

**ALBERTA BEEF PRODUCERS
MINUTES OF THE BOARD OF DIRECTORS MEETING
THURSDAY NOVEMBER 20, 2008
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)*
Gordon Graves - *Zone 8*
Donna Noullett - *Zone 9*
Stuart Thiessen - *CFC Chair*
Chuck MacLean - *CFC*
Dave Solverson - *CFC*
Tony Saretsky - *CIC Chair*
Darryl Carlson - *CIC*

STAFF: Rich Smith - *G.M.*
Adrienne Waller - *Legal Counsel*
Rosanne Allen - *Exec Assistant*

GUESTS: Kim McConnell - *ALMA Board*

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

1. Approval of the Agenda

Motion by Carey/Edge:

“That the Agenda be adopted as presented.”

Carried

2. Minutes of Previous Meetings

(a) Minutes of the October 16, 2008 Meeting:

Motion by Eckert/Hagman:

“That the Minutes of the October 16, 2008 Board of Directors meeting be adopted with changes.”

Carried

3. Finance Report

(a) Financial Statement:

Olson updated the Board on current marketings and expenses in the ABP budget. Marketings are 11% higher than predicted and there is concern that this is due to the sale of cows for slaughter.

Motion by Olson/Carey:

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

Carried

4. Items for Decision

(a) ABP Plan Amendments:

Waller reported to the Board about the drafting instructions for the plan regulation amendments. All of the changes are a consequence of the decisions made at the Semi-AGM in June. The proposed plan regulation amendments were distributed to the Board and Waller went through the amendments with the Board, explaining the changes that have been made.

The plan regulation amendments will be approved by the delegates at the upcoming AGM. Butters suggested to the Board that they put a motion towards the delegate body at the AGM that the Chair be elected by the Board and not the delegate body.

Motion by MacLean/Graves:

“That the Chair of Alberta Beef Producers will be elected by the Board from among the Directors.”

Carried

(b) CCIA Update:

CCIA will be sending the Board a letter regarding confirmation of their membership on their Board with Darcy Eddleston as our representative.

Motion by Thiessen/Sawyer:

“That Alberta Beef Producers confirms its membership on CCIA.”

Carried

(c) Fall Meeting Resolutions:

The Resolutions Committee met yesterday to discuss the resolutions that have come out of the Fall producer meetings. The committee spent a productive day sorting the resolutions and deciding where they would be considered. The table of resolutions, including those that will be considered at the AGM and the order in which they will be addressed, has been added to the Board package.

(d) ALMS Update and Producer Communications:

The next stage in our communication with producers about the ALMS is a position paper on the role of the ALMA. The paper follows the principles that have been discussed at the Board and Smith distributed the draft paper to the Board for approval. The proposed communication with

producers would include the summary of the ABP traceability position, the paper on the role of the ALMA, and a cover letter with an update on COOL. Producers will be encouraged to speak with their MLA's and MP's about the Government of Canada initiating a trade challenge of the COOL legislation. Board members stressed that the staff needs to make sure that ABP is identified as the sender of any letter to producers.

Motion by Sawyer/Edge:

“That Alberta Beef Producers Board of Directors approve the cost for the next producer mail out.”

Carried

Producers have been approaching delegates with a concern that the second payment under the AFRP II will be less than the first payment and most producers do not realize this situation. ABP directors and staff have been recommending to the government that they should be letting producers know that their next payment may be a great deal less than the first one. CFC feels that we should be on record warning them that they need to communicate the changes with producers. The Board agreed to add the information on AFRP to the producer letter to give producers a heads up on the changes in payments.

(e) Standing Committees:

Motion by Murphy/Maser:

“That the discussion regarding Standing Committees be postponed until the January 2009 Board of Directors meeting.”

Carried

(f) Alberta Sports Hall of Fame Sponsorship:

ABP received a notice about sponsorship of the Hall of Fame. We have supported this in the past and Smith was asking if the Board would like to sponsor it again.

Motion by Noullett/Sawyer:

That Alberta Beef Producers sponsor the Alberta Sports Hall of Fame in the amount of \$4500.00.”

Defeated

There was some question about sponsoring an event that is sports related. We have been sponsoring the event for years now and the Board recognized the merit of the organization, but ABP is cutting back on sponsorships and the directors were not convinced that we should continue this support.

