

**ALBERTA BEEF PRODUCERS
MINUTES OF THE BOARD OF DIRECTORS MEETING
WEDNESDAY JANUARY 16, 2008
AT THE ABP BOARD ROOM, CALGARY, ALBERTA**

PRESENT: Erik Butters - *Chair* "That the Minutes of the December 10, 2007 Board of Directors meeting be adopted with changes."
Rick Burton - *Vice-Chair*
Gerald Maser - *Zone 1*
Brent Carey - *Zone 2* Carried
Brian Edge - *Zone 3*
Frank Murphy - *Zone 4* (b) Minutes of December 11, 2007 Meeting:
Doug Sawyer - *Zone 5* Motion by Noullett/Eckert:
Greg Bowie - *Zone 6* "That the Minutes of the December 11, 2007 Board of Directors meeting be adopted with changes."
Roy Eckert - *Zone 6(at large)* Carried
Harvey Hagman - *Zone 7*
Donna Noullett - *Zone 9*
Stuart Thiessen - *CFC*
Dave Solverson - *CFC*
Darryl Carlson - *CIC*

STAFF: Rich Smith - *G.M.* (c) Minutes of December 12, 2007 Meeting:
Laura Procnier - *Controller* Motion by Sawyer/Bowie:
Lori Creech - *Comm Manager* "That the Minutes of the December 12, 2007 Board of Directors meeting be adopted with changes."
Barb Sweetland - *Promo Manager*
Reynold Bergen - *A H & W Mgr*
Steve Carr - *Marketing Co-ord*
Rosanne Allen - *Exec Assistant* Carried

GUESTS:

ABSENT: Kelly Olson - *Finance Chair*
Darcy Eddleston - *Zone 8(at large)*
Gordon Graves - *Zone 8*
Chuck MacLean - *CFC*
Tony Saretsky - *CIC*

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

1. Approval of the Agenda

Additions: 6(g) OSA; 6(h) Red Meat Reception; 6(i) What's On Your Plate; 6(j) Quarantined Cattle.

Remove: 6(c) Alberta Farm Water Program Status.

Motion by Thiessen/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 December 10, 2007 Meeting:

Motion by Maser/Edge:

3. Finance Report

(a) Financial Statement:

Procnier presented the Statement of Finances as at December 31, 2007

Motion by Carey/Maser:

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

Carried

4. Items for Decision

(a) 2007 Tabled AGM Resolutions:

1. Motion by /:

"Be it resolved that ABP lobby for the producer to be compensated for age verification and traceability expenses via the CCIA."

Zone 5

Motion by Sawyer/Maser:

"That the motion be declared redundant."

Carried

(b) 2007 Board of Directors Resolutions:

1. Motion by Bowie/Carey:

“Be it resolved that the ABP progress report on the previous year’s producer resolutions contain both the carried and defeated resolutions in full.”

Zone 6

Carried

2. Motion by /:

“Be it resolved that ABP provide the delegate body with the results of all the resolutions of the previous year immediately before the current fall meetings and further that this resolution must be presented to the plenary body at the annual meetings.”

Zone 8

Motion by Burton/Sawyer:

“That the motion be declared redundant.”

Carried

3. Motion by Bowie/Solverson:

“Be it resolved ABP lobby Alberta Agriculture to host seminars and compile an information package with creative suggestions for vendor financing and/or share options to take advantage of income tax benefits and assist producers exiting, entering or expanding in the industry.”

Zone 6

Carried

4. Motion by Bowie/Eckert:

“Be it resolved that ABP lobby government to establish mandatory testing for any infectious diseases of all employees of our packing and processing plants.”

Zone 6

Defeated

5. Motion by Hagman/Edge:

“Be it resolved that ABP lobby the provincial government that all subsidy payments be directed to all agricultural producers equitably and outside of CAIS.”

Zone 7

Defeated

6. Motion by Noullett/:

“Be it resolved that ABP lobby the governments so any payments to producers do not come through the CAIS program but as an emergency fund to cow/calf producers.”

Zone 9

No seconder

7. Motion by Hagman/Sawyer:

“Be it resolved that ABP lobby the federal government to achieve a better method of determining the amount of cash advance available for cow/calf producers.”

Zone 7

Carried

8. Motion by Hagman/Burton:

“Be it resolved that ABP adopt a policy that when negotiating future financial assistance programs for cattle producers that,

i) they are fair and equitable to all cattle producers and not pay one sector over another;
ii) they are predictable and bankable; and
iii) they are simple and straightforward, not complicated.”

