

Defining sustainability

2012 Annual Report





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The mission of Alberta Beef Producers is to strengthen the sustainability and competitiveness of the beef industry for the benefit of beef producers in Alberta.

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DOUG SAWYER
ABP Chair

ABP CHAIR REPORT

At the Alberta Beef Producers (ABP) Annual General Meeting last December, I had the honour and privilege of being elected Chair of ABP. Although I was new to this position, I know ABP well as I have served as a delegate for the past seven years, a director for the past six years, and on the Executive for four years now. I am hoping to continue the tradition of strong industry leadership and effective producer representation that has been established by previous ABP Chairs.

Over the past year, we have seen improved cattle prices, especially for cow calf producers. We have often said that a couple of good years do not make up for ten years of financial challenges, but better prices generally make people happier. Our cattle inventories are low and should keep upward pressure on prices, as long as demand stays relatively firm. We think that the cow numbers may have stabilized now and we could see some careful expansion of the herd. We are also starting to see some younger producers join our industry and our organization, a trend that certainly makes the future look brighter.

However, as I approach the homestretch of my first year as ABP Chair, it is very clear that the improved prices have not removed all the troublesome issues producers are facing. The U.S. drought is having a strong impact on feed prices, adding to the volatility in the markets and putting

more pressure on margins for feeders and packers. Under these conditions, we worry about maintaining our feeding and processing capacity in the province. With high feed costs and continued uncertainty about the state of the global economy, there also are concerns about the prices producers will receive for yearlings and calves through the late summer and fall, even though inventories remain low.

In Alberta, we have a recently elected provincial government with new ministers in two of the key portfolios affecting cattle and beef producers. The beef industry and governments have made progress on opening export markets to viable commercial opportunities, but we are still frustrated by the pace of the progress and a seemingly endless series of trade setbacks. Our industry faces frequent challenges from social and environmental commentators who question our food production, animal welfare, and environmental practices, even as cattle producers work to provide protein for a growing and hungry world population.

Cattle organizations also are hearing a lot about sustainability, a word that is being widely used by governments, corporations, and non-governmental organizations in North America and Europe. As is the case with many trendy and popular words or phrases, sustainability seems to be very difficult to define and understand, making it an elusive target. We think that the cattle and beef industry is economically, environmentally, and socially sustainable already, but we are concerned that our economic viability will be threatened by sustainability requirements imposed on us through pressure from organizations outside the industry.

With this combination of opportunities and challenges for

the industry, it is easy to see why there was no shortage of items requiring attention when ABP directors and staff developed our list of strategic objectives for this year. Through the rest of this Annual Report, you can read about the work being done by our national organizations and our ABP councils, committees and working group to address these issues. In my report, I will highlight one key area where we are working on behalf of producers.

Given the results of the provincial election, one of our top priorities has been to establish our credibility and relationships with a large group of new cabinet ministers and MLAs. We are committed to taking positions that are in the best interests of cattle producers, even if these positions are not consistent with government policy, but we can't be an effective voice for producers if the government won't listen or talk to us. We have a new Minister of Agriculture and Rural Development, Honourable Verlyn Olson, who will be looking to learn about the issues, goals and priorities of the cattle and beef industry. The department of Sustainable Resource Development has been added to Alberta Environment, making Minister Diana McQueen largely responsible for the land and water resources that are critically important to cattle and beef producers. ABP has increased our allocation of funding for provincial advocacy and our directors will be working to enhance our influence with the government, while recognizing that a substantial number of cattle producers live in ridings that are represented by members of the official opposition.

At ABP, we are always aware that one of our most important tasks is communication and interaction with grass roots producers. As Chair of ABP, I am prepared to make this work my top priority. ▼

Sincerely,

Doug Sawyer, Chair



RICH SMITH
Executive Director

EXECUTIVE DIRECTOR REPORT

Many people reading the Alberta Beef Producers (ABP) 2012 Annual Report may find the title, Defining Sustainability, a bit curious. They might wonder why we are talking about defining sustainability when nearly everybody already knows what it means. Sustainability is the ability to maintain a family, operation, or industry at a desirable level or standard, the ability to continue living and operating as we wish into the foreseeable future. While these definitions are relatively easy to understand from an economic perspective, definitions of environmental and social sustainability are much more complex.

In his report, ABP Chair Doug Sawyer identified the opportunities and challenges facing the cattle and beef industry this year. It is not unreasonable to suggest that these factors could significantly affect the sustainability of producers and the industry. Those that are able to take advantage of the opportunities and deal with the challenges will be sustainable. As Doug also noted, the industry is facing increasing challenges related to environmental and social concerns and sustainability itself will be a topic of much discussion in the coming years. Through these discussions, we need to ensure that sustainability is defined by our industry, not defined for our industry by large companies, governments, or non-governmental organizations.

These are the reasons why we think sustainability, particularly defining sustainability, is an appropriate theme for the 2012 Annual Report. This is not a new consideration for ABP. Strengthening the sustainability and competitiveness of the beef industry is the foundation of our seven-year old mission statement and our strategic objectives each year are directed toward achieving success in this mission.

The primary purpose of this Annual Report is to inform producers about the work that is done on their behalf by ABP and our national partner organizations. The reports from the ABP councils, committees, and working groups will reflect the priorities and objectives that the directors, delegates and staff members set for the past year, as well as showing the progress made toward reaching these objectives. We hope that these reports will demonstrate our commitment to strengthening the sustainability and competitiveness of the beef industry for the benefit of cattle and beef producers in Alberta. As a prelude to the more detailed reports, Doug Sawyer talked about one of our key activity areas in his report and I shall briefly discuss two other priority areas here.

A very important topic of our conversations with Alberta government officials will be decisions regarding property rights, land use legislation, and the Land-use Framework. ABP has committed to working for better protection of the rights and interests of property owners, pursuing further improvements in land use legislation, and ensuring that the interests of cattle producers are protected in regional plans under the Land-use Framework. Since it now seems that there will not be any further changes in land use legislation, we will be focusing our work on the development of the South Saskatchewan Regional Plan, a plan that will have profound implications for the agriculture industry. Producers are also concerned about possible changes to water allocation policies and the

implementation of Cumulative Effects Management for water and air. Cattle and beef producers must be able to retain access to the land and water resources of this province without facing policies and regulations that make their use of these resources too difficult or expensive.

Cattle producers and ABP know the vital importance of a strong and well-funded organization that can deliver effective national and international marketing and promotion programs for our industry. We also understand that investments in national research activities generate substantial returns for producers and enhance their competitiveness. The \$1 national levy that is part of the Alberta check-off provides funding for Canada Beef Inc. and the Beef Cattle Research Council (BCRC) to do this valuable work. The importance of industry investment and the impact caused by a loss of this investment were clearly demonstrated when Alberta government legislation made both the \$2 ABP service charge and the \$1 national levy refundable in 2010.

ABP welcomed the later decision of the Alberta government to reinstate a non-refundable \$1 national levy and we think it is critically important for the future of our industry that the levy remains non-refundable. The regulation making the national levy non-refundable will expire on March 31, 2013, unless there is agreement to extend the regulation. One of ABP's highest priorities for this year will be supporting the direction and activities of Canada Beef Inc. and BCRC, along with discussions related to our Memorandum of Agreement with the Alberta Cattle Feeders' Association, to create conditions that will lead to the extension of this regulation.

In conclusion, I am pleased to confirm the dedication of the ABP delegates, directors and staff members working for the cattle producers of Alberta. ▼

Sincerely,

Rich Smith, Executive Director



MARTIN UNRAU
CCA President

CCA REPORT

The 2012 harvest has been and will continue to be a challenging one, with cooperation from the weather coming too late for many of Canada's producers. Poor yields are the result of disease, pests and a variety of weather conditions, from drought in the East and in some parts of the Prairies to too much moisture elsewhere in the Prairies.

While portions of the Prairies and Western Canada experienced favourable weather and growing conditions, feed supplies have nevertheless remained tight. Prices of hay and feed grains continue to escalate due to serious drought conditions in parts of Canada, and the prolonged and expanding drought in the U.S. factor in the impact of ethanol mandates in North America and it is clear the upward pressure on feed grain prices will continue.

At times like these, measuring ration costs against the fluctuating price of cattle becomes an increasingly important factor in the management decisions of producers. The market fluctuations experienced this year on Canada's diminished herd were largely attributed to the pressure of high U.S. feed grain and corn prices. The impact of this elevated grain market has cattle producers readjusting their price expectations, after an extremely optimistic outlook when sending cattle to pasture a few short months ago.

The current conditions impacting the industry underscore why it is Canadian Cattlemen's Association (CCA) policy that the price and basis insurance program available to producers in Alberta should be national in scope.

The CCA remains focussed on ensuring the long-term competitiveness and sustainability of the industry. Tools such as a national price and basis insurance program, modelled after the program available in Alberta, would help producers better manage risk. So would good disaster programs that work for producers in a timely manner. Disaster programs are ad-hoc programs and are not part of the Business Risk Management suite of programs.

Our work within Growing Forward 2 (GF2) remains focussed on ensuring Business Risk Management programs remain effective given the Federal Government budget cutbacks. Research and innovation remain top priorities.

The Beef Cattle Research Council reports that the first Beef Science Cluster has proven to be a very successful step towards improving coordination of beef research funding in Canada. Investments under the Cluster are focused on improving production efficiencies and beef demand and quality. The CCA has been lobbying to ensure that GF 2 research programs are delivered in a timely manner, with appropriate levels of funding, and improved administrative efficiencies.

The CCA is working to improve the environment, food safety, training and regulatory aspects of GF 2. We will continue to work on this along with provincial partners like Alberta Beef Producers to promote policies and programs that move the cattle industry forward.

Concerns remain around maintaining processing infrastructure until the cattle herd expands. The impact of having fewer cattle available for processing, particularly cull cows for producing ground beef, is being felt and will continue into 2013 and 2014. The CCA is working to ensure that Canadian operations have a competitive advantage.

More than half of the CCA's budget is related to achieving market access for Canadian beef. Whether that money

is spent to develop relationships abroad, advocate in Ottawa or pay legal expenses, the money the CCA spends on market access is a small fraction of what the various trade barriers cost cattle producers.

The CCA's involvement in many of the important trade developments of 2012 reflects the return on investment made by CCA members. Canada's victory against U.S. mandatory Country of Origin Labelling (COOL) was upheld by the World Trade Organization (WTO). On June 29, the WTO Appellate Body confirmed the most important part of the WTO Dispute Panel decision of November 2011 that the U.S. COOL legislation discriminates against Canadian livestock in the U.S. market. This is the result the CCA was seeking.

In late August, the U.S. submitted a letter to the WTO indicating its intention to comply with the Dispute Settlement Body findings, but offered few details around how it intended to comply or how long it would take. At the time of this writing, Canada had initiated the arbitrations process to the WTO to after discussions to reach an agreement on a 'reasonable period of time' to implement a panel ruling were unsuccessful. In the meantime, the CCA and its U.S. allies will continue to seek a legislative amendment that would end the discrimination caused by COOL.

In July, the United Nations' food standards body, the Codex Alimentarius Commission, agreed on a set of maximum residue limits for the cattle and hog feed ingredient ractopamine. This is an important development for Canada's cattle industry as it removes any justification for a non-scientific trade irritant that has hindered trade in Canadian beef to key Asian markets like Taiwan and China. The approval of the ractopamine standard is a victory for scientific decision making at Codex.

The Regulatory Cooperation Council (RCC) effort to thin the border between the Canada and the U.S. will require a concerted effort to see it through to the type of conclusion we

envison. The CCA believes the effort will be worth it. Right now, we're working to see if we can reduce the regulatory burden around the importation of breeding cattle from the U.S., in light of the widespread drought there. Other important initiatives for producers under the RCC include roadmaps to achieve the elimination of unnecessary duplication of meat inspections for imports, implementation of electronic border clearances, and improved approval processes for veterinary drugs.

The CCA has invested a lot of time in the Canada-European Comprehensive Economic and Trade Agreement (CETA) negotiations as CETA is an important agreement for beef. I recently met with chief negotiators of CETA to ensure they understood clearly our position on beef, that we seek full access and zero tariffs as well as resolution on the technical issues barring trade to Europe.

In consultation with the CCA, the Government of Canada terminated the WTO Dispute Settlement Panel against Korea. Since then, the CCA has continued to call on both governments to conclude the Canada-Korea free trade agreement to restore tariff parity between U.S. and Canadian beef so that we don't become uncompetitive in that market after having restored access.

Progress continues on Canada joining the Trans-Pacific Partnership (TPP). The TPP countries are seeking to conclude a 'high-ambition, next-generation regional agreement that liberalizes trade and investment and addresses new and traditional trade issues and 21st-century challenges.' This is very much in line with the CCA's objectives for the TPP.

The TPP negotiations are complementary to the bilateral free trade negotiations recently launched between Canada and Japan. Japan's application to join the TPP remains pending but seems likely. In the CCA's view Japan's admittance to the TPP would be one of the primary reasons for Canada to join.

In Japan, we are hopeful we will soon benefit from an increase to the age limit for Canadian beef to under 30 months (UTM) from under 21 months. The Prion Expert Committee of Japan's Food Safety Commission has recommended that the upper age limit of Canadian and U.S. cattle can be raised from 21 months to 30 months. This is a positive development that indicates the Japanese process to liberalize access for Canadian beef imports remains on schedule. If work continues apace, we estimate that the increased age limit would be in effect in the first quarter of 2013.

The CCA strongly encourages a Japan-Canada Economic Partnership Agreement which eliminates Japan's 38.5 per cent import duty for Canadian beef. A successful agreement with Japan could increase the value of Canada beef exports to over \$275 million annually and more importantly will increase the value of every animal we produce.

The renewal of the Canadian Code of Practice for Beef Cattle through the National Farm Animal Care Council process is also important for our industry. We need to show the public and our customers that we are proactive on animal care, environment and any other issues of concern. A renewed Code will help in the conversations we need to have with these important groups.

Innovation also plays a role in sustainability that will carry this industry forward. The Beef InfoXchange System (BIXS) continues to operate and evolve, with ongoing developments to improve program and software delivery. There are more than 700,000 detailed carcass records in the BIXS database. This information is linked to the animal's CCIA tag ID number. This Computer Vision System camera-derived data includes such economically important information as hot carcass weight, yields and quality grades, marbling scores, ribeye areas and more. This information is only available to registered BIXS users on the animals they have submitted data on in the system.

BIXS is presently funded through the Agricultural Flexibility Fund of Agriculture and Agri-Food Canada so this system and the data provided comes at no charge.

Innovation in management practices is also key for sustainability. The 2012 recipient of The Environmental Stewardship Award, Christoph and Erika Weder of Spirit View Ranch near Rycroft, AB, exemplify the conservation practices and innovative approach that has enabled them to succeed domestically and internationally.

Recognizing the value of enabling the industry to support future sustainability initiatives, the CCA has established the Canadian Cattlemen's Foundation.

The purpose of the Foundation is to support the sustainable advancement and legacy of the Canadian beef industry by;

- Facilitating and encouraging stewardship practices and conservation actions that preserve the environment, biodiversity and wildlife habitat on working agricultural landscapes;
- Creating and/or supporting education, leadership development and outreach programs to serve youth involved with beef cattle;
- Supporting beef industry sustainability through research and awareness.

The plan is to position the Foundation as a charitable organization that will receive cash and other forms of donations to support its purpose. If you are interested in being involved in the Foundation, please let us know.

Lastly, I am always reminded at events like the International Livestock conference, held in conjunction with CCA Semi-Annual in Calgary, and programs like the Cattlemen's Young Leaders that there is no shortage of bright and eager young people in agriculture who are looking to stay involved. Attracting young people to agriculture is among our top files. ▼

Sincerely,

Martin Unrau, President

CANADA BEEF INC. REPORT

Canada Beef Inc. is an independent national organization representing the marketing and promotion of the Canadian cattle and beef industry worldwide. Its efforts to maximize demand for Canadian beef and optimize the value of Canadian beef products is funded by cattle producers through the National Beef Check-Off, which in turn makes it possible to access beef industry market development funds provided by the Government of Canada and the Government of Alberta.

