

ALBERTA BEEF PRODUCERS
MINUTES OF THE BOARD OF DIRECTORS MEETING
THURSDAY APRIL 30, 2009, 8:30 a.m.
AT THE DELTA EDMONTON SOUTH, EDMONTON, ALBERTA

Present: Rick Burton - *Chair*
Kevin Boon - *Vice Chair*
Doug Sawyer - *Finance Chair*
Erik Butters - *Past Chair*
Brent Carey - *Zone 2*
Brian Edge - *Zone 3*
Frank Murphy - *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*
Chuck MacLean - *CFC Chair*
Stuart Thiessen - *CFC*
Dave Solverson - *CFC*
Larry Delver - *CIC*

Staff: Rich Smith - *General Manager*
Rosanne Allen - *Executive Assistant*
Katelyn Laverdure - *Comm. Coord.*
Barb Sweetland - *Promotion Manager*
Laura Procnier - *Controller*
Lori Creech - *Comm. Manager*
Fred Hays - *Policy Analyst*
Adrienne Waller - *Legal Counsel*

Absent: Gerald Maser - *Zone 1*
Darryl Carlson - *CIC Chair*

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

1. Adoption of Agenda

(a) Approval of Agenda:

Motion by Carey/Delver:

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

Carried

2. Approval of Minutes

(a) Minutes of the March 26, 2009 Meeting:

Motion by Bowie/MacLean:

“That the Minutes of the March 26, 2009 meeting be approved.”

Carried

3. Financial Statement

Sawyer updated the Board on the budget. The marketings are up over what was projected with a \$3 million surplus. Traditionally in the past the Board would be deciding which organizations the excess would be divided among. The Board discussed creating budgets with 40% to 60% funding.

(a) Financial Statement ending March 31, 2009:

Motion by Sawyer/Edge:

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

Carried

(b) Budget Allocations:

The Board considered budget allocations given that legislation may make the check-off refundable beginning in the 2010/2011 year. We have a surplus for the 2008/2009 year due to higher than expected marketings and careful spending. Before the introduction of Bill 43, the Board was thinking of allocating these surplus funds to CCA BIC for trade advocacy and U.S. marketing programs to offset the impacts of mandatory COOL. The directors also reviewed funding allocations for partnership projects and Board sponsorships so that these could be paid as they come due without further consultation with the Board. Growing Alberta is likely going to be dissolved and with that the Harvest Gala will not have a sponsor for this year. It seems unlikely that one will be found before the event this year.

Motion by Thiessen/Delver:

“That the Board of Directors approve the budgets for the amended Partnership Projects and Board Sponsorships as discussed.”

Carried

Motion by Carey/Thiessen:

“That the Board of Directors agree to establish an operating reserve fund for the 2010/2011 year end in the amount of \$3 million with the surplus funds from the March 31, 2009 year rather than allocate additional funding to Canadian Cattlemen’s Association or Beef Information Centre.”

Carried

There was a question about spending of 2009/2010 budgets by committees and working groups. The Board was told that committees should be restrained in their spending until the Executive and the Board can complete a more thorough assessment of our future revenue requirements. There was general agreement, although not clear direction, that the

committees should continue with work on high priority actions and likely could commit to spending up to half of the current budget.

4. Decision Items

(a) Check-off Challenge update and strategy:

Since this meeting was held two days after the introduction of Bill 43 and the day after the Red Meat Reception, the directors held a long and intense discussion of Bill 43, the actions that directors, delegates and producers had taken, and the strategy for dealing with Bill 43. A number of zones and individual delegates had met with MLAs to point out the merits of a non-refundable check-off and the importance of giving producers the right to choose whether the check-off should be non-refundable. Many producers and delegates had called MLAs and sent letters to them. Producers in a number of zones are suggesting that there be a demonstration at the legislature.

When the discussion moved to our strategy for responding to Bill 43, there was a suggestion that ABP needs to be in Edmonton within the week to speak to MLA's, reinforce their resolve and to discover the lay of the political landscape. ABP needs to get information out to producers as quickly as possible and to encourage them to contact their MLA's asking for a plebiscite. Carey updated the Board on the strategy ABP will introduce next week to challenge the legislation. Ads will be put in Western Producers and 80 weekly newspapers across the province, three extra radio spots will be done every day by Rick Burton and a letter from Chair Burton will be sent to all producers. Producers have the right to vote on this issue and our message is that the government should give them this right.

Sawyer stated that the Board needs to agree on the message and then let the staff put it together. The executive will also contact a select group of MLA's to begin speaking about this issue. Smith will be tracking which MLA's the ABP representatives speak with and record their reactions. ABP will send an email to all of the delegates listing ABP speaking points. The delegates will be strongly encouraged to contact producers in their area to have them contact their MLA's and asked for a plebiscite.

