-
AMR Diagnostic Panel Grant	88,317	-
Body Condition Scoring Grant	51,714	12,400
Environment Grant	33,908	45,280
Business Management and Assessment Grant	-	30,000
	\$ 613,835	\$ 408,011

Alberta Beef: Famous Taste Campaign

In 2012, Alberta Livestock and Meat Agency (ALMA) provided ABP with a grant for \$866,175 to assist with costs related to a marketing campaign executed in the 2012-2013 year. A balance of \$866,175 was recognized as revenue in 2013 which agrees to eligible expenses incurred. In 2014, ALMA provided ABP with a \$504,300 grant to implement Phase II of this campaign over a two year period. A balance of \$252,150 was recognized as revenue which agrees to eligible expenses incurred. In 2015, the remaining \$252,150 was recognized as revenue and \$250,102 was recognized as eligible expenses incurred.

(continues)

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS

Notes to Financial Statements

Year Ended March 31, 2015

8. GRANTS *(continued)*

Wood Buffalo Bio Security 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. A balance of \$109,064 was recognized as revenue in 2013, which agrees to eligible expenses incurred. In 2014, Growing Forward 2 provided ABP with a second grant of \$425,450 to continue work on this project. A balance of \$68,181 was recognized as revenue which agrees to eligible expenses incurred. In 2015, the balance of \$99,794 was recognized as revenue which agrees to the eligible expenses incurred.

Technological Communications Grant

In 2015 Alberta Livestock and Meat Agency provided ABP with a \$90,000 grant for the purpose of providing an educational digital asset for youth. The balance of \$90,000 was recognized in 2015 as revenue and agree to eligible expenses incurred.

AMR Diagnostic Panel

In 2015, ALMA provided ABP with a \$149,900 grant for the purpose of providing a tool to measure antibiotic resistance in the field. A balance of \$88,317 was recognized as revenue in 2015 which agreed to eligible expenses incurred.

Body Condition Scoring Grant

In 2014 Growing Forward 2 provided ABP with a \$112,500 grant for the purpose of educating producers about body condition scoring. A balance of \$12,400 was recognized as revenue in 2014 and agreed to eligible expenses incurred. In 2015, a balance of \$51,714 was recognized as revenue and agreed to eligible expenses incurred.

Environment Grant

In 2012 ABP received a grant from Alberta Agriculture and Rural Development (ARD) for an Overwintering Sites project. A balance of \$33,908 was recognized as revenue in 2015 (2014 - \$45,280), which agrees to eligible expenses incurred.

Marketing Grant

Subsequent to year end, the Marketing and Education Committee received funds from ALMA in the amount of \$338,625 for us in a provincial wide marketing campaign entitled "Alberta Beef Community Engagement Campaign".

Research Grant

Subsequent to year end, ALMA and ABP signed a contract where ALMA is providing \$950,000 to execute a call for research proposals in the area of forage.

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS

Notes to Financial Statements

Year Ended March 31, 2015

9. RELATED PARTY TRANSACTIONS

National Organizations:

The Alberta Beef Producers Plan provides for ABP to become a provincial member of and to 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 Cattle Research, Market Development and Promotion Agency (the "Agency"), operating as Canada Beef. As a contributing organization, ABP is entitled to representation as follows:

a) Canada Beef

Alberta is entitled to two of sixteen seats on the Board of Directors of Canada Beef and by agreement, these seats are divided between ABP and the Alberta Cattle Feeders' Association.

b) Beef Cattle Research Council

A number of representatives to the Beef Cattle Research Council based on its proportionate share of total funding. For the year ending March 31, 2015 ABP was entitled to four of the eleven seats.

3. Payments

	2015	2014
CCA Monthly Assessments		
Payments	\$ 1,431,153	\$ 1,400,000
Payable at year-end	88,144	72,972
	\$ 1,519,297	\$ 1,472,972
CCA, Other		
CCA Legal Assessment	\$ 297,458	\$ 318,633
Sponsorship of Young Cattlemen's Council	1,000	3,000
Canadian Round Table for Sustainable Beef Membership	1,500	1,500
Research project funding, BCRC	152,500	152,500
Sustainable Beef Project	10,000	-
	\$ 462,458	\$ 475,633

(continues)

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS

Notes to Financial Statements

Year Ended March 31, 2015

9. RELATED PARTY TRANSACTIONS *(continued)*

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

	2015	2014
Sponsorship of Canada Beef Forum	\$ -	\$ 1,000
Payments to Canfax, a division of CCA:		
Membership and services	\$ 53,400	\$ 53,400
Communications Committee, services	10,200	10,200
Research projects	12,000	1,100
	\$ 75,600	\$ 64,700

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.

Amounts payable at March 31, 2015 to the following:

Canadian Beef Cattle Research, Market Development and Promotion Agency	\$ 1,311,936	\$ 1,305,807
Canadian Cattlemen's Association Legal Assessment	152,270	-
Canadian Cattlemen's Association Monthly Assessment	88,145	72,972
Canadian Cattlemen's Association - Operations	422	710
	\$ 1,552,773	\$ 1,379,489

Amounts receivable at March 31, 2015 to the following:

Canadian Beef Cattle Research, Market Development	\$ 87,765	\$ 87,584
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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 Cattle Research, Market Development and Promotion Agency includes the monthly collection of the National Levy and the province of origin amounts.