Strategic Plan

Canada Beef Inc. is currently in the last six months of a 15-month business plan, ending March 31, 2013. As part of the transition process, an initial six month transitional business plan was developed covering the period from July 1 to December 31, 2011. The transitional plan largely carried on the historical direction of the founding organizations and allowed a level of continuity as the new organization worked to develop a new and unique strategic vision/direction and business plan based on the wishes and direction expressed by the broader industry during the consolidation process.

A new strategic direction was finalized and a 15-month business plan developed for the period of January 1, 2012 to March 31, 2013. The purpose of a 15-month plan was to reset the year end of the organization to March 31, beginning in 2013. Also of note, the six month transition plan was the last plan to have specific commercial beef tactics.

Canada Beef Inc.'s 2012/13 inaugural annual business plan (15 months) establishes a clear direction for the new organization. The plan is designed to deliver programs and activities that will achieve measurable and impactful results with clear alignment to the three year strategic plan developed by Canada Beef's Planning and Priorities Committee, as well as the long term strategic goals of the Canadian Cattle Market Development Council. This plan has received strong support and approval from the CCMDC and is the framework with which we begin our journey as Canada Beef Inc.

The Canadian beef and cattle supply outlook (CanFax Outlook) for the next 24 months suggest that volume growth opportunities are limited due to industry consolidation and that maintaining domestic market share and optimizing value in export markets is a realistic goal. The projected reduction in cattle marketings also creates a new fiscal reality the organization must face moving forward. The inaugural Canada Beef plan will require program rationalization and difficult decisions related to priority and emerging markets.

Strategic Focus

The strategic focus of the plan is to continue the commitment to defining, communicating and leveraging the unique points of differentiation for Canadian beef and veal. As a high cost producer of high quality grain fed beef, it is imperative that Canada Beef marketing programs are targeted at a very specific customer base that represents the best opportunity to provide a return on investment. Those targeted customers must be in markets and segments that can receive highest values for high quality grain fed beef and veal, and must value the quality and safety systems that Canadian producers/industry/government invest in.

Market Prioritization

In developing the plan and resources required to deliver on the outcomes, many factors have been considered. Where possible, programming that offers longer term benefits has been developed and is being implemented in markets where viable access is solidified. In markets where full or viable access is not yet solidified, programming has been scaled to offer the highest short term returns possible in limited access conditions, but with an eye to the future when more favourable long term access conditions are realized.

In order to maximize values of the current level of production, direct input from industry was utilized to determine markets that represent the highest value in the current access conditions and can be enhanced through a marketing strategy of developing a value proposition based on clear and meaningful product differentiation compared to competing alternatives in various global markets. The value proposition will be based on leveraging the relevant and meaningful attributes defined by the Canadian Beef Advantage.

The plan includes a comprehensive analysis provided by CanFax Research Services of projected supplies of both fed and non-fed production which serves as the basis for market prioritization. In order to prioritize markets an analysis was performed with industry of various factors including market access, as well as the product mix that historically makes up the export volumes and the ability to significantly differentiate those products based on value delivered through the points of differentiation. Less importance was placed in markets where the points of differentiation offered by the CBA are less impactful as opposed to markets where Canada clearly differentiates its products versus competing alternatives. The rationale is to identify markets that represent the most efficient return

on investment and that support increased value. For the 2013/14 fiscal year business plan, CanFax Research Services will provide a more comprehensive approach to market/product analysis.

Desired Outcomes by Priority Market

Considering the beef supply outlook over the term of the plan and available funding to implement the plan, desired outcomes by priority market have been identified and are reflective of the abilities of Canada Beef to effectively impact results based on those factors. The markets have been defined as:

Priority Markets – Canada, United States, Mexico, Japan, China/Hong Kong/Macau

Secondary Markets – Korea, Taiwan and emerging markets

In order to be responsive to changing market access conditions, an opportunity budget will be allocated to allow for rapid allocation or re-allocation of resources to the applicable market to implement tactical initiatives. Specific tactics will be defined as required and approved by the board before implementation.

Alignment with Industry

As part of the industry input process, Canada Beef Inc. has ensured that strategic and tactical alignment is leveraged with industry partners and their distribution networks in global markets wherever possible to identify target customers and priority products in key markets and segments.

Board of Directors

The Board of Directors for Canada Beef Inc. is comprised of provincial representatives and funders. The board was elected at the Annual Forum, September 21, 2012, and will hold office until the next Annual Forum and Board elections, date to be announced.

Ten provincial association members are serving as inaugural board members: Grant Huffman, BC; XX, AB; XX, AB; XX, SK; Trevor Atchison, MB; Paul Sharpe, ON; Gib Drury, QC; Jennifer MacDonald, NB; Jim Bremner, NS; and John MacDonald, PEI.

Industry representation covers all sectors along the beef value chain: Dwight Greer, Eastern Meat Solutions, Beef Processing and Distribution; Brian Read, XL Foods; Robert Bielak, Canadian Meat Council; Mike Kennedy, Cargill; Arthur Batista, Ecolait; and Scott Ellerton, Sysco Canada. The first board meeting was held September 21, 2012 at which time XX was named Chair and XX was named Vice Chair.

Within the Board, four committees have been formed to oversee specific areas of business. Committees assume an active role in governing Canada Beef. Members are accountable to the Board for fulfilling the mandates determined by the Board and actively performing their assigned duties related to the committee's business on behalf of the Board.

Finance/ Audit and program
Performance Management
Planning and Priorities
Governance
International Beef Trade Access
Policy Advisory

Canada Beef Executive

Robert Meijer serves as President of Canada Beef Inc. and works with four executives covering the primary areas of business within the company: John Baker – Executive VP Global Marketing; Ron Glaser – VP Corporate Affairs and Operations; Michael Shittu – VP Finance.

Commitment to Transparency

Canada Beef Inc. is committed to creating a global awareness around the value of the Canadian beef brand, and delivering return on investment for its funders. The plan is representative of our

commitment to transparency. The plan includes strategies and tactical initiatives which will be deployed in each market. Also included are expected outcomes of combined strategies and tactics, as well as clear performance metrics and projected budgeted expenses by market.

As a provincial cattle and beef association you are an important partner in this work. Please share with us your thoughts and comments on this plan. We welcome the opportunity to discuss how we can work together to bring the Canadian beef industry into an era of greater prosperity and success. ▼

Respectfully submitted,

XX, Canada Beef Inc. Chair



MATT BOWMAN
BCRC Chair

BCRC REPORT

The Beef Cattle Research Council (BCRC) was established to determine research and development priorities for the industry, and to administer research funding of the National Check-Off.

The BCRC works in partnership with Agriculture and Agri-Food Canada (AAFC) to deliver the Beef Cattle Industry Science Cluster. Industry and government funding commitments through the Cluster total \$11.25 million directed to 32 research projects. This initiative, in which every National Check-Off dollar is matched by six AAFC dollars, is focused on advancing research of priority.

In addition to investments made through the Cluster, the BCRC has contributed over \$4.5 million to nearly 60 other research initiatives. These investments leveraged other industry and government dollars, leading to total funding exceeding \$25 million.

Beef Cattle Industry Science Cluster I, II

The first Cluster has proven to be a successful step towards improving coordination of beef research funding in Canada. Investments under the Cluster are focused on:

- Improved production efficiencies (~65% of funding): enhanced feed and forage production, increased feed efficiency, improved animal health and welfare, and utilization of specified risk materials.
- Improved beef demand and quality (~35% of funding): through reduced food safety incidents, defining quality and yield benchmarks supporting the Canadian Beef Advantage, improvements in beef quality, and development of post processing technologies to optimize cutout values.

Planning for the next version of the Cluster under Growing Forward 2 is underway using desired research outcomes defined through the engagement of industry stakeholders, funding agencies, and researchers.

BCRC's involvement in planning Growing Forward 2 research programs includes lobbying to ensure that Growing Forward research programs are delivered in a timely manner, with appropriate levels of funding, and improved administrative efficiencies.

National Beef Research Strategy

The BCRC and national Beef Value Chain Roundtable recognize that continued focus needs to be placed on aligning other provincial and national industry and government funders to develop a single national research strategy with defined research outcomes and the commitment of major funders to achieving those outcomes. As a first step in developing a national strategy, a meeting of all major funders was convened in March 2012. All participants agreed that a national framework that builds on current efforts is needed. The National Beef Research Strategy is available at www.beefresearch.ca.

Extension and Technology Transfer

The BCRC is committed to technology transfer. Fact sheets that summarize all completed and ongoing BCRC-funded projects are posted on the BCRC's website and circulated through the CCA's Action News, producer and breed associations, and agriculture media. Articles are also written for Canadian Cattlemen magazine and the BCRC Blog.

The BCRC continues to advance the implementation of its Knowledge Dissemination and Technology Transfer Strategy, which was developed through the Science Cluster, and is focused on converting applied research into effective tools that drive industry competitiveness. A Beef Extension Coordinator was hired in January 2012. Initial efforts have been focused on the development of a new BCRC website, www.beefresearch.ca, which will evolve into a source for beef research information for the industry.

The intent is to start with BCRC-funded research and then expand to include other relevant and valuable research and extension initiatives.

BCRC extension efforts will also include utilizing a regular blog, social media, industry publications, videos, webinars, and other tools to enhance industry uptake of applicable research. The BCRC will also work to collaborate with existing extension programs, increase researcher involvement in extension and increase industry-researcher interactions.

Measuring the Value of Research

Efforts continue to focus on integrating economic analyses as an integral part of BCRC research. Canfax Research Services is working with BCRC to assess the economic returns to beef research in Canada, develop BCRC research priorities, track the economic benefit of BCRC funded research over the long term, and inform areas in which greater technology transfer is needed.

Verified Beef Production™

The Verified Beef Production™ (VBP) program, under the auspices of the BCRC, supports the industry's vision to have high quality Canadian beef recognized as the most outstanding by Canadian and world customers.

VBP reports continued growth, with a 10% increase in the number of beef cattle operations trained in VBP in the past year. Nearly 16,600 beef operations across Canada are currently trained. This represents an estimated 38% of cow-calf production and 82% of feedlot production in Canada, or a weighted average of 67% of all Canadian beef production. In addition, nearly 900 cattle operations have participated in the optional validation audit to become registered with the VBP program. For further information, visit www.verifiedbeef.org.

For more information on core areas of focus or research programs, visit our new website at www.beefresearch.ca and subscribe to the BCRC Blog. ▼

Respectfully submitted,

Matt Bowman, BCRC Chair



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. While improved prices have been a significant benefit for cow calf producers, the feeding sector is facing strong pressure on margins and increased volatility and risk in the markets. This pressure has been increased by the extreme drought in the U.S. that has pushed feed prices to record levels. There are concerns about a possible loss of feeding capacity in Alberta, a trend that would have significant impact on all sectors of the industry.

In the current situation, there are many issues for the CFC to address and the council has been busy through the first nine months of the year. The council has held three full meetings and a number of council members were able to participate in a very interesting tour of the Cargill Meat Solutions plant in High River, AB, recently. The council has discussed a number of topics this year but I will highlight the areas of highest priority for the cattle feeding sector.

Objectives

At the first CFC meeting in February, the council members identified the key issues for the sector this year. Improvements in access to foreign workers and reductions in dead stock removal costs are two priorities for the council. The council needs to support initiatives to improve manure nutrient management, particularly phosphorus, and ensure that cattle feeder requirements are reflected in the programs under Growing Forward

2 that will be implemented in April, 2013. The council also recognized the need to address water allocation policies, carbon credit protocols, and export market opportunities.

Labour Force Issues

Employers across Alberta face continued challenges in finding enough workers to operate their businesses. The future of the cattle feeding industry depends on access to labour and the Temporary Foreign Workers Program is not working for many sectors of the agriculture industry. In order to address these problems, a broad group of agricultural commodity organizations and associations, including ABP, have come together to form the Agriculture Industry Labour Council – Alberta (AILCA). The purpose of the AILCA is to share information on labour shortage issues among organizations and work with federal and provincial governments to seek common solutions to these challenges. The CFC will have two representatives on the AILCA, with John Schooten sitting on the council and Craig Ference acting as an alternate.

Dead Stock Removal

With the added costs of dealing with SRM and reductions in the value of rendered products, feedlots are facing very high costs for dead stock removal. The costs are not as big a problem for cow calf producers who have more options for disposal of dead stock, but dead stock disposal is a growing issue for the entire industry. Based on a resolution from a fall meeting to lobby governments to initiate no charge dead stock removal for farm and ranch operations, the ABP Board of Directors established a working group comprising of representatives from Cow Calf Council, Cattle Feeder Council, and the Wildlife Working Group to address this issue. Ultimately, the best solution to the issue of dead stock removal will be changes in SRM regulations and improved options for SRM disposal rather than seeking funding to offset costs to producers.

Research Projects

The CFC supports a number of research projects through direct funding and recommendations to other funding agencies. On the advice of the CFC, ABP committed \$1.5 million over five years to research aimed at developing high quality, efficient varieties of feed grains that would improve returns to grain growers and lower costs of feeding for cattle producers. The third year of the “Breeding cultivars of barley and triticale with improved feed quality” project has been completed and the project is yielding significant results. The CFC also is supporting a project at the University of Calgary that is examining Central Nervous System diseases in feedlot cattle.

This is not a complete listing of the activities being done under the direction of the CFC. After participating with people from across the feed grain supply chain in the Feed Grain Summit III last December, I have continued working as a member of the Feed Grains Committee that is leading the development of a long term feed grain strategy for Western Canada. John Schooten is participating with the National Farm Animal Care Council (NFACT) in the development of the Beef Cattle Code of Practice for the Care and Handling of Animals. As the sector faces present and future challenges, the Cattle Feeder Council will continue to work on behalf of ABP and cattle feeders to make appropriate policy and production recommendations. ▼

Sincerely,

Howard Bekkering, Chair

- John Schooten, Zone 2
- Bryan Thiessen, Zone 3
- Craig Ference, Zone 4
- Charlie Christie, Zone 5
- Dave Solverson, Zone 6
- Bernie Regner, Zone 7
- Sheldon Hauca, Zone 8
- John MacArthur, Zone 9
- Rick Friesen, Zone 1 at large



JOHN BUCKLEY
CCC Chair

CCC REPORT

The Cow Calf Council (CCC) had four major meetings and two conference calls during 2011/12 where the members dealt with regular council business, AGM resolutions and policy review. The council received presentations about business risk management (BRM), reviewed and provided input towards the next set of BRM programs under Growing Forward 2 (GF2), weather stations (DEMAG), forages (AFIN) and wildlife. Some of the council work was handled directly through subcommittees.

Safety Net Subcommittee: Chris Simpson (Chair), Ted Ford and Tim Smith.

The area of BRM policy had considerable work done by the group. A review of the present programs and strategies dealing with BRM and catastrophe support was done dealing with the AgriStability, AgriInvest and AgriInsurance programs and the AgriRecovery framework. Programs outside the core are classified as Strategic Initiatives. ABP supported direction towards increased investment in well-defined Strategic Initiatives. For example, for R&D the return to investment can be 30:1 or greater. Other investments in market development, extension and on-farm food safety would also support Alberta's beef producers' competitiveness. ABP supported GF2 having continued funding for the Alberta Beef Quality Starts Here program, the on-farm food safety delivery agent in Alberta.

