

**ALBERTA BEEF PRODUCERS  
MINUTES OF THE BOARD OF DIRECTORS MEETING  
MONDAY JUNE 9, 2008  
AT THE DELTA SOUTH, EDMONTON, ALBERTA**

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**PRESENT:** Erik Butters - *Chair*  
Rick Burton - *Vice-Chair*  
Kelly Olson - *Finance Chair*  
Gerald Maser - *Zone 1*  
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*  
Gordon Graves - *Zone 8*  
Darcy Eddleston - *Zone 8(at large)*  
Donna Noullett - *Zone 9*  
Stuart Thiessen - *CFC Chair*  
Dave Solverson - *CFC*  
Chuck MacLean - *CFC*  
Tony Saretsky - *CIC Chair*  
Darryl Carlson - *CIC*

**STAFF:** Rich Smith - *General Manager*  
Adrienne Waller - *Corp Counsel*  
Barb Sweetland - *Promo Manager*  
Reynold Bergen - *AH&W Manager*  
Laurie Procuier - *Controller*  
Rosanne Allen - *Exec. Assistant*

**GUESTS:** Mike Cook - *BIC (Zone 7)*  
Carol Wilson - *Zone 4*  
Richard McKnight - *Zone 7*  
Judy Fenton - *Zone 4*

Chairman Butters called the meeting to order at 1:10 p.m.

### **1. Approval of the Agenda**

Motion by Murphy/Carey:

**“That the agenda be approved as presented.”**

Carried

### **2. Minutes of Previous Meetings**

(a) Minutes of May 1, 2008 Meeting:

Motion by Graves/Eddleston:

**“That the Minutes of the May 1, 2008 Board of Directors meeting be adopted with changes.”**

Carried

### **3. Finance Report**

Olson presented the financial report to the Board.

(a) Financial Statement:

Motion by Olson/Edge:

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

Carried

### **4. Items for Decision**

(a) Alberta Livestock and Meat Strategy Response:

Butters spoke to the Board about the Alberta Livestock and Meat Strategy and announcement meeting that took place in Edmonton on June 5, 2008. The delegates raised their concerns and the concerns of their producers about the implications of the Alberta Livestock and Meat Strategy. A number of producers do not yet understand the consequences of the new strategy. Most producers are surprised that an announcement of this magnitude was made without consultation with ABP.

Butters asked the Board about their thoughts on the announcement. Butters was asked if he had been able to meet with John Knapp; he informed the directors that he had not, but that Knapp would be at the meeting tomorrow. The \$300 million in funding under the AFRP II is in place and payments for the first half of the funding are already in the mail. The Alberta Livestock and Meat Agency is one area of the strategy that will have to be addressed carefully. The directors discussed Minister Groeneveld’s presentation at the Semi-AGM. After some debate about how this presentation should be handled, a decision was made that the Minister would address the delegate body and then meet with the Executive afterward.

The Board agreed that the delegates needed to be told the details of the announcement. The directors also agree that ABP had to take a firm stand and let producers know that we were not consulted on this strategy. Saretsky raised a number of concerns from the CCA point of view. There is a strong commitment to change in the strategy, including comments about changing industry governance and these changes may have significant implications for ABP and CCA. The Board was informed that there would be an in camera session with the delegates on Tuesday morning to discuss the ALMS before the Minister arrives. The consensus among the directors was that we need to strongly explain our position to h

the Minister but it needs to be done in a measured and reasonable manner.

Motion by Sawyer/Carey:

**“That Alberta Beef Producers invite Minister George Groeneveld to speak with the delegates during the Semi-Annual and then meet with the Alberta Beef Producers Executive.”**

The directors were informed that these arrangements had been made already.

Motion by Sawyer/Carey:

**“The mover agrees to withdraw his motion.”**

Carried

(b) ABP Plan Review Strategy:

Waller spoke to the delegates about the Plan Review strategy for tomorrow. Bob Westrop will be moderating the discussion, with Adrienne Waller, Corporate Counsel, and Rich Smith, General Manager, there to answer any questions that arise. The proposal will be presented in a slide presentation and a motion will be needed from the floor to determine what direction ABP will take. Butters was initially going to introduce the Plan Review and explain the steps we have taken to this point and will be taking going forward. However, he will now be meeting with Minister Groeneveld so Waller will be introducing the review.