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS

Notes to Financial Statements

Year Ended March 31, 2015

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:

2016	\$	148,959
2017		148,959
2018		155,607
2019		145,076
2020		145,076
Thereafter		<u>645,858</u>
	\$	<u>1,389,535</u>

Funding of research projects:

Funding of research projects is contingent upon researchers meeting certain criteria prior to payments being advanced. The obligations for payments are only recorded in the financial statements when such criteria have been met. If the researchers meet such criteria for all projects outstanding as at March 31, 2015 the additional charges will be \$290,000 (2014 - \$366,650).

In 2013, a \$500,000 funding agreement has been signed payable to BCRC to continue the National Science Cluster Projects and will be funded out of retained funds over five years commencing in 2014. In 2015, one payment was made for \$100,000 and a balance of \$300,000 remains.

In 2013, an agreement was made to continue funding the Feed Grain Research Project in the amount of \$200,000. This project will be funded out of future retained funds in 2014 and 2015. In 2015, the final payment was made for \$100,000.

In 2013, a \$200,000 agreement was signed with BCRC to fund various research projects over four years. A balance of \$52,500 was expensed in 2015 (2014 - \$52,500). During 2015, the Board of Directors passed a motion to transfer the balance of the funding (\$42,500) for this project into the long term project reserve fund to be paid as follows:

\$25,000 upon progress report year four being approved;
\$17,500 upon final report being approved.

Balance of these research commitments \$300,000 (2014 - \$500,000).

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS

Notes to Financial Statements

Year Ended March 31, 2015

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:

	2015	2014
Board of Directors and Board Representatives	\$ 103,099	\$ 115,529
Annual General Meeting	62,864	60,510
Executive Committee	58,116	56,883
Semi-annual Meeting	38,048	36,850
Enhanced Federal Lobbying	22,169	31,709
Canadian Cattlemen's Association	21,440	14,962
U.S. and International Trade Management	19,756	23,601
Environment Committee	18,854	19,411
Animal Health and Welfare Working Group	15,279	16,337
Fall producer meetings and Resolution Policy Development	12,722	6,806
Canadian Beef Cattle Research, Market Development and Promotion Agency	11,820	4,519
Cow Calf Council	11,632	6,189
Zone Committees	10,676	17,407
Marketing and Education Committee	9,350	14,742
Cattle Feeder Council	9,266	14,872
Wildlife Working Committee	7,239	1,420
Audit and Governance Committees	3,505	-
Research Committee	2,767	3,516
Industry Partnerships	1,972	-
Provincial advocacy	1,826	15,880
Communications Committee	1,605	2,920
Beef Cattle Research Council	740	898
Cattle Industry Council	366	3,972
	\$ 445,111	\$ 468,933

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS

Notes to Financial Statements

Year Ended March 31, 2015

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, 2015. 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, 2015 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.

	Council, Committee Staff and Project Expenses in Priority Areas		Office, Legal and Financial Administration	
	2015	2014	2015	2014
Executive Director	40%	40%	60%	60%
Controller	30%	30%	70%	70%

14. COMPARATIVE FIGURES

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

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS

Operating Expenses

(Schedule 1)

Year Ended March 31, 2015

	2015	2014
National Policy and Trade Advocacy Programs:		
Canadian Cattlemen's Association	\$ 1,446,325	\$ 1,472,972
U.S. and International Trade Management	33,779	49,258
National Governance and Oversight	37,909	24,691
Enhanced Federal Lobbying	25,270	35,466
Organizational Expenses:		
Board Meetings and Board appointed representatives	127,587	139,589
Annual General Meeting	114,809	112,873
Fall producer meetings and Resolution Policy Development	95,386	84,306
Semi-annual Meeting	71,400	64,691
Executive Committee	60,197	58,547
Zone Committee	58,476	54,018
Annual Report	50,878	49,445
Audit Oversight and Governance	4,170	-
Audit Committee	144	408
Operational Expenses: (Note 13)		
Salaries and benefits - relating to programs	527,271	517,450
Communications Committee	222,636	259,323
Industry partnerships	132,557	133,619
Feed Grain Research Project	100,000	100,000
BCRC Science Cluster	100,000	100,000
Project reserve fund	93,500	183,483
Marketing and Education Committee	88,684	149,688
Research Committee	63,348	10,993
Canfax Membership and Services (Note 9)	53,400	53,400
Environment Committee	45,975	45,581
Cattle Feeder Council	24,628	26,116
Animal Health and Welfare Working Group	18,730	19,343
Cow Calf Council	16,007	10,487
Provincial Advocacy	15,137	40,407
Sponsorships	13,090	-
Wildlife Working Committee	10,656	3,394
Cattle Industry Council	393	7,639
Administrative Expenses:		
Rent, office supplies and equipment	370,051	399,213
Salaries and benefits	292,190	319,093
Legal, audit and consulting	194,319	47,511
	\$ 4,508,902	\$ 4,573,004

