

**ALBERTA BEEF PRODUCERS
MINUTES OF THE BOARD OF DIRECTORS MEETING
THURSDAY, APRIL 19, 2007
AT CROWNE PLAZA-CHATEAU LACOMBE, EDMONTON, ALBERTA**

- PRESENT:** Erik Butters - *Chair* **create a task force to encourage the cow/calf producers to age verify their calves."**
Rick Burton - *Vice-Chair* Carried.
Kelly Olson - *Finance Chair*
Gerald Maser - *Zone 1*
Leighton Kolk - *Zone 2* (a) Minutes of March 15, 2007 Meeting:
Ernie Israelson - *Zone 3* Motion by Israelson/Panrucker
Judy Fenton - *Zone 4* **"That the Minutes of the March 15, 2007 Board of Directors meeting be adopted."**
Millie Boake - *Zone 5* Carried.
Doug Sawyer - *Zone 5*
Diane Panrucker - *Zone 6*
Rick McKnight - *Zone 7*
Darcy Eddleston - *Zone 8*
Donna Noullett - *Zone 9*
Stuart Thiessen - *CFC Chair*
Chuck MacLean - *CFC*
Dave Solverson - *CFC*
Steve Primrose - *CIC Chair*
Tony Saretsky - *CIC*
- STAFF:** Rich Smith - *Interim GM*
Adrienne Waller - *Corp. Counsel*
Mike Spear - *Comm & Mrk Mgr*
Rosanne Allen - *Exec. Asst.*
Lori Creech - *Comm Officer*
Katelyn Laverdure - *Comm & Mrk Asst.*
Barb Sweetland - *Promo Coord.*
- GUESTS:** Mike Cook - *BIC*
- ABSENT:** Darcy Davis - *Past Chair*
Brent Carey - *Zone 2*
Shelley Morrison - *Zone 9*

3. Finance Report

Olson presented the Statement of Financial Position as at March 31, 2007.

(a) Financial Statement:

Motion by Olson/Fenton

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

Carried

(b) Interim GM signing authority:

Motion by Olson/Fenton that the Banking Resolution be amended as follows:

"That the signing officers for the Alberta Beef Producers bank account at the Royal Bank of Canada be:

- | | | |
|--------------------------|---|------------------------|
| Vice Chairman | - | Rick Burton |
| Finance Chairman | - | Kelly Olson |
| General Manager | - | Rich Smith |
| Controller | - | Laura Procutin |
| Corporate Counsel | - | Adrienne Waller |

All cheques require two signatures. For cheques of \$20,000 or more, one signature must be the Vice Chairman or Finance Chairman.

Carried

4. Items for Decision

(a) Resolutions from Government Affairs Committee:

i) Smoky Lake and Chongqing Province:

Eddleston explained that Chongqing province is interested in buying OTM beef from Smoky Lake and developing an adventure tourism relationship. Smoky Lake is looking for a letter of support from

Chairman Butters called the meeting to order at 8:10 a.m.

1. Approval of the Agenda

Additions: 4(k) BBQ for soldiers in Kandahar, Afghanistan; 6(m) Mosaik Mastercard.

Motion by Maser/Sawyer

"That the Agenda be adopted with additions marked above, plus any other additions or deletions that are deemed necessary throughout the course of the meeting."

Carried.

2. Minutes of Previous Meetings

Substitution: 6(h) RFID Tag rebate.

Motion by McKnight/Boake

"We move, as a substitute motion, that the Alberta Beef Producers Board of Directors

ABP. At the last GA meeting the proposal was discussed and the members were concerned about the term 'recreational tourism'. It was decided at that time to speak to SRD about what they considered 'recreational tourism' before making a decision. Before the April Board meeting members of the GA committee participated in a conference call regarding the letter of support. During the conference call it was agreed to send a general letter supporting the export of beef to China only.

Motion by Eddleston/McKnight

“That the Alberta Beef Producers Board of Directors send a general letter of support for the export of beef.”

Carried

ii) Wildlife Damage Committee Report

“That the Alberta Beef Producers lobby the province to allow producers who have a mutually agreed identification of a wildlife problem to be allowed to obtain a permit for controlled depopulation of the problem wildlife.”

Eddleston explained that this motion came out of problems some producers are having with wildlife eating their feed and in some cases causing damages to their property and cattle trying to get to the feed.

Motion by Burton/Sawyer

“That the Alberta Beef Producers lobby the province to allow producers who have a wildlife problem, acknowledged by Sustainable Resource Development, to be issued a permit for controlled depopulation of the problem wildlife.”

Carried

iii) Range Forestry Project

“That the Alberta Beef Producers lobby the Federal and Provincial Government to significantly increase their commitment to applied research on primary agricultural production.”

Motion by Eddleston/Olson

“That the Alberta Beef Producers Board of Directors accept the Government Affairs motion as read.”

Carried

(b) Create task force for Ecological Goods and Services (EG&S) Principles:

Butters stated that we need to create a set of principles in order that we will have a clearer direction for this issue. Thiessen believes it is worth having a set of principles. Butters proposes we select four or five individuals to sit on the task force to develop a set of principles to bring before the Board. CCA is looking at a number of pilot projects on this topic as is the provincial government.

DIRECTION that an Ecological Goods and Services task force be created consisting of Darcy Eddleston, Eric Butters, Doug Sawyer, Gerald Maser and Richard McKnight to develop a set of principles and bring them back to the Board.

(c) Land Agents Licensing Regulation:

Waller explained the current status of the provincial government's review of the *Land Agents Licensing Regulation*. ABP sent a letter dated April 9, 2006 to Gerald Kress, Human Resources and Employment commenting on the proposed amendments to the *Land Agents Licensing Regulation*. The Board discussed these comments in light of the decision in the Strom case which confirmed that a landowner must use either a lawyer or a licensed land agent in negotiations with the oil companies. Direction was given to Adrienne Waller to update last year's letter and forward same to Gerald Kress and the current Minister of Human Resources and Employment. A draft of the letter is to be provided to Darcy Eddleston for comment and then to the rest of the Board of Directors.

Smith noted that there are really two issues in this situation, these being the requirements for acquiring a land agents licence and the requirement that a landowner must use either a lawyer or a licensed land agent in negotiations with the oil companies. He recommended that the letter and the Board provide greater clarity about which of these issues is of greatest concern to our producers.

Motion by Olson/Burton

“That the landowner be allowed to hire anyone they like to represent them.”

Carried

After further discussion between Olson and Burton it was decided to substitute the motion to be more specific.

Motion by Burton/Olson

“We move, as a substitute motion, that it be at the landowner's discretion who he/she chooses to represