

**ALBERTA BEEF PRODUCERS  
MINUTES FOR THE BOARD OF DIRECTORS MEETING  
THURSDAY OCTOBER 16, 2008, 8:00 a.m.  
AT THE ABP BOARDROOM, CALGARY, ALBERTA**

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**Present:** Erik Butters - *Chair (Zone 3)*  
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*  
Tony Saretsky - *CIC Chair*

**Staff:** Rich Smith - *GM*  
Adrienne Waller - *Legal Counsel*  
Laura Procnunier - *Controller*  
Barb Sweetland - *Promotion Mgr*  
Reynold Bergen - *AH&W Manager*  
Lori Creech - *Comm. Manager*  
Rosanne Allen - *Exec Assistant*

**Guests:** Dennis Laycraft - *Exec VP CCA*

**Absent:** Gordon Graves - *Zone 8*

The meeting was called to order at 8:10 a.m.

**1. Adoption of Agenda** **8:00 am**

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Additions: 6(a) International Livestock Congress; 6(b) Land Use Framework Update; 6(c) Yukon to Yellowstone Wildlife Corridor;

Motion by Carey/Murphy:

**“Be it resolved the Agenda be approved as amended.”**

Carried

**2. Minutes of Previous Meeting**

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(a) Minutes from the September 18, 2008 meeting.

Motion by Maser/Sawyer:

**“Be it resolved the Minutes of the September 18, 2008 meeting be approved as presented.”**

Carried

**3. Financial Report**

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Olson updated the Board on the current position of the budget. Smith stated that ABP was ahead in marketings for this year as we had budgeted for 4 million and we are at the same level as last year when there were 4.4 million. We should keep a very close eye on marketings for the winter as there is a strong possibility that marketings will fall significantly.

Motion by Olson/Bowie:

**“Be it resolved the Board of Directors accept the Financial Statement as information.”**

Carried

**4. Decision Items**

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(a) Fall Meeting Training:

Laura Procnunier presented a comprehensive package of notes on the 2007-2008 financial statements and the 2009-2010 budget to the Board. At fall meetings, the Directors need to be able to address any questions delegates and producers may have about the financial statements and budget. She covered the information in detail and the directors were most appreciative of the assistance. The Annual Report DVD was also played for the Board.

(b) Fall Meeting Strategy:

We are anticipating very large crowds at the fall meetings and that ALMS will be the main topic of conversation. There have been 1300 participants in the meetings where ABP has been involved and another 700 people attending the breakfast meetings put on by the government. It is incumbent on all of our delegates to get producers out to the meetings since the fall meetings are a part of our communication process.

The Board is aware that there are organizations challenging the current collection of the check-off. These people are seeking a directional or refundable check-off and are putting pressure on the government to take action. There are three ways in which a plebiscite on a refundable check-off could be initiated, but our producers have shown little interest in changing the mandatory check-off. If there is a refundable check-off, it would be important that the \$1.00 allocated to the National Agency remain mandatory.

Noullett asked for a one pager on ALMS and information on the producers portrayed in the Raised Right campaign to handout at the fall meetings. Directors also asked for highlights of ABP activities and information on Canadian Beef Advantage, COOL, and trade issues.

(c) ALMS Strategy:

There has been a great deal of change since the last Board meeting. Erik Butters, Rick Burton, and Rich Smith were invited to Edmonton to meet with Joe Makowecki, Kim McConnell, John Knapp, Jeff Kucharski, Jason Krips and Arno Doerkson to discuss the strategy. Butters had brought his Premise ID form and the group discussed the requirements for cow/calf producers under the AFRP. There was discussion of the need to involve processors in the ALMS. The group was encouraged by McConnell's comments about the direction of the strategy and his offer to meet with the ABP Board. It was agreed that it would be useful to have McConnell come to the next Board meeting.

Noullett asked about ABP's position paper on traceability. Butters informed the Board that the paper was ready to go and the basic points had been verbally related to the government. The position paper will be put on the ABP website, distributed to all ABP delegates, and sent to ARD within the next week. There was a suggestion that a short two page summary of the paper, including the table of voluntary and mandatory information, be prepared and distributed along with the full paper. This could be made available at the fall meetings.

The government is concerned about the reaction of producers to the mandatory requirements and is worried about getting age verification information for the 2009 calf crop. Producers around the province are generally opposed to the mandatory requirements of the ALMS. Further discussion of information systems and information sharing will occur over the next months as the LISA is developed.

There were questions about the number of calves that have been age verified and this information will be provided at the next meeting. Thiessen suggested that the next letter to producers should define the role of the ALMA from ABP's perspective. The ALMA has tremendous resources and \$60 million per year invested properly could provide significant benefits for the livestock and meat industry. The funding provided by the ALMA must be distributed through an open and transparent public process.

**DIRECTION to Rich Smith to invite Kim McConnell, Kee Jim and Joe Makowecki to the November Board meeting.**

(d) Alberta Farm Recovery Plan II:

When AFRP II was first announced, the Minister stated clearly that it would not be connected to CAIS or AgriStability. Late in September, it appears that there was a change in this policy. AFRP payments will be allowable income in the program year that the payments were announced, but will not be used in calculating reference margins.

Alberta Pork is in discussions with AFSC and the government because this change in the AFRP has made a huge difference to large hog producers. There are some

producers who have already received a 2007 AgriStability payment and will be in overpayment. From an ABP view, the consideration of AFRP payments as allowable income is consistent with our principles and addresses some of the weaknesses we saw in the AFRP. It reduces trade risks and inequity among provinces, while still providing assistance to producers who are not eligible for AgriStability. There was a suggestion that the second payment under AFRP II should be considered allowable income for 2009 rather than 2008.

The Board decided that ABP would not take any action at this time in response to the clarification of the AFRP rules.

(e) ABP Magazine:

At the last meeting there was a discussion about the magazine and it was requested that Gerald Maser present a business plan at this meeting. It was decided that before the time and money was spent on doing a business plan first we need to decide whether in principle the Board wanted to go ahead with a magazine that sold advertising. There was concern that the Board had not addressed the question of using check-off funds to support a publication that would compete with other publications for advertising. This decision has many implications for the organization and Board members need to be comfortable with this commitment before further investigation is warranted.

Motion by Maser/Noullett:

**“That Alberta Beef Producers supports the sale of advertising in the ‘Grass Routes’ magazine.”**

Defeated

Despite the decision on the resolution, directors and staff recognize the need for more effective communication and further improvements to Grass Routes. We need to enhance the front and back pages of the publication and do more to encourage readership. AdFarm has ideas that would add to the appeal of the magazine. Better communication with our producers will continue to be an ABP priority.

(f) CBEF/BIC Merger:

Dennis Laycroft, Executive Vice President CCA, informed the Board that CCA has established a new steering committee to move forward on the integration of the marketing organizations. David Andrews will be chairing the committee and CCA will be looking for people from various organizations, including ABP, to sit on the committee. They have one person representing the Maritimes, then one from each of Ontario, Manitoba, Saskatchewan. The Board approved the selection of Ernie Israelson as the ABP appointment to this committee.

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**5. In Camera**

## 6. Discussion Items

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### (a) International Livestock Congress Update:

There have been two meetings and it was decided to stay with the Friday during Stampede. This year they lost \$60 thousand putting the event on. The attendance has been steady but they have lost some of their sponsors and the cost of putting it on has increased. Registration costs may be increased to mitigate the increase in costs. There were some concerns that with the downturn in the economy some of their sponsorship funding may be even tighter.

### (b) Land Use Framework Update:

LUF has not attracted much attention in the cattle industry due to everything else that is happening, but it could have significant impacts. The LUF has divided the province into 6 regions and Morris Sieferling has been asked to head the Land Use Secretariat. One regional advisory council has been developed for the northeastern region (Fort McMurray) and SRD is in the process of developing another one in the south. The south region is huge and encompasses the entire South Saskatchewan River Basin and the County of Ponoka. They are proceeding in the spring of 2009 with legislation that will support the LUF. Once it is approved, all other land use legislation will need to become consistent with it. Hugh Lynch-Staunton showed interest in participating on the Southern Regional Council and his name has been submitted. The LUF will deal with all of the land in the province except for military bases, Indian treaty land and National park land. They want all of the regional plans completed by 2012.

### (c) COOL:

Laycraft presented information on the implications of mandatory COOL and other trade issues to the Board. The rules for COOL were published at the end of July, but USDA has been providing further guidance as time progresses. There are four categories: A is born, raised, and slaughtered in the U.S.; B is mixed origin product of U.S., Canada, and Mexico and includes animals that have been fed in the U.S. for more than 14 days; C is product of Canada, Mexico, and U.S. and includes animals imported direct to slaughter; and D is product of Canada.

