

**ALBERTA BEEF PRODUCERS  
MINUTES OF THE BOARD OF DIRECTORS MEETING  
THURSDAY MAY 1, 2008, 8:00a.m.  
AT THE MATRIX HOTEL, EDMONTON, ALBERTA**

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**PRESENT:** Erik Butters - *Chair*  
Rick Burton - *Vice-Chair*  
Kelly Olson - *Finance Chair*  
Brent Carey - *Zone 2*  
Brian Edge - *Zone 3*  
Frank Murphy - *Zone 4*  
Doug Sawyer - *Zone 5*  
Greg Bowie - *Zone 6*  
Roy Eckert - *Zone 6(at large)*  
Harvey Hagman - *Zone 7*  
Darcy Eddleston - *Zone 8(at large)*  
Gordon Graves - *Zone 8*  
Stuart Thiessen - *CFC Chair*  
Chuck MacLean - *CFC*  
Dave Solverson - *CFC*  
Tony Saretsky - *CIC Chair*  
Darryl Carlson - *CIC*

**STAFF:** Rich Smith - *G.M.*  
Barb Sweetland - *Promo Manager*  
Lori Creech - *Comm. Manager*  
Reynold Bergen - *AH&W Manager*  
Katelyn Laverdure - *Comm. Coord.*  
Rosanne Allen - *Exec Assistant*

**GUESTS:** Mike Cook - *BIC Chair*

**ABSENT:** Gerald Maser - *Zone 1*  
Donna Noullett - *Zone 9*

Chairman Butters called the meeting to order at 8:00 a.m.

**1. Approval of the Agenda**

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Addition: (h) FADES Plan:

Motion by Eckert/Sawyer:

**“That the Agenda be adopted with additions marked above, plus any other additions or deletions that are deemed necessary throughout the course of the meeting.”**

Carried

**2. Minutes of Previous Meetings**

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(a) Minutes of March 20, 2008 Meeting:

Motion by Graves/Bowie:

**“That the Minutes of the March 20, 2008 Board of Directors meeting be adopted with changes.”**

Carried

**3. Finance Report**

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(a) Financial Statement:

Olson updated the Board on the year end budget.

Motion by Olson/Edge:

**“That the Financial Report be accepted as presented for information purposes.”**

Carried

**4. Items for Decision**

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(a) Promotion Committee branding Initiative:

Sweetland and Eckert spoke to the Board about the image campaign that is being developed in 3 parts. Promotion staff and committee members have spent the last few weeks looking at ad agencies and have made a decision. The Board has committed \$230,000 to the campaign; the Promotion Committee has increased that amount to \$400,000 and is looking for industry money that may bring the funds up to \$900,000. The group they chose has knowledge of the industry and the people have the background that ABP needs to move into a new campaign. They will design a URL on ABP’s current website that will engage people and hopefully get them to stay there and explore other aspects of the site. The number of hits will be measured.

There will be teaser campaign at the Semi that will hopefully interest producers in the new campaign. It will be an eight week outdoor campaign that will be on bill boards, buses and other outside media. The tag line that has been chosen is “Alberta Beef Raised Right.” Our mandate is to raise the image of our industry but also to speak to consumers and this tag line will do that.

The Branding initiative is a marketing term that means ABP has to focus all of our communication to our producer and consumers. Communications and Promotions would work together to create a unified look for ABP. Sweetland said that Promo is looking for approval from the Board to develop an ABP brand. Most of the Board agreed that the new tag line was great and addressed not only the beef itself but the environment and quality of the product.

Motion by Burton/Sawyer:

**“That the Board give the Promotion Committee \$85,000 to move ahead with the new image campaign.”**

Carried

Some delegates were concerned with giving Promo another \$85,000 after they have already increased Promo’s

budget by \$230,000. The committee will be looking for assistance from other ABP committees. There also were concerns about the timing of this initiative and from where in our budget the funds would be drawn.

Sweetland's final proposal was for signage on our building with three possible alternatives. Promo has \$15,000 set aside for this. Because the building overlooks Deerfoot Trail, we have a prime location. The sign would have high visibility and can move with us if we leave. Sweetland has spoken with the building supervisors and has received permission to put the sign up. When asked which option she would like Sweetland said that she believed the one with the tagline would be best. If, in four years, the campaign changes again then it would be very simple to remove the "Raised Right" and add the new tagline.