Alberta's Minister of Agriculture held meetings during July looking for ways to reduce government BRM

spending by \$435 million in Canada. Chris Simpson and Ted Ford participated as ABP representatives. The subcommittee prepared a position paper recommending to the ABP Board of Directors the following position: to encourage continuation of AgriStability with some modifications to the reference margin level, and to continue AgriInvest with the calculation to use Allowable Sales instead of Allowable Net Sales for savings. A copy of the report is available upon request.

Drought and Excessive Moisture Advisory Group (DEMAG): Mike Nadeau is the ABP representative. Three to four new weather stations will be set up in special areas to help monitor conditions at a cost of about \$20,000/each.

Alberta Forage Industry Network (AFIN): Lyndon Mansell, ABP's representative to AFIN, presented the group's final report 'The Value of Alberta's Forage Industry' to the CCC. This report is available from Agriculture and Rural Development. Mansell had been appointed vice president of the network.

Wildlife Subcommittee: In March 2012, this group evolved from a subcommittee under the CCC to a stand-alone working group reporting directly to the Board. Work will focus on wildlife related issues such as seeking solutions to the ongoing issues of wildlife predation and damage experienced by our producers. The working group consists of two CCC delegates, two from the Environment Committee and one from the Animal Health and Welfare Working Group.

Dead Stock Removal: Presently, cow calf producers must bear considerable expense when dealing with the issue of dead stock removal due to the long travel distances to approved disposal sites and the small numbers of dead stock involved. A Dead Stock Working Group has been formed to address these issues. The working group is comprised of a member each from the CCC, the Cattle Feeder Council

and the Wildlife Working Group. John Beasley is the CCC representative on the working group.

Forage Insurance Task Force: Rob Somerville, CCA, spoke to the council about the AAFC's task force. Participation rates in pasture and forage insurance are very low and AAFC was looking for ways to increase producer participation. Some direction was given around developing a mechanism that would allow cow calf producers to buy forage insurance based on their feeding requirements. Maintaining a feed inventory was considered to be one of the best ways to address feed risk management. Insurance program recommendations are to be finalized by fall for inclusion in the GF2 programs for 2013.

Traceability: The National Agriculture and Food Traceability System vision was that "those benefiting from traceability will share the costs." The council referred to The Guiding Principles for Beef Cattle Traceability signed in 2009 by ABP, CCA and others that supported traceability. Primary producers were not to be overly burdened with this program. The council continues to support those principles.

Cow-calfenomics fall producer meetings: Continuing with the program initiated last fall, Alberta Agriculture and Rural Development presented a proposal to continue hosting one-day seminars with topics dealing mainly with the cow calf sector. These will be held in six communities across the province fall, 2012. ABP will be continuing our support of this initiative by helping with in-kind support. ▼

Sincerely,

John Buckley, Chair

- Allan Minchau, Zone 2
- Tim Smith, Zone 4
- John Beasley, Zone 4 at large
- Rose Wymenga, Zone 5
- Chris Simpson, Zone 6
- Ted Ford, Zone 7
- Lyndon Mansell, Zone 8
- Mike Nadeau, Zone 9 at large
- Brian Chomlak, BOD representative



LARRY DELVER
CIC Chair

CIC REPORT

The Cattle Industry Council (CIC) continued its review of regulatory costs to the industry. A major effort by the council has been a continuing review of cattle traceability. Fred Hays, ABP policy analyst, is staff support to the council.

Meeting: A short meeting was held by Larry Delver and Fred Hays in April with staff from ALMA to review their report “Benefit Analysis of Cattle Traceability in Alberta,” prepared by The Mallot Creek Group from Guelph. It focused on benefit areas along the supply chain trying to find a quantitative benefit to industry and society as a whole. Some of the concerns included the economic impact of improving response time to disease outbreaks. Fast moving diseases that may be hard to get ahead of such as foot and mouth disease, anaplasmosis that is spread by ticks (presently found in southeast Alberta and Southern Saskatchewan), and blue tongue spread by no-see-ums (moves with climate change and periodically threatens the Okanagan).

The value to leverage animal identification is secondary to the research of the disease factors. Some of the items discussed included: a) who should be paying for this regulatory burden, b) what can we capitalize on with traceability as an industry, c) what benefits are consumers getting from livestock traceability – need to have an analysis of benefits, and d) will animal traceability improve the competitiveness of the industry.

Mini-Conference: CIC hosted a mini-conference dealing with traceability issues in June. The

business meeting included an update of ABP’s Traceability Cost Benefit Study that was being managed by CanFax. The conference included presentations from different industry sectors: Canadian Cattle Identification Agency’s (CCIA) present position and direction dealing with animal traceability presented by Dr. Pat Burrage, Vice-President for the CCIA; traceability vulnerabilities in Canada’s cattle industry supply chain presented by Matt Taylor, Allen Preston and Associates; ALMA’s Traceability Project: Aligning Traceability with Industry and Customer Relevance presented by Kerry Wright, Vice-President of Mallot Creek Strategies; the ALMA funded Ultra High Frequency (UHF) Cattle System Pilot project presented by Glen Kathler, Southern Alberta Institute of Technology (SAIT); and the Livestock Identification Services’ (LIS) electronic manifest presented by Chad Vandermer, LIS. Approximately 24 people attended.

USDA Meeting: In July Larry Delver and Fred Hays met with Mihai Lupescu, Agriculture Specialist from Foreign Agriculture Services/USDA, in Ottawa and Robin Gray, American Attaché, to discuss U.S.-Canada livestock issues. The main focus was Country of Origin Labelling (COOL), effects of the U.S. drought on North American cattle and beef sectors and trade issues and the affects of regulatory burden on both sides of the border. ▼

Respectfully submitted,

Larry Delver (WSGA), Chair

- Shawn Freimark - FAA
- Bob Ruckman - AB.VMA
- Craig Dorin - WCABP
- Dan Rosehill - AAMA
- Lorrie Jespersen - AB Milk
- James MacLean - ALDOBA
- Brent Carey - ABP
- David Moss - LIS
- Vern Lonsberry - NWCPB



BRENT CAREY
Communications Chair

COMMUNICATIONS REPORT

The Communications Committee has had a strong year and tackled some new initiatives. We had our first meeting in April to create our 2012/13 plans and the again in June at the ABP Semi-Annual Meeting.

We took the initiative to dive into the world of webinars. The first webinar went live the end of May. The topic of empowering producers to become advocates for our industry was the theme. The second took place in June and covered utilizing social media to expand your network and engage our industry, and for the third session in July Jill Harvie, Canadian Cattlemen’s Association, discussed returning to the farm and what makes it work. The committee invites and encourages everyone to join us for all future webinars. All information and free registration can be found on the link on the homepage www.albertabeef.org.

Speaking of homepages, the committee will be refreshing the ABP website this year. The current website was designed and launched nearly five years ago. It’s time to breathe some fresh air into the portal. We are looking at making it more streamlined, user-friendly and social media-savvy.

The annual Young Guns Award was launched earlier this year and judging took place at ABP’s Semi-Annual Meeting. The theme this year was “I am the future Alberta beef producer.” The First prize was \$1,000, second was \$500 and the

third place winner received \$250. Tessa Nybo, Sundre, AB, was our first place winner this year with Kelty Whelan, Irricana, AB, placing second and Miranda Ross, Crossfield, AB, coming in third. The committee had a great time reviewing all of the submissions.

The committee is excited to host the annual media tour again this fall. We will be partnering with Alberta Milk and Canada Beef Inc. in October to tour media from all over the province to three stops that will provide them with interesting insight and different perspectives of the beef and dairy industries in Alberta.

The April/May and July/August issues of the grass routes newsletter have gone out so far this year and the next issue will be out in early January. The committee sponsored the Cattlewomen for the Cure golf tournament again this year, which raised over \$49,000 for the ALS Society of Canada. Cattle Country with Jim Fisher is running across Alberta radio stations every Wednesday with up-to-date, relevant information for producers and you can also sign up for our weekly updates, check our auction mart monitors, and go to the ABP website for all your beef industry related news and information.

As always, we are open to new ideas, thoughts and suggestions on communications. Please feel free to offer them up to myself, committee members or staff. ▼

Regards,

Brent Carey, Chair

Rick Friesen, Zone 1
Cecilie Fleming, Zone 2
Brian Edge, Zone 3
Judy Fenton, Zone 4
Arny Tateson, Zone 5
Tim Sekura, Zone 6
Colin Campbell, Zone 7
Gordon Graves, Zone 8
Roland Cailliau, Zone 9



CHUCK MACLEAN
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 ABP 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 ABP 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 held its inaugural meeting April, 2010. At this time the Committee defined the Terms of Reference. The committee makes use of a working

agenda for the year which specifies timelines and identifies milestones to be achieved. The committee uses these documents to guide their activities throughout the year.

The Committee held a number of conference calls including a conference call with ABP's external auditor. The Audit Committee also reviewed and considered ABP's internal control and risk management procedures as well as the financial reporting and disclosure procedures.

The Audit Committee met with the auditors to review the final audited financial statements. The auditor informed the Audit Committee that the financial affairs of ABP were in good order, the controls were excellent and they informed the Committee that they were extremely pleased.

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

Sincerely,

Chuck MacLean, Chair, Independent

Greg Bowie, Board of Directors
Lorrie Jespersen, CIC
Chris Simpson, CCC
Bryan Thiessen, CFC



MARK FRANCIS
Marketing &
Education Chair

MARKETING & EDUCATION REPORT

This has been a hallmark year for the Marketing and Education Committee as it is the first time in nearly a decade ABP has launched a high profile, professionally crafted campaign that focuses solely on our legendary product. Since 2003, and the post-BSE years, our marketing initiatives have, of necessity, told the story of our industry's one hundred year effort to grow the finest, safest beef in the world. With recent research indicating that consumer confidence in Alberta Beef was consistently high, ABP decided the new thrust of its marketing efforts needed to shift away from industry image to a concentration on beef product, increased sales and the ultimate strengthening of the Alberta Beef brand.

Because we had not spoken directly to the consumer for a while, because we had not been present where he/she shopped or dined out or needed help cooking a roast, ABP knew there was a lot of hard work ahead. In marketing terms, "a lot of hard work" translates directly into the need for a lot of marketing dollars. What's more, not only must there be dollars available for a strong launch, there must be substantial reserves at hand to deliver marketing messages repeatedly and over the long-term. With a forty-year history of solid promotional practices behind it, ABP understands firsthand that building a brand takes years of

effort and sustaining it is essentially an ongoing task, with ongoing commitments.

Therefore, after two years of negotiations and some undeniable generosity by the Alberta Livestock and Meat Agency, the committee finally leveraged a modest operational budget into a 1.3 million dollar marketing fund. "Alberta Beef: Famous Taste. Right at Home" is the campaign ABP designed to begin strengthening the brand by reminding consumers why they love our beef above all other protein foods: for its delicious taste.

The campaign was launched with a media event that highlighted ABP's plans for a mobile BBQ called the "Famous Taste Express." This mobile BBQ would be taking the "Famous Taste" message to Albertans during June through September. It would be appearing at high traffic venues such as the 2012 Calgary Stampede Roundup and BBQ on the Bow and also at IGA Freson Brothers and Save-On Foods during highly advertised promotional events. The response to the BBQ was indeed phenomenal with over 10,000 strip loin samples being handed out at the first tasting event alone and with untold cooking questions being answered by professional chefs manning the Express.

During the summer, a thirty second television ad produced by Heartlands Director, Grant Harvey, supported the taste message with an elegant and effective clip of young people dining on Alberta Beef and remembering why they love it so much. This ad was produced as the campaign lynchpin and has had hundreds of thousands of consumer viewings while tailing traffic-dense programs like the Stanley Cup, the Calgary Stampede and the Summer Olympics.

ABP staff saw the impact our ad had on our viewing public with the large and sudden spike in bumper sticker requests following its

exposure on air. The outdoor campaign featuring billboards and bus shelter ads also highlighted the bumper sticker and gave its popularity another push skyward.

For those consumers who regularly visit the internet for educational needs, the ABP campaign included a website which helps consumers choose a cut of beef and tells them how to prepare it. In our upcoming campaigns we hope to have a QR code placed on Alberta Beef labels which will allow the consumer to handily access this website precisely while making the purchase decision. Our marketing experts advise this is an excellent way to achieve sales lift as it diminishes any temptation to buy other protein food.

The campaign also had a profile in social media, with our ad agency and ABP staff using Twitter, YouTube and Facebook to drive interest in the campaign. The metrics on followers on all social media fronts have been very positive and ABP feels the modest cost of this tactic represents money well spent, particularly when it comes to engaging a whole new demographic of loyal beef purchasers.

In closing, I'd like to say the persistence the Marketing and Education Committee showed in pursuing funding for this campaign has finally paid off in spades. There's no question that without their efforts none of this large scale exposure of your product would have been possible. They are a strong and dedicated group and it has been my distinct pleasure to be their chair in 2012. ▼

Regards,

Mark Francis, Chair

- Cecilie Fleming, Zone 2
- Chuck Groeneveld, Zone 3
- John Bland, Zone 3, Vice Chair
- Dan Gray, Zone 4
- Cathy Sharp, Zone 5
- Gary Seutter, Zone 6
- Ed Doktor, Zone 8



BOB LOWE
Environment Chair



GREG BOWIE
Environment Chair

ENVIRONMENT REPORT

The Environment Committee has worked closely with watershed groups across the province, the Land Use Sub-Committee and Wildlife Working Group, and other various producer and industry groups focused on environmental initiatives. The Environment Committee oversees Alberta Beef Producer's (ABP) Environmental Stewardship Award and this year marked the 20th time the award has been presented.

The committee approved funding on three watershed projects this past year. The Red Deer River Watershed Alliance is in the second year of development for their Integrated Watershed Management Plan. Once completed the plan will be used as a guide to address water and ecological issues identified in their State of the Watershed Report. The Environment Committee will be the lead sponsor for the Oldman Watershed Council's 'Holding the Reins' seminar again this year. This event provides an opportunity for producers to learn about current land and water issues and how to deal with them. The North Saskatchewan Watershed Alliance is in the process of updating their river guidebook that was originally developed ten years ago.

The committee toured the Olds College Botanic Gardens and Treatment Wetlands Complex in June. The 20-acre research and education facility includes demonstration plots with 20 constructed treatment wetlands. The wetlands and gardens can be utilized for land use planning

and integrated water management research and training. A few committee members attended the Alternative Land Use Services (ALUS) workshop in Vermilion, AB, at the end of June. Attendees of the 'Growing a Healthier Environment' workshop learned about ALUS, toured ALUS projects, increased their understanding of sustainable landscapes and agricultural systems, and provided input into the future of ALUS. ALUS is an incentive based concept that pays landowners for using land management practices that create productive agricultural systems and sustainable landscapes.

ABP's Environmental Stewardship Award (ESA) was announced in December at the Annual General Meeting. This year's recipient's, Christoph and Erika Weder, philosophy has always been to ensure that the management of their ranch is done in harmony with the environment and with nature. The young ranching family is already thinking to the next generation and not only focus on minimizing the impacts to the land, but leaving it in better shape than it was when they began managing it. "Think global but act local and communicate those values to other people to make a difference." These are words used as guidance for every decision made at Spirit View Ranch. The Weder's commitment to sustainable ranching made them Alberta Beef Producers' 20th Environmental Stewardship Award recipients. Christoph and Erika were recently named the national Environmental Stewardship Award winners in Calgary, AB, over the summer. The award was presented to the Weder's by the Canadian Cattlemen's Association at their Semi-Annual Meeting that was held in conjunction with the International Livestock Congress.

The ESA judging team toured the nominees for the upcoming year 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 evaluation process. The winners of the 2013 Environmental Stewardship Award will be announced at ABP's Annual General Meeting this December in Calgary, AB. The ESA highlight video was updated this year to include the more recent ESA recipients. The video is a compilation of the past winners and highlights the importance of the environment to beef producers in Alberta. If you would like the video for at zone events contact the ABP office or your zone director.