(c) Presentations to Delegates at Semi-AGM:

Smith spoke to the delegates about the presentations at the Semi-AGM. He asked if committee chairs wanted to make presentations after Butters had opened the meetings and Olson had presented the financial statements. The chairs would not be making presentations, but delegates will be invited to ask questions of committee chairs. Smith acknowledged the speakers who had graciously agreed to step down from the agenda for the in camera session.

(d) Marketing Organization (BIC/CBEF) Review:

Smith reminded the Board about the ABP resolutions to seek a third party review of the BIC and CBEF organizations. As a result of a resolution at the CCA AGM, CCA is now moving ahead with this review and has engaged Framework to do the work. They are seeking some funding from ABP to cover a portion of the Framework fees and want someone from ABP to sit on a steering committee. Smith suggested that ABP ask Ernie Israelson. The work of the consultants will cost between \$32,000 and \$38,600

and Smith is suggesting that we split the cost with CCA. There were reservations about having Framework conduct the review since the company is already working on the Alberta Livestock and Meat Strategy.

It was decided to wait to make a motion until after the Executive have spoken with CCA.

(e) CAFTA Letter:

Motion by Thiessen/Solverson:

**“That Alberta Beef Producers write a letter to the Federal and Provincial governments encouraging their officials to take an aggressive stance toward the World Trade Organization negotiations.”**

Carried

(f) CCIA Update and Bylaws:

Waller spoke to the Board about memorandum in the Board package regarding amendments to the CCIA by-laws. Waller offered to send a copy of the proposed amendments to any director requesting it. CCIA is seeking feedback from members about the proposed by-laws. CCA has asked for an extension of the deadline for submitting comments and there will be time for ABP to prepare our submission. The Board discussed the best way to deal with reviewing the by-laws.

Motion by Murphy/Thiessen:

**“That Alberta Beef Producers strike a sub-committee to review the Canadian Cattle Identification Agency proposed by-law amendments and bring their findings to the July 17, 2008 Board of Directors meeting.”**

Carried

Burton suggested that Darcy Eddleston and Tony Saretsky sit on this committee. Doug Sawyer agreed to sit on the committee as well. They will report back to the Board at the July Board meeting.

Eddleston told the delegates that Julie Stitt has left CCIA and other staff members have also tendered resignations. During the discussion there were questions about the CCIA Board following by-laws in the past. Solverson suggested a letter from our offices thanking Julie Stitt for her years of service.

**5. In Camera Session**

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**6. Items for Discussion**

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(a) Zone 9 Plan Amendment Update:

The amendment is almost completed. We are just waiting for Cabinet approval and we should have that by the end of July.

(b) Land Use Framework:

On May 21<sup>st</sup> the government released the Land Use Framework. There will be a presentation by Lori Enns, of ARD, to the Government Affairs committee on Wednesday. The draft Land Use Framework is available on the government website. The framework has three broad outcomes and six key strategies, including the establishment of six defined regions and the development of integrated regional plans in each of them.

Two of the priorities in the plan are reducing the fragmentation and conversion of agricultural land and improving the management of surface and subsurface activities. The framework contains general priorities and principles, but does not provide strong direction on provincial policies or specific land use decisions. A Cabinet Committee will approve the regional plans, while the government will establish a Land Use Secretariat and Regional Advisory Councils.

There are a number of good priorities in the framework and we welcome the recognition that there are limits to the activities that can occur on our land and there is a need for better planning. There is some concern about the size of the south zone as it encompasses an area from Ponoka to the US border which contains more than half of our population. At this time there is no tie between the Land Use Framework and the Watershed Councils.

Smith suggested that there is not much to be alarmed about in the Land Use Framework, but emphasized the need for the livestock sector to have full and meaningful input into the regional plans.

(c) Margin Coverage Concept (AFSC):

Olson, Thiessen and Smith attended a meeting presented by AFSC to discuss the Margin Coverage Concept (MCC), a proposed program that would replace CAIS/AgriStability. The MCC would use regional prices and expenses to calculate margins and then pay producers based on the production on an operation. This is different from current programs where specific margins are calculated for each operation. The advantages of the MCC are that it is simple, predictable and can make payments quickly. The disadvantages are that it will not respond to situations on individual operations and the regional calculations will dampen the variability in margins.