(g) CAFTA membership:

Motion by Solverson/Thiessen

“That Alberta Beef Producers approve payment for the CAFTA membership in the amount of \$15,000.00.”

Carried

(h) Appointment of Pat Eaton to CFC:

Motion by Noullett/Olson:

“That Pat Eaton be approved for a one year term as a Zone 9 delegate on the Cattle Feeder Council.”

Carried

(i) Appointment of Linda Messner as Delegate:

Motion by Noullett/Graves:

“That Linda Messner be approved for a one year term as a Zone 9 Delegate.”

Carried

5. In Camera Session

6. Items for Discussion

(a) ALMA Board Visit:

Kim McConnell, ALMA Board member, presented the Board with an update on the ALMA and Alberta Livestock and Meat Strategy. The first full meeting of the ALMA Board will take place next week. McConnell provided the Board with his vision of the ALMA as a catalyst and connector that will help the livestock and meat industry become internationally respected, competitive, and profitable. After the presentation, McConnell answered the Board's questions and there was a long discussion of the ALMS. Although McConnell's visit is a step toward improved communication between the ALMA and producer organizations, there is still significant uncertainty in the industry regarding the structure, governance, and role of the ALMA.

(b) Grazing Lease Rental Rate Proposal:

Burton spoke to the Board regarding a proposal for more equitable rental rates on crown grazing leases. The Deputy Minister of SRD would like to see a letter of support from the committee members regarding the proposal that was included in the Board package.

In 2006 a grazing lease cost survey was undertaken and the results are reported in the proposal. The current formula for rental rates is difficult to defend and at risk of a U.S. countervail challenge. The proposal will change the lease rental rate formula from the current system to a simpler more applicable formula. One change will be the cancellation of the transfer fees.

Motion by Carey/Edge:

“That Alberta Beef Producers support the Alberta Public Land Grazing Rental Rate Proposal in principle.”

Carried

There was general approval of the motion but a few expressed concerns regarding the formula and how it was developed.

(c) CBEF/BIC Integration:

MacLean raised the issue of integration of CBEF and BIC. As the ABP representative on the CBEF Board, he has concerns about the Framework Partners report and the direction given to the CCA Steering Committee on integration. He has a responsibility to represent ABP, but also a responsibility to look after the interests of CBEF. He was looking for clarification and direction from the directors. There was a long discussion about the idea of integration and the appropriate approach for the steering committee. We invest a large sum of check-off dollars in the marketing organizations and we need to ensure that they are operating as efficiently and effectively as possible.

Burton reported on a CCA conference call where provincial representatives from across Canada confirmed their support for the recommendations of the Framework report. There was a question as to whether the Board needed to take any further action at this time. While recognizing that there is resistance to integration from some people, the Board has passed a resolution supporting in principle the Framework recommendations and the work of the CCA Steering Committee in moving forward on a plan for integration. There is no change in the Board's position and no need for any further action. Deloitte has been hired by the Steering Committee to assist with its work. No decision needs to be made until they have reached a decision themselves.

(d) Beef Value Chain Roundtable:

Butters and Saretsky attended a meeting of the Beef Value Chain Round Table with representatives of government and industry from across Canada. Along with consideration of export market access, there was also discussion regarding pharmaceutical approval and the reduction of the regulatory burden. Butters spoke to the Board about the current position of COOL in the States. We have reiterated our request that the Government of Canada challenge the new COOL legislation through NAFTA or WTO. The packers pointed out that Canada exports very little high-end product because we have a market for that here. Trim is what we need to be able to export.

Before the Board broke for lunch Butters thanked Smith for three years of service to ABP.

(e) AFRP Communication:

An update on AFRP and AFRP II will be included in the letter that is sent to producers.

(f) COOL Update:

Saretsky participated in a CCA conference call that updates producers on what is going on with COOL. They are encouraging the government to challenge COOL. The provinces need to show the government hard facts that COOL is indeed detrimental to Canada trade. If they wait until the new regime in America it could be delayed even longer. Leading up to the situation that we have now was a group of senators got together and chastised the meat packing plants and producers in the U.S. for their initial response to the implementation of COOL. Packers are now widely using the U.S. label and have reduced their purchases of Canadian cattle.