Zone 7

Carried

9. Motion by Sawyer/:

“Be it resolved that ABP and CCA lobby the provincial and federal governments to provide assistance to the cow/calf producers based on January 1, 2007 cow numbers on the farm.”

Zone 8

Motion by Burton/Thiessen:

“That the motion be deferred”

Carried

10. Motion by Noullett/:

“Be it resolved that ABP lobby the Alberta government to buy older cattle (born on or before Feb 28/99) for \$1,000.00 per head, and dispose of these animals in an effort to reduce cattle numbers and improve beef prices to producers.”

Zone 9

No seconder

11. Motion by /:

“Be it resolved that immediately following all ABP board meetings approved minutes of proceedings be forwarded to all delegates by Canada post.”

Zone 8

Motion by Thiessen/Edge:

That the motion be deferred.”

Carried

12. Motion by Sawyer/Bowie:

- “Be it resolved that ABP review the Canadian Beef Export Federation regarding the effectiveness of operating offices in countries we export to.”
Zone 5
Defeated
13. Motion by Noullett/Burton:
“Be it resolved that ABP lobby the federal government to work with CFIA to endorse that only correct and scientifically proven and accurate information goes to the media and general public.”
Zone 9
Defeated
- Motion by Solverson/Edge:
“That the motion be tabled pending further information.”
Carried
14. Motion by Sawyer/Hagman:
“Be it resolved that ABP regulatory review deadline and consultation process be extended to after 2008 annual fall meetings.”
Zone 5
Defeated
15. Motion by /:
“Be it resolved that ABP zones represent cattle numbers.”
Zone 8
- Motion by Noullett/Bowie:
“That the motion be deferred.”
Carried
16. Motion by /:
“Be it resolved that ABP lobby CCIA to compensate the cow/calf producers for the costs in regards to tagging of livestock with CCIA ID tags.”
Zone 8
- Motion by Noullett/Carey:
“That the motion be deferred.”
Carried
17. Motion by Noullett/Carey:
“Be resolved that ABP lobby the appropriate government, whether it be Provincial or Federal, to cover all costs to any producers pursuing certification with the Quality Starts Here program.”
Zone 9
Defeated
- Board/GA
18. Motion by Hagman/Carlson:
“Be it resolved that ABP lobby the provincial government to have CAIS margins for non-margin primary producers be rolled back to the pre BSE levels and adjusted for inflation.”
Zone 7
Defeated
19. Motion by Sawyer/Hagman:
“Be it resolved that ABP encourage biofuel companies to use animal by-products such as SRM’s in the production of biofuels.”
Zone 5
- Motion by Carey/Bowie:
“That the motion be tabled pending further information.”
Carried
- (c) Resolution 11: Cow/Calf Committee:
The following motion was carried at the AGM:
“Be it resolved that ABP install a cow/calf committee that reports regularly about the economic prospects or lack thereof for cow/calf producers.”
Zone 7, 8
- Butters began the discussion suggesting that an ad hoc committee be created to look into the developing a mandate and Terms of Reference for the committee to be presented at the next Board meeting. It was determined that the committee should include the Government Affairs Chairman, the Technical Chairman, and three directors.
- Motion by Sawyer/Burton:
“That an ad hoc committee consisting of Darcy Eddleston, Brian Edge, Gordon Graves, Harvey Hagman and Frank Murphy be created to develop the mandate and Terms of Reference for the Cow/Calf Committee.”
Carried
- (d) Committee Appointments:
Smith handed out an updated copy of the Committees and the Board discussed possible membership on a Cow/Calf committee. Currently ABP has a policy that delegates can only serve on one committee. Butters asked the Board if they wanted to continue this policy or change it for the Cow/Calf committee. The Board discussed the options recognizing that there are a number of delegates who would want to sit on the Cow/Calf Committee. The Board decided that delegates who would be on the Cow/Calf Committee would not sit on other committees. The

question of dissolving or merging committees was brought forward and the Board decided that any decision regarding that would wait until after the ad hoc Cow/Calf Committee had met and developed a Terms of Reference. Butters explained that Ted Quist and Dale Johnson were on the GA Committee because the Feeder Associations of Alberta has become involved in policy issues and this would give them a better understanding of the issues that ABP addresses.

Motion by Maser/Thiessen:

“That Alberta Beef Producers Board of Directors accept the revised Committee list as presented.”

Carried

(e) BCRC Appointments:

Smith explained the background behind the appointments for BCRC, there being one representative from each of the Board, the Technical Committee, the Cattle Feeder Council, and ABP members of the CCA Board.