Motion by Murphy/Solverson:

**"That the Alberta Beef Producer Board of Directors endorse the third sign option using the new tag line "Raised Right."**

Carried

(b) Grass Routes Proposal:

Creech spoke to the Board regarding the Producer Liaison proposal to have paid advertising in the Grass Routes. PL is asking the Board to approve the proposal for paid advertising in the Grass Routes. On top of value-adding with paid advertising ABP would be able to add longer more detailed articles. If this is approved the first issue would be the August/September issue that would feature the RancHers, something that would be impossible to do in the current format. It would require using a contractor from the outside to put together the advertising. Working with the Branding Initiative would give us a chance to start fresh and work with Promo on this proposal. Butters opened the discussion to the Board asking for comments. The opinions expressed were in favour of the proposal, though there were some reservations. One concern is that Alberta is really the only province that has other sector publications, such as Alberta Beef Magazine, that will be affected if ABP does go forward with the proposal.

Motion by Murphy/Eckert:

**"That Producer Liaison move ahead with paid advertising in the Grass Routes."**

Paid advertising is one way of subsidising the cost of the new publication. ABP has to improve their image and their ability to communicate but it should not be at the expense of other businesses that will most definitely be affected by this proposal. Creech was asked if more substance could not be added by asking guest contributors to add to the current Grass Routes without paid advertising. The Board was informed that there is no budget to increase the publication or pay guest contributors without paid advertising. This would be a good publication to advertise for cow and bull sales something

that is too expensive to do in Alberta Beef Magazine and they do not have the circulation that Grass Routes would have. There may be some benefit if we sat down and talked with the other sector publications. There is some concern with using public sector dollars to compete with private sector business. Delegates want to see us improve our communication with the producer but the idea of competing with the private sector presents a major dilemma.

Motion by Olson/Eddleston:

**"That the motion be postponed until further information can be brought forward for the Board to consider."**

Carried

(c) Zone 9 Plan Regulation Amendment:

Waller reminded the Board that everyone voted in favour of getting rid of the sub-zones in Zone 9. Waller was looking for a motion to apply to have the regulation amended.

Motion by Thiessen/Sawyer:

**"It is hereby resolved that, pursuant to Section 22 of the Marketing of Agricultural Products Act the Alberta Beef Producers requests Marketing Council to apply to the Lieutenant Governor in Council to amend the Alberta Beef Producers Plan Regulation in accordance with the Alberta Beef Producers Plan Amendment Regulation e-mailed by Marketing Council to the Alberta Beef Producers on April 23, 2008 and set out in the attached Appendix" (see Board handout in package).**

Carried

(d) Plan Review Discussion:

Butters opened the discussion on the Plan Review informing the Board that the Plan Review Working Group held a final meeting last week to make some decisions on recommendations for changes to our regulations. The final decisions will go to the Semi-Annual for approval. Based on the information ABP received from the feedback on the fall meetings, regional meetings and the mail outs the working group came to some decisions on recommendations that had been summarized in the handout Waller had created and distributed to the Board.

The purpose of this discussion was for the Board to review the Working Group proposal and make recommendations of its own for a proposal that will be circulated to delegates before the Semi-AGM. The final decisions will be made by the delegates, but the Board has a responsibility to provide some direction as to its position on the topics. There was a long and thorough discussion of the key topics in the proposal and significant debate on a number of issues.

The Board decided that the decisions made at this meeting would be summarized in a revised proposal. On those points where there was not full agreement among the directors or where significantly different views have been expressed, options would be provided in the discussion document. Directors were strongly encouraged to review the proposal with the delegates in their zones and with producers if possible. The Board recognized that we must be seen to be responding to the concerns of producers.

Since the recommendations of the Board have been documented well in the Plan Review Proposal, these minutes will not include every decision made during the meeting or every point raised in the discussion. The directors began by considering the possibility of reducing the size of the Board, while still maintaining suitable geographic, sectoral and overall representation. The directors did not wish to reduce the number of zones or have zones without a director on the Board. The directors also wished to retain the five directors at large. As a result, there was no recommendation to change the Board size.

