

**ALBERTA BEEF PRODUCERS
MINUTES OF THE BOARD OF DIRECTORS MEETING
THURSDAY JULY 16, 2009, 8:30 a.m.
AT THE ABP BOARD ROOM, CALGARY, ALBERTA**

Present: Rick Burton - *Chair*
Erik Butters - *Past Chair*
Doug Sawyer - *Finance Chair*
Gerald Maser - *Zone 1*
Brent Carey - *Zone 2*
Brian Edge - *Zone 3*
Pat Rutledge - *Zone 4*
Rob Somerville - *Zone 5*
Greg Bowie - *Zone 6*
Roy Eckert - *Zone 6 (at large)*
Ben Schrader - *Zone 7*
Brian Chomlak - *Zone 8*
Darcy Eddleston - *Zone 8 (at large)*
Janys Boyte - *Zone 9*
Stuart Thiessen - *CFC*
Chuck MacLean - *CFC*
Darryl Carlson - *CIC*
Larry Delver - *CIC*

Staff: Rich Smith - *General Manager*
Adrienne Waller - *Legal Counsel*
Barb Sweetland - *Promotion Manager*
Laura Procnier - *Controller*
Fred Hays - *Policy Analyst*
Rosanne Allen - *Executive Assistant*

Guests: Kerry St. Cyr - *CCIA*
Danielle Oberle - *CCIA*

Absent: Kevin Boon - *Vice Chair*
Dave Solverson - *CFC*

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

1. Adoption of Agenda

Additions: 6(d)(x) Quality Starts Here update; 6(f) PNWER update; 6(g) ILC update; 6(h) BCRC update; 6(i) Steve Verheul EU Trade meeting

(a) Approval of Agenda:

Motion by Carey/Thiessen:

“That the Agenda be approved with the changes discussed.”

Carried

2. Approval of Minutes

(a) Minutes of the June 8, 2009 Meeting:

Motion by Bowie/Chomlak:

“That the Minutes of the June 8, 2009 Board of Directors meeting be approved with changes.”

Carried

3. Financial Statement

(a) Financial Statement ending:

The current financial statement looks favourable and strong. We are a quarter of the way through our budget year and are on par with expenditures. The only item not on par is the BCRC expense. This will rectify itself over the next few months.

Motion by MacLean/Somerville:

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

Carried

(b) Amendments to the 2009/2010 Budget:

Sawyer went through the proposed amended operating budget. The new budget encompasses the changes that were voted on at the Semi-Annual meeting in June.

Motion by Carey/Thiessen:

“That the Board of Directors accept the amended budget as presented.”

Carried

(c) Preliminary proposal for 2010/2011 budget:

The Board discussed the proposed budget for the next fiscal year. Sawyer presented the budget for information purposes explaining that it would need to be voted on by the Board before the Fall meetings. This budget is based on the \$5 million operating fund that was agreed to at the Semi-Annual in June. Directors discussed various options in reducing expenses. Burton asked the Directors to consider the budget carefully emphasizing that a decision will have to be made by the September Board meeting.

4. Decision Items

(a) Refundable Check-off and Cattle Marketing Regulation:

The Board discussed the proposed changes to the ABP *Cattle Marketing Regulation* to meet the requirements for a refundable check-off under the *Marketing of Agriculture Products Act*. There was a detailed analysis of a proposal developed by Adrienne Waller in consultation with Laura Procnier and Rich Smith. The key decisions involve the timing refund requests and payments, the information that will be required to support the refund request, provisions for producers requesting a partial refund, and the cost of administering the refund process.

The Board decided that producers must request a refund within one month of the deadline for remitting the service charge, the remittance deadline being the 25th day of the month following the sale. ABP will pay the refund within two months of the deadline for requesting the refund. Producers will need to request the refund on a form developed by ABP and support the request with a bill of sale or settlement statement showing that the service charge had been deducted or paid. ABP is considering a process whereby purchasers and dealers would include settlement statement information when they remit the check-off.

