

DRAFT
ALBERTA BEEF PRODUCERS
MINUTES OF THE BOARD OF DIRECTORS MEETING
WEDNESDAY FEBRUARY 17, 2010 8:30 a.m.
AT THE ABP BOARD ROOM, CALGARY, ALBERTA

Present: Chuck MacLean - *Chair*
Doug Sawyer - *Vice Chair*
Dave Solverson - *Finance Chair*
Rick Burton - *Past Chair*
Brad Calvert - *Zone 1*
Brent Carey - *Zone 2 (at large)*
Bob Lowe - *Zone 2*
John Bland - *Zone 3*
Judy Fenton - *Zone 4*
Charlie Christie - *Zone 5*
Kelly Olson - *Zone 7 (at large)*
Ben Schrader - *Zone 7*
Brian Chomlak - *Zone 8*
Roland Cailliau - *Zone 9*
Ted Ford - *CCC Chair*
Howard Bekkering - *CFC Chair*
Larry Delver - *CIC Chair*

Staff: Rich Smith - *General Manager*
Barb Sweetland - *Promotion Manager*
Laura Proconier - *Controller*
Lori Creech - *Comm. Manager*
Fred Hays - *Policy Analyst*
Rosanne Allen - *Executive Assistant*

Guests: Ben Graham - *AdFarm*
Willie Van Solkema - *Consultant*

Absent: Greg Bowie - *Zone 6*

The Chair called the meeting to order at 8:35 a.m.

1. Adoption of Agenda

(a) Approval of Agenda:

Additions: 6(h) Zone 9 resolution; 6(i) RFID report;

Changes: 6(h) Committee and Council reports to 6(j)

Motion by Carey/Fenton:

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

Carried

2. Approval of Minutes

(a) Minutes of the January 21, 2010 Meeting:

Motion by Ford/Chomlak:

“That the Minutes of the January 21, 2010 Board of Directors meeting be approved with changes.”

Carried

3. Financial Statement

(a) Financial Statement ending January 31, 2010:

Solverson and Proconier updated the Board on the 2009/2010 budget.

Motion by Solverson/Fenton:

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

Carried

(b) Review of Projected Finances and 2010/2011 budget:

Smith noted that ABP is expecting a surplus due to marketings in excess of the conservative estimate that was used for the 2009/2010 budget. At a previous meeting, the board had decided that most of this surplus would be put into the operating fund for the 2011/2012 year. Smith noted that there also will be a surplus in the current budget as a result of committees and councils being very careful in their expenditures during the current year. If these funds could be carried forward into the committee budgets for next year, it could reduce the pressure on the limited funds available for projects in the 2010/2011 budget.

Motion by Bland/Carey:

“That ABP allocate any surplus money that results from under expenditures of this year’s committee budgets back into their budgets for next year.”

Carried

4. Decision Items

(a) Member Incentive Program:

Ben Graham, AdFarm, made a presentation to the board about a member incentive program. Graham had previously met with Smith, Sweetland, Bland and Carey to discuss the opportunities and different options in this area and was asked to present his ideas to the Board. This is not something ABP has done in the past, but with the move to a refundable check-off, it is prudent to consider opportunities to maintain producer support through the provision of tangible benefits to those producers who leave their check-off funds with ABP.

After the presentation, Bland and Carey were looking for direction from the Board about whether we move forward with consideration of this program. There was clear direction from the Board for Bland, Carey, Smith and Sweetland to further investigate incentive programs and to return to the Board with their recommendations.

(b) Marketing Organization Merger:

Willie Van Solkema, Consultant, spoke to the Board about the merger of CBEF and BIC. Brad Wildeman, CCA President, asked Solkema and John LaClare to develop a structure and governance plan for the integration of CBEF and BIC. They will have a preliminary report ready for the steering committee in mid-March and presentation to the CCA Board meeting at the end of March. Smith provided the board with a document containing a summary of ABP resolutions on this matter and the Executive Summary of the Framework Partners assessment of the feasibility of integrating the organizations.

(c) AgriRecovery Update and Actions:

Ford related to the Board the meeting he and the Executive had with Minister Hayden, Broyce Jacobs and John Knapp. ARD's Drought Committee informed Ford that their recommendation would be on the Ministers desk within two weeks of receiving ABP's final submission and this date was February 9th. Smith has spoken with Knapp and was informed that the analysis had been completed. The Cow/Calf Committee had recommended sending a letter to the Minister with a request for a specific level of Agri-Recovery funding and the board reviewed a draft letter that was included in the package.