CBCRMPA FINANCIAL STATEMENTS

CANADIAN BEEF CATTLE RESEARCH, MARKET DEVELOPMENT & PROMOTION AGENCY, OPERATING AS CANADA BEEF

For the year ended March 31, 2015 and March 31, 2014

	2015		2014	
Check off revenue, net of interprovincial reconciliations				
Alberta	3,914,234	27.1%	4,128,396	27.1%
Saskatchewan	1,166,032	8.1%	1,172,678	7.7%
Ontario	1,022,393	7.1%	1,051,657	6.9%
Quebec	686,791	4.8%	723,339	4.8%
Manitoba	560,133	3.9%	578,154	3.8%
British Columbia	248,042	1.7%	234,775	1.5%
P.E.I.	31,162	0.2%	35,252	0.2%
Nova Scotia	23,240	0.2%	16,853	0.1%
New Brunswick	12,575	0.1%	48,126	0.3%
	7,664,602	53.2%	7,989,230	52.4%
Canadian Cattlemen Market Development Council	5,377,200	37.2%	6,840,754	45.0%
Import Levies	911,737	6.3%	181,807	1.2%
Western Economic Diversification	419,709	2.9%	-	0.0%
Interest	62,965	0.3%	55,997	0.4%
Miscellaneous	12,599	0.1%	150,411	1.0%
Total Revenue	14,448,812	100.0%	15,218,199	100.0%
Expenses:				
Operations, Canadian	3,767,964	29.3%	4,126,950	29.3%
Operations, Foreign	1,506,740	11.7%	1,762,357	12.5%
	5,274,704	41.0%	5,889,307	41.8%
Market Development, North America:				
Canadian market development	723,543	5.6%	1,474,840	10.5%
Nutrition Communication	320,850	2.5%	217,280	1.5%
Branding Campaign	300,000	2.3%	71,476	0.5%
Customer service support	258,345	2.0%	158,647	1.1%
United States Market Development	245,364	1.9%	513,834	3.6%
Public Relations	232,321	1.8%	180,595	1.3%
Stakeholder Communications	213,141	1.6%	254,854	1.8%
Market Outreach Initiative	4,852	0.0%	110,224	0.8%
Mexico Market Development	-	0.0%	2,999	0.0%
Issues Management	-	0.0%	26,000	0.2%
Value Added Initiatives	-	0.0%	(1,679)	0.0%
Market Development, Global Markets				
Japan	521,799	4.0%	433,855	3.1%
Latin America	501,718	3.9%	706,640	5.0%
Global Markets	463,266	3.6%	303,457	2.2%
China	406,756	3.1%	317,240	2.2%
Emerging markets	297,347	2.3%	386,193	2.7%
Southeast Asia	284,367	2.2%	95,765	0.7%
Hong Kong	130,905	1.0%	141,829	1.0%
Korea	68,572	0.5%	139,743	1.0%
Taiwan	-	0.0%	-	0.0%
	4,973,146	38.3%	5,533,792	39.2%
Research				
Beef Cattle Research Council	1,228,387	9.5%	1,131,055	8.0%
Provincial Investment				
Federation des Producteurs de Bovins du Quebec	679,937	5.3%	725,563	5.2%
Beef Farmers of Ontario	652,077	5.0%	667,270	4.8%
Manitoba Cattle Producer's Association	46,640	0.4%	58,186	0.4%
Prince Edward Island Cattle Producers	31,995	0.2%	32,314	0.2%
Nova Scotia Cattlemen's Association	22,900	0.2%	16,852	0.1%
New Brunswick Cattle Producers	13,288	0.1%	49,143	0.3%
Saskatchewan Cattlemen's Association	537	0.0%	2,274	0.0%
Other	-	0.0%	(302)	0.0%
	2,675,761	20.7%	2,682,355	19.0%
Total Expenses	12,923,611	100.0%	14,105,454	100.0%
Excess of revenue over expenses	1,525,201		1,112,745	
Net assets, beginning of year	6,471,400		5,358,655	
Net assets, end of year *	7,996,601		\$6,471,400	

* The Board of Directors of the Agency has internally restricted \$4,100,000 as a contingent fund to allow for orderly operations to continue in the event of a change in funding or a wind down of the Agency.

CCA FINANCIAL STATEMENTS

CANADIAN CATTLEMEN'S ASSOCIATION

Schedule of Revenue, Expenditure and Net Assets (Unaudited)
Year ended June 30, 2015, with comparative figures for 2014