The Board carefully considered the need to ensure that service charges have been paid before refunds will be paid. We will need a more rigorous system for auditing the collection and payment of service charges. The Board agrees with the concept of deducting the dealers' commission and reasonable administration fee from the amount of the service charge that is refunded. Producers requesting a refund will be given the option of taking only a portion of the service charge as a refund and there will be a minimum amount of refund before a cheque will be issued.

A motion was carried at the Semi-Annual meeting in June making any producer who requested a refund ineligible to vote or sit as a Director of ABP. The Board discussed this motion in great detail and it is possible that Marketing Council would not accept this type of restriction on eligibility. There are other considerations for ABP as well and the matter will receive further review during the consultation process.

Using the input from the Board discussion, Waller will make changes to the consultation document and provide copies to the Board for their approval. The approved consultation paper will be sent to auction markets, dealers, processors, producer groups and other key stakeholders for their review and recommendations. The revised proposal will be approved by the Board at the September meeting and presented to producers at the fall meetings.

(b) National Check-off Strategy:

The Board reviewed our strategy with respect to the National Check-off and the possibility of keeping a non-refundable national levy as other provinces with refundable check-offs have done. The Executive had a meeting with BIA representatives to hear about the BIA plan and see if there was support from the BIA for a non-refundable national check-off. The BIA did not express support for a non-refundable national check-off. The organizations that receive funding from the national check-off, BIC, CBEF, BCRC, and the NCO agency have written to the Alberta Government asking that the national check-off remain non-refundable. Other provincial cattle organizations also have expressed their concerns about the loss of a non-refundable national levy to Minister Groeneveld. ABP is committed to maintaining a non-refundable national levy, just as we were committed to retaining a non-refundable provincial levy, but we need to approach this subject carefully to ensure that we continue to have control over the investment of the national levy funding.

(c) ABP Strategic Plan and Priority Actions:

The Board recognizes the need for ABP to demonstrate our understanding of the key issues facing the cattle industry and our commitment to addressing these challenges. We will be compiling a strategy document using the goals and priorities of our own strategic plan, along with the recommendations for solutions that we have developed over the past two years. This document will be the basis for our communication with producers over the late summer and fall about the priorities of ABP and the work we have been doing and will be doing on their behalf to make the industry more competitive and profitable.

(d) Drought Strategy and Actions:

ABP has written to ARD and AFSC with our suggestions for actions that will help cattle producers facing extreme shortages of pasture and feed. The recent rains have helped plant growth in some areas, but hay crops are generally very poor. Annual crops are very delayed in their maturity and there could be feed available if these crops do not mature in time for harvest. There is still very real concern that there is not enough feed out there to get the present cow herd through the winter.

We received a promise of cooperation from the government and there have been positive announcements from provincial and federal governments. We are hearing that the AFSC field people are not necessarily acting as we were told they would. There are still unacceptable delays in processing claims and challenges regarding the yield potential of poor crops. The federal and provincial governments have expressed a desire to assist producers through existing business risk management programs and we understand the desire for this approach. However, there is a strong need for improvements to AgriStability and AgriRecovery if these programs are going to be effective in providing the assistance that cattle producers will need to deal with the drought. We will continue corresponding and meeting with ARD and AFSC officials over the rest of the summer. We also need to continue our work with them after the drought to ensure that there is a more prompt response to the next period of drought.

(e) Response to FPT Ministers of Agriculture Traceability Announcement:

ABP shares the disappointment and concerns expressed by CCA President Brad Wildeman over the announcement from the meeting of federal-provincial-territorial Ministers of Agriculture that Canada will have a comprehensive mandatory national traceability system in place by 2011. While we understand the importance of managing food safety and animal health issues and support the principles of traceability, we are concerned that this system could add significant costs to an industry already overly burdened by regulatory costs without generating any real benefits. ABP will be forwarding these concerns to the federal and provincial ministers.