The Environment Committee continues to support Cows and Fish. They launched REAL Beef: Linking Food Consumers with Land Stewards, last year. Through personalized producer stories and events around the province, Cows & Fish set out to rebuild the connections back to the farm that so many consumers have lost. You can view the producer stories on their website. The Environment Committee continues to see great value in the work Cows & Fish do and the programs they run. ABP supports the society financially and in-kind through staff support, office space and program promotion. If you are interested in learning more about the riparian management group go to www.cowsandfish.org.

The committee is excited to work together this year and keep producers informed along the way. This should be a very interesting year and we look forward to the work we do to represent Alberta's beef industry. Agriculture and the environment go hand-in-hand, and communication between the two is essential to ABP to be at the forefront of issues that could potentially impact our industry. ▼

Regards,

Bob Lowe, Chair
Greg Bowie, Chair

- John DeGroot, Zone 1
- Darren Bevans, Zone 2
- Gordy Cunningham, Zone 3
- Judy Fenton, Zone 4
- Nanita Blomquist, Zone 5
- Rick McKnight, Zone 7
- Bill Fox, Zone 8
- Bruce Jack, Zone 9



BRIAN CHOMLAK
Animal Health and
Welfare Chair

AH&W REPORT

The Northern Alberta Bison Project continues to be a large part of AH&W's mandate. One herd outside of Wood Buffalo National Park has been confirmed to be infected with brucellosis. More samples will be collected this winter to definitively determine the status of the other main herd outside of the park.

We continue to work closely with Sustainable Resource Development (SRD) in promoting the Bison Watch program in the area to ensure that any bison sightings are reported promptly so the correct action can be taken. SRD is also working with Parks Canada to develop a containment strategy for the bison inside Wood Buffalo National Park, and we are supporting them in this endeavour. This project is funded through Growing Forward, and will conclude in March, 2013.

We continue to be concerned about the current lack of diagnostic services in Alberta. AH&W will continue to reiterate our support for reinstatement of diagnostic services in the province, and will not let this issue fade into the background, as we realize the importance of these services to producers and veterinarians in Alberta.

Antimicrobial resistance continues to be a hot topic for media and a source of public concern. While research in beef cattle to date has shown a very low level of resistance to the drugs important to human medicine, we must continue to use antimicrobials judiciously and properly by using the best product for most effective treatment, at the correct dosage, and for the

appropriate duration. If you are unsure of the best treatment for your animals please consult with your local veterinarian. AH&W considers producers' continued access to antimicrobials a very high priority.

The Canadian Code of Practice for the Care and Handling of Beef Cattle is being renewed. There are two surveys available to provide background information to aid the code development team. The link to the surveys can be found on the homepage of ABP's website. Keep your eyes peeled for the announcement of the 60-day open comment period, anticipated later this year, and please provide your valuable input into this process.

AH&W continues to work closely with Alberta Farm Animal Care (AFAC), whose goal is to improve animal handling and promote responsible animal care. An updated Humane Handling Guide for Beef Cattle is being produced and we will let you know when it is available. AFAC is also leading an Emergency Response Trailer project whereby specially outfitted trailers will be available to assist in livestock related roadside emergencies in key areas of the province. The Canadian Livestock Transport (CLT) program, which provides professional drivers, farmers and ranchers, handlers, and dispatchers with best handling and management practices certification, which was started by AFAC, has moved national, and the species modules are currently being updated.

Another important partnership between AFAC and ABP is the continued funding ABP provides to the ALERT line program. This is a confidential reporting system whereby animal care concerns can be voiced, and are subsequently investigated by the appropriate personnel (veterinarians, producers, SPCA, etc.). The ALERT line number is 1-800-506-2273.

Emergency planning is important to keep your livestock and personnel safe. Having a list of important phone numbers in a central location, along with a written response plan can be useful if an emergency situation occurs. A brochure to aid in this planning will be available shortly.

ABP's Grass Routes and weekly updates continue to be an important method of communicating information for producers on animal health and welfare, so if you haven't signed up for the weekly email updates please visit www.albertabeef.org to subscribe.

AH&W is working hard to serve the best interests of Alberta's beef producers with regards to animal health and responsible animal care, and ensure that your check-off dollars are spent wisely to help prepare producers for emerging issues in these areas. We will continue to do our best to keep you informed on the important topics, and the results from projects we are involved in. ▼

Regards,

Brian Chomlak, Chair

Allan Minchau, Zone 2
John Bland, Zone 3
Pat Rutledge, Zone 4
Rose Wymenga, Zone 5
Adam Moseson, Zone 6
Gene Brown, Zone 7
Maartin Braat, Zone 9



CHARLIE CHRISTIE
Research Chair

RESEARCH REPORT

It has been an exciting year for the Research Committee. We are involved in a number of initiatives that should provide measurable value to producers across Alberta, as well as nationally. Alberta Beef Producers (ABP) strives to fund research that will improve the sustainability and competitiveness of Alberta's beef industry. The Research Committee works towards that end, along with the dissemination of results and other valuable information to our producers.

Early in 2012, the Research Committee approved the conditional funding of two projects from the full proposals solicited in the fall of 2011. One project will be investigating lameness of cattle in feedlots, and the other will investigate the dark cutting condition in Canada, with focus on muscle metabolism. These projects will begin once the remaining funding necessary to complete the projects is secured from alternate sources.

As part of the National Beef Cattle Research Strategy, lead by the Beef Cattle Research Council (BCRC), ABP held a joint call for research proposals in August. The joint call was intended to reduce the workload on researchers, as well as administrative time and effort. Instead of having two distinct separate calls for proposals, requiring two sets of letters of intent, two full proposals, and two sets of peer reviewers with different deadlines, ABP and BCRC merged

their processes to improve efficiencies, and use limited dollars from industry to the best possible advantage.

The response to this joint call was astounding, with almost 100 letters of intent received. The Research Committee reviewed all of the letters of intent and asked for 12 full proposals. These proposals are currently undergoing peer review, and funding decisions will be made in late October.

We also look forward to the creation of the next Beef Cattle Industry Science Cluster in April of next year. The first Cluster was a resounding success, demonstrating the value of industry dollars in providing leverage for research funding. The Cluster uses every national check-off dollar from the BCRC and leverages them against six dollars from Agriculture and Agri-Food Canada. Industry and government funding through the Cluster totaled \$11.25 million over the past five years. With this leverage, ABP's \$500,000 direct investment into the Cluster resulted in \$3.5 million in research funds.

Another long-term research endeavour is the affectionately named "Feed Grains Project," led by Dr. Jim Helm of the Field Crop Development Centre in Lacombe, AB. The long title of this project is "Breeding cultivars of barley and triticale with improved feed quality." While advances in barley quality and yield have been realized, they have been almost entirely focused on malting barley. The barley varieties used for feed production have remained relatively static, both in terms of the yield and quality, as well as the types available. This project aims to increase the yield and feeding quality of grain and silage produced from barley and triticale, and find varieties with improved disease resistance and water use efficiency. ABP provided \$1.5 million over five years to this project, and the investment is already paying off. To

date, this project has resulted in the release of six new feed barley varieties, three new spring triticale varieties, one new winter triticale variety, and one new winter wheat variety. In addition, new sources of scald, Fusarium head blight, strip rust, and net blotch resistance have been found and are being incorporated into the breeding programs. This project is scheduled to wrap up in 2014, but as plant breeding is an enduring enterprise, ABP is looking at viable ways to support the continued progress of this project long-term.

Forage research in Alberta and Canada has been experiencing a decline in capacity and expertise. This is worrying given that cattle spend most of their lives consuming forage-based material. ABP is involved with a project to help battle this decline in Alberta along with other industry representatives, Alberta Agriculture and Rural Development, and Agriculture and Agri-Food Canada. While this plan is still in the initial stages of development, we have high hopes that the collaboration between industry and government will be able to create a long term, sustainable forage research program to address this current gap.

Research project factsheets, both completed and ongoing, are available on the ABP website at www.albertabeef.org/producers/research-and-development. I would also encourage you to visit BCRC's new website at www.beefresearch.ca, which has a lot of excellent information on a wide array of research and production related topics. ▼

Charlie Christie, Chair

- Darren Bevans, Zone 2
- Brian Edge, Zone 3
- Nanita Blomquist, Zone 5
- Colin Campbell, Zone 7
- Howard Bekkering, CFC
- Larry Delver, CIC
- Tim Smith, CCC



CHUCK MACLEAN
Governance Chair

GOVERNANCE REPORT

The Alberta Beef Producers (ABP) Governance Committee was established through the by-laws that were created during our last plan review and approved at the 2009 Annual General Meeting (AGM). There was strong recognition that the governance rules, policies, and practices of ABP had been carefully considered over the life of the organization and were fundamentally sound. However, it was deemed appropriate in the current business climate to create a committee to provide formal oversight on these matters. The committee held its inaugural meeting during the spring of 2010, and prepared its original Terms of Reference. Since that first meeting, the committee has held a number of meetings and conference calls to address the priority governance issues it has identified.

At a meeting this spring, the Governance Committee reviewed and refined the original Terms of Reference to make them more relevant to the activities of the committee. The primary purpose of the Governance Committee is to review ABP's corporate governance guidelines and practices, monitor trends and best practices, and make recommendations to the ABP Board of Directors regarding appropriate changes in the corporate governance provisions of the ABP Plan Regulation and By-Laws and the policies and practices of the Board. 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. He noted that the key elements of good corporate governance principles include honesty, trust and integrity, openness, performance orientation, responsibility and accountability, mutual respect, and commitment to the organization.

The Governance Committee is appointed by the ABP Board of Directors and consists of five members supported by the Executive Director. Four of the members are appointed by the ABP Board, Cow Calf Council, Cattle Feeder Council, and Cattle Industry Council, respectively. The fifth member is recommended by the committee and is an independent person from outside the organization, not directly involved as a delegate with ABP.

Although the Governance Committee has not always been satisfied by the speed of its work, it has addressed quite a number of important issues over the first two years of its existence. The committee has completed reviews of various ABP regulations, by-laws, procedures, and policies. The committee oversaw the development of documents outlining delegate, director, and zone committee responsibilities. They have supported the development of a confidentiality policy and a Governance Excellence Model (GEM) assessment of the Board. The committee reviewed delegate and director compensation and had the Board complete a Corporate Governance Board Self-Evaluation.

One major achievement of the committee was its direction over the preparation of an ABP Code of Conduct and Conflict of Interest Policy. This policy sets clear standards for director conduct and provides the Board with a solid

basis for assessing the performance of its members. All directors have signed a copy of the policy and by their signatures, have acknowledged their understanding of the policy and their agreement to comply with it.

For this year, the focus of the Governance Committee will be to develop an ABP Governance Manual. Many of our governance rules and procedures are already outlined in the ABP By-Laws, but there are gaps in these areas and written policies are an essential element of good corporate governance. The committee used the recently developed Canada Beef Inc. Governance Manual as a model for the ABP manual and has now completed a draft document for review by the Board. If the Board approves the document, it will be reviewed and approved by the delegates at the 2012 AGM.

Governance is a journey, not a destination, and the Governance Committee is prepared to guide ABP along that journey. ▼

Sincerely,

Chuck MacLean, Chair, Independent

Judy Fenton, Board of Directors
Lyndon Mansell, CCC
Sheldon Hauca, CFC
Dan Rosehill, CIC



RICK MCKNIGHT
Wildlife Working
Group Chair

WILDLIFE REPORT

During the March ABP Board of Directors meeting the wildlife work was to be handled by a newly formed Wildlife Working Group reporting to the Board. The original work was previously part of a subcommittee of the Cow Calf Council (CCC).

The group was consists of two CCC members, two Environment Committee (EC members) and one from the Animal Health and Welfare Working Group (AH&W).

Terms of Reference: The Wildlife Working Group Terms of Reference was developed to deal with wildlife issues across Alberta. A considerable amount of work had been done as a subcommittee, but expanding the role increased the importance and focus of wildlife to the sector. The objectives of the group were to work closely with interested parties to ensure that regulation development and administration is equal, fair and timely. In addition, the group is to work toward developing positive incentives for wildlife stewardship and to recognize producers for the services they provide for wildlife that the board approved in September.

Coyotes on predator list: Coyotes cause over 75 per cent of the predation losses of livestock in Alberta. They are presently covered under the Pests Act and the Predator Compensation Program does not cover damage done by them. A change to the Wildlife Act would be required to have coyotes covered under this program.

Membership in the government-industry committee Alberta Game

Management Advisory Group

(AGMAG): Rick McKnight and John Beasley are ABP’s representatives on AGMAG. In May they presented a submission to have coyotes placed on the wildlife predator list. Bounties are not politically acceptable but there is an AGMAG committee looking at compensation for coyote kills.

The provincial government announced in May that they were reviewing this. This change to the Wildlife Act would need to be ratified through the legislature.

Sustainable Resource Development (SRD) presented their direction on establishing a grizzly hunt to the group. There is a no bison corridor between Zama and Highway 35 so anything found in the corridor is removed. They also discussed having rogue bear permits available.

Cowboys and Carnivores: After a presentation by the Miistakis Institute on their ‘Cowboys and Carnivores’ project, the working group made a funding recommendation to the board for up to \$15,000 that was approved. The institute is working with the Drywood Yarrow Conservation Partnership on a monitoring program to collect information on carnivore species that will develop solutions to conflicts between carnivores and livestock or people. It is based in south-western Alberta, but an effective management strategy will have benefits for all Alberta producers.

Cougars: There was discussion and enquiries made by the working group about wildlife predation and management. During the year a cougar was snared in a farmyard in zone seven. The farmer requested SRD release of the remains, contrary to regulations. In the end the farmer did not obtain the remains and they were handled by SRD as part of their regulations.

Trapping and snaring predators: A summary of the laws dealing with trapping and snaring was prepared. SRD is also considering using this

work as a way to present these regulations with in government documentation.

ABP Economic Impact on Wildlife

Survey: The Miistakis Institute presented a survey program that would determine the financial cost of wildlife predation damage in Alberta. The work would be over \$35,000 and ABP agreed to provide 10 per cent of the funding, including in-kind work. ABP is looking for additional funding support for this project.

Dead stock removal resolution: A working group was formed with participation from the Wildlife Working Group. There is currently no dead stock pick up in Northern Alberta. For Southern Alberta, the group will look into the role of the Cardston plant and collection sites. Rick McKnight is the appointed wildlife member.

Paid Hunting: Landowners cannot charge hunters to hunt or for access to their lands. Darren Bevans, ABP delegate, and Blaine and Clint Marr, producers, presented their version of paid-for-hunting. In the U.S. some of the revenues for producers comes from supporting wildlife programs. In some cases these revenue streams can be more than 50 per cent of a farm income. This area continues to be investigated.

Hunting Forms: “Permission to Access” and two “Liability and Indemnity Waiver” forms were developed to assist producers managing hunters on their property. They can be downloaded from the ABP website at www.albertabeef.org/producers/wildlife-working-group/.