These are the beginning steps in the campaign, but there will be further efforts. The next Grass Routes will be going out in a week and Creech informed the directors that this would be a good opportunity to distribute any information they wanted producers to see. Boon suggested that ABP talk with the nine commissions who do not have a non-refundable check-off and encourage them to ask for a plebiscite.

The Board made the point that if we do get to a plebiscite, we need to have input into the question that is asked.

Motion by Sawyer/Carey:

Be it resolved that Alberta Beef Producers proceed with a drive in to the Edmonton Legislature next week and that Alberta Beef

Producers work through Prismatic Group to coordinate this action.”

Carried

This discussion was interrupted when Chair Burton called in to the Rutherford radio show in Calgary to discuss Bill 43 with Minister Groeneveld and Parliamentary Assistant Griffiths.

During this time, Smith spoke with Prismatic and was told that having ABP directors come to the legislature next week likely would not be effective and that public demonstrations at the legislature need very large crowds to have any kind of positive impact.

(b) Government relations – Prismatic Group Inc:

Prismatic was engaged to assist ABP with government relations and began the process by conducting a political audit to see how we are viewed by the government. For the political audit, ABP and Prismatic compiled a list of 19 MLAs to be contacted for interviews. Eleven of these MLAs agreed to participate in the process. The Prismatic partners are putting the final touches on the political audit report and will be submitting it to the Board when completed.

The preliminary results show that many rural MLAs do not have a good understanding of ABP or the work that we do. This is clearly a government relations challenge that needs to be addressed. Once ABP has the Prismatic report, we will begin working on a government relations strategy to improve our position.

(c) Board and Committee resolutions from fall meetings:

1. Motion by Murphy/MacLean:

“Be it resolved that ABP oppose any legislation requiring producers obtain “unique premise identification number.”

Zone 4

Defeated

This resolution passed at a fall meeting but the directors were not in favour of this resolution. ABP supports premise identification, along with animal identification, as pillars of a traceability system that protects animal health and food safety

2. Motion by Schrader/Eckert:

“Be it resolved that ABP start a public discussion about the advantages and disadvantages of the Alberta Livestock & Meat Strategy through a series of radio interviews and newspaper publications.”

Zone 7

Carried

In view of what is happening with refundable check-off the Board did not feel these actions should happen at this time. Some directors did not feel this resolution should be defeated but were not sure this was the time to do it. Others thought

that passing this motion would reaffirm something that ABP is already doing.

3. Motion by Edge/Thiessen:

“Be it resolved ABP lobby the provincial government to have agriculture put on a priority basis for fuel supply during times of shortage.”

Zone 3

Defeated

This motion was made when the price of diesel was very high and some producers were having difficulty obtaining fuel. Some delegates felt that this resolution was interfering with the free market. Chomlak informed the Board that producers in his area were receiving emails informing them that diesel will be in short supply for August.

(d) Governance Committee Charter:

Eddleston informed the Board no meeting had been scheduled yet to set the Charter for the Governance Committee.

Motion by Eddleston/Thiessen:

“With the changes happening to the Marketing Agriculture Producers Act that Alberta Beef Producers revisit the Plan Review from the Marketing Council.”

Carried

(e) Animal Health Regulations:

There will be a meeting on May 6th in the ABP Boardroom to discuss Animal Health Regulations. The purpose of the meeting is for the government to consult with ABP and other cattle organizations on the three regulations that have been implemented, three regulations that are being proposed, and three other regulations that the government intends to pass, including one containing penalties for violations under the Animal Health Act. The government is considering making changes to the livestock identification regulation to give producers more time and flexibility in tagging animals and entering birth dates. ABP has been working with ARD staff to make the current regulations more reasonable and have received generally favourable responses, but we have not seen any changes in the regulations yet.

(f) Growing Alberta:

Growing Alberta has lost its funding from the government and has passed a resolution to disband. At the end of May they will be contacting their partner organizations and informing them of this. This will also affect the Harvest Gala since it is funded by Growing Alberta and it seems doubtful that they will find a new sponsor in time for the next event.

Motion by Sawyer/Thiessen:

“That Alberta Beef Producers agree to discontinue their support for Growing Alberta.”

