

**ALBERTA BEEF PRODUCERS
MINUTES OF THE BOARD OF DIRECTORS MEETING
THURSDAY JULY 17, 2008, 8:30 a.m.
AT THE ABP BOARD ROOM, CALGARY, ALBERTA**

PRESENT: Erik Butters - *Chair*
Rick Burton - *Vice-Chair*
Kelly Olson - *Finance Chair*
Gerald Maser - *Zone 1*
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)*
Donna Noullett - *Zone 9*
Stuart Thiessen - *CFC Chair*
Chuck MacLean - *CFC*
Dave Solverson - *CFC*
Darryl Carlson - *CIC*

STAFF: Rich Smith - *G.M.*
Adrienne Waller - *Corp. Counsel*
Barb Sweetland - *Promotion Mgr*
Reynold Bergen - *AH&W Mgr*
Lori Creech - *Comm. Manager*
Steven Carr - *Marketing Coord*
Rosanne Allen - *Exec Assistant*

GUESTS: Andrea Brocklebank - *CCA*

ABSENT: Gordon Graves - *Zone 8*
Tony Saretsky - *CIC Chair*

Chairman Butters called the meeting to order at 8:30 a.m.

1. Approval of the Agenda

Additions: 6(c) Newbrook and ALIS meeting updates; 6(e) AFRPII;

Motion by Maser/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

(a) Minutes of the June 9, 2008 Meeting:

Motion by Carey/Bowie:

“That the Minutes of the June 9, 2008 Board of Directors meeting be adopted.”

Carried

3. Finance Report

(a) Financial Statement:

Olson updated the Board on the current position of the budget. ABP is on a par with marketings and spending from last year. There was a question about an apparent \$10,000 credit under the Board meetings column for the June 30th statement.

Motion by Olson/Eddleston:

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

Carried

(b) 2009/2010 Budget:

The Board was presented with a very preliminary budget for next year using three different levels of marketing. The budget used broad categories for expenses and did not have any specific committee expenses pending a decision about committee structure. The budget did include expenses for the three councils proposed in the plan review. The budget needs to be approved at the September Board meeting and there may be a need to hold an August Board meeting to consider it.

There was discussion about increasing the time and expenses devoted to provincial government advocacy work. We need a more active approach to our dealings with the Alberta government similar to our work in Ottawa on the federal government. There was a question about possibly engaging a lobbyist or using the new policy analyst in this role. We may need a budget expense line for provincial lobbying.

There was a clear recognition that the budget needs more work. It is difficult to complete the budget without considering committees and we need to be clear on our strategic goals and actions before we can develop the committees to support this plan. There also needs to be a better estimate of marketings and the Board will want to see the background information supporting this number. There is a sense that marketings will decline and the reduction could be very substantial.

The directors realized that an immediate decision was needed on the ABP strategy and agreed to extend the existing strategic plan for one year. Using this plan, we can begin to consider the most appropriate structure for issue based committees. Butters asked the Board if they wanted to strike a sub-committee to review the committees and to come up with plan for standing committees.

Motion by Thiessen/Olson:

“That Alberta Beef Producers strike a sub-committee to develop a plan for standing

committees. Brent Carey, Doug Sawyer, Frank Murphy, and Roy Eckert will sit on the sub-committee.”

Carried

4. Items for Decision

(a) Letter to Producer re: ALMS:

The Executive have prepared a draft letter from the ABP chair to be distributed to all of the producers in the province. The delegates read through the letter and Butters asked for their input into the letter. There was a question about LIS enforcing the mandatory requirements of the ALMS, but Carey informed the Board that LIS would not be acting in that capacity. We have an opportunity for leadership here and the Board agreed that we needed to move forward with communication. A couple of changes were proposed and there was a discussion about the distribution of the letter.

Motion by Murphy/Maclean:

“That the Board of Directors of Alberta Beef Producers approve the wording of the letter to the beef producers in regards to the Alberta Livestock and Meat Strategy.”

Carried

Motion by Thiessen/Hagman:

“That the Board of Directors of Alberta Beef Producers instruct the staff to distribute the approved letter in regards to the Alberta Livestock and Meat Strategy to the media as they see fit.”