ABP Policies Document: There are a number of wildlife policies that are outdated. The group is reviewing these to determine which should be deleted, kept or if a policy should be created. ▼

Rick McKnight, Chair

Bob Lowe, EC
Allan Minchau, CCC
John Beasley, CCC
Brian Chomlak, AH&W

DRAFT OPERATIONS BUDGET FOR 2013-2014

ALBERTA BEEF PRODUCERS

Draft Operations Budget for 2013 - 2014

	Proposed 2013 - 2014 Budget	Notes	Final 2012 - 2013 Budget	Draft 2012 - 2013 Budget
National Policy and Trade Advocacy Programs:				
Canadian Cattlemen's Association, including legal assessments	\$ 1,400,000	3	\$ 1,450,000	\$ 1,500,000
Enhanced Federal Lobbying	40,000		40,000	50,000
National Governance and Oversight	40,000		40,000	50,000
U.S. and International Trade Management	50,000		50,000	50,000
Board and Delegate Expenses, ABP Governance and Provincial Initiatives:				
Board meetings and board appointed representatives	150,000	4	150,000	145,000
Annual general meeting	135,000		140,000	140,000
Partnerships projects	120,000		120,000	120,000
Fall producer meetings, resolutions and policy development	115,000		115,000	115,000
Zone Committees	108,000		108,000	108,000
Provincial Advocacy	100,000		100,000	50,000
Semi-annual meeting	85,000		90,000	95,000
Executive Committee	85,000		85,000	85,000
Annual Report	60,000		65,000	71,600
Canfax membership and services	53,400		53,400	53,400
Audit Committee	5,000		5,000	5,000
Governance Committee	5,000		5,000	5,000
Council, Committee, Staff and Project Expenses in Priority Areas:				
Salaries and benefits - related to programs	803,600	5	1,240,000	740,000
Cattle Feeder Council	594,150		594,150	577,500
Cattle Industry Council				
Cow Calf Council				
Animal Health and Welfare Working Group				
Communications Committee				
Environment Committee				
Marketing and Education Committee				
Research Committee				
Wildlife Working Group				
Projects Reserve Fund				
Office, legal and financial administration:				
Salaries and benefits	355,850	6	355,850	372,500
Rent, office supplies and equipment	460,000		460,000	460,000
Legal, audit, plan review and consulting	95,000		120,000	160,000
Amortization of capital assets	40,000		40,000	40,000
	4,900,000		5,426,400	4,993,000
Capital Budget and costs related to the office lease expiring	100,000	7	9,500	7,000
	<u>\$ 5,000,000</u>		<u>\$ 5,435,900</u>	<u>\$ 5,000,000</u>

NOTES TO OPERATIONS BUDGET FOR 2013-2014

1. **Budgeting Process**

In accordance with the 2009 Board of Director recommendation in the budgeting process the net revenue remaining from the amounts 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.

A \$5,000,000 draft budget is presented in the Annual Report and to producers during the fall meetings. The budget is finalized by the Board of Directors once the total amount available to be spent is known.

2. **Payments to the Canadian Beef Cattle Research, Market Development and Promotion Agency (The National Agency)**

Pursuant to the Agency Agreement and the Services Agreement with the National Agency, ABP collected and remitted to the National Agency \$1 out of every \$2 Alberta Service Charge and \$1 non-refundable National Levy collected on cattle marketed in Alberta. The National Agency distributes the National Levy to Canada Beef Inc. and the Beef Cattle Research Council based on an allocation determined annually by the ABP Board of Directors. ABP collects a \$3 Federal Levy on cattle sold in inter-provincial trade in Alberta, cattle from out of Alberta. The Federal Levy collected on the interprovincial sale of cattle continues to be non-refundable.

3. **National Policy and Trade Advocacy Programs**

Alberta Beef Producers is committed to the notion that the national organization, CCA, must have resources available to continue to effectively execute policy, trade and market access programs.

4. **Board and Delegate Expenses, ABP Governance and Provincial Initiatives**

This category of expenses reflects the costs involved in running a democratic organization and specifically addresses the monies required to provide remuneration to delegates and to directors; to hold meetings; and to ensure that ABP is represented at all industry events having the power to impact Alberta's cattle producers.

5. **Council, Committee, Staff and Project Expenses in Priority Areas**

ABP business is conducted under the direction of the Board of Directors, the three councils, and working committees depending on specific needs and issues of the day. This budget area reflects funds allocated to ongoing endeavours in the priority areas of policy, communications, marketing, animal production, research and environmental stewardship. Within these areas, ABP will continue to work for increased market access; provide leadership on research initiatives, animal health and welfare issues, and environmental policy; and promote the Alberta beef industry's image and the Alberta Beef brand. ABP's structure will enable the Board of Directors and delegates to respond quickly and effectively to emerging issues, thereby ensuring the competitiveness and long-term sustainability for our industry for the benefit of all Alberta beef producers. The amount budgeted also includes the costs associated with having staff in these program areas.

6. **Office, Legal and Financial Administration**

This budget item represents the costs associated with employing staff; running an office; auditing the financial statements; and hiring legal counsel and consultants as required.

7. **Capital Budget and costs related to the office lease expiring**

The office lease expires November 2013, and as a result there will be expenses relating to the lease expiring. Currently management is reviewing all options available.

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Independent Auditor's Report

June 11, 2012
Edmonton, Alberta

To the Directors and Delegates of Alberta Beef Producers

We have audited the accompanying statements of Alberta Beef Producers, which comprise the statement of financial position as at March 31, 2012, 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 generally accepted accounting principles, 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 aspects, the financial position of Alberta Beef Producers as at March 31, 2012, and the results of its operations and its cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Kingston Ross Pasnak LLP

Kingston Ross Pasnak LLP
Chartered Accountants

ABP FINANCIAL STATEMENTS

Statement of Operations

ALBERTA BEEF PRODUCERS

Year ended March 31, 2012

	2012	2011 <i>Restated (Note 3)</i>
REVENUE		
Alberta service charge revenue (Note 2)	\$ 10,848,942	\$ 10,125,407
Less dealer rebate	(180,305)	(195,990)
	10,668,637	9,929,417
Less Alberta service charge refunded (Note 2)	(2,134,385)	(2,587,807)
	8,534,252	7,341,610
Interprovincial marketings (Note 2)	279,201	269,825
	8,813,453	7,611,435
Canadian Beef Cattle Research, Market Development and Promotion Agency (Note 11) :		
Canada Beef Inc.	(2,231,730)	-
Beef Cattle Research Council	(639,575)	(309,883)
Beef Information Centre	(517,330)	(1,963,574)
Canada Beef Export Federation	(201,127)	(763,397)
National Agency	(16,329)	(61,977)
	(3,606,091)	(3,098,831)
	5,207,362	4,512,604
OTHER REVENUE		
Interest and other income (Note 6)	203,414	229,674
Grants (Note 10)	143,214	243,135
Producer Loyalty Partnership Program	5,075	15,005
	351,703	487,814
OTHER EXPENSES		
Grant funds expended (Note 10)	143,214	243,135
CCA legal assessment (Note 11)	138,375	161,321
Producer Loyalty Partnership Program	57,061	38,795
Research commitments, prior year	553,905	715,469
	892,555	1,158,720
EXCESS OF REVENUE OVER EXPENSES BEFORE OPERATING EXPENSES	4,666,510	3,841,698
OPERATING EXPENSES		
Operating expenses (Schedule 1)	4,135,311	4,052,067
Amortization of furniture and equipment (Note 8)	35,753	38,003
	4,171,064	4,090,070
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 495,446	\$ (248,372)

ABP STATEMENT OF OPERATIONS

Statement of Changes in Net Assets

ALBERTA BEEF PRODUCERS

Year ended March 31, 2012

	Trade Advocacy reserve (Note 5)	Operating reserve Following year (Note 5)	Operating reserve Future years (Note 5)	Conditionally restricted reserve (Note 5)	Long-term projects (Note 5)	Invested in furniture and equipment	Unrestricted	2012 Total	2011 Total Restated (Note 3)
Balance, beginning of year	\$4,500,000	\$5,335,000	\$ 1,000,000	\$ -	\$1,295,905	\$ 115,553	\$1,800,981	\$14,047,439	\$14,443,774
Prior year adjustment (Note 3)	-	-	-	-	-	-	-	-	(147,963)
Balance, beginning of year as restated	-	-	-	-	-	-	-	-	14,295,811
Transferred to current year operations	-	(5,335,000)	-	-	-	-	5,335,000	-	-
Internally restricted for following year operations	-	5,435,000	-	-	-	-	(5,435,000)	-	-
Internally restricted transfers	138,375	-	375,000	239,520	500,000	-	(1,252,895)	-	-
Excess (deficiency) of revenues over expenses	(138,375)	-	-	-	(553,905)	(35,753)	1,223,479	495,446	(248,372)
Invested in furniture and equipment	-	-	-	-	-	9,746	(9,746)	-	-
Balance, end of year	\$4,500,000	\$5,435,000	\$ 1,375,000	\$ 239,520	\$1,242,000	\$ 89,546	\$1,661,819	\$14,542,885	\$14,047,439

ABP FINANCIAL STATEMENTS

Statement of Financial Position

ALBERTA BEEF PRODUCERS

March 31, 2012

<u>ASSETS</u>	2012	2011 <i>Restated (Note 3)</i>
CURRENT ASSETS		
Cash and restricted cash	\$ 3,573,687	\$ 2,704,195
Investments (Note 6)	6,970,869	6,860,834
Service charge receivable	718,874	1,158,603
Interest and other receivables	100,103	20,072
Prepaid expenses	27,661	59,616
Inventory (Note 7)	14,617	9,273
	<u>11,405,811</u>	<u>10,812,593</u>
OPERATING RESERVE FUND, Following year (Note 5)	5,435,000	5,335,000
OPERATING RESERVE FUND, Future years (Note 5)	1,375,000	1,000,000
FURNITURE AND EQUIPMENT (Note 8)	89,546	115,553
	<u>\$ 18,305,357</u>	<u>\$ 17,263,146</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 11)	\$ 1,109,136	\$ 1,425,440
Alberta marketings held in trust	1,592,530	1,630,684
Deferred revenue (Note 9)	1,060,806	159,583
	<u>3,762,472</u>	<u>3,215,707</u>
COMMITMENTS (Note 12)		
NET ASSETS		
TRADE ADVOCACY RESERVE FUND (Note 5)	4,500,000	4,500,000
OPERATING RESERVE FUND, Following year (Note 5)	5,435,000	5,335,000
OPERATING RESERVE FUND, Future years (Note 5)	1,375,000	1,000,000
CONDITIONALLY RESTRICTED RESERVE FUND (Note 5)	239,520	-
LONG-TERM PROJECTS (Note 5)	1,242,000	1,295,905
INVESTED IN FURNITURE AND EQUIPMENT	89,546	115,553
UNRESTRICTED	1,661,819	1,800,981
	<u>14,542,885</u>	<u>14,047,439</u>
	<u>\$ 18,305,357</u>	<u>\$ 17,263,146</u>

 Director

 Director

ABP FINANCIAL STATEMENTS

Statement of Cash Flow

ALBERTA BEEF PRODUCERS

Year ended March 31, 2012

	2012	2011 <i>Restated (Note 3)</i>
CASH FLOW FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 495,446	\$ (248,372)
Add items not involving cash:		
Amortization of furniture and equipment	35,753	38,003
Change in unrealized loss (gain) on investments held at year end	15,545	(28,149)
	546,744	(238,518)
Changes in non-cash working capital accounts:		
Service charge receivable	439,729	210,442
Interest and other receivables	(80,030)	156,024
Inventory	(5,344)	2,385
Prepaid expenses	31,955	(39,853)
Accounts payable and accrued liabilities	(316,305)	743,233
Alberta marketings held in trust	(38,154)	1,630,684
Deferred revenue	901,222	(138,734)
	1,479,817	2,325,663
CASH FLOW USED IN INVESTING ACTIVITIES		
Purchase of investments	(4,006,791)	(4,476,893)
Proceeds from sale of investments	3,881,212	3,076,755
Purchase of furniture and equipment	(9,746)	(3,448)
	(135,325)	(1,403,586)
NET INCREASE IN CASH AND RESTRICTED CASH	1,344,492	922,077
CASH AND RESTRICTED CASH, BEGINNING OF YEAR	9,039,195	8,117,118
CASH AND RESTRICTED CASH, END OF YEAR	\$ 10,383,687	\$ 9,039,195
CASH AND RESTRICTED CASH CONSIST OF:		
Cash and restricted cash	\$ 3,573,687	\$ 2,704,195
Operating reserve fund, following year	5,435,000	5,335,000
Operating reserve fund, future years	1,375,000	1,000,000
	\$ 10,383,687	\$ 9,039,195

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

ABP FINANCIAL STATEMENTS

Notes to the Financial Statements

ALBERTA BEEF PRODUCERS

Year ended March 31, 2012

Note 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. Prior to March 31, 2010, ABP was authorized under its Plan Regulation and Commission Regulation to collect a non-refundable \$3.00 service charge. Effective April 1, 2010 until November 29, 2010, ABP was authorized to collect a refundable \$3.00 service charge. Since November 30, 2010, ABP has been authorized to collect a refundable \$2.00 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").

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, Market 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 until June 30, 2011 the Agency retained \$0.02 of every \$1.00 for administration expenses and then paid the balance of the funds to the Beef Information Centre (BIC), Canada Beef Export Federation (CBEF) and Beef Cattle Research Council (BCRC) in accordance with the allocation determined annually by the ABP Board of Directors.

Effective July 1, 2011 the Agency, BIC and CBEF consolidated to create an independent national organization operating as Canada Beef Inc. to undertake the marketing and promotion of the Canadian cattle and beef industry worldwide. ABP now allocates the National Levy as follows: \$0.80 to Canada Beef Inc. and \$0.20 to BCRC.

For the period of April 1, 2010 until November 29, 2010, the National Levy was refundable. Further legislation changes made the National Levy a non-refundable levy effective November 30, 2010. This \$1.00 non-refundable levy is paid to the Agency. After 20 years of negotiations and considerable effort, Quebec and PEI have signed the National Check-off Agency Agreement. Effective November 30, 2010, all the provinces have signed the National Check-off Agency Agreement.

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.

ABP FINANCIAL STATEMENTS

Notes to the Financial Statements

ALBERTA BEEF PRODUCERS

Year ended March 31, 2012

Note 2 Significant Accounting Policies

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. These financial statements have, in management's opinion, been properly prepared with reasonable limits of materiality and within the framework of the accounting policies 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 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. Effective November 1, 2010 the National Levy became non-refundable. Effective at this time, the National Levy is recognized as revenue when it is collected. Prior to November 1, 2010, it was held in trust until the refund period was complete.

ABP pays a dealer rebate of five cents per head to those who collect and remit the service charge 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 amount to be received can be reasonably estimated and collection is reasonably assured.

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

Budgeting process

The net revenue remaining from the Alberta Service Charge and non-refundable 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.

ABP FINANCIAL STATEMENTS

Notes to the Financial Statements

ALBERTA BEEF PRODUCERS

Year ended March 31, 2012

Note 2

Significant Accounting
Policies Continued...

Refunds

The Alberta Service Charge 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. For the period April 1, 2010 until November 29, 2010 a producer could request a refund of all or a portion of the \$2.00 Alberta Service Charge and the \$1.00 National Levy paid, and thereafter, a producer could request a refund of all or a portion of the \$2.00 Alberta Service Charge. 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. 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. Transaction 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.

ABP FINANCIAL STATEMENTS

Notes to the Financial Statements

ALBERTA BEEF PRODUCERS

Year ended March 31, 2012

Note 2

Significant Accounting
Policies Continued...

Furniture and equipment

Furniture and equipment are recorded at cost less accumulated amortization. ABP provides amortization on its furniture and equipment using the straight-line method at the following rates:

	<u>Rate</u>
Furniture and fixtures	10 years
Computer equipment	3-4 years
Audio-visual equipment	5 years

Amortization is calculated at one half the above rates in the year of acquisition.

Leases

Leases are classified as capital or operating leases. A lease that transfers substantially all of the benefits and risks incident to the ownership of property is classified as a capital lease. All other leases are accounted for as operating leases, wherein rental payments are expensed as incurred.

Statement of Cash Flow

ABP is using the indirect method in its presentation of the Statement of Cash Flow.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the collectibility of service charges receivable and interest and other receivables, the net realizable value of inventory and the useful life of furniture and equipment for amortization purposes. Actual results could differ from those estimates.

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 16).

ABP FINANCIAL STATEMENTS

Notes to the Financial Statements

ALBERTA BEEF PRODUCERS

Year ended March 31, 2012

Note 2

Significant Accounting Policies Continued...