	2015		2014	
Revenue:				
Assessments				
Alberta	\$1,431,153	38.0%	\$1,491,842	37.4%
Saskatchewan	544,132	14.5%	575,157	14.4%
Ontario	437,412	11.6%	416,910	10.9%
Manitoba	218,429	5.8%	267,870	6.7%
British Columbia	110,046	2.9%	93,510	2.3%
Nova Scotia	11,642	0.3%	12,084	0.3%
New Brunswick	9,702	0.3%	10,070	0.2%
Prince Edward Island	9,425	0.3%	9,783	0.2%
Quebec	-	0.0%	-	0.0%
	2,771,941	73.7%	2,877,226	72.4%
Legal assessments	695,025	18.5%	781,386	19.6%
CYL Second Step	106,168	2.8%	82,824	2.1%
Young Leaders Development Program	55,898	1.5%	126,251	3.2%
Other	44,906	1.2%	39,345	1.0%
Sustainable Beef	26,557	0.7%	5,335	0.1%
National Beef Strategy	16,402	0.4%	-	0.0%
Town Halls	15,270	0.4%	16,000	0.4%
Young Cattlemen's Council	13,704	0.4%	11,330	0.3%
Sponsorship	9,000	0.2%	28,000	0.7%
Interest	6,743	0.2%	9,055	0.2%
Total Revenue	3,761,614	100.0%	3,976,752	100.0%
Expenses:				
Calgary Office	1,006,196	28.2%	1,002,094	25.9%
Legal Reserve	695,025	19.5%	781,910	20.1%
Ottawa Office	383,789	10.8%	347,647	9.0%
CCA Division Services	321,068	9.0%	327,994	8.4%
Advocate Services	316,202	8.9%	522,481	13.5%
Executive and Finance Committee	141,868	4.0%	163,004	4.2%
CYL Second Step	106,168	3.0%	82,824	2.1%
Animal Health and Meat Inspection	82,519	2.3%	82,828	2.1%
Annual Meeting	81,274	2.3%	100,999	2.6%
Semi-Annual Meeting	75,373	2.1%	52,406	1.3%
Foreign Trade Committee	75,301	2.1%	83,623	2.2%
Young Leaders Development Program	55,898	1.6%	126,252	3.3%
Communications	43,978	1.2%	46,714	1.2%
Environment	34,197	1.0%	53,812	1.4%
Five Country	31,834	0.9%	32,809	0.8%
Sustainable Beef	26,557	0.7%	5,335	0.1%
Animal Care Committee	18,455	0.5%	19,875	0.5%
National Beef Strategy	16,402	0.5%	-	0.0%
Town Halls	15,270	0.4%	19,909	0.5%
Young Cattlemen's Council	13,704	0.4%	11,330	0.3%
Domestic Agriculture Policy	12,489	0.4%	8,881	0.2%
Convention	4,281	0.1%	6,665	0.2%
Value Creation & Competitiveness	2,419	0.1%	2,761	0.1%
Auction Market System	-	0.0%	-	0.0%
Total Expenses	3,560,267	100.0%	3,882,153	100.0%
Excess of revenue over expenses	201,347		94,599	
Net assets, beginning of year	538,317		443,718	
Net assets, end of year	\$739,664		\$538,317	

BCRC FINANCIAL STATEMENTS

BEEF CATTLE RESEARCH COUNCIL

Schedule of Revenue, Expenditures and Net Assets (Unaudited)
Year ended June 30, 2015, with comparative figures for 2014

	2015		2014	
Revenue				
National Check Off	\$1,248,398	55.6%	\$1,228,922	53.3%
Other Project Funds	617,648	27.5%	737,342	31.9%
ABP Beef Science Cluster	152,500	6.8%	252,500	10.9%
Verified Beef Program Plus	183,042	8.2%	49,980	2.2%
Interest Revenue	42,536	1.9%	39,763	1.7%
Total Revenue	2,244,124	100.0%	2,308,507	100.0%
Expenses				
Cluster Projects	965,740	40.8%	283,188	20.9%
Projects	796,677	33.7%	957,703	70.8%
Expenses	337,846	14.3%	(20,413)	-1.5%
On Farm Food Safety	149,273	6.3%	35,069	2.6%
Quality Starts Here	116,275	4.9%	96,806	7.2%
Total Expenses	2,365,811	100.0%	1,352,353	100.0%
Excess of expenses over revenue	(121,687)		956,154	
Net assets, beginning of year	3,752,010		2,795,856	
Net assets, end of year *	\$3,630,323		\$3,752,010	

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

ELECTION BACKGROUNDER



ZONE 1 INCLUDES: Vulcan County, County of Newell No.4, County of Forty Mile, Cypress County, M.D. of Taber, Special Area No.2 South of the Red Deer River.

Zone 1 Candidates: Acclaimed

Rick Friesen, along with his wife Kathy, and two brothers run a cow calf to feedlot operation in the **Vauxhall** area. They have two adult children who have found careers off the farm.

“I have been privileged to serve as an ABP delegate in Zone 1 for the past six years, and as a director for two years. During this time I have also sat on the Communications Committee, the Cattle Feeder Council and the Cow Calf Council. With your support, I would like to serve another term as a delegate and represent this zone.”

Brad Osadcuk, along with wife Elaine and their three daughters ranch in the **Jenner** area. They operate a cow calf operation alongside Brad’s parents Don and Terry.

“I am very interested in continuing my involvement with ABP to help where I am able.”

Kevin Stopanski and his wife Carmen were married in 1991, raised three boys, Brock, Josh and Chad, and have been farming and ranching in **Jenner** for 35 years. They raise Limousin cows and sell steers and heifers in the fall. They

also raise their own heifers. They farm and ranch 3,500 acres of land. Kevin has been an active 4-H leader in Jenner for 14 years and he has been active in the Newell District Councils for 10 years. Kevin is a director with the newly establishing Suffield Grazing Co-op, a director for Tide Lake Grazing, and a volunteer fire member in Jenner.