AFSC has been presenting this concept to producers in Alberta and governments across Canada. Many

producers like the advantages and many like the program simply because it is not CAIS. The Government Affairs Committee and Cattle Feeder Council will be hearing a presentation on the MCC from AFSC on Wednesday. Thiessen prepared an analysis of the MCC that will be distributed to the Board, but the directors decided that the MCC probably was not an improvement on existing programs.

(d) Alberta Environmental Farm Plan:

Their funding expired in March and they have some bridge funding to keep their doors open, but there is a push to bring them in line with the new strategy. EFP is looking at moving more in the direction of offering environmental verification and certification. ABP is a member and Shelley Morrison is on the Board. The Board has been invited to attend a discussion on June 24<sup>th</sup> at the Ramada at Leduc. It would be useful for ABP to have some people there.

(e) ILC and U.S. Visitors:

Butters informed the Board that we are going ahead with the program of bringing U.S. state representatives to Calgary for the ILC. Invitations have been sent to 8 states inviting two people from each organization to be our guests.

(f) Canada Gold Beef Update:

Burton updated the Board on the current status of Canada Gold. There were two major agenda items on May 13<sup>th</sup>. There were discussions with Northwest Consolidated Beef and Canadian Legacy Partners about the possibility of working together. There was an agreement to keep the lines of communication open. During the afternoon there was a discussion regarding the April 13<sup>th</sup> meeting. Jeff Kucharski asked Canada Gold for their input on eight specific objectives which now have formed part of the ALMS.

Burton spoke to the delegates about specifics of the meeting and the direction that the value group seemed to be taking. A CEO, Frank Goetz, has been hired on an interim basis to work on this project.

There were questions about why the government sought policy direction from the Canada Gold Beef Steering Committee and not from ABP and whether we should continue to sit on the Canada Gold Steering Committee. Burton was asked if he saw any advantage to ABP staying on the steering committee and he expressed concern about the way it would look if we withdrew now. Other directors expressed concerns about our continued participation in the development of a business venture and the fact that

Canada Gold does not seem to respect ABP positions when it develops policy.

Motion by Noullett/MacLean:

**“That Alberta Beef Producers no longer sit on the Canada Gold Steering Committee.”**

Defeated

The Board agreed to let Burton decide when he felt he should no longer represent ABP on the Canada Gold Steering Committee. Burton indicated that for now, it was important to stay

(g) ABP Staff Barbeque:

Butters provided an update on the Staff Appreciation Barbecue to be held on July 16, 2008.

(h) Committee Reports:

(i) Technical:

The Tech Committee met on May 27<sup>th</sup> to go over research projects. 4 projects were approved totalling \$311,046.50. At present the Tech budget is overspent by approximately \$6,000. Tech is approaching ALIDF to see if they will co-fund these projects. If ALIDF agrees, enough funds will be freed up to pursue two additional studies.

(ii) Cow/Calf Committee:

Murphy spoke to the Board briefly about his report.

(iii) Government Affairs:

There has been no meeting of the committee since the last Board meeting.

(iv) Cattle Feeder Council:

Thiessen had a conference call about funding Canada Gold. Thiessen has since been informed that Canada Gold no longer needs CFC money.

(v) Cattle Industry Council:

There has been no meeting since the last Board meeting.

(vi) Promotion Committee:

Eckert attended the Sports Hall of Fame banquet where he was thanked for Promotion funding. The new Promotion campaign is going well but there is some question about whether ALIDF will be able to provide any funding. Promotion will be meeting with the PL, PA and GA

committees on Wednesday to discuss funding for the branding initiative.

(vii) Producer Liaison:

There has been no meeting since the last Board meeting.

(viii) Public Affairs:

There has been no meeting since the last Board meeting.

(ix) Quality Starts Here:

Millie Boake brought in a report for the Board.

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## 7. General Information

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## 8. Next Meeting Dates

- (a) Board Meeting – Thursday July 17, 2008 – ABP Board Room
- (b) Board Meeting – Thursday September 18, 2008 – ABP Board Room
- (c) Board Meeting – Thursday, October 16, 2008, ABP Board Room – tentative
- (d) Board Meeting – Thursday November 20, 2008, ABP Board Room - tentative
- (e) Annual General Meeting – December 8 – 10, 2008 – Calgary, Sheraton Cavalier Hotel

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## 9. Motion to adjourn

Motion to adjourn by Thiessen at 4:50 p.m.