(g) Ottawa Fly-In:

Darcy Eddleston, Gordon Graves, Harvey Hagman, Frank Murphy and Doug Sawyer will be flying to Ottawa next Monday to meet with MPs.

Maser asked why we were flying to Ottawa instead of concentrating on the Alberta government relations. Board members agreed that solidifying relations with the Alberta government is very important but some of our issues are federal and we need to speak with the federal government about it.

Motion by Sawyer/Graves:

“That Alberta Beef Producers investigate setting up a series of scheduled meetings with the Alberta Legislature.”

Carried

(h) Reports:

(i) Cow/Calf Committee:

There has not been a meeting since the last Board meeting. Murphy would like to change the Cow/Calf Committee so that the Chair sits in his own right in addition to another delegate from the chair's zone. There may be some changes at the AGM that would nullify any changes now. Murphy is proposing these changes until the plan review changes come into effect.

Motion by Thiessen/Murphy:

“For the interim the Cow Calf Committee consists of one delegate from each zone plus the Chair who sits in his own right.”

Carried

(ii) Government Affairs:

Eddleston updated the Board on the topics that were discussed at the last Government Affairs meeting. There have been positive developments in the area of wildlife damage and compensation, including a change to increase the value paid for young calves killed by predators.

Hagman suggested that Eddleston get together with his CCA counterpart to look at the changes in AgriInvest and AgriStability. Eddleston agreed that this was an issue that the Safety Net Subcommittee would look at.

The Board discussed the Wild Life Sub Committee and the need to do something about the hunting issue. Carlson suggested that the committee be a little more vocal about the issue. Resolutions dealing with hunting come out every year and maybe we need to communicate better with the average producer that we do discuss the issue and show them the results we have arrived at.

(iii) Cattle Feeder Council:

CFC had a conference call last week and has made a motion that the government clarify to producers the financial aspects of AFRP telling them that AFRP payments will be allowable income and that the second payment under AFRP II will be less than previously expected. They also ask that there is some clarification on what they need to do to receive the next payment.

Motion by Thiessen/Bowie:

“That Alberta Beef Producers draft a letter to government encouraging them to communicate with the producer the payment details of AFRP (including the relationship with AgriStability) as well as the details to meet the requirements of the second payment (Feedlots).”

Carried

(iv) Cattle Industry Council:

Saretsky updated the Board on the topics that were discussed at the last CIC meeting.

(v) Promotion:

Eckert updated the Board on the current advertising campaign. AdFarm won a number of awards with our advertising program. The Branding manual for our organization is moving ahead. We are not able to put a sign on the building due to the limited space we rent, but we may be able to put a sign on the standing display. Three murals have been installed; the fourth one will be put up next year with two more from next year's budget, some place in the north of Alberta.

(vi) Producer Liaison:

Nothing to report at this time.

(vii) Public Affairs:

There will be a conference call next week. ESA video is completed and looks very good.

(viii) Technical:

BCRC has set priorities. There is less and less money going into research all of the time. BCRC is trying to get like proposals to work together. There is a little bit of a quandary with the committee because of the way the standing committees are being set up for next year.

Motion by Edge/Hagman:

“That Alberta Beef Producers allocate 35% of its annual project budget to research that contributes to the competitiveness and sustainability of Alberta's beef industry, improves the marketability of Alberta beef, and/or supports the development of sound policy for the beef industry.”

Motion by Carey/Eddleston:

“That the above motion be postponed until the new budget has been approved.”

(ix) Quality Starts Here:

Minutes for the meeting are in Board package.

(x) LIS:

Carey told the Board that the information is in the Board package. We want clarification on the new LICA regulations and the impact they will have on producers.

(i) Texas meeting:

Solverson made a quick report on his attendance to the Texas Cattlemen's Association meeting.

7. General Information

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

8. Next Meeting Dates

- (a) Annual General Meeting – December 8 – 10, 2008 – Calgary, Sheraton Cavalier Hotel
- (b) New Director Orientation – Wednesday, January 14, 2009 – ABP Board Room
- (c) Board Meeting – Thursday, January 15, 2009 – ABP Board Room

9. Adjournment

Motion by Maser to adjourn at 4:38 p.m.

CHAIRMAN

GENERAL MANAGER