“Joining ABP will be an excellent opportunity for the beef industry. I think we need to get beef producers, processors and consumers on the same page, and trust will make our industry healthier and more profitable.”

Cattle Feeder Council Delegate: Acclaimed

Howard Bekkering is the yard manager at Bow River Feeders near **Vauxhall**. His operation is mostly a backgrounding feedlot with 230 head of cow calf pairs. Howard is completing his fourth two-year term as a Cattle Feeder Council Zone Delegate where he has served as the CFC representative to the Board of Directors for the past six years.

“I am looking forward to continuing to learn and contribute to the beef industry in Alberta.”



Brodie Haugan
Orion
403.580.9534



Garth Porteous
Bow Island
403.952.1569



ZONE 2 INCLUDES: County of Warner No. 5, County of Lethbridge No.26, Cardston County, M.D. of Pincher Creek, M.D. of Willow Creek, M.D. of Ranchlands, Improvement District No. 4 (Waterton), Kananaskis Improvement District.



Jake Meyer
Welling
403.393.8022



Cecillie Fleming
Granum
403.687.2288



Jimmy Nelson
Stirling
403.635.7075

Zone 2 Candidates: Acclaimed

Darren Bevans manages Deseret Ranches, a cow calf and stocker operation near **Raymond**.

“I have been an ABP delegate for the past four years. I currently chair the Research Committee and represent ABP on the Beef Cattle Research Council. I am optimistic about our industry and about the

opportunities ahead. My focus at ABP is on bringing priorities forward and on helping to achieve real and measurable results with our check-off dollars.”

Bob Lowe operates a feedlot west of **Nanton** and also has a ranch in Manitoba.

“I have been an ABP delegate for eight years, served on the Board of

Directors for the last six years, and the Executive as Vice Chair for the last two years. I continue to represent ABP on CCA Board of Directors.”

Tyler Sawley is a cow calf producer in the **Nanton** area. Tyler is returning for his second term as a delegate representing Zone 2 producers.

ELECTION BACKGROUNDER



ZONE 3 INCLUDES: Improvement District No. 9 (Banff), M.D. of Bighorn, Mountain View County, Rocky View County, Wheatland County, M.D. Foothills, Calgary.

Zone 3 Candidates

John Bland and his family members run a cow calf, backgrounder and hay operation east of Calgary in the **Strathmore** area. This will be his third term as a delegate.

“I am presently on the Cow Calf Council, Safety Net Subcommittee and I represent ABP on the Alberta Forage Industry Network. I look forward to continuing my work in these areas.”

Kit Brink, his wife Kelly and their four kids run a cow calf herd in the **Sundre** area.

“I have been working in the commercial aviation industry for about a decade as a helicopter pilot. After deciding to come home four years ago from northern BC and the Yukon we decided to purchase a lodge/hotel in the Sundre area and have been involved in the tourism industry since that time. As to being an ABP delegate, I feel there is an opportunity for me to learn about the cattle industry while perhaps providing some diversification.”

John Buckley and his partners operate Quarter Circle X Ranch, a cow calf and backgrounding operation in the Jumping Pound District southwest of **Cochrane**. Over the past six years as a delegate, John has represented producers from Zone 3. John has been a member of the Cow Calf Council and served on the Board of Directors for the past four years. John believes that it is crucial for our industry to present a strong, unified and informed voice in the formulation and amending of policy that affects our livelihood.

Jeff Havens runs a mixed farm operation with his family in the **Madden** area. The operation consists of 350 mother cows, 2,000 acres of farmland, and a 2,000 head backgrounding feedlot.



Brian Edge
Cochrane
403.932.3763



Kevin Krebs
Didsbury
403.335.9116

“I am currently on the Board of Directors for the Calgary Central Feeder Association. I am a graduate of the Ag Production course in Olds College in 2003.”

Chris Israelson, along with his father, operates a cow calf and background operation west of **Didsbury**. He also runs a custom silage and feeding operation to accompany the family farm.

“I am hoping for re-election for a second term as an ABP delegate. For the past two years I have sat on the Environment Committee and was recently elected to the Beef Cattle Research Council. I am encouraged by the current optimism in the Alberta beef industry which I see first-hand with my involvement at many levels of the beef chain. The producers today are progressive and proactive with their businesses ensuring that we will continue to be a sustainable leader in the world markets with our Alberta and Canadian beef products. I look forward to continuing my work with ABP, and being an advocate for our product and industry.”

Cattle Feeder Council Candidate: Acclaimed Bryan Thiessen and family run a feedlot and farming operation southeast of **Strathmore**. Both his father and brother have been very active over the years working with ABP.

“I believe that it is my duty as well to volunteer my time to help ABP achieve its goals. It is important that the industry as a whole has a strong voice when dealing with both the provincial and federal governments. I believe that ABP is currently the only organization that has this ability.”