Carried

5. In Camera

6. Discussion Items

(a) Red Meat Reception Review:

Considering the introduction of Bill 43 two days before, the directors thought that the Red Meat Reception went very well. The venue was very good, the attendance by government officials was quite good, and there were many opportunities for good discussions with MLAs and senior bureaucrats

(b) CBEF/BIC Merger:

On April 16th Eddleston attended a meeting of the Marketing Organizations Steering Committee in Toronto. Eddleston brought the Board up to date on the decisions made by the steering committee with respect to the merger of CBEF and BIC. One recommendation that came out of the meeting was that any funds sent to the organizations should be sent to a central account without any specifications on the division of money between the organizations.

There will be a conference call tomorrow to finalize some points about the merger strategy that have not yet been resolved.

(c) Land Assembly Project Area Act (Bill 19):

Somerville, Delver and Carlson were asked to look into this and report back to the Board. Somerville spoke with Jack Hayden yesterday and has discovered that the Bill has had third reading and passed. The Bill has been improved significantly because of the general outcry from land owners, but ABP should seek to have some voice development of the regulations under this bill.

(d) CCIA/CBA Update:

Eddleston updated the Board on the CCIA/CBA issue. There appears to be a bit of a misunderstanding between CCIA and CCA with respect to the CBA program. There was a disagreement about the role of CCIA in contacting producers to see if they wanted their animal and herd information contributed to the CBA program. The executive of CCA and CCIA met to discuss the problems. The meeting was very positive and things are once again moving forward.

The last year has been very busy for CCIA and a new business strategy was passed at their AGM. Eddleston believes that it is a very positive strategy. CCIA will be rolling out the strategy this year. There has also been some new staff hired, among them a Legal Counsel. One of the directions is to revamp and give direction to the Tech Committee. One of the directives is to assess the pros and cons of having one tag and to hold the tag makers responsible for their product. They also discussed having only one distributor for each province. The new budget is under debate but with the growing business coming to CCIA and to

cover the cost of this the price of tags will go up by \$0.60. They will also begin charging for replicated databases.

Delver said that if they could standardize the tags it will help reduce the cost of tags.

(e) ALMA Announcement:

ALMA announced a series of funding programs last week. They will be accepting applications on May 4th and they have \$30 million in funding available for the programs. Eckert spoke with Ken Moholity and Darcy Fitzgerald about the programs. Eckert was invited over to speak to them next week to discuss some of ABP's programs. The meeting seemed very positive. Their current budget for ALMA is \$55 million, but it is project to be \$38 million next year and then \$33 million in the following year.

(f) Growing Forward Report:

Smith and Boon attended the Growing Forward announcement in Edmonton last Friday. It was announced as a joint effort between the federal and provincial government. It was well presented and Boon and Smith agreed it sounded like a good program with more flexibility than the Ag Policy Framework program that it is replacing.

The program is a commitment to Canada's agriculture sector that focuses on achieving results, reflect input from across the sector, and deliver programs that are simple, more effective and tailored to local needs.

Governments are committing \$1.3 billion over the next five year into the Growing Forward programs. Funding is cost-shared between the Federal government and the provincial and territorial governments on a 60:40 basis. There are now 21 programs in 12 areas and the provinces have more flexibility about where the money can go.

(g) ILC Update:

Bowie updated the Board on the current standing of the ILC Invitational. The Consulate budgets have been reduced and they have agreed to give us \$6000 to cover travel costs for 1 representative from each of six states. The Canadian Consulates are also working on a Canada/US Young Farmers and Ranchers Livestock Forum to take place during ILC and they are hoping to tie it to ABP's event. Since ABP already has transportation in place for their guests we can transport the Young Farmers at no additional charge. Annalisa Baer, from the provincial government, has agreed to pay for the dinner on Thursday night.

Kim O'Neal and Richard Ulrich, from the Canadian Consulates in the United States, have asked that Rick Burton call his counterparts in the states we wish to invite to discover if there is any interest from them in attending. They have been hearing that interest is low and hope that a personal call from Rick will change some minds as they feel this is a very positive event for both Canada and the U.S. It was suggested that we consider inviting a journalist. Kim suggested Jerry Hagstrom a Washington, DC-based political

and agricultural analyst, who is a Special Correspondent for the National Journal's Congress Daily.

(h) Land Use Framework:

Chomlak informed the Board that the Regional Advisory Council (RAC) for the Lower Athabasca region has been created. The majority of the sixteen seats are from oil and gas with some from ALPAC, one mayor, and a consultant who has worked with Duck Unlimited and ABP. There was no representation from farmers, but there may be a chance to add more seats to represent agriculture.

The Regional Advisory Councils will come up with regional plans but they still need to pass cabinet. The most influential and best funded interest groups can simply bypass the councils and go straight to cabinet to advance their priorities.