Motion by Carey/Murphy:

“That Alberta Beef Producers Board of Directors confirms the one year appointment of Harvey Hagman, Brian Edge, Charlie Christie and Rob Somerville to the Board of the Beef Cattle Research Council.”

Carried

(f) National VBP-QSH:

Smith explained that Millie Boake currently sits on the VBP-QSH Management Group and we need to appoint a representative for a term beginning in March. The Board decided to defer this decision until the next meeting.

(g) National Agency:

Smith spoke to the Board regarding the National Agency. Procnier informed the Board that the National Agency had expressed a desire to keep the current representatives due to a number of upheavals in the last year. Currently Dave Solverson, Travis Toews and Kevin Boon sit on the National Agency Board. Others have expressed an interest in sitting on the National Agency Board. Smith said that he would speak with Toews to see if he was still interested in sitting on the Board. There was a question about what the National Agency did and Smith replied that it administers the \$1.00 portion of the Check-Off that is delegated to national initiatives.

(h) Plan Review Progress and Regional Meetings:

Waller explained to the Board that there was a meeting on the Plan Review Working Group, but there was no consensus on many of the issues. Waller suggested that at the next meeting, members of the Board should attend to

see what is being suggested and to provide feedback about whether the changes that are being suggested can be implemented. There are five regional plan review meetings coming up in the next month and another meeting of the working group will be arranged to compile all of the information received from the meetings.

At the regional meetings, there will be a discussion paper and a response form for producers to complete. This will allow us to receive input from people who may not want to speak at a public meeting. Burton wondered if it was sensible to have some options or basic framework developed. Waller answered that it was still too early and there is not enough agreement to develop any type of framework.

Waller was asked about back-up plans for the regional meetings in case the weather turns really bad. Smith said that if there was really bad weather the meeting could be rescheduled. Edge asked about the reasoning behind the choices for meeting places and Smith said that the meeting places were the decision of the Board. Butters explained that it was the decision of the Executive that delegates would not receive a per diem to attend the regional meetings. Waller said that there was an ad in the Western Producer last week and another will appear in this current edition as well.

(i) 2007 AGM Resolutions – Carried:

1. Motion by Burton/Sawyer:

“Be it resolved that ABP develop a plan so that the primary producers who age verify their cattle be recognized through any viable program.”

Zone 2, 5

Carried

Butters wondered whether the Board was prepared to take a firm position with respect to this motion. It was pointed out that a similar motion has been made in the past. Butters suggested that all of the Board should be informed about what had been done in the past before making any recommendations on how ABP addresses this motion. Carlson asked for clarification on what we had done and Thiessen suggested that we come back to this after lunch giving Smith time to print the information for the Board. Board members asked how we sell age verification to the general public to make this a viable program. How do we as an industry get this message out without government intervention? The Board agrees that this issue needs to be market driven but are unsure how to get this message out to the producers who are not age verifying. It was agreed to defer the discussion until after lunch.

Thiessen presented the Age Verification One Time Charge proposal to the Board. He explained how the proposal works and how the producer would be reimbursed for some costs of age verification. He explained the dollar value presented was just a suggestion and not a set number. This idea is to provide a market driven option

giving producers a return for their effort. A portion of the cost would be paid to CCIA for running the program. This would be a onetime payment for the age verification information which would then be in the public domain. It would be unrealistic to assume that the producer will receive a check for all of the cattle they age verify and until more producer age verified the returns would be small.

Most of the Board agreed that it sounded like a good program but CCIA is not currently enthusiastic about running the program. It was pointed out that CCIA would probably do it if they were paid for the service. Producers sit on the CCIA Board and they would be able to convince CCIA to do it. It was questioned whether there would be enough buy in to make the program viable. Sawyer thinks that we should do an interim deal for the producers until this program does become viable. Carey pointed out that if producers received payments of \$5 and then \$3 for every tag over a two year program, they may be upset when they are not paid for every tag in subsequent years. Consensus from the Board was that something needs to be done to advance age verification now.

Motion by Carlson/Carey:

“That Alberta Beef Producers move forward with further investigation and implementation of the One Time Charge Animal Birth Date Access Proposal.”

Carried

Motion by Sawyer/Burton:

“That Alberta Beef Producers lobby the government for producers to be reimbursed \$3.00 per tag for the cost of tags upon proof of age verification.”

Defeated

Carey did not believe that we should stop the discussion at this point. Butters agreed that this issue could be reintroduced at a future time. Carey asked that this issue be put on the agenda for the February meeting.

DIRECTION to Rich Smith to add the issue of a \$3.00 producer reimbursement to the February Board agenda.