The Board recommended that Zone Directors continue to be elected by the delegates and the Board should have three CFC directors and two directors from the Association Council. The Board suggested adding the chairs of CFC and Cow/Council to the Executive, along with one other appointment. The Board recommended the creation of a Cow/Calf Council and an Association Council, the latter replacing the Cattle Industry Council. There also is a recommendation to create a Governance Committee and an Audit Committee.

Recommendations regarding zone delegates and membership on the councils and new committees are detailed in the proposal. There also is a commitment to review the number and mandate of standing committees operating in ABP with the idea that future committees be task or issue based. The Board did not wish to change the mandate of ABP and is recommending that the service charge continue to be non-refundable. There also is a recommendation that producer wishing to vote or hold office be required to register their names and contact information with ABP.

In addition to the recommendations in the proposal, the Board did make two specific motions during the meeting.

Motion by Sawyer/Graves:

**“That Alberta Beef Producers investigate the feasibility of imposing a one-time service charge on each head of cattle when cattle are exported or slaughtered.”**

Carried

There was a proposal that the plan review debate at the Semi-AGM be broadcast over the internet. This would

give producer and government officials a chance to watch the discussion. This would help to address the concerns we have heard about not communicating well with producers. Not all producers will be interested or will be able to gain access to the webcast, but it will be available.

Motion by Murphy/Carey:

**“That Alberta Beef Producers broadcast the Plan Review debate during the Semi-Annual over the internet.”**

Carried

(e) Beef Production Traceability Tools Project:

Smith introduced a project proposal from the government related to traceability tools. This concept had been presented at a meeting in the ABP Board Room. The traceability technology has to be at a level that business can be done without barriers. The idea would enable producers to enter age verification data through a hand held PDA so the data could then be downloaded through cell phone at any time coverage is available. at any time. What they are seeking is \$20,000 in funding and 12 producers in Central and Northern Alberta to participate in the study. There were questions about how to fund the project and identify producers. One of the concerns in terms of funding is that it will be used to purchase the PDA's for the 12 producers who participate in this project. The PDA's could be returned to ABP or the producer could purchase it at the end of the project. Tony Saretsky, CIC Chair, agreed that CIC will fund the project. Smith asked the directors to identify producers in their zones the send the names to him.

Alberta Agriculture and Rural Development also is working with SAIT on a radio frequency workshop on June 25<sup>th</sup> and 26<sup>th</sup> for any producers who are interested.

## 5. In Camera Session

## 6. Items for Discussion

(a) Age Verification Proposal and Strategy:

After the vote at the last Board meeting defeating the age verification proposal, ABP is still pushing ahead with the age verification information market proposal. Smith has distributed the proposal to CCA and CCIA.

(b) Canadian Beef Advantage Update:

People are not seeing a lot of action on this proposal and CCA has been encouraged to move more quickly on the initiative. Cook suggested that one possible reason for the delay is a challenge over the logo.

(c) Canada Gold Update:

Burton updated the Board on Canada Gold. There was a steering committee meeting a week ago but Burton was unable to attend the meeting. There had been promising

discussions with Tyson about participation in the Canada Gold business, but there does not appear to be much chance of an agreement with Tyson now.

The steering committee has decided to define a job description for a CEO to take over this project over and to move ahead with hiring someone. Burton was asked where the funding would come from to pay a CEO and though he was uncertain, he did say that they currently have \$200,000 in funding. BIC has been asked to help Canada Gold and provided the company meet the BIC criteria, they could qualify for \$100,000 in funding. CFC did not agree to provide general funding to Canada Gold, but is very interested in providing funding for market research when they receive a complete proposal.

(d) Alberta Government Program Update:

Smith said that this was added to the agenda in case there was an announcement made. There has not been an announcement at the time of the Board meeting.

There has been talk about meeting with the Minister and staff but nothing has happened yet. Saretsky thinks that we should be meeting with the Minister frequently.