Financial instruments

Financial instruments are classified into one of five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments are measured in the Statement of Financial Position at fair value except for loans and receivables, held-to maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification. Held-for-trading financial assets are measured at fair value and changes in fair value are recognized in excess of revenues over expenses. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in the statement of changes in net assets until the instrument is derecognized or impaired.

ABP has made the following classifications:

- Cash and restricted cash and investments are classified as held-for-trading and are measured at fair value.
- Service charge receivable and interest and other receivables are classified as loans and receivables and are measured at amortized cost using the effective interest method.
- Accounts payable and accrued liabilities are classified as other liabilities and are measured at amortized cost using the effective interest method.

ABP has chosen to continue to apply Section 3861, Financial Instruments – Disclosure and Presentation, instead of adopting Section 3862, Financial Instruments – Disclosure and Section 3863, Financial Instruments, Presentation.

Note 3

Prior Year Adjustment

For the fiscal years 2008 to 2011 ABP recorded additional investment income related to its bond portfolio in the amount of \$171,906. This income was recorded to reflect anticipated investment income from the bond portfolio. In order to more accurately reflect the actual income realized from the portfolio, the opening net assets of 2012 have been restated to record a retroactive decrease of \$171,906, representing a decrease in interest income applicable to prior years. Of the \$171,906, \$23,943 is applicable to 2011 and investment income and the deficiency of revenues over expenses have been restated accordingly. The remaining \$147,963 is applicable to years prior to March 31, 2011 and has been charged to net assets as at that date.

ABP FINANCIAL STATEMENTS

Notes to the Financial Statements

ALBERTA BEEF PRODUCERS

Year ended March 31, 2012

Note 4

Going Forward with a Refundable Check-off

Reduced funding to ABP as a result of the refundable check-off has had a significant impact on the cattle industry in Alberta and across Canada. ABP thinks it has been careful and responsible in the investment of producers' funds and that these investments have contributed to a stronger, more competitive industry for beef producers in Alberta. As a result of reduced funding, ABP has been forced to eliminate important policy, communications, advocacy, marketing and research programs and activities that provided substantial benefits for cattle producers. The loss of check-off dollars also means that there are fewer dollars available for leveraging marketing and research funds for industry initiatives.

In addition to the loss of funding from check-off refunds, ABP also faces additional expenses as a result of the refund process. The five cents per head dealer rebate that ABP pays to remitters to compensate them for the collection and remittance of the service charge is also eligible for a refund to producers. As a result, ABP can be forced to refund money that it did not collect in the first place. ABP also must bear the costs associated with administration of the refund process.

ABP is committed to maintaining the investment in the important national policy and trade advocacy activities of the Canadian Cattlemen's Association (CCA). However, the reduced funding available to ABP may lead to reductions in the funding for these activities. The Canadian beef industry has incurred substantial legal costs in recent years as a result of the World Trade Organization's (WTO) challenges against mandatory Country-of-Origin Labelling (COOL) in the U.S. and the restrictions on Canadian beef imports to South Korea. Advocacy for the beef industry in Ottawa and Washington D.C. is paramount for the industry's success in trade access and competitive areas. National advocacy in areas of animal health and welfare, environment and federal regulations also is vital to the industry's future.

Despite the financial challenges presented by the refundable check-off, ABP still receives strong support from cattle producers across the province. A relatively small number of producers are requesting refunds and ABP is able to retain most of the check-off funds that are remitted. The organization remains in a solid financial position. ABP has adjusted to the requirements of a refundable check-off and can see consistency in the level of check-off revenue that is available for its operations. The organization is moving forward with plans to invest this money in the programs and activities that are priorities for the industry and will provide the greatest value for producers. ABP will be able to continue its mission of enhancing the sustainability and competitiveness of the beef industry for the benefit of beef producers in Alberta.

ABP FINANCIAL STATEMENTS

Notes to the Financial Statements

ALBERTA BEEF PRODUCERS

Year ended March 31, 2012

Note 5

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 defence projects. Countervail trade actions are almost always accompanied by an anti-dumping investigation. While the government can and will defend their programs from countervail action, the responsibility for a defence against an anti-dumping action rests almost entirely with industry and industry organizations such as ABP. By their nature, anti-dumping investigations are very costly. The last anti-dumping investigation in which the Canadian cattle industry was involved cost approximately \$5 million of which ABP contributed over half of the funding. A more recent anti-dumping investigation involving the Canadian pork industry cost \$10 million. ABP contributed a total of \$4,500,000 to the Trade Advocacy Reserve Fund. In 2012, the transactions in the fund consisted of expenses incurred and a transfer from the Unrestricted Fund, both in the amount of \$138,375 (2011 - \$161,321).

	Withdrawal	Transfer	2012	2011
Balance, beginning of year	\$ -	\$ -	\$ 4,500,000	\$ 4,500,000
Payment of CCA legal assessment	(138,375)	-	(138,375)	(161,321)
Motion to transfer funds into fund	-	138,375	138,375	161,321
Balance, end of year	\$ (138,375)	\$ 138,375	\$ 4,500,000	\$ 4,500,000

Operating Reserve Fund

On April 30, 2009, the Board of Directors passed a motion to establish a reserve fund for the purpose of allocating operational funds for the following budget years. This action was taken as a result of the Government of Alberta introducing legislation that would make the check-off refundable.

	2012	2011
Balance, beginning of year	\$ 5,335,000	\$ 5,635,000
Transferred from the fund for operations in the current year	(5,335,000)	(5,635,000)
Allocation from the current year to the following year's operations budget	5,435,000	5,335,000
Balance, end of year	\$ 5,435,000	\$ 5,335,000

ABP FINANCIAL STATEMENTS

Notes to the Financial Statements

ALBERTA BEEF PRODUCERS

Year ended March 31, 2012

Note 5

Internally Restricted Net Assets Continued...

ABP is expecting a reduction in the number of marketings over the next few years as the herds rebuild. The Board of Directors has designated these funds to future budget years for the purpose of smoothing cash flow during these years when there will be fewer funds available for operations. This fund will help ensure that ABP maintains the quality and the continued level of services for the benefit of Alberta producers.

	<u>2012</u>	<u>2011</u>
Allocation from the 2010 operating surplus, to future years	\$ 1,000,000	\$ 1,000,000
Allocation from the 2012 operating surplus, to future years	375,000	-
Balance, end of year	<u>\$ 1,375,000</u>	<u>\$ 1,000,000</u>

Conditionally Restricted Reserve Fund

During the year 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. One of the purposes of the fund is to enable the Committees and Councils to seek leveraging of producer dollars for projects that will benefit Alberta producers knowing that the industry funds are available. If the conditions are not satisfied, the funding will return to unrestricted net assets. If the conditions are satisfied for a multi year project, the appropriate amount would be allocated to the current year and the balance to the long term project reserve fund.

	<u>2012</u>	<u>2011</u>
Motion to transfer funds into fund	\$ 239,520	\$ -
Balance, end of year	<u>\$ 239,520</u>	<u>\$ -</u>

ABP FINANCIAL STATEMENTS

Notes to the Financial Statements

ALBERTA BEEF PRODUCERS

Year ended March 31, 2012

Note 5

Internally Restricted Net
Assets Continued...

Long Term Projects

In 2007, the Board of Directors established a reserve fund for the purpose of segregating all multi year commitments. The Council or Committee making this commitment will have the current years budget reduced by the amount of the commitment. Cash required to meet these current and long term obligations is disclosed separately on the financial statements.

	<u>2012</u>	<u>2011</u>
Balance, beginning of year	\$ 1,295,905	\$ 1,977,374
Current year obligations expended	(553,905)	(715,469)
Current year commitments	500,000	34,000
	<hr/>	
Balance, end of year	<u>\$ 1,242,000</u>	<u>\$ 1,295,905</u>

As of March 2009 the Board of Directors had allocated \$1,500,000 to a five year project aimed at improving the yield and quality of feed grains and forage. Three payments have been made as of March 31, 2012.

As of March 2009 the Board of Directors had allocated \$500,000 to a four year project with the Beef Cattle Research Council to support national research projects. Three payments have been made as of March 31, 2012.

ABP FINANCIAL STATEMENTS

Notes to the Financial Statements

ALBERTA BEEF PRODUCERS

Year ended March 31, 2012

Note 6 Investments

	2012 Cost	2012 Fair Value	2011 Cost	2011 Fair Value
Bonds:				
Provincial government, bearing yield rates ranging from 0.81% to 3.18%, due between June 2012 and December 2014	\$ 6,805,663	\$ 6,970,869	\$ 6,851,990	\$ 6,860,834

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:

	2012	2011 <i>Restated (Note 3)</i>
Interest on investments	\$ 127,906	\$ 95,597
Change in unrealized (loss) gain on investments held at year end	(15,545)	28,149
Interest on bank balance	112,361	123,746
Other income	90,765	79,928
	288	26,000
	<u>\$ 203,414</u>	<u>\$ 229,674</u>

Note 7 Inventory

	2012	2011
Inventory consists of the following:		
Promotional items	\$ 14,617	\$ 9,273

During the year ended March 31, 2012 ABP expensed \$27,715 (2011 - \$19,470) of its inventory in the regular course of operations and had no inventory write-downs.

ABP FINANCIAL STATEMENTS

Notes to the Financial Statements

ALBERTA BEEF PRODUCERS

Year ended March 31, 2012

Note 8 Furniture and Equipment

	2012		2011	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and fixtures	\$ 282,308	\$ 208,164	\$ 74,144	\$ 100,271
Computer equipment	17,746	6,348	11,398	9,276
Audio-visual equipment	49,533	45,529	4,004	6,006
	<u>\$ 349,587</u>	<u>\$ 260,041</u>	<u>\$ 89,546</u>	<u>\$ 115,553</u>

Amortization provided for in the current year totaled \$35,753; (2011 - \$38,003).

Note 9 Deferred Revenue

	Opening	Additions	Recognition of Revenue	2012	2011
AHI Investigation summary and producer education information program	\$ 3,276	\$ -	\$ -	\$ 3,276	\$ 3,276
Other	16,900	51,779	(16,900)	51,779	16,900
Wood Buffalo Bio Security Grant	-	80,000	(50,936)	29,064	-
Alberta Beef: the Flavour Champion Campaign	-	779,558	-	779,558	-
Environment Grant	-	150,000	(1,101)	148,899	-
Auction Market Grant	69,720	-	(21,490)	48,230	69,720
Transition to Refundable Check-off Grant	69,687	-	(69,687)	-	69,687
	<u>\$ 159,583</u>	<u>\$ 1,061,337</u>	<u>\$ (160,114)</u>	<u>\$ 1,060,806</u>	<u>\$ 159,583</u>

ABP FINANCIAL STATEMENTS

Notes to the Financial Statements

ALBERTA BEEF PRODUCERS

Year ended March 31, 2012

Note 10 Grants

	2012	2011
Transition to Refundable Check-off Grant (Note 10(a))	\$ 69,687	\$ 131,280
Wood Buffalo Bio Security Grant (Note 10(b))	50,936	-
Auction Market Grant (Note 10(c))	21,490	14,355
Environment Grant (Note 10(d))	1,101	-
Consumer and Trade Research Grant (Note 10(e))	-	97,500
Alberta Beef: The Flavour Champion Campaign (Note 10(f))	-	-
	<u>\$ 143,214</u>	<u>\$ 243,135</u>

(a) In 2010 Alberta Agriculture and Rural Development (ARD) provided ABP with a grant for \$252,000 to assist with costs related to the transition to a refundable check-off system. \$69,687 was recognized as revenue in 2012 (2011 - \$131,280), which agrees to eligible expenses incurred.

(b) In 2012, ARD provided ABP with a grant for \$80,000 to assist with costs related to a study on tuberculosis and brucellosis present in bison in Wood Buffalo National Park. Of this amount, \$50,936 was spent in 2012 which agrees to eligible expenses incurred.

(c) In 2010, Alberta Livestock and Meat Agency (ALMA) provided ABP with a grant for \$187,600 to assist with communicating current industry events to producers. Of this amount, \$21,490 was recognized as revenue in 2012 (2011 - \$14,355), which agrees to eligible expenses incurred.

(d) In 2012 ABP received a grant from ARD for an Overwintering Sites project. Of this amount, \$1,101 was recognized as revenue which agrees to eligible expenses incurred.

(e) In 2011, ALMA provided ABP with a grant in the amount of \$97,500 for the purpose of conducting consumer and trade marketing research. The entire amount was recognized as revenue in 2011, which agreed to eligible expenses incurred.

(f) In 2012, ALMA provided ABP with a grant for \$779,558 to assist with costs related to a marketing campaign to be executed in the 2012-2013 year.

ABP FINANCIAL STATEMENTS

Notes to the Financial Statements

ALBERTA BEEF PRODUCERS

Year ended March 31, 2012

Note 11 Related Party Transactions

National organizations:

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

- (A) Canadian Cattlemen's Association (CCA)
 - (i) The number of seats on the Board of Directors of the CCA is based upon the proportionate share of the CCA annual assessment. For the year ended March 31, 2011, ABP was entitled to eight of the twenty-eight seats. Effective July 1, 2012, ABP will be entitled to seven of the twenty-eight seats.

- (B) Canadian Beef Cattle Research, Market Development and Promotion Agency (the "Agency"). As a contributing organization, ABP is entitled to representation as follows:
 - (i) Prior to June 30, 2011 and the consolidation of the Agency, BIC and CBEF, the number of seats on the Board of Directors of the Canadian Beef Cattle Research, Market Development and Promotion Agency was three of the sixteen seats.
 - ii) Prior to June 30, 2011 and the establishment of Canada Beef Inc., the number of representatives to the Beef Information Centre committee based on its proportionate share of total funding; ABP was entitled to six of the twelve seats.
 - iii) Subject to Article 49, an Affiliate Member contributing more than \$100,000 in beef producer check off funds to the CBEF during the immediate preceding fiscal year, or such other amounts as may be approved by Special Resolution of the Board, may appoint a representative to the Board of Directors. ABP resigned as a member of CBEF and removed its director at the CBEF special general meeting in February 2011.
 - iv) Effective July 1, 2011, ABP was entitled to one of the sixteen seats of the National Agency operating as Canada Beef Inc.
 - v) A number of representatives to the Beef Cattle Research Council based on its proportionate share of total funding. For the year ending March 31, 2012 ABP was entitled to four of the eleven seats.

ABP FINANCIAL STATEMENTS

Notes to the Financial Statements

ALBERTA BEEF PRODUCERS

Year ended March 31, 2012

Note 11
Related Party
Transactions
(Continued...)

(C) Payments	2012	2011
CCA Monthly Assessments	\$ 1,501,140	\$ 1,509,061
	2012	2011
CCA, Other		
CCA Legal Assessment for Trade Advocacy	\$ 138,375	\$ 161,321
Research project funding	125,000	125,000
	\$ 263,375	\$ 286,321

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

	2012	2011
Payments to Canfax, a division of CCA:		
Membership and services	\$ 53,400	\$ 53,400
Communications Committee, services	10,200	10,200
Research projects	12,329	-
	\$ 75,929	\$ 63,600

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, 2012:

Canadian Beef Cattle Research, Market Development and Promotion Agency	\$ 477,664
Canadian Cattlemen's Association	\$ 2,348

The amounts payable at year end are in the normal course of operations. The amount owing to Canadian Beef Cattle Research, Market Development and Promotion Agency includes the monthly collection of the National Levy and the province of origin amounts collected in Alberta.

ABP FINANCIAL STATEMENTS

Notes to the Financial Statements

ALBERTA BEEF PRODUCERS

Year ended March 31, 2012

Note 12 Commitments

Operating leases:

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

2013	\$ 170,281
2014	116,904
	<hr/>
	\$ 287,185

The office lease expires November 2013 and the Xerox lease expires December 2013. The office lease and the Xerox lease will be replaced when the current leases expire.