3. Motion by DeGroot/Schrader:

“Be it resolved ABP and CCA facilitate the connection of grade and quality information to the CCIA tag number and make it available to the producer who bought the tag.”

Zone 1, 7

Carried

Butters said that this resolution is suggesting that ABP facilitate the exchange of information connected to tags and opened the question to the Board looking for

suggestions. The directors discussed ownership of the information and agreed that there needed to be some incentive for this exchange of information. The CCMDC Value Proposition talks about the sharing of information in both directions along the value chain using the CCIA database as the platform. There was further discussion about the value of the information and ways to encourage this exchange. There was a proposal that grade and quality information could be exchanged for identification and age information. Maser asked if the producer could not eliminate the third party and go straight to the auction mart and give them the age verification information. Thiessen said that a producer could do that. Carey stressed that if we do not develop a plan to start this in motion we will be given a plan that was developed by the government.

4. Motion by Eddleston/Fox:

“Be it resolved that ABP request the Canadian Beef Cattle Research, Market Development and Promotion Agency (National Agency) collect check off funds for each animal equivalent on imported product.”

Zone 8

Carried

Smith told the Board that this work was in progress already.

12. Motion by Burton/Olson:

“Be it resolved that ABP and Canadian Cattle Association lobby our governments to reopen negotiations with our WTO trading partners for full access for beef products under OIE guidelines based on our controlled risk status.”

Board

Carried

Butters told the Board that this was ongoing.

17. Motion by DeGroot/Bekkering:

“Be it resolved ABP lobby the provincial and federal government to pay for dead stock removal off farm because of BSE and new regulations.”

Zone 1

Carried

Butters asked the Board how they wished to address this motion. This issue has become a problem because of the SRM disposal requirements of the enhanced feed ban. The Board discussed the different options available to the producer regarding the removal of dead stock. Butters said that they would be looking for advice from CFC on this issue and the Board would wait to hear a response. Noullett suggested that we make it clear that we are not asking for a subsidy but relief from a regulatory burden.

The Board was in consensus that this motion be a part of the regulatory review.

21. Motion by Toews/Noullett:

“Be it resolved that ABP plan regulation AG 336/2003 be amended to remove the requirements that Zone 9 be divided into 5 sub-zones, hold sub-zone meetings and elect sub-zone delegates.”

Board

Carried

Butters told the Board that this resolution would be resolved with the Plan Review.

Noullett brought up the question of what is an emergent or miscellaneous resolution and when is the deadline for bringing these resolutions to the AGM. Butters suggested that we speak with Waller about the issue and bring it to the next Board meeting. Smith said that he would get some answers and inform the board in February.

5. In Camera Session

6. Items for Discussion

(a) Beef Value Chain Initiative:

Burton presented his report to the Board giving a brief background to the new members of the Board. The initiative, which is now called the B5 Beef Value Chain, consists of representatives from ABP, ACFA, WSGA, FAA, and BIG. These organizations were part of the round table convened by Minister Groeneveld in October and November. The round table was challenged to develop a strategy for the future of the cattle industry. Each of the groups has developed a position paper and most of these have been presented to a team, comprising Carol Haley and Jeff Kucharski, that the Minister appointed to meet with the organizations and prepare recommendations.

Burton reported that there are some good ideas coming out of the meetings, but also a number of ideas that he could not support as a representative of ABP. While no actual minutes have been recorded, the notes on the meetings that have been distributed do not show an accurate representation of what is said and who is there. Burton was looking to the Board for direction. It was agreed that Burton would have to make it clear that ABP does not agree to proposals that are contrary to our mandate or policies. It was suggested that Burton be patient with the process as it was better to be at the meetings where he can actively represent ABP. There is a concern that Burton and ABP will appear to be supporting proposals with which we actually do not agree.

(b) Beef Industry Strategy – ABP Submission:

Smith told the Board that he was proposing to compile the presentations that were created by our task teams in a report format and present that as ABP's strategy paper to Carol Haley and Jeff Kucharski. Smith will circulate the plan to the Board members and delegates as well.

(c) Alberta Farm Water Program Status:

Issue was deferred until the next Board meeting.

(d) Alberta Beef Industry Conference:

Butters confirmed that our Board meeting will be held on Wednesday February 20th and rooms have been booked for Board members for the Tuesday and Wednesday night. Board members are welcome to attend the conference, but ABP will not pay the registration or an honorarium for attendance at the conference.

(e) Alberta Farm Recovery Plan Update:

Butters gave a brief background on the Plan to the Board. No one is aware of any beef producers who have received a cheque yet. Hagman told the Board that he had received a call from a local producer who had received a statement that broke down his various costs, but basically saying he did not qualify for a payment.