(i) Beef Value Chain Update:

Butters attended a meeting in Ottawa last week and will submit a more comprehensive report for the next Board meeting. Minister Ritz attended the meeting and was applauded for his work on the Trade Secretariat and for his personal interest in advancing trade. He travels extensively to advance trade and market access.

Ten people have been assigned to the Secretariat but no solid information is available yet.

(j) CCA Domestic Ag Policy:

Solverson attended the annual meeting in Ottawa and is on the CCA Domestic Ag Policy Committee. OCA had countered the CCA Principles on Government Involvement in the Cattle Industry with a document containing their own principles. A sub-committee was struck to bring the two sets of principles together. The principles are market based and include the expected role of government. It strongly recommends that the cattle industry be dealt with by government programs on a national basis instead of regionally. With the combination of the two document into a single set of principles, the CCA will have more clear direction for dealing with government programs.

(k) Ottawa Fly-in:

There was a fly-in scheduled for May 25th and 26th, but the Executive had proposed that this trip be postponed until a later date. Directors questioned the wisdom of postponing the trip. We have been having great success with the federal government and this may not be the best time to back away from this activity.

The Board decided to continue with the fly-in.

(l) Committee Reports:

(i) Competitiveness/Value Creation:

Somerville updated the Board on the current status of the working group. CVC is looking into the costs of tagging and age verification. There were a large number of ideas generated and Hays is working through the list.

(ii) Cow/Calf:

Hays spoke to the committee about what the committee has been up to. He has been working on the potential post BSE costs, regulatory burden and COOL.

(iii) Environment:

The committee met on April 27th to develop their terms of reference and allocate their budget.

(iv) Promotions:

Committee met yesterday to discuss their budget plan for the year. They added a couple of new ideas for advertorials. They want to know how to proceed with their committee with the current check-off challenge. Would the Board be favourable if ALMA agreed to matching funds for the ABP Raised Right campaign? Sawyer informed Promo that there was no problem with them going ahead with their initiatives.

Eckert updated the committee on the situation with the mural at the Bar U Ranch.

(v) Research:

At the moment, research is waiting for the final proposals which are not due before May 15th. Until then Edge has nothing to report. BCRC is scheduled to meet in July and will let Research know the results of this meeting.

(vi) Cattle Feeder Council:

No report

(vii) Cattle Industry Council:

No report

(viii) Communications:

Met last week and reviewed the sponsorship guidelines and put them in line with promotions. They have been looking at a communications audit and are looking for an opinion on what they can do better in the future. Creech and Laverdure are looking at proposals that will be presented to the committee at the Semi.

Creech and Laverdure have also been looking at creating a delegate handbook that will be handed out at the Semi.

Natalie Arnieri joined the meeting to talk to the members about putting screens at the auction marts that can be updated from a central location and will inform producers of what is happening and what is being done.

(ix) Animal Health and Welfare:

There was a conference call and the group has decided to work on Johne's and educating the producer on belly nuts. AFAC had its AGM and Doug Sawyer is still the chair. Susan Church has stepped down and Jim Haggins

has been hired on a month to month contract until a new manager can be hired.

(m) SARL and PNWER:

Under the current financial circumstances, the Board is considering the possibility of not participating in PNWER and SARL.

7. General Information

(a) BOD Resolutions and Action Items:

(b) Beef Supply at a Glance:

(c) Staff Appreciation Barbecue

Butters again offered the use of his ranch for the annual staff appreciation barbecue. This is a very popular event for both staff and directors that is paid for by the directors.

8. Next Meeting and Upcoming Events

(a) Semi-Annual Meeting – June 8-10, 2009 – Delta South, Edmonton, AB

(b) ILC – Friday July 10, 2009 – Round-Up Centre, Stampede Ground, Calgary, AB

(c) Staff Appreciation BBQ – Wednesday July 15, 2009 – Erik's Ranch

(d) Board of Directors meeting – Thursday July 16, 2009 – Calgary, AB

(e) Board Meeting – September 17, 2009, ABP Board Room, Calgary, AB

(f) Board Meeting – October 15, 2009, ABP Board Room, Calgary, AB

(g) Resolution Committee meeting – November 18, 2009, ABP Board Room, Calgary, AB TENTATIVE

(h) Board Meeting – November 19, 2009, ABP Board Room, Calgary, AB TENTATIVE

(i) New Delegate Orientation – November 25, 2009, ABP Board Room, Calgary, AB TENTATIVE

(j) Annual General Meeting – December 7 – 9, 2009, Sheraton Cavalier, Calgary, AB

9. Adjournment

The meeting was adjourned on a motion Thiessen by at 4:00 p.m.