(f) Beef Industry Alliance (BIA) Plan:

The Executive met with Russ Pickett, Bill Newton, Jeff Warrick, Bryan Walton and Jack DeBoer of the BIA a week ago. The purpose of the meeting was to discuss the BIA plan for the industry and look for areas of common interest. The BIA then forwarded a copy of their plan to ABP for the consideration of the Board. The BIA has invited ABP to participate in the BIA Roundtable and wants to meet with the ABP Board. The BIA has identified one major strategic priority, this being the need to find processor solutions dedicated to the development of a differentiated product strategy. ABP supports the development of a global differentiation strategy through the Canadian Beef Advantage and will continue to act on our priorities. We will keep talking with the BIA and the Board agreed to have the BIA present their plan at the September meeting.

(g) Border Beef Round-up:

ABP has been invited to join 10 other cattle organizations participating in the Border Beef Round-Up on July 22nd and 23rd in Lloydminster. Border Beef is a group that was formed after BSE to market cattle and develop producer owned processing capacity. Pat Rutledge, Darcy Eddleston, and Rob Somerville attend the meeting and make a presentation on behalf of ABP.

Motion by Delver/Carey:

“That representatives from ABP attend the Border Beef Round-up.”

Carried

Pat Rutledge, Darcy Eddleston, and Rob Somerville have offered to attend the meeting.

(h) Cow/Calf Committee Chair:

Thiessen nominated Ben Schrader as the new Cow/Calf Committee chair.

Nominations were called for three times.

Motion by Thiessen/Edge:

“That nominations cease.”

Carried

Ben Schrader was nominated and acclaimed as the Cow/Calf Committee chair.

5. In Camera

6. Discussion Items

(a) ABP Plan Regulation Update:

The Leg Council lawyer is redrafting the Plan based on the changes that were agreed to at the Semi-Annual. These will need to be completed by September so that they are in force for the Fall meetings.

(b) CCIA Business Plan:

Kerry St. Cyr, Executive Director CCIA, and Darcy Eddleston, ABP Board representative to CCIA, presented the CCIA Strategic Business Plan for 2009 – 2011 with a vision to be the long-term partner with industry and governments in the traceability of Canadian livestock and poultry from the producer to consumer by taking a leadership role so food safety, animal health and international trade expectations are consistently exceeded.

(c) Cattle Movement Working Group:

The Alberta Cattle Movement Working Group came out of ALMS and started meeting in December 2008. It has representation from a wide variety of sectors in the livestock industry. The group can make policy recommendations on cattle movement in Alberta and assess appropriate technology to facilitate cattle movement in Alberta. Auction marts are an integral part of the cattle industry and it was determined that a major pilot program was required to assess if the technology is available to track cattle through a market without slowing commerce. There are 6 auction marts that will be involved in the pilot project which will be up and running for this fall, the pilot will run through March 2010 at which time the auctions will decide whether to support the program. Other proposed timelines are: Jan 1, 2010 feedlots over 1000 head capacity (annually) will have to report move in; June 1, 2012 4H clubs and exhibitions to report movements; Jan 1, 2012 Auction marts, assembly stations and community pastures will report move in; Jan 1, 2013 all animal move in will be reported.

(d) Promotion Committee Raised Right Update:

Ben Graham of AdFarm, made a presentation to the Board about the strategy and implementation of the Raised Right Campaign. The presentation began with the DVD presentation that was presented to the delegates at the 2008 AGM. The directors had a good discussion about the various aspects of the campaign, including the murals, and were able to pass along the comments they had heard from producers, as well as their suggestions for future activities.