Carried

Motion by Noullett/Sawyer:

“That the Alberta Beef Producers mail out the approved letter in regards to the Alberta Livestock and Meat Strategy to Alberta beef producers.”

Carried

(b) Delegate Info Packages (Ryder Lee):

The analysis of the ALMS that was done by Ryder Lee of CCA was distributed to the Board. It is a good analysis with some useful information. /This package will answer some of the questions that the producers are asking. It was suggested that the Board take a couple of days to review the document and get back to the Executive before it is sent out to the delegate body.

(c) ABP Logo Presentation:

Promotion Chair Eckert presented the Board with a design for a new ABP logo. Eckert explained the reasoning behind the new logo and how it will increase the visibility of Alberta beef. If the new logo is approved then it would

be trademarked as the new tagline “Raised Right” has already been.

Motion by Burton/Carey:

“That the Board of Directors approve the new Alberta Beef Producer logo subject to a trademark search.”

Carried

(d) CCIA By-law Working Group Report:

Waller joined the meeting to discuss the working group that comprised Tony Saretsky, Darcy Eddleston and Doug Sawyer. On June 9th the task force met by conference call. Waller distributed a memorandum that contained the task force comments on the CCIA By-Laws. The review began with a discussion of the role of CCIA and whether it should be a cattle identification agency or a multi-species agricultural identification agency. This discussion began because CFIA expressed an interest in reviving Newco. CCIA would amend its bylaws, change its name and structure its board of directors to become a multi-species administrator. Cattle producers would no longer sit on the board.

The existing beef industry representatives from CCA, the provincial cattle association, dealers, auction marts feeders and purebred sector would become members of a “cattle identification and traceability” committee under CCA. This committee would look after beef cattle identification and traceability putting beef cattle on the same footing as sheep, bison, dairy and pork in control of the policies surrounding their respective identification and traceability programs. If there is a transition to Newco, CCA would request a payment from CFIA for the investment the beef cattle industry has put into the database and assets of CCIA. This transition would address the needs of the beef cattle industry by putting control of the beef cattle identification and traceability program in the hands of the producers and allow CCIA to transform itself into a truly national multi-species database administrator.

The Board had a lengthy discussion about the role of CCIA, the ownership of the database and the information in it, and access to the information in the database. There is concern about the views of the federal and provincial governments on these subjects and the future of CCIA. The other recommendations of the task force for the CCIA by-laws were quickly covered.

(e) One Time Check-off:

One of the issues that attracted interest through the plan review discussion was the possibility of a onetime check-off. This would mean that check-off is collected only once on each animal with the most likely time being at slaughter or export, although there may be some difficulty in collecting check-off on exported cattle. There are several ways in which this type of check off could be established and Waller reviewed these for the Board. There also are many points to be considered before a decision on

implementing this type of system could be made. The Board decided to have an information package on this subject prepared for the fall meetings.

(f) Harvest Gala:

The discussion focused on the number of tables that should be purchased for this year's Harvest Gala. The debate focused on whether ABP should purchase two or three tables.

Motion by Olson/Bowie:

“That Alberta Beef Producers purchase two tables at the 2008 Harvest Gala.”

Carried

5. In Camera Session

6. Items for Discussion

(a) Canada Gold:

Burton spoke to the Board about the Canada Gold meeting last Tuesday in Lethbridge. Burton was given a letter at the beginning of the meeting which he has brought forward to the Board. As of June 10, 2008 Canada Gold Beef was officially incorporated as a private “for profit” corporation. This now means that Canada Gold has become a private business and ABP will have no further involvement in it.

(b) Committee Reports:

(i) Producer Liaison:

Maser gave the Board a brief update on what is happening with the new magazine. The June meeting was taken up with presentations from three groups hoping to work with ABP's Grass Routes publication. PL is working on a more detailed business plan to present at the September Board meeting. PL will have a meeting in August to further discuss advertising in our magazine. PL will continue to sponsor the Rural Crime Watch poster for school-aged children. The 2nd annual media tour is well into planning stage. Alberta Milk has agreed to co-sponsor the event. ABP is using the tour as a venue to help launch the new marketing campaign. The media tour will take place in Red Deer on August 20th.

(ii) Technical Committee:

BCRC meeting was held in Saskatoon on June 19th and 20th. Funding was approved for five new projects. Three of the projects are related to forages/pasture production, one was related to animal health and one to food safety.