(e) CCA Update/Fly-In Strategy:

Stuart Thiessen, Harvey Hagman, Frank Murphy, Doug Sawyer, Brent Carey and Greg Bowie will be flying to Ottawa on May 12<sup>th</sup> and 13<sup>th</sup>. Ryder Lee has prepared some speaking points for the participants.

(f) Oil and gas issues:

Bergen spoke with Larry Dayment, a previous delegate, regarding the effects of oil and gas on cattle. Dayment is a member of the Pekisko Group of Landholders and they are asking for some assistance from ABP regarding a proposed pipeline that Petro Canada is putting through their area. There is no program in place to deal with instances where a pipeline bursts and cattle are hurt. What should cattlemen be doing to reduce the risk to their cattle in terms of documentation, vaccination, feeding. One thing that may be more questionable is that they want ABP's help with the intervener status. They want our help in arguing that a new animal investigator program be in place before any more development begins. The group also want us to decide on how we would participate in the ERCB meeting. They want an emergency response plan developed that would deal with livestock. Currently if there is an explosion or leak in a pipeline the company does not have to inform anyone if there are no people in the area. If cattle are exposed the producer may not know until the next spring when the effects are noted. The potential problem is that if ABP gets involved with one intervener case they have to get involved with all of them.

What do we know about oil and gas exposure on cattle and what we don't know? The Board was informed that they will see a preliminary report on Land Use Framework in early June but until then we will not know how it impacts

oil and gas. Smith says there is talk about setting up zones around the province to look at identifying decisions.

Bergen is suggesting that we tell him the areas where we can help and where we should not be involved. When these instances occur most of the oil and gas companies are willing to cooperate but there are some who don't.

There is some concern that the Pekisko group is out to close down all industrial development along the Eastern Slope. If we let unknowns stop things from happening then nothing happens. They are arguing the precautionary angle when there is no proof that there is damage.

Most of the Board felt Dayment had some valid points but were uncomfortable with some of the areas that Dayment was looking for assistance

(g) July Event Schedule – U.S. State Visitors, ILC, Board Meeting, and Staff BBQ:

Butters informed that Board that a few complications had arisen regarding the July Board meeting being held on July 10<sup>th</sup> as previously decided. It was decided that to address the complications the Board meeting would be held on the following Thursday July 17<sup>th</sup>. Plans are being finalized to invite a number of our American counterparts to visit Calgary at ABP expense. Currently the Executive is thinking of having them arrive around noon on the 10<sup>th</sup> with a dinner that night and attendance at the ILC the following day. ABP is getting financial assistance from the Canadian Consulate and the Alberta Government to host the visitors.

The Staff Appreciation BBQ will be held on Wednesday July 16<sup>th</sup> before the Board meeting on Thursday and those on the Board who wish to participate are welcome do so.

(h) FADES:

About four years ago, there was a resolution at the Semi-AGM to develop a FADES plan. An ad hoc group working under the auspices of the Technical Committee has devoted a considerable amount of time and effort to this plan. Now with the significant help of Reynold Bergen, the FADES plan has been completed. The plan has been forwarded to Alberta Agriculture and Rural Development for their review.

(i) BIC:

Cook informed the Board that they are coming up to their next budget meeting and asked the Board that if there was any money left over to remember BIC. Cook also informed the Board that he will no longer be attending the Board meetings as Roy Eckert and Donna Noullett are on both Boards.

(j) Committee Reports:

(i) Cattle Industry Council:

No meeting had been held, nothing to report.

(ii) Cattle Feeder Council:

No meeting had been held, nothing to report.

(iii) Government Affairs:

Eddleston reported to the Board on a couple of issues. On April 9<sup>th</sup> SRD, International Trade and Grazing Leaseholders Association met with Larry Schnider a US lawyer, in Edmonton regarding countervail. There have been no rumblings in Washington yet about a countervail suit. He also informed them that R-CALF has lost a lot of ground in the U.S. It would cost at least \$100,000 to start a case and R-CALF, for one, would have to front the money. The total cost could be as much as \$500,000.