(e) Committee Reports:

(i) Cow/Calf Committee:

Nothing to report at this time

(ii) Cattle Feeder Council:

Nothing to report at this time

(iii) Cattle Industry Council:

In a conference call some concern was raised about Quality Starts Here and the Verified Beef Program. Primary producers do not see a lot of value in the program. There really is no measure in the number of incidents a needle appears in a carcass. CIC met with Gerald Hauer and the commitment they received is that ARD is making some changes to the

AHA regulations and there would be opportunities for consultation.

(iv) Communications Committee:

There is a report in the package for the Directors. CCA came up with an idea of using auction marts as a central news point to inform producers what is happening in the cattle industry in their area. Screens will go up at Perlich and VJV to begin the project. The screens will show CCA and ABP news, while the auction marts will be given space to advertise their sales on the screen.

(v) Research Committee:

Research received matching funds from the federal government for some of their projects. Edge said that there was some good information to put into the Grass Routes.

(vi) Environment Committee:

A new sub-committee was formed for the ESA awards. There are four nominees to visit. The committee is also looking at sponsorship for the Environmental Stewardship Award. If a sponsor was found it would have to be clearly stated that it is still an ABP initiative

(vii) Animal Health and Welfare Working Group:

Chomlak updated the Board on the results of the meeting held in June at the Semi-annual meeting. AFAC and the RCMP will be doing a mock rollover of a cattle liner to demonstrate the appropriate response to such an event. The Working Group provided funding for the video of the mock rollover that will be distributed to Fire Departments.

(viii) Competitiveness/Value Creation Working Group:

Next meeting is tomorrow. Hays has done a very good analysis on the direct and indirect cost of traceability.

(ix) MSGA Conference report:

Schrader gave the Board the highlights from the MSGA meeting he attended in Miles City in June.

(x) Quality Starts Here update:

Rutledge attended the meeting in Guelph and there was some concern about whether this will continue to be a national program. The program has lost government funding in Ontario and Manitoba.

(xi) PNWER update:

We have heard from Ed Empringham of the Canadian Animal Health Coalition that the federal government seems to be moving away from pursuing drug reciprocity with the U.S. to work with the EU instead. The feds have reduced the wait time on drug approvals, but that could simply be a result of fewer applications.

Delver and Bergen attended the Cross Border Animal Health meeting at the PNWER meeting. Delver reported on this meeting. The people attending the meeting support greater co-operation between Canada and the U.S. on animal health issues. They would also like to see consistent animal health care guidelines across the provinces. Would ABP like to make a presentation to them about our concerns regarding cattle transportation? Animal welfare and animal rights activities in the U.S. are very well funded. Agri-Beef has a participation rate of 35% on premise identification. Traceability is all very well, but it better not interfere with the speed of commerce.

(xii) ILC update:

Both the student program and the visit of American state cattle organizations guests were really well received and the event went very well. The Americans talked about the Young Farmer Program and Bowie felt this was something we should do next year as well, perhaps by sponsoring their attendance at the Congress and inviting them to attend a roundtable. Young producers can apply to ILC for sponsorship to the meeting if they are students. Bowie suggested that ABP sponsor some young producers who are in the industry but are not students.

(xiii) BCRC update:

No report at this time.

7. Reading Material

- (a) BOD Resolutions and Action Items
- (b) Beef Supply at a Glance

8. Next Meeting and Upcoming Events

- (a) Board Meeting – September 17, 2009, ABP Board Room, Calgary, AB
- (b) Board Meeting – October 15, 2009, ABP Board Room, Calgary, AB
- (c) Resolution Committee meeting – November 18, 2009, ABP Board Room, Calgary, AB TENTATIVE
- (d) Board Meeting – November 19, 2009, ABP Board Room, Calgary, AB TENTATIVE
- (e) New Delegate Orientation – November 25, 2009, ABP Board Room, Calgary, AB TENTATIVE
- (f) Annual General Meeting – December 7 – 9, 2009, Sheraton Cavalier, Calgary, AB

9. Adjournment

There was a motion to adjourn by Carlson at 6:25 p.m.