(iii) Cow/Calf Committee:

The committee met in Edmonton on July 14th and 15th. There was a presentation by Cindy Delaloye about beef grades that highlighted two areas in which the Cow/Calf committee may be able to make some difference. There was also a presentation by Emmet Hanrahan, AFSC, about the new Margin Coverage Concept. There have been a few changes made to it since it was presented to the GA committee at the Semi-Annual. The committee also discussed a One-Time check-off and age verification. Waller joined the meeting via conference call to discuss CCIA and FOIP.

Motion by Murphy/Olson:

“That Alberta Beef Producers fund legal research and counsel up to \$50,000 into the legality of mandatory age verification and other mandatory requirements; the legality of tying the second AFRPII to age verification when the cow/calf producers are the only ones who have to meet that requirement; and, the legality of releasing producer information.”

Defeated

The Board discussed the impact of this motion on ABP and the government. There was a thought that a legal opinion on some of these issues would be of value, but the Board could not support the entire resolution.

(iv) Government Affairs:

Eddleston told the Board that they had had a very good meeting in Edmonton and were fortunate to have John Knapp sit in on the meeting. There was a Land Use Framework stakeholder meeting on June 26th and 27th but he had not heard yet what, if anything, had come out of it.

Eddleston said that he will be arranging a Safety Net Sub-Committee meeting and will be asking Emmett Hanrahan to speak about the Margin Coverage Concept.

Eddleston informed the Board that Bill 9 has deleted section 1c2 from the Land Agents Licensing Act. Smith told the Board that with this change land owners would be able to hire someone other than a licensed land agent or lawyer to assist them with negotiations. A disadvantage of this change is that a person assisting a land owner will not be considered to be working as a land agent, even if he or she is a licensed land agent, and many energy companies will only reimburse land owners for fees paid to a land agent.

(v) Cattle Feeder Council:

There was a quick conference call on July 10th to get the councils impression on ALMS. At the Semi-

Annual, one of the major topics they discussed was countervail and CFC is suggesting to the Board that another \$1 million be put into the budget for trade advocacy. There also was a resolution that ABP increase the feed grains research funding to \$300,000 per year so that we could achieve maximum leverage from this funding.

Motion by Thiessen/Burton:

“Be it resolved that Alberta Beef Producers fund the “Breeding cultivars of barley and triticale with improved feed quality and yield” proposal at a level of \$300,000 per year for 5 years, pending acceptance of the final proposal by Alberta Beef Producers.”

Carried

With respect to the additional funding for trade advocacy, Olson will come up with two budget options, one with the extra funding and one without it.

(vi) Cattle Industry Council:

The Cattle Industry Council took steps toward anticipating issue that will be of importance to the industry and preparing to address them. At the meeting, the council directed staff to collect information on a number of these issues, including the amount of carbon that grasslands can sequester. The Alberta government announced \$4 billion in funding the other day for CO₂ initiatives.

(vii) Promotion Committee:

Eckert thanked the committees that contributed money to the new branding initiative. The new campaign will begin in August. There are some problems with arranging for the road signs, but everything else is going well. There has been no further information from ALIDF on the funding request.

(viii) Public Affairs:

Sawyer has been working with AFAC on the Animal Welfare system. We need to be involved in the animal welfare audits. There should be some industry input into where they are going to be.

Growing Alberta is facing some of the same problems with funding.

The ESA nominations closed at the end of June and there were only two nominations with a possible third. Our current winners spent a day at the Stampede helping out with the booth. The current winners will also be invited to the Harvest Gala. Bob Mills has been secured to be a judge for the awards and it is disappointing that there are so few nominations.

The next PA meeting will be held the beginning of August.

(ix) Quality Starts Here:

Nothing to report at this time

(c) LIS Report:

Carey provided the ‘Directors Summary Report’ for the Board package.

(d) Newbrook and ALIS meeting update:

There was a workshop dealing with the Alberta Livestock Information System (ALIS) on July 3rd and Erik Butters, Rick Burton and Stuart Thiessen attended the meeting. There were representatives from a large portion of the industry and well as some government representation. The attendees were broken up into tables where they talked about the information and how it would capture the information between sectors. It became evident that it would be the cow/calf operators that would be tasked with a majority of the work. In general when producers talked one on one there seemed to be more reservation than when speaking in a group. Eddleston told the Board that there was some concern about who is going to look after the database and who will have access to it. There was some real concern that only a few chosen people would have access for their own benefit. One of the concerns is that the mandatory requirements are being done through the Animal Health Act and age verification has nothing to do with animal health.