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 March 31, 2012 the additional charges will be \$1,242,000 (2011-\$1,295,905).

ABP FINANCIAL STATEMENTS

Notes to the Financial Statements

ALBERTA BEEF PRODUCERS

Year ended March 31, 2012

Note 13

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, non-delegate daily allowances, and expenses are included in each of the categories is as follows:

	<u>2012</u>	<u>2011</u>
Board of Directors and Board Representatives	\$ 124,870	\$ 115,820
Executive Committee	63,744	86,776
Annual General Meeting	62,370	68,558
Semi-annual Meeting	45,059	50,692
Animal Health and Welfare Working Group	31,348	18,275
Zone Committees	26,626	24,779
Marketing and Education Committee, formerly Promotion Committee	26,347	27,331
Environment Committee	25,933	17,222
U.S. and International Trade Management	24,465	16,997
Cow Calf Council	24,357	19,375
Canadian Cattlemen's Association	23,469	18,378
Enhanced Federal Lobbying	17,554	24,857
Cattle Feeder Council	14,113	14,251
Fall producer meetings and Resolution Policy Development	8,666	6,713
Research Committee	5,458	2,793
Board Sponsorships	4,552	1,771
Beef Information Centre	3,670	7,490
Audit and Governance Committees	2,919	4,806
Cattle Industry Council	2,007	2,340
Beef Cattle Research Council	1,850	2,709
Communications Committee	1,505	5,890
Canadian Beef Cattle Research, Market Development and Promotion Agency	-	1,535
Canada Beef Export Federation	-	(530)
	<u>\$ 540,882</u>	<u>\$ 538,828</u>

ABP FINANCIAL STATEMENTS

Notes to the Financial Statements

ALBERTA BEEF PRODUCERS

Year ended March 31, 2012

Note 14 Financial Instruments

Fair value

Cash and restricted cash are measured at fair value and investments in government bonds are recorded at fair value on a settlement date basis. The government bonds represent the year-end quoted market bid prices.

The fair value of ABP's service charges receivable, interest and other receivables and accounts payable and accrued liabilities do not differ significantly from their carrying values.

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, 2012 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.

ABP FINANCIAL STATEMENTS

Notes to the Financial Statements

ALBERTA BEEF PRODUCERS

Year ended March 31, 2012

Note 15

Capital Disclosures

ABP's objectives in managing capital are to ensure sufficient liquidity to meet monthly operating requirements and undertake selective expansion initiatives while at the same time taking a conservative approach towards management of financial risk.

ABP's capital comprises net assets. As at March 31, 2012 ABP's net assets totaled \$14,542,885 (2011 - \$14,047,439). The ABP's primary use of capital is to finance capital expenditures for leasehold and information technology system improvements and to fund programs to stimulate, increase, and improve the production and marketing of cattle products. The organization currently funds these requirements through service charges, federal levies, government grants and internally generated cash flows.

Note 16

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	
	2012	2011	2012	2011
Executive Director	40%	40%	60%	60%
Controller	30%	30%	70%	70%

ABP FINANCIAL STATEMENTS

Notes to the Financial Statements

ALBERTA BEEF PRODUCERS

Year ended March 31, 2012

Note 17

Future Accounting Standards

Developments in Not-for-Profit Accounting Standards

In December 2010, the Accounting Standards Board (AcSB) released Part III of the CICA Handbook "Accounting Standards for Not-for-Profit Organizations." The new accounting standards were based closely on previous standards for not-for-profit organizations. The new standards carry forward the 4400 series of sections from previous stands and relevant material relating specifically to not-for-profit organizations in other sections of the Handbook, including Sections 1000, 1100, 1400 and 3031, largely without change. Not-for-profit organizations may select to adopt International Financial Reporting Standards (IFRS) or the new set of accounting standards. Application of these new standards is required for fiscal years beginning on or after January 1, 2012 with the option to early adopt. Management has decided to apply the new set of accounting standards for the fiscal year end beginning April 1, 2012. There is not expected to be a material impact to the financial statements of ABP as a result of this change.

ABP FINANCIAL STATEMENTS

Operating expenses (Schedule 1)

ALBERTA BEEF PRODUCERS

Year ended March 31, 2012

	2012	2011
National Policy and Trade Advocacy Programs:		
Canadian Cattlemen's Association (Note 11)	\$ 1,501,140	\$ 1,509,061
U.S. and International Trade Management	55,073	38,998
National Governance and Oversight	32,297	31,080
Enhanced Federal Lobbying	20,144	32,973
Board and Delegates Expenses, ABP Governance and Provincial Initiatives:		
Board Meetings and Board appointed representatives	170,383	147,441
Annual General Meeting	113,366	118,986
Partnership Projects	111,500	111,500
Fall producer meetings and Resolution Policy Development	89,073	83,935
Zone Committees	79,565	69,891
Semi-annual Meeting	66,524	81,772
Executive Committee	65,526	77,649
Canfax Membership and Services (Note 11)	53,400	53,400
Annual Report	52,335	55,635
Provincial Advocacy	24,992	24,424
Governance Committee	2,410	3,817
Audit Committee	1,040	1,700
Council, Committee Staff and Project expenses in Priority Areas (Note 16) :		
Salaries and benefits - relating to programs	466,115	446,081
Communications Committee	236,546	219,657
Marketing and Education Committee, formerly Promotion Committee	96,588	124,189
Environment Committee	76,104	70,259
Project reserve fund	50,215	-
Animal Health and Welfare Working Group	36,213	18,892
Cow Calf Council	28,187	22,692
Cattle Feeder Council	19,630	18,085
Research Committee	7,821	32,986
Cattle Industry Council	3,792	2,590
Office, legal and financial administration:		
Rent, office supplies and equipment	370,856	343,743
Salaries and benefits	279,196	247,012
Legal, audit, plan review, and consulting	25,280	63,619
	\$ 4,135,311	\$ 4,052,067

CCA FINANCIAL STATEMENTS

CANADIAN CATTLEMEN'S ASSOCIATION

Schedule of Revenue, Expenditure and Net Assets (Unaudited)

Year ended June 30, 2012, with comparative figures for 2011

	2012		2011	
Revenue:				
Assessments				
Alberta	\$1,500,000	41.4%	\$1,504,559	47.6%
Saskatchewan	693,659	19.2%	582,083	18.4%
Ontario	358,244	9.9%	337,568	10.7%
Manitoba	232,683	6.4%	247,342	7.8%
British Columbia	109,756	3.0%	95,332	3.0%
Nova Scotia	12,293	0.3%	11,751	0.4%
New Brunswick	10,244	0.3%	9,793	0.3%
Prince Edward Island	9,951	0.3%	9,513	0.3%
Quebec	-		-	
	2,926,830	80.8%	2,797,941	88.5%
Legal assessments	535,686	14.8%	261,760	8.3%
Young Leaders Development Program	73,554	2.1%	48,571	1.6%
Sponsorship	27,685	0.8%	-	
Other	22,654	0.6%	22,813	0.7%
Memberships	19,750	0.5%	21,500	0.7%
Interest	13,886	0.4%	6,248	0.2%
Total Revenue	3,620,045	100.0%	3,158,833	100.0%
Expenses:				
Calgary Office	829,013	23.9%	828,784	25.1%
Advocate Services	684,028	19.7%	658,319	20.0%
Legal Reserve	535,686	15.5%	567,849	17.2%
Ottawa Office	343,376	9.9%	344,477	10.4%
CCA Division Services	322,067	9.3%	248,212	7.5%
Executive and Finance Committee	160,585	4.6%	179,065	5.4%
Animal Health and Meat Inspection	132,703	3.8%	102,111	3.1%
Annual Meeting	92,378	2.7%	79,075	2.4%
Young Leaders Development Program	73,554	2.1%	48,571	1.5%
Semi-Annual Meeting	56,739	1.6%	56,458	1.7%
Foreign Trade Committee	56,674	1.6%	43,128	1.3%
Environment	47,791	1.4%	32,090	1.0%
Communications	42,205	1.2%	34,129	1.0%
Animal Care Committee	26,809	0.8%	23,138	0.7%
Five Country	22,705	0.7%	13,741	0.4%
Convention	17,111	0.5%	23,228	0.7%
Domestic Agriculture Policy	14,416	0.4%	17,728	0.5%
Value Creation & Competitiveness	11,546	0.3%	3,726	0.1%
Total Expenses	3,469,386	100.0%	3,303,829	100.0%
Excess (deficiency) of revenue over expenses	150,659		(144,996)	
Net assets, beginning of year	503,108		648,104	
Net assets, end of year	\$653,767		\$503,108	

BCRC FINANCIAL STATEMENTS

BEEF CATTLE RESEARCH COUNCIL

Schedule of Revenue, Expenditures and Net Assets (Unaudited)

Year ended June 30, 2012, with comparative figures for 2011

	2012		2011	
Revenue				
National Check Off	\$1,044,540	80.5%	\$651,199	67.7%
ABP Beef Science Cluster	143,951	11.1%	259,707	26.9%
TB Diagnostic Testing	45,750	3.5%	-	00.0%
Miscellaneous Revenue	38,566	3.0%	16,207	1.7%
On Farm Food Safety	25,133	1.9%	35,321	3.7%
Total Revenue	1,297,940	100.0%	962,434	100.0%
Expenses				
Cluster Projects	526,617	56.5%	295,450	50.4%
BCRC division services	174,792	18.8%	98,686	16.9%
Projects	129,045	13.9%	80,750	13.8%
Quality Starts Here	77,544	8.3%	80,407	13.7%
On Farm Food Safety	23,295	2.5%	30,495	5.2%
Total Expenses	931,293	100.0%	585,788	100.0%
Excess of revenue over expenses	366,647		376,646	
Net assets, beginning of year	2,367,857		1,991,211	
Net assets, end of year	\$2,734,504		\$2,367,857	

CBCRMPA FINANCIAL STATEMENTS

CANADIAN BEEF CATTLE RESEARCH, MARKET DEVELOPMENT & PROMOTION AGENCY ("the Agency"),
OPERATING AS CANADA BEEF INC.

On July 1, 2011, the Agency combined operations with the Beef Information Centre ("BIC") and Canada Beef Export Federation ("CBEF") and is now operating as Canada Beef Inc.

Schedule of Revenue, Expenses and Net Assets (Unaudited)

For the six month period ending June 30, 2012 with comparison figures for the six month period ending
December 31, 2011

	2012		2011	
Revenue:				
Check-off revenue				
Alberta	\$1,882,698	31.6%	\$2,256,573	29.2%
Ontario	632,333	10.6%	663,402	8.6%
Saskatchewan	424,116	7.1%	591,743	7.6%
Quebec	249,825	4.2%	562,244	7.3%
Manitoba	308,033	5.2%	283,017	3.6%
British Columbia	86,713	1.4%	147,235	1.9%
P.E.I.	-	0.0%	557	0.0%
New Brunswick	-	0.0%	-	0.0%
Nova Scotia	-	0.0%	-	0.0%
	<u>3,583,718</u>	<u>60.1%</u>	<u>4,504,771</u>	<u>58.2%</u>
Canadian Cattlemen Market Development Council	2,362,488	39.6%	3,226,540	41.7%
Interest	23,682	0.4%	7,592	0.1%
Miscellaneous	(8,265)	(0.1)%	1,163	0.0%
Total Revenue	5,961,623	100.0%	7,740,066	100.0%
Expenses:				
Operations, Canada	2,063,737	37.6%	2,357,363	33.3%
Market Development, North America:				
Canadian market development	38,398	0.7%	427,996	6.1%
Mexico market development	209,460	3.8%	302,454	4.3%
United States market development	117,103	2.1%	281,499	4.0%
Commercial beef	-	0.0%	226,749	3.2%
Customer service support	244,303	4.4%	120,944	1.7%
Public relations	54,230	1.0%	95,310	1.3%
Stakeholder communications	88,566	1.6%	72,605	1.0%
Issue management	44,353	0.8%	44,394	0.6%
Trade communications	-	0.0%	6,773	0.1%
Value added initiatives	-	0.0%	4,695	0.1%
Staff meetings	913	0.0%	-	0.0%
Nutrition Communications	86,974	1.6%	-	-
Market Development, Asia and Emerging Markets:				
Japan	240,152	4.4%	393,212	5.6%
China / Hong Kong	299,879	5.5%	287,945	4.1%
Partner market development program	-	0.0%	150,417	2.1%
Taiwan	90,914	1.7%	112,656	1.6%
Korea	136,995	2.5%	102,326	1.4%
Emerging markets	-	0.0%	101,812	1.4%
Other	-	0.0%	28,458	0.0%

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International Market Development	109,075	2.0%	-	0.0%
Technical Services	58,672	1.1%	-	0.0%
Competitiveness/Innovation & Food Safety	35,845	0.7%	-	0.0%
Consumer Culinary	121,830	2.2%	-	0.0%
National Check-off Transfers				
Federation des Producteurs de Bovins du Quebec	304,062	5.5%	617,205	8.7%
Beef Cattle Research Council	432,903	7.9%	599,786	8.5%
Ontario Cattlemen's Association	367,354	6.7%	378,690	5.3%
Saskatchewan Cattlemen's Association	77,663	1.4%	155,128	2.2%
Manitoba Cattle Producers Association	101,700	1.9%	37,757	0.5%
Alberta Beef Producers	8,416	0.2%	11,907	0.2%
Prince Edward Island Cattle Producers	1,940	0.0%	6,925	0.1%
New Brunswick Cattle Producers	2,410	0.0%	4,069	0.1%
Nova Scotia Cattlemen's Association	59,176	1.0%	1,287	0.0%
Cattle Industry Development Council (British Columbia)	93,594	1.7%	363	0.0%
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Total Expenses	5,490,617	100.0%	7,079,519	100.0%
<hr/>				
Excess of revenue over expenses	471,006		660,547	
Net assets & consolidated reserve transfers, beginning of period	4,947,890		-	
Consolidation reserve transfers	764,453		4,287,343	
<hr/>				
Net assets, end of period	\$6,183,349		\$4,947,890	

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.

Sitting Delegates



Rick Friesen
Vauxhall
403.654.2941



John de Groot
Vauxhall
403.725.2143



James Hargrave
Walsh
403.937.2228



Howard Bekkering
Vauxhall
403.654.2903

Zone 1 Candidates: Elected by Acclamation

Mark Francis is a fourth generation rancher and runs a cow/calf operation with his brother near **Taber, AB.**

"I have been privileged to serve on Alberta Beef Producers for the last six years, the last two years as chair of the Marketing and Education Committee. With your support I would love to serve another two years."

Garth Porteous was born and raised in southern Alberta. Garth graduated from Olds College with a diploma in Land Resource Management and a certificate in Environmental Reclamation. Garth, along with his wife Karla and their four young children, his wife's parents, Bob and Maureen Laidlaw, and uncle-in-law Wes Laidlaw, operate the Laidlaw Ranch, a ranch and finishing feedlot, along the South Saskatchewan River.

"I am honored to be nominated as a delegate for the Alberta Beef Producers, not only as our heritage comes from the grassroots agricultural sector, but as we wish to continue to provide this way of life for our future generations. I would like to help build the present and future beef industry by putting both feet forward."

Sitting Delegates



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.



Darren Bevans
Raymond
403.752.4551



Bob Lowe
Nanton
403.646.0051



Allan Minchau
Spring Coulee
403.653.4769

Zone 2 Candidates: Elected by Acclamation

Zone 2 can appoint up to one zone delegate for the 2012-2014 term.