ELECTION BACKGROUNDER



ZONE 4 INCLUDES: Flagstaff County, M.D. Wainwright, County of Paintearth, M.D. of Provost, Special Area No. 4, Special Area No. 2 North of the Red Deer River, Special Area No. 3, M.D. of Acadia.



Walt Suntjens
Hanna
403.779.2212



Craig Ference
Kirriemuir
403.552.3755

Zone 4 Candidates

Mark Crowle is a rancher from the **Hanna** area.

Judy Fenton, along with husband Henry and son Gordon ranch in the **Irma** area. Judy has spent her entire life involved in the beef industry. She was a founding member of the Beef Education Association that served as the educational arm of ABP for over 30 years. She served as a volunteer to the organization for many years prior to becoming an ABP delegate.

She has served as a Director to CCA and Beef Information Centre, as well as ABP and has chaired the Promotion, Environment, and Governance Committees, and continues to work towards the betterment of the entire beef industry. Judy believes that we must have a strong voice and be active in moving the industry forward through a strong democratic, producer driven organization and offers a firm commitment to the beef industry.

Garth Johnson farms near **Killam** with his wife, two kids and parents.

“We run a mixed farm of grain, cow calf and background cattle, along with some custom work. I have served as a member of the Flagstaff Ag Service Board and am currently Treasurer of the Iron Creek Water Shed Society.”

Tim Smith operates a midsize cow calf ranch north of **Coronation**. He is an experienced delegate that has chaired the Cow Calf Council for two years and was recently elected to the Canadian Cattlemen’s Association where he serves on Domestic Ag Policy and Value Creation and Competitiveness Committees. Through CCA, Tim believes in bringing value from a national policy perspective to ABP for a better understanding of the influence of other provinces. He supports building the environmental, social, and economic sustainability of our cattle operations. Maintaining demand for our trusted and competitive beef products, he believes, is critical. Tim looks ahead to exciting opportunities now that the cow calf sector has reached better levels of profitability. With the efforts of ABP and CCA to get COOL legislation repealed, along with the progression of CETA and TPP, Tim looks forward to serving the industry during the bright times ahead and watching prosperity bring the youth back home to the ranch.

Zone 4 can appoint up to one Zone Delegate for the 2015-2016 term.

ZONE 5 INCLUDES: Clearwater County, Lacombe County, County of Stettler, Red Deer County, Kneehill County, Starland County.



Kelly Fraser
Red Deer County
403.598.4323



Rob Somerville
Endiang
403.579.2406

Zone 5 Candidates

Nanita Blomquist was raised on a cow calf and grain farm northeast of **Big Valley**.

“We have a commercial cow calf operation and background our own calves in the Big Valley area. I have been involved in the industry through our family farm and have worked professionally in the industry since graduating from the University of Alberta with a Bachelor of Science in Agriculture. I was involved with the CCA’s Cattlemen’s Young Leaders program and was one of the first six who participated in the pilot program. With your support, I look forward to continuing to represent the Zone 5 producers.”

Cam McLerie runs a cow calf operation in **Red Deer County**. If the forage is available he will background some calves. He has always been interested in genetics and has done a fair amount of AI. He has two children who keep him very involved in jackpotting and showing cattle. Cam and his family all enjoy agriculture and hope to remain in it for many years to come.

Stuart Somerville runs a cow calf operation in the **Endiang** area with his wife and parents. Stuart has a Bachelor of Education degree from the University of Alberta and taught junior and senior high school before coming back to the farm full time. He was a 2014-15 mentee with CCA’s Canadian Young Leaders program. Through the program he was involved in Beef Value Chain Roundtable and Five Nations’ Beef Alliance meetings.

ELECTION BACKGROUNDER

Zone 5 Candidates continued...

"As an ABP delegate, I would like to support a strong beef industry here in Alberta, in Canada and in North America to maintain the legacy of my great-grandparents and other pioneers for my children and community."

Arny Tateson was born and raised in the **Brooks** area and now ranches together with his son Matt at Endiang. Arny takes an active role in community events, especially in local hockey by either coaching or refereeing. Arny is a returning delegate and is looking forward to continuing to have a more active role in the beef industry.

Dick Wymenga and his wife Rose operate a mixed grain and cattle operation with 180 cow calf pairs in the **Leslieville** area.

"I have been involved with many agricultural organizations including our local Ag Society, 4-H Beef Club, and the Agricultural Service Board in Clearwater County. I am also a delegate with the Alberta Barley Commission where I chair of the Environment Policy Committee. With your support I am committed to working hard to represent all sectors of Alberta beef producers."

Cattle Feeder Council Delegate: Acclaimed

Charlie Christie and wife Rochelle operate a mixed grain, cow calf, and feedlot operation near **Trochu**.

"I enjoy being involved in the industry and having served for eight years on the Cattle Feeder Council, I look forward to working for our industry once again. It is an exciting time for the Alberta beef industry. There are challenges ahead, so I will strive to have all sectors of the supply chain pulling together to advance our position in the market place."



Assar Grinde
Bluffton
403.843.6779



Cecil Anderson
Drayton Valley
780.542.2787

ZONE 6 INCLUDES: Parkland County, Edmonton, Strathcona County, Brazeau County, Leduc County, Beaver County, County of Wetaskiwin, County of Camrose, Ponoka County, Improvement District No.13.