Harvey Hagman, Kelly Olson, Frank Murphy, Rich Smith and Erik Butters attended a meeting on the ALMS put on by Zone 7 delegates and the Woodland Ranchers Association. John Knapp, Brent McEwen and Sean Royer represented the government, while representatives of XL, Canada Gold, and the WSGA also were invited to the meeting. There were over 300 people at the meeting with a large majority being cow/calf producers. The meeting was organized well and generated a thoughtful and lively discussion. The producers had many questions and concerns that were consistent with the questions in the proposed letter from ABP to producers. John Knapp did a good job presenting the government position and answering questions, but it should have been clear to the government representatives that there is not only a significant level of uncertainty about the ALMS, but also substantial opposition to some elements of the strategy.

These reports led to a long discussion about an ABP strategy with respect to the ALMS. The government is clearly committed to the ALMS and has appointed the first four members of the ALMA. How should ABP deal with this situation? Some producers and some directors want ABP to take a strong position on the strategy immediately, but the Board was not comfortable with taking such a position now.

We do have a responsibility to inform our producers about the strategy and help them to acquire the knowledge to make a sound judgement on the ALMS. The letter to producers is a first step, but we will need to follow with more analysis and information on the initiatives in the strategy and the questions that producers are asking. We need to be sure that the messages heard from ABP are the same as the government is hearing from producers.

The Board also considered a resolution that had been forwarded from the Zone 7 delegates.

Motion by Hagman/Olson:

“That Alberta Beef Producers oppose the establishment of the Alberta Livestock and Meat Agency for the following reasons:

- 1. It is not Market driven**
- 2. It is not directed by producer representation**
- 3. Will increase the regulatory burden**
- 4. Duplication of Federal and industry agencies**

There was concern about the reference in the resolution to the ALMA when the reasons seemed directed at the ALMS. There also was concern about opposing the establishment of an agency that already has board members and funding.

Motion by Thiessen/Edge:

“That we amend the motion to read “That Alberta Beef Producers oppose the following aspects of the Alberta Livestock and Meat Strategy” instead of “That Alberta Beef Producers oppose the establishment of the Alberta Livestock and Meat Agency”.”

The directors discussed the wisdom of voting on these motions before speaking directly to producers or talking to the delegates who made the original resolution. There also were further concerns about the wording of the motions and the movers agreed to reconsider their wording. Later, the Board again looked at the wording of the motions and Hagman agreed to take the proposed wording back to his zone and explain the ABP position. There was a consensus to add the four reasons to the letter going from ABP to producers.

Motion by Theissen/Edge:

“To withdraw his motion to amend.”

Carried

Motion by Hagman/Olson:

“To withdraw his motion.”

Carried

(e) AFRP II:

Burton discussed his payment from the AFRP II and noted that some producers may not be receiving all the money to which they are entitled due to a lack of information on their submissions to AFSC for the 2006 year. This will be

a particular problem for producers who kept calves over from the 2005 year and sold them way in 2006. They may not realize that they are not being paid for all the weight gains in their inventory. We need to communicate this information to producers and provide them with examples that will help them understand how much money they should be receiving.

7. General Information

- (a) Resolutions Table
- (b) Beef Supply at a Glance;
- (c) Fall Elections
- (d) BCCA Report
- (e) Zone 7 motions
- (f) Bill 9

8. Next Meeting Dates

- (a) Board meeting – Thursday August 21, 2008 – ABP Board Room - tentative
- (b) Board meeting – Thursday September 18, 2008 – ABP Board Room
- (b) Board meeting – Thursday October 16, 2008 – ABP Board Room – Tentative
- (c) Board meeting – Thursday November 20, 2008 – ABP Board Room – Tentative
- (d) Annual General Meeting – December 8 – 10, 2008 – Calgary, Sheraton Cavalier Hotel

9. Adjournment

Motion by Thiessen to adjourn at 4:00 p.m.

CHAIRMAN

GENERAL MANAGER