Jake Meyer and his family run a growing cow/calf operation near **Welling, AB.** Jake is a young and enthusiastic leader and producer. Being the first generation to own

cattle in his family, Jake has experienced the struggle and discipline that comes with raising cattle. Jake is currently a member of the CCA's Cattlemen's Young Leaders program where he has shown outstanding leadership and is gaining political experience in the industry. The industry is showing optimism and never has there been a better time to encourage and sustain its

livelihood. Jake is excited and willing to do a great job representing his zone and being a part of ABP. "See you at the zone meeting!"

Cattle Feeder Council:

Zone 2 can appoint up to one CFC zone delegate for the 2012-2014 term.

ELECTION BACKGROUNDER



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

Sitting Delegates



John Bland
Strathmore
403.934.3012



John Buckley
Calgary
403.932.2486



Chuck Groeneveld
High River
403. 938.7843



John Bland
Strathmore
403.934.3012

Zone 3 Candidates:

Elected by Acclamation

Dr. Brian Edge is a member of a pioneer ranching family residing in Alberta for over 100 years. Brian is a practicing large animal veterinarian and runs a cow/calf operation and backgrounds near **Cochrane, AB**.

Brian has served eight years as an ABP delegate including being the zone director for the past two years.

“My various committee involvements include chair of the Research Committee and a member of the Beef Cattle Research Council. I am currently a director on the Calgary Feeder Association, a past president of the Alberta Veterinary Medical Association and have served on the Canadian Large Animal Practice

Committee for the CBMA. Animals and agriculture have been my life-long passion. I would be honoured to be an ABP delegate again.”

Peg Strankman

“The beef industry is facing increasingly complex and wicked problems in areas such as land use, demands for more production accountability, and environment based trade competition increases. I would hope my experiences could help the industry looking for ways to achieve a balance in increasing food production to meet demand, conserving biodiversity and wildlife habitat while strengthening rural communities.

I am currently consulting on agricultural/ecological/sustainability issues. Previous to

that I was the Environment Manager with the Canadian Cattlemen’s Association. From that I gained experience in strategic planning, policy development, environment/agriculture issue management, and agricultural sustainability.

Supporting rural youth is a major focus for my volunteer time. I currently participate in the Calgary Stampede International Youth Livestock committee, and enjoy judging 4-H public speaking. I grew up on a mixed cattle and grain operation in East Central Alberta but currently live on a small farm northeast of Airdrie, AB. The pull of the family farm is strong and as many people do, I’m often home helping out as I can. With your support, I look forward to representing the zone three producers at ABP.”

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.

Sitting Delegates



John Beasley
Youngstown
403.779.2662



Judy Fenton
Irma
780.754.2257



Tim Smith
Coronation
403.575.2246



Craig Ference
Kirriemuir
403.552.3755

Zone 4 Candidates:

Elected by Acclamation

Pat Rutledge, along with his daughter and son-in-law, run a cow/calf background operation near **Monitor, AB**.

“During my last term as an ABP delegate, I was chair of the Verified Beef Program. We’ve seen good numbers of producers trained but funding continues to be a problem. This past year, I have been a director of the Canadian Cattlemen’s Association serving on the Domestic Ag Committee, Foreign Trade Committee, and the Animal Health Committee. I am interested in continuing this involvement. Outside ABP, I am a director of the Alberta Grazing Leaseholders Association and represent this organization on LIS.”

Walter Suintjens is a third generation rancher and farmer from **Hanna, AB**.

“The person who makes all this possible is my good wife Adeline. It’s like an old rancher told me when I was a young man, ‘You got to get a good woman, if they’re not with you they’re against you.’ I am very lucky; I have seen good ranches destroyed over partnerships and relationships. We have expanded to over 500 cows in 2010 and farm around 3,000 acres. We raise all our own bulls, using very sound breeding genetics acquired some years ago.

I have served on ABP for seven years previously. One thing I cannot understand is why ranchers and farmers have to host all the wildlife on their land for nothing, when it clearly benefits everyone else. I would like to change this policy, if the government wants all this wildlife let them pay for it, not us.

I have served on many boards and have chaired some of them. I always say, ‘It’s amazing the things you can achieve and change if you try.’”

Cattle Feeder Council:

Subsequent to the nomination deadline, the elected zone 4 delegates appointed Craig Ference as their CFC delegate. This appointment was approved by the Board of Directors at the September board meeting.

Craig Ference and family operate Double F Farms, which includes a feedlot and farm at **Kirriemuir, AB**, and a property at Biggar, SK. Craig and his father run a 1,700 head cow/calf operation and a 2,500 head backgrounding/finishing lot. Craig was a part of 4-H beef while in grade school and was active in numerous clubs and organizations at university. Craig hopes to provide a younger perspective of the cattle business and the challenges it presents. Craig looks forward to being involved in ABP and the future of the Alberta cattle industry.

ELECTION BACKGROUNDER



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

Zone 5 Candidates:

Elected by Acclamation

Cathy Sharp and her family own and operate a purebred cow/calf operation east of **Lacombe, AB**, and east of **Stettler, AB**. Cathy has been a delegate for eight years and has served on the Marketing and Education Committee as well as Zone Coordinator. Cathy represented ABP on the Beef Information Centre for six years. She now represents ABP as an elected delegate to the Canadian Cattlemen's Association and sits on the Foreign Trade and Environment Committees and is the vice chair of

Sitting Delegates



Nanita Blomquist
Big Valley
403.323.1111



Doug Sawyer
Pine Lake
403.886.2525



Rose Wymenga
Leslieville
403.729.2360



Charlie Christie
Trochu
403.442.2470

Value Creation Committee. Cathy also represents ABP on the Beef Cattle Research Council. She is active in the community sitting on Eclipse Hall Board, casino chair for Figure Skating Club, treasurer for Clive Minor Ball and bookkeeper for Mother Goose Playschool.

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

Rob Somerville, with his wife Laurie and son Stuart, run a mixed cattle/ grain operation near **Endiang, AB**.

“I have been involved for many years as an ABP delegate, director and committee chair. For the last five years I have served as an ABP director on the Canadian Cattlemen's Association. Within CCA, I sat on the Executive Committee and chaired the Domestic Ag Policy and Regulation Committee. I represent CCA on a National Forage Task Team looking into improvements for forage and pasture insurance within Canada as well as several subcommittees exploring ways to bring youth into agriculture in leadership roles. I am committed to improving the competitiveness of the Canadian cattle industry.”

ELECTION BACKGROUNDER



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.

Sitting Delegates



Adam Moseson
 Ferintosh
 780.361.7470



Tim Sekura
 Rocky Rapids
 780.542.3174



Gary Seutter
 Millet
 780.387.4832



Dave Solverson
 Camrose
 780.672.7141

Zone 6 Candidates:

Elected by Acclamation

Greg Bowie and family have a purebred and commercial cow/calf operation near **Ponoka, AB**. He also owns a livestock consulting business with a focus on cattle nutrition as well as genetics and farm management. Greg has completed eight years as an ABP delegate, including five years on the Board of Directors. Greg is just completing a year as Finance Chair as well as co-chair of the Environment Committee. He continues to chair the Environmental Stewardship Award program and chair the Land Use Subcommittee. He also represents the livestock sector on the Riparian Land Conservation and Management Project Team, the Water Advisory Team and the Battle River Watershed Alliance.

"I believe we need to work together to build strong, stable, and profitable beef business in which we all take

pride. This is necessary to encourage our youth to be involved in this industry in the future."

Chris Simpson, with his wife and four children, farm in near **Rimbey, AB**, and run a fourth-generation 150 head cow/calf operation.

"I am the fourth generation on the family farm. Beef production has always been in my family and I want to do my part to ensure it is viable for future generations. I have completed my first two-year term as an ABP delegate and look forward to the opportunity to be a zone delegate for another term. I am currently the chair for the Safety Net Subcommittee for the Cow Calf Council. My experience as a chartered accountant and extensive dealings with the business risk management programs has been very beneficial with my chair position. I appreciate the opportunity to continue the work I have been doing in ABP."

Cattle Feeder Council Delegate:

Elected by Acclamation

Dave Solverson and family operate the Woodwind Ranch southwest of **Camrose, AB**. It is a cow/calf to finish operation, marketing about 1,000 head per year. Dave has served as ACC and ABP delegate for 13 years in a number of positions, most recently as a CFC delegate-at-large on the Board of Directors and the ABP Vice Chair. Dave has also been a CCA director for a number of years where he is currently the vice president.

"I am proud of Alberta Beef Producers and intend to work to keep our producers competitive. I do not intend to seek re-election to the ABP board so I can focus on my duties as Vice President and Foreign Trade Chair of CCA. My involvement on CFC will help keep me informed of competitive issues facing our feeding sector."



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.

Sitting Delegates



Colin Campbell
 Bon Accord
 780.921.2180



Rick McKnight
 Jarvie
 780.681.2165

No Image

Bernie Regner
 New Brooks
 780.349.2365

Zone 7 can appoint up to one zone delegate for the 2012-2013 term and two zone delegates for the 2012-2014 term.

ELECTION BACKGROUNDER



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.

Zone 8 Candidates:

Danny Hozak along with his family farm near **Marwayne, AB.**

“I have been a supporter and promoter of ABP for more than 30 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 Alberta Beef Producers. I have previously served on both ABP Board of Directors and on CCA. I am prepared to serve again if producers so wish.”

George L'Heureux and his wife run a cow/calf and background operation near **Lac La Biche, AB.**

“I have sat on numerous boards which include Lakeland Breeder Association, minor sports, and the minor hockey discipline committee, just to name a few. I currently sit on the local feeder association and also the feeder association provincial board. With changes consistently happening in the industry, I feel that

Sitting Delegates



Brian Chomlak
Beauvallon
780.366.2180



Bill Fox
Elk Point
780.724.3952



Gordon Graves
Iron River
780.826.2796



Sheldon Hauca
Vegreville
780.367.2404

I can focus on assisting with positive change for everyone.”

Michael D. Lutzak is the fourth generation on the family homestead by **Hairy Hill, AB**, where he, along with his wife and four kids, run a cow/calf background operation. They keep busy with their involvement in the local 4-H club and rodeo association.

“I appreciate what ABP has done for beef producers and industry over the years, and look forward to the opportunity to listen to, and voice the ideas and concerns of fellow beef producers in hopes of making a difference for the present and future generations in the beef industry.”

Lyndon Mansell runs a cow/calf, background operation near **Innisfree, AB**. Lyndon hopes to continue to represent the producers as a zone delegate.

“My goal is to improve the profitability of cow/calf operators, which will hopefully attract some new

producers. The whole industry depends on guys like us caring for and calving the cows to produce the tastiest, healthiest beef in the world. It is a positive sign when other producers want to step up and represent our fellow producers.

Good luck to all the candidates!”

Cattle Feeder Council Delegate:

Sheldon Hauca, along with wife Denise and sons Layton and Keyton, operate a small mixed farm in near **Willingdon, AB**. They have a cow/calf operation, background calves, and grow canola and cereals.

“I am involved in the local 4-H multi-club as well as the Alberta Fish and Game Association. I have served with ABP as a CFC delegate for the past four years. I believe we all have to do our part to help this industry. I think ABP is a very good organization which is helping to strengthen the industry through dialogue and representation.”

ELECTION BACKGROUNDER



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.

Sitting Delegates



Maartin Braat
Fort Vermilion
780.927.3800



Bruce Jack
Spirit River
780.864.2297



Mike Nadeau
Beaverlodge
780.354.8685



John MacArthur
Fairview
780.835.5862

Zone 9 Candidates:

Elected by Acclamation

Roland Cailliau and wife run a cow/calf operation near **Valleyview, AB**, where they have lived and worked since 1980. They have four wonderful children and three grandchildren. A past chair of the former Valleyview & District Forage Association, Roland has also been a member of other industry organizations. This will be Roland's third term as an ABP delegate and he has served as the zone 9 representative to the Board of Directors for the past three years.

"Long-term profitability in ranching must be achieved in order to encourage the next generation of ranchers to take over the reins."

Ron Wieler and his wife, Agatha, farm 500 acres and run a 30 head cow/calf operation in **Fort Vermilion, AB**. They have two children, Kaitlyn, 3, and Brooklyn, 1.

"Together with four brothers and sisters, I have learned to take responsibility for our 30 cow/calf and seed farm operation. Along with completing high school, I took one year of a practical nurse program in Edmonton, AB. During some of my winter months, I spent time hauling cattle near Linden and Lethbridge, AB. For the past five years I have been the local Pioneer Hi-Bred sales representative."

2012 FALL MEETING & ELECTION SCHEDULE

- ZONE 1** (MEETING 7 p.m. START
FREE SUPPER 6 p.m.)
- NOV 1** **BROOKS, BOW SLOPE AUCTION**
Reynold Bergen, CCA
- ZONE 2** (MEETING 7 p.m. START
FREE SUPPER AT 6 p.m.)
- OCT 29** **FORT MACLEOD, AUCTION MARKET**
Reynold Bergen, CCA
- ZONE 3** (ALL MEETINGS 7 p.m. START)
- OCT 29** **COCHRANE, RANCHEHOUSE**
Rich Smith, ABP Executive Director
- OCT 30** **SUNDRE, SENIORS CENTRE**
Randy Jenson, AFSC
- NOV 1** **STRATHMORE, GOLF AND
COUNTRY CLUB**
Anne Dunford, Gateway
- ZONE 4** (ALL MEETINGS 7 p.m. START
FREE SUPPER AT 6 p.m.)
- OCT 22** **POLLOCKVILLE, COMMUNITY HALL**
Doug Sawyer, ABP Chair
- OCT 24** **VETERAN, COMMUNITY HALL**
Ryder Lee, CCA
- OCT 29** **CZAR, CZAR HALL**
Karin Schmid,
ABP Beef Production Specialist
- ZONE 5** (ALL MEETINGS 7 p.m. START
WITH FREE BEEF ON A BUN
SUPPER AT 6 p.m.)
- OCT 24** **LESLIEVILLE, COMMUNITY HALL**
- OCT 30** **BIG VALLEY, COMMUNITY HALL**
- NOV 1** **SPRUCE VIEW, COMMUNITY HALL**

- ZONE 6** (ALL MEETINGS 7 p.m. START
FREE SUPPER AT 6 p.m.)
- OCT 23** **PONOKA, LEGION**
Martin Unrau, CCA Chair
- OCT 25** **BRETON, COMMUNITY CENTRE**
Ryder Lee, CCA
- OCT 29** **CAMROSE, REGIONAL EXHIBITION**
Jennifer Wood, CPIP
- ZONE 7** (ALL MEETINGS 7 p.m. START
FREE SUPPER AT 6 p.m.)
- OCT 30** **MAYERTHORPE, LEGION HALL**
Annemarie Pedersen,
Canada Beef Inc.
- NOV 1** **WESTLOCK, MEMORIAL HALL**
- ZONE 8** (ALL MEETINGS 7 p.m. START
FREE SUPPER AT 6 p.m.)
- NOV 5** **MINBURN, COMMUNITY HALL**
- NOV 6** **STREAMSTOWN, COMMUNITY HALL**
Gerald Hauer, Chief Provincial Vet
- NOV 7** **GOODRIDGE, COMMUNITY HALL**
Karin Schmid,
ABP Beef Production Specialist
- ZONE 9** (ALL MEETINGS 7 p.m. START
WITH FREE BEEF ON A BUN
SUPPER AT 6 p.m.)
- OCT 23** **PEACE RIVER, SAWRIDGE HOTEL**
Speaker TBA
- OCT 25** **FAIRVIEW, DUNVEGAN MOTOR INN**
Speaker TBA
- OCT 30** **GRANDE PRAIRIE, STONEBRIDGE INN**
Speaker TBA
- NOV 1** **VALLEYVIEW, MEMORIAL HALL**
Speaker TBA



www.albertabeef.org

Return Undeliverable Canadian Addresses to:
Alberta Beef Producers 320, 6715 – 8 Street NE, Calgary, AB T2E 7H7
PM 40069160