Zone 6 Candidates

Ralph Buhler has been involved in the cattle industry all of his life. He currently runs 800 cows with a partner in **Armena**. They background all their yearlings to 1,000 pounds plus. In addition, they grain farm about 5,000 acres in Camrose and Leduc county.

Kolton Kasur and his fiancé run a group of Simmental and Angus cows in the **Bashaw** and Ponoka area. In addition to the cattle, Kolton works for CFIC as a livestock insurance representative at many locations throughout Alberta.

"I feel that I would be a valuable representative for ABP because my work enables me to interact with a large number of producers, to gather ideas and concerns and bring this information back to the organization. Also being a member of the younger generation, I may be able to provide additional insight in addressing barriers the next generation faces when trying to break into or carry on in the cattle industry."

Tim Sekura and his family run a cow calf to background operation at **Rocky Rapids**.

"I have been a delegate for six years and I have just completed my first year on the board which I find very interesting. I appreciate what ABP does for beef producers and the industry, and with your support I would continue to represent producers as a zone delegate."

Gary Seutter has been involved in the cattle business for 30 years. Gary runs approximately 365 cow calf pairs and a small purebred Hereford herd on 2,500 acres of crop and pasture east of **Millet**. He backgrounds a percentage of his own calves as well as some purebreds. Gary has been a delegate for his zone the past four years.

Zone 6 can appoint up to one Zone Delegate for the 2015-2016 term.

ELECTION BACKGROUNDER



ZONE 7 INCLUDES:

M.D. of Opportunity, M.D. of Lesser Slave River, Athabasca County, Woodlands County, County of Barrhead, Westlock County, County of Thorhild, Lac Ste. Anne County, Sturgeon County, Yellowhead County, Improvement District No. 12, Municipality of Jasper.

Zone 7 Candidates: Acclaimed

Penny Patton and her boyfriend, Kyle Miller, run their own cow calf operation and manage the Black Bear PGR near **Athabasca**. She is currently the supervisor for the Athabasca Heifer Co-op, and an auditor for Alberta Breeder Finance Inc.

ABP delegate, would enable me to become a part of the future of beef production, agriculture, and the encouragement of young producers in the industry.”

Zone 7 can appoint up to one Zone Delegate for the 2015-2016 term and up to two Zone Delegates for the 2015-2017 term

Cattle Feeder Council

Zone 7 can appoint up to one CFC Zone Delegate for the 2015-2017 term.



Cody Miller
Westlock
780.349.0644

“I have frequent interaction with the average grass roots producer, and get to learn many things from every producer I meet. I believe that this interaction with producers of various size operations, and the opportunity to become an



ZONE 8 INCLUDES: Smoky Improvement District No. 24, Regional Municipality of Wood Buffalo, Lac La Biche County, Improvement District No. 349, Smoky Lake County, County of St. Paul, M.D. Bonnyville, Lamont County, County of Two Hills, County of Vermilion River, County of Minburn.



Les Geier
Two Hills
780.765.3774



Mike Lutzak
Hairy Hill
780.603.3590



Philip Amyotte
Mallaig
780.635.4010

Zone 8 Candidates

Jodi Flaig owns and operates both a purebred and commercial cow calf herd east of **Two Hills**. She has had the opportunity to work in various aspects of the cattle industry from cow calf to feedlot, from packing plant to regulatory, and for and with industry groups. She looks forward to an exciting future as an industry member by challenging her abilities to build and continually improve as a producer and participate as an active member of the industry to ensure its sustainability, and drive the industry forward through discussion, engagement, progress and advocacy.

Gordon Graves, together with his wife and occasionally family, runs a mixed operation in the **Iron River** area.

“Our industry needs a mix of new blood and grey haired wisdom to move forward. I've been active in our community as a firefighter for the past 26 years and an agriculture representative on our watershed where I serve as co-chair. My past experience on ABP and farming for over 40 years has exposed me to a wide range of risks and benefits in our industry.”

Terry James is a producer in the **Vegreville** area.

George L'Heureux was born and raised in the **Lac La Biche** area. He and his wife have run a cow calf and backgrounder farm for the past 35 years.

“I have been on numerous boards, such as the local feeder association

and Lakeland Breeders Association. I am currently the chair of the provincial board for the Feeder Association of Alberta. We have two sons and are proud grandparents of two grandsons.”

Lyndon Mansell runs a cow calf, backgrounder operation near **Innisfree**. Lyndon hopes to continue to represent the producers as a Zone 8 delegate.

“It is important to continue to improve the profitability of cow calf operations, which will attract some new producers and encourage succeeding generations to help build the industry. The beef value chain depends on guys like us caring for and calving the cows to produce calves for the rest of the industry to

ELECTION BACKGROUNDER

make money on. We must keep pace using technology and research to raise the most efficient and healthiest beef in the world.”

Zone 8 Candidates continued...

Melanie Wowk resides in the **Beauvallon** area.