Motion by Cailliau/Chomlak:

“That ABP send the letter provided in the Board package to Minister Hayden on securing AgriRecovery funding with the changes discussed.”

Carried

Delegates discussed the review of the AFSC forage and pasture insurance programs and there was a suggestion that we invite AFSC to speak to the Board on this matter.

(d) Beef Industry Communication Project:

Carey spoke to the Board about a beef industry communications project that the Communications Committee is considering. The intention is to develop a comprehensive communication tool that would include participation from a broad range of industry and government organizations. There is potential for this project to be supported by ALMA funding and it offers the possibility of being a project that would provide benefits for all three of ALMA, ABP, and the industry.

Creech has started to put together costs for the project and address some of the challenges in having these organizations work together on communications. These

challenges are significant, but the potential benefits of the project make further work on it worthwhile.

Motion by Sawyer/Solverson:

“That ABP agree in principle with the Beef Information Communications Project and that the Communications Committee go ahead with a proposal.

Carried

(e) National Check-off Strategy:

The Executive said that the meeting with Minister Hayden was pleasant and Minister Hayden seemed receptive when they brought up the topic of a non-refundable National Check-off strategy. The Minister understands the importance of the national check-off and seems uncomfortable with the possibility of Alberta being the only province in Canada without a non-refundable federal levy and the province preventing collection of an import levy. However, he also is facing political pressure to leave the entire check-off refundable. There appears to be an opportunity to make progress on this issue and ABP needs to move quickly with action on both the political and industry levels.

(f) ABP Political Action Strategy:

At the January Board meeting, the directors decided to end our sponsorship of the Red Meat Reception and use the money for more productive meetings with government officials. It is important to meet with all members of the legislature and ensure that federal MPs are included whenever possible. While enhanced political action is important for ABP as an organization, it is critical to have all zone delegates become more involved in this process.

(g) Board of Director Resolutions from Fall Meetings:

1. Motion by Chomlak/:

“Be it resolved that ABP explore ways of refunding the check-off to make it more efficient, less burdensome or cleaner by allowing producers to receive refunds monthly, quarterly or yearly based on the number of animals involved.”

Zone 8

Motion declared redundant

2. Motion by:

“Be it resolved that ABP substantially amend their proposed refundable levy structure to ensure a simpler, less bureaucratic process that is easier for producers to use.”

Zone 6

Motion declared redundant

3. Motion by Chomlak/Sawyer:

“Be it resolved that ABP, as part of its restructuring to meet a refundable check-off, reduce its Board of Directors and eliminate the various councils that sit at the board table.”

Zone 8

Defeated

Because the motion was asking to eliminate the various councils from the Board the motion was defeated by the directors

4. Motion by Solverson/Cailliau:

“Be it resolved that ABP, at the semi-annual meeting in 2010, have a facilitator (hired) to spend a day with delegates to review and find new direction for ABP as the refundable check-off will greatly change its course and actions in the future. This is imperative as status quo cannot be maintained.”

Zone 6

Defeated

Directors did not believe in spending the money for a facilitator and we already are changing ABP’s direction. The Board will be speaking to the delegates at the Semi about the direction of ABP. Directors agreed that brainstorming with the delegates at the Semi and AGM would be a positive addition to the agendas.

5. Motion by Solverson/Fenton:

“Be it resolved that ABP works in conjunction with other agricultural producer organizations with common objectives to the benefit of all cattle producers and the cattle industry.”

Zone 6

Defeated

We have in the past and will continue to work with organizations to the benefit of the entire cattle industry. We do work with organizations whose mandates align with ABP. Directors had a problem with the wording of the resolution

Motion by Lowe/Sawyer:

“Be it resolved that ABP works in conjunction with other agricultural industry organizations with common objectives to the benefit of all cattle producers and the cattle industry.”

Carried

7. Motion by Chomlak/Sawyer:

“Be it resolved that ABP lobby the government for cost of production program.”

Zone 8

Defeated

8. Motion by Chomlak/Christie:

“Be it resolved that ABP lobby the government to remove Mr. Groeneveld as Minister of Agriculture and demote the deputy Minister John Knapp and house clean through the bureaucrats in the Department of Agriculture.”

Zone 8

Defeated

9. Motion by Christie/Carey:

“Be it resolved that ABP inform the producer of who is importing Tariff Rate Quota (TRQ) beef and where it is being sold to consumers.”

Zone 5

Defeated

Canadian exports more beef than they import and we do not have this information and do not have the means to supply it. Consumers have every right to ask where a product is coming from when they purchase it.