With the latest guidance from USDA, there is strong pressure on processors to use the A label and many plants have stopped processing Canadian cattle. Those that are still taking Canadian cattle have reduced access and increased the basis for these cattle. CCA is waiting to see what some of the other packers will be doing.

CCA has had a legal interpretation of COOL and believes that it violates NAFTA and WTO rules. CCA has been encouraging the Canadian government to initiate a trade challenge on COOL and is asking producers to contact their MPs and MLAs with this message. As soon as the new federal Minister of Agriculture is appointed, CCA will

be talking with him about COOL. Politically Laycraft believes that they will have the support but there is still a lot of work in front of them. The current Minister indicated their support for challenging COOL through WTO or NAFTA.

There was a question about what CCA currently is spending in Washington? CCA has a trade advocacy fund and they are very active in Washington. They are spending around \$1 million a year in Washington.

Laycraft also talked about trade negotiations in Asia. CCA has prepared a paper on enhancing our technical market access capabilities and has been pushing for the development of an international trade negotiating directorate. The CCA policy with respect market access in Asia has been modified. Previously, we were seeking only full OIE access or a clearly defined process toward this access. Now, we will accept commercially viable incremental access as a step toward full OIE access. This would include boneless and bone-in UTM beef, preferably including UTM offal.

Technical discussions with Korea will take place in early November and we are hoping for some form of access for UTM beef. There is a general sense that the Koreans are not as defensive as they were a year ago. The view is that there is interest in moving forward on market access.

Laycraft provided background on the work done related to bluetongue and anaplasmosis. A question about CCA policy on these diseases had been raised at the Fort Macleod ALMS meeting. CCA put long and hard effort into harmonization of the rules with the U.S. and have been successful in moving bluetongue from a reportable to a notifiable disease. There are still anaplasmosis requirements that we would like to see changed. On the subject of diseases, Laycraft noted that Europe has changed BSE testing requirements from over 30 months to over 48 months as the incidences of BSE have declined substantially.

Thiessen asked for a one-page document that explains COOL for use at the fall meetings. Smith agreed and said that they would be creating information along those lines.

### (d) Yukon to Yellowstone Wildlife Corridor:

This has been on the books for a long time and part of it was moving wolves from Alberta to Montana.

### (b) Committee Reports:

#### (i) Public Affairs:

It looks like the Alberta Farm Animal Care contract will be signed in the next couple of days. Deputy Minister John Knapp has been extremely supportive in this area. The Harvest Gala is tomorrow night and there appears to be excellent attendance, particularly from politicians. The Alberta Water Council is discussing the Land Use Framework and how to

integrate it with regional policy. The first two Land Use regional councils are also the two biggest ones. There may be a push to put wetlands back into areas where they have already been removed. There is considerable interest in Ecological Goods & Services and a number of initiatives are underway.

(ii) Producer Liaison:

There was nothing to report beyond the discussion of the magazine.

(iii) Technical:

The committee has not held a recent meeting and there is nothing to report.

(iv) Cow/Calf Committee:

Murphy reported on the Cow/Calf Committee meeting held earlier in the month. The committee had discussed age verification at considerable length and had proposed a number of resolutions.

(v) Government Affairs:

There will be a Government Affairs committee meeting tomorrow.

(vi) Cattle Feeder Council:

Thiessen reported on the Cattle Feeder Council meeting from the previous week. The CFC had considered the AFRP clarification and had come to the same conclusion as the Board with respect to a course of action.

(vii) Promotion:

Nothing has changed yet with the building sign as the approval form is still on the landlords' desk. In the next couple of days two more murals will be going up; one in Airdrie and another south of Calgary. The last one will not be set up until next year. Both the Raised Right teaser campaign and the website have made it to the final stage of the Canadian Agriculture Marketing Association awards.

(viii) Quality Starts Here:

Millie Boake cannot attend the Alberta QSH AGM and someone needs to be appointed to attend.

Motion by Olson/Murphy:

**“That Pat Rutledge represent Alberta Beef Producers at the Quality Starts Here Annual General Meeting in November.”**

Carried

(ix) CIC:

They are hoping to have a meeting before the AGM. John Kennelly of the University of Alberta is extremely keen to participate and update the council on what the U of A is doing.

(x) CCIA

Eddleston reported on CCIA activities. Kerry St. Cyr has had productive discussions with OnTrace and ATQ. There are discussions about reducing access to the CCIA database and giving producers more control over the release of information.

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## 7. General Information

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## 8. Next Meeting and Upcoming Events

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## 9. Adjournment

Meeting was adjourned on a motion by Thiessen at 3:14 p.m.