If they industry feels there are grounds for countervail they would submit a petition to the Commerce Department who would do a rough review of the petition. We cannot reply during this 20 day period. During this time the degree of industry support is determined – they need 25% support to continue. The Canadian government can discuss the issue with the US during this period. It could be stopped here if there is not enough support. If they do get industry support then the International Trade Commission looks at damages – Preliminary Injury Investigation. They have 45 days to complete the investigation and it could be stopped here if they do not find enough cause. If the case continue then no decision until find ruling.

ABP was warned that they shouldn't assume that the Department of Commerce will use the same methodology that they used in 1999. This creates uncertainty in what will happen. Changes in other countervail challenges continue to change methodology.

They are not sure yet when the OTM judge will make a ruling or if he would work the ruling into existing rules or makes a new rule.

CCIA had their annual meeting on the 8<sup>th</sup> and 9<sup>th</sup> of April. They are working on letters patent and bylaws. CIFA once again brought up the hog proposal regarding keeping track of hog movement and once again it was explained to them that cattle movement is different. In terms of ABP we will be asked to give an opinion and have a discussion and come back with that to CCIA through Eddleston. CCA has brought forth concerns about how CCIA has dealt with the government.

(iv) Technical:

Alberta Milk and other provinces are looking at the FADES plan.

(v) Cow/Calf Committee:

No meeting had been held, nothing to report.

(vi) Producer Liaison:

No one was available from PL to give an update but a report had been added to the Board package for director information.

(vii) Public Affairs:

Sawyer informed the Board that AFAC is currently working with Michelle Follensbee, John Donnor and John Knapp to extend their research grant. They are also working on increasing their operating grant from AF. AFAC is pushing for the continuation of the Alberta Livestock Protection System, which is a communications meeting between AF, RCMP, SPCA, AFAC, ALIDF and CFIA. The annual AFAC meeting was a huge success this year with over 250 registrants. Sawyer informed the Board that he was elected AFAC Chairman.

The next Growing Alberta board meeting is in May to set a future direction and Sawyer is hoping to make ABP involvement clearer. Sawyer was impressed with the Food for Thought magazine and believes that it is a valuable promotional tool for our producers and product.

Sawyer represents ABP as an alternate to the Alberta Water Council from the ILWG. Larry Nolan is working on Wetland Policy and Rich Smith has agreed to work on Water Transfer. Sawyer is on a new working group – Aquatic Ecosystems

It is time to get moving on nominations for the 2009 ESA winner. If you need help or have any questions talk to Greg Bowie or Katelyn Laverdure.

(viii) Promotion Committee:

The Tuesday night of the Semi-Annual will be the celebratory evening with the Ranchers.

(ix) Quality Starts Here:

Next meeting will be held on May 13<sup>th</sup> nothing further to report at this time.

(x) LIS:

Carey informed the Board that there was an LIS update in the Board package for their information.

(xi) CCA:

Travis Toews questioned regarding CAIS. In the last few weeks the CCA has appeared before the house committee on agriculture. They are appearing today on Product Canada labelling. The government of Canada wants to have a free trade agreement with Columbia. We want at least the same deal that they give the Americans.

Saretsky participated in a call regarding Korea they are planning to delay the negotiations with Canada. They did it under the guise that there parliament is in chaos because of the agreement with U.S. Koreans promised to deal with Canada simultaneously with America and they did not do that.

Saretsky is participating in the 5 countries meeting regarding trade issues.

The Peru trade agreement. Fedican represents both beef and dairy in Peru.

## **7. General Information**

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- (a) Resolutions Table
- (b) Beef Supply at a Glance;

## **8. Next Meeting Dates**

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- (a) Semi-Annual Meeting –June 9 – 11, 2008 – Delta South, Edmonton, Alberta
- (b) Board Meeting – Thursday July 10, 2008 – ABP Board Room.
- (c) Board Meeting – Thursday September 18, 2008 – ABP Board Room
- (d) Board Meeting – Thursday, October 16, 2008, ABP Board Room – tentative
- (e) Board Meeting – Thursday November 20, 2008, ABP Board Room - tentative
- (f) Annual General Meeting – December 8 – 10, 2008 – Calgary, Sheraton Cavalier Hotel

## **9. Adjournment**

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Motion by Thiessen to adjourn at 4:40 p.m.

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CHAIRMAN

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GENERAL MANAGER