10. Motion by Solverson/Lowe:

“Be it resolved that ABP request the Federal government launch immediately an inquiry into the profitability of the beef processing and retailing sectors in Canada.”

Zone 6

Defeated

CanFax and CCA are doing a study on market power in the processing sector. It is not the role or mandate of ABP to request an inquiry into the profitability of any business or industry sector.

11. Motion by Christie/Bekkering:

“Be it resolved that the Competitiveness and Value Creation committee initiate and undertake research with the purpose of identifying successful value added programs including information based programs already existing in other parts of the world in order to recommend similar programs which could add value and increase the competitiveness of Alberta producers.”

Zone 5

Defeated

We no longer have a CVC committee and this information is already being compiled by BIXS, the Canadian Beef Advantage and other programs.

12. Motion by Christie/Sawyer:

“Be it resolved that ABP complete a feasibility study, if not completed as of this date, into moving live cattle from western Canada to Asian and/or European markets.”

Zone 5

Defeated

Canada already ships live cattle into these markets and the feasibility has been assessed by private businesses. We can ship live cattle if the market demand exists and the price is high enough to cover the transportation costs, but our focus is on adding value to the products by processing the cattle here and exporting the product as beef.

5. In Camera

6. Discussion Items

(a) ABP Regulations and By-laws update:

ABP has received a letter from marketing Council saying that our by-law amendments have been approved except for the change for the Directors terms of office which will remain at 6 consecutive one-year terms.

Marketing Council has completed the draft amendments to the Authorization Regulation and these require Board approval.

Motion by Sawyer/Carey:

“It is hereby resolved that the Commission request Marketing Council to amend the Alberta Beef Producers Authorization Regulation as follows:

- 1. The Alberta Beef Producers Authorization Regulation (AR 352/2003) is amended by this regulation.**
- 2. Section 1(1)(b) is repealed**
- 3. Section 2 is amended**
 - (a) in clause (b) by striking out “marketing” and substituting “production, marketing and processing”;**
 - (b) by adding the following after clause (c):**
 - (c.1) providing for the refund of service charges;**
- 4. Sections 3 and 4 are repealed**
- 5. Section 6 is amended by striking out “March 31, 2014” and substituting “June 30, 2020”**
- 6. This regulation comes into force on April 1, 2010.”**

Carried unanimously

(b) Meeting with Minister Hayden:

This was covered in earlier discussions though the Executive added that they left the meeting with a very positive feeling.

(c) ALMA Meeting update:

Kim McConnell, Cherie Copithorne-Barnes and Gordon Cove met with the Executive. Spoke about ALMA’s business plan which included five key areas: beneficial access – better access in other countries because of our traceability; enhanced packer support; stronger domestic marketing, regulatory reduction, and improved information flow. The meeting included a discussion of CCIA operations, traceability and mandatory age verification.

(d) CCIA update:

The Board discussed two issues related to CCIA. There was a situation where incorrect birth years had been submitted to CCIA and the cattle were discounted as OTM animals at the packing plant. CFC has suggested approaching CCIA about adding some safety measures to the system to prevent this type of incident.

Based on an agreement with CFIA, CCIA notified auction marts and suppliers that barcode tags would be delisted after December 31, 2009. CFIA reversed its position and the barcode tags have not been delisted, but many suppliers and producers have not been informed of this change.

Motion by Olson/Cailliau:

“That ABP send a letter to CCIA and ask them to send out a notification to suppliers stating that dangle tags already being used will still be recognized.”

Carried

This situation needs to be clarified and it would be appropriate for ABP to inform producers through Grass Routes and the on screen monitors at auction marts. Lines of communication should also be kept open with the auction marts as well.

(e) ALMA Advisory Committee Meeting Update:

MacLean attended his first meeting of the ALMA Cattle Producer Advisory Committee on January 25th. The meeting opened with a discussion on conflict of interest and the members attending were informed it would be on the agenda for the next ALMA Board of Directors meeting on January 27th. Brad Fournier spoke about the number of contracts signed and the amount of money that had been dispersed to date.

(f) NCBA Update:

Sawyer, Solverson, MacLean and Smith attended NCBA in January and updated the board on the meetings attended, both officially and unofficially. One thing that struck them was the degree to which the issues facing U.S. cattle producers are similar to those facing us. They agreed that the direct contact with U.S. producers is important and valuable, though other means may have to be found in the future to maintain this contact.

(g) LIS Report:

Nothing to report at this time.