(f) Alberta Sports Hall of Fame Proposal:

Carr told the Board the Hall of Fame has asked ABP if they would sponsor its next banquet which means that only AAA Alberta Beef would be used, our logo would be displayed and there would be an enormous amount of media coverage. Carr said that it cost \$4500.00, but due to the amount of media coverage it was worth the price and he suggested that we continue to support it. Sweetland was asked why the Promo Committee was not continuing to pay for this and replied that it does not fall under the Promo mandate as it does not deal with consumer advocacy. Some of the Board members have attended past banquets and believe that it is worth the money no matter which budget the money comes out of.

Motion by Sawyer/Carey:

“That Alberta Beef Producers support the Alberta Sports Hall of Fame Banquet on May 30, 2008.”

Carried

The Board will decide later how the payment will be budgeted.

(g) Open Spaces Access:

Burton has been involved with a working group regarding wildlife stakeholders. Cormack Gates and Burton are co-chairs of a working group to determine a wildlife management program that will recognize the benefits as well as the costs of wildlife. After nine months of meetings, pilot projects are proposed for two zones in the

southern part of the province. One is for recreational access management that includes hunting or fishing. The other program is a hunting access program that should be self sustaining.

The projects would be in place for five years and then would be reviewed to see if these are viable programs. The public will get access to land they have never had access to before. The landowner has the opportunity to recover some of the cost of wildlife maintenance. Burton also informed the Board that there is some opposition to the proposed projects. Carlson says that the working group was the first step forward to help landowners receive some compensation for the wildlife on their land. One of the main driving forces behind the proposal is the economic aspect to the rural communities.

(h) Red Meat Reception:

Creech spoke to the Board regarding the reception. The lamb producers have agreed to participate, but she has not heard back yet from Alberta Pork. It usually costs ABP about \$5,000.00 for our portion of the reception. Last year we went a little over budget but that could be due to the change of venue. Creech asked the Board if they would agree in principle to funding the Red Meat Reception again this year. The Board agreed that whether or not Pork can do it this year we should still have the reception because of the benefit to the industry.

Motion by Maser/Bowie:

“That Alberta Beef Producers support the 2008 Red Meat Reception.”

Carried

(i) What's on Your Plate:

It is an ALIDF ad that appears regularly on the back page of a section in the Calgary Herald and Edmonton Journal. In the past ABP has not funded it, though Alberta Pork and other livestock and poultry organizations have provided funding.. There is some concern at ALIDF about ABP not supporting it when we have some influence over the content of the advertisements. Creech said that she has not received the financial information that she requested and does not really know how the program revenues and expenses are allocated. The question was raised about whether this is an issue for the Promotion Committee to address. Eckert confirmed that it fit under the Promotion Committee mandate as it deals with public perceptions of the beef industry. The Board agreed to have WYOP considered by the Promotion Committee

DIRECTION to send this issue to the Promotion Committee.

(j) Quarantined Cattle:

Bergen updated the Board regarding a cattle herd that had been quarantined as a result of a bovine tuberculosis outbreak in November. Two months after the testing the

producer is still waiting to see if the rest of his herd needs to be tested. He was supposed to get the results back within ten days and it has now been sixty days. Meanwhile his herd is in quarantine so he cannot sell his cattle, but still has to pay for the cost of feed. Bergen was looking to the Board for direction on how to resolve the issue.

Direction for Bergen to write a letter to CFIA expressing concern about the policy regarding quarantined animals.

(k) Committee Reports:

(i) Promotion:

No report at this time.

(ii) Public Affairs:

No report at this time.

(iii) Producer Liaison:

Short report distributed.

(iv) Technical:

No report at this time.

(v) Government Affairs:

No report at this time.

(vi) Cattle Feeder Council:

No report at this time.

(vii) Cattle Industry Council:

No report at this time.

(viii) Quality Starts Here:

No report at this time.

7. General Information

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

8. Next Meeting Dates

- (a) Board Meeting – Wednesday February 20, 2008 – Capri Hotel, Red Deer, Alberta
- (b) Board Meeting – Thursday March 20, 2008 – ABP Board Room, Calgary, Alberta
- (c) Board Meeting – April, 2008 – Depends on date of Red Meat Reception.
- (d) Board Meeting – May, 2008 – Depends on date of Red Meat Reception
- (e) Semi-Annual Meeting –June 9 – 11, 2008 – Delta South, Edmonton, Alberta

9. Adjournment

Motion by Thiessen/Maser to adjourn at 3:30 p.m.

CHAIRMAN

GENERAL MANAGER