“I recently retired from nearly 23 years of veterinary practice; 20 of which were spent running my own mobile cow calf clinic. During this time, I developed a great deal of respect for the beef producers of this province, as is witnessed by their sustainability in such a demanding market. My retirement has allowed me time to increase my input into our own 250 head Angus cross Simmental

cow herd (much to my husband’s dismay) and I would be honoured to represent cattle producers through this organization.”

Danny Hozack along with his family farm in the **Streamstown** area.

“I have been a supporter and a promoter of the ABP for more than thirty years. I believe that now, more than ever, the beef industry needs to be represented by a strong, united, elected organization. I believe that organization should be the Alberta Beef Producers. I have previously served on both the ABP Board of Directors and on CCA. I am prepared to serve again if producers so wish.”



ZONE 9 INCLUDES: M.D. of Mackenzie, Mackenzie County, County of Northern Lights, Clear Hills County, Northern Sunrise County, Saddle Hills County, M.D. of Fairview, M. D. of Peace, M.D. Spirit River, Birch Hills County, M. D. of Smoky River, M. D. of Big Lakes, County of Grande Prairie, M. D. of Greenview, Improvement District No. 25.

Zone 9 Candidates: Acclaimed

Maarten Braat and his wife run a cow calf operation in the **Fort Vermilion** area.

“We are also involved in the community in various volunteer organizations. I am involved in the bison strategies: step-by-step we move forward to a solution of eradicating the tuberculosis and brucellosis in the bison. There is also much work to do in the beef industry; our position is fragile so we have to be bold going forward.”

Norm Hennigar is a producer in the **Grande Prairie** area. Norm is returning for his second term as an ABP delegate. He represented the Zone 9 delegates on the Board of Directors this past year.



Roland Cailliau
Valleyview
780.524.4402



Ron Wieler
Fort Vermilion
780.927.4255

Linda Messner and her husband Morley have a small cow calf operation near **Berwyn** in the beautiful Peace Country.

“I was raised on a small mixed farm in the area and have been involved in the cattle industry ever since I was a 4-H Beef Club member. I presented CAP to grade four students for 24 years. I believe it is very important to tell our story to young people and consumers. Producers are the best people to do that.”

Cattle Feeder Council Candidate: Acclaimed

John MacArthur runs his operation in the Fairview area and is returning for third term.

Mission

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

2015 FALL MEETING & ELECTION SCHEDULE

ZONE 1 (MEETINGS 7 p.m. START
FREE SUPPER 6 p.m.)

OCT 28 **MEDICINE HAT, FEEDING COMPANY**
OCT 29 **BROOKS, BOW SLOPE AUCTION**

ZONE 2 (MEETING 7 p.m. START
FREE SUPPER AT 6 p.m.)

OCT 26 **FORT MACLEOD, SOUTHERN
ALBERTA LIVESTOCK EXCHANGE**

ZONE 3 (MEETINGS 7 p.m. START)

OCT 20 **CROSSFIELD, COMMUNITY CENTRE**
Dr. Roy Lewis

OCT 21 **COCHRANE, HERITAGE CENTRE**
Cherie Copithorne-Barnes

OCT 22 **STRATHMORE, CIVIC CENTRE**
Brian Perillat, Canfax

ZONE 4 (MEETINGS 7 p.m. START
FREE SUPPER AT 6 p.m.)

OCT 26 **BIGSTONE, COMMUNITY CENTRE**
Brian Perillat, Canfax

NOV 4 **HARDISTY, LEGION HALL**
Fawn Jackson, CCA

NOV 5 **CONSORT, SPORTSPLEX**
Reynold Bergen, BCRC

ZONE 5 (MEETINGS 7 p.m. START
FREE SUPPER AT 6 p.m.)

OCT 26 **BIG VALLEY, COMMUNITY HALL**
OCT 29 **SPRUCE VIEW, COMMUNITY HALL**
NOV 2 **LESLIEVILLE, COMMUNITY HALL**

ZONE 6 (MEETINGS 7 p.m. START
FREE SUPPER AT 6 p.m.)

OCT 27 **CAMROSE, REGIONAL EXHIBITION**
OCT 29 **PONOKA, LEGION**
NOV 2 **BRETON, COMMUNITY HALL**

ZONE 7 (MEETINGS 7 p.m. START
FREE SUPPER AT 6 p.m.)

OCT 28 **SANGUDO, COMMUNITY HALL**
OCT 29 **HAZEL BLUFF, COMMUNITY HALL**

ZONE 8 (MEETINGS 7 p.m. START
FREE SUPPER AT 6 p.m.)

NOV 3 **PATH FINDER HALL, 81077
TOWNSHIP ROAD 532**

NOV 4 **BONNYVILLE, AUCTION MART**
NOV 5 **VILNA, SENIOR CENTRE**

ZONE 9 (MEETINGS 7 p.m. START
FREE SUPPER AT 6 p.m.)

OCT 27 **GRANDE PRAIRIE, STONEBRIDGE INN**
OCT 29 **FAIRVIEW, DUNVEGAN MOTOR INN**
NOV 4 **HIGH PRAIRIE, TRIANGLE HALL**

**ELECTIONS ARE BEING HELD
IN ZONES 3, 4, 5, 6 & 8.**



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