(h) Zone 9 motion:

Cailliau spoke to a motion that was passed at the Zone 9 meeting stating that the producers and delegates of that zone do not support the proposed changes to the Grazing Lease rental rates.

There will be a meeting of the Alberta Grazing Leaseholders Association at the Communiplex in Wainright on February 24th.

(i) RFID report:

A report on the cost of tagging had been added to our website but was removed because Hays wanted to verify the information. Once the information has been reviewed and verified, the report will be distributed.

(j) Committee and Council Reports:

(i) Cow/Calf Council:

Ford directed the directors to the last Grass Routes that had a very good summary of the last Cow/Calf meeting. The sub-committees were re-established and the AgriStability sub-committee has already been in contact with AFSC. The grazing lease review was discussed at the meeting and there were some concern about the proposed changes.

(ii) Cattle Feeder Council:

CFC met last week and filled all of the requirements for the committees and discussed the vacancies on the council. Bekkering explained that when animals do not have birth dates, the OTM cattle are identified by dentition. If cattle have more than two permanent incisor teeth above the gum line they are classified as OTM. If the cattle have birth dates, this age will have precedence unless it is shown that the fifth incisor is above the gum line, in which case the cattle would be considered OTM. John Schooten will be touring Cargill and will verify this information for the council.

(iii) Cattle Industry Council:

Delver spoke about the CIC and the one issue that they have decided is really important, regulatory burden. Not just the regulations that affect them directly but indirectly. We need to determine the actual costs of the regulations and identify the regulations that should be modified or eliminated.

Hays has identified a very long list of regulatory burdens and it was suggested that ABP work on the ten items that have the biggest impact.

(iv) Communications Committee:

Communications had its first meeting in January. Most of the meeting was taken up discussing the project that was brought forward this morning.

The committee created a onetime bursary from money that was left to ABP by Carl Lewring. The committee agreed to top up the money with \$154 from the budget to bring the amount to \$3000 and then approved a motion to divide the money into three bursaries; \$1500, \$1000, and \$500.

Media training will be coming up for all of the zones for delegates who wish to take part.

Killam and Provost are the only auction marts that have not taken part in the message boards that have been placed in auction marts across Alberta. Killam does not have an internet hook up and Provost's manager has been away.

(v) Promotion Committee:

Bland, Groeneveld and Sweetland attended the Feeders Association of Alberta Convention in January and were very well received. There was a teleconference on February 9th and the first meeting will take place on March 10th. Sweetland spoke about the funds received from ALMA. AdFarm has been contracted to begin the next step in the campaign. The first step will be placing ABP's logo and tagline on shopping carts in 133 grocery stores across Alberta. On March 1st 16 trailer trucks with our logo and tagline on three sides will be running across Alberta coming out of Calgary, Edmonton, Red Deer, Medicine Hat, Fort McMurray and Lethbridge for 12 weeks.

(vi) Environment Committee:

Nothing to report at this time.

(vii) Animal Health & Welfare WG:

Next meeting will be held on March 11th. ARD and SRD are going to do a fly over to see how many bison are outside the Wood Buffalo Park before they begin testing and eradicating the disease. Curran is looking for a letter from ABP supporting flying the high risk corridor to determine the number of bison out there.

AFAC meeting was last Thursday and the new general manager, Lorna Baird, was introduced.

(viii) Research Committee:

Still missing one member but should be solved after the CIC meeting on Monday.

7. Reading Material

(a) BOD resolutions and action items:

8. Next Meeting

- (a) Board Meeting – March 18, 2010, ABP Board Room, Calgary, AB
- (b) Board Meeting – April 15, 2010, ABP Board Room, Calgary, AB?
- (c) Board Meeting – May/June, TBD but may be Semi-AGM
- (d) Board Meeting – July/August, Calgary AB TBD
- (e) ILC – August 11, 2010, Deerfoot Inn & Casino, Calgary, AB
- (f) Board Meeting – September 16, 2010, ABP Board Room, Calgary, AB
- (g) Board Meeting – October 21, 2010, ABP Board Room, Calgary, AB
- (h) Resolutions Committee Meeting – November 17, 2010, ABP Board Room, Calgary, AB TBD
- (i) Board Meeting – November 18, 2010, ABP Board Room, Calgary, AB TBD
- (j) New Delegate Orientation – November 24, 2010, ABP Board Room, Calgary, AB TBD
- (k) AGM – December 6-8, 2010, Sheraton Hotel, Calgary, AB

9. Adjournment

Motion to adjourn by Carey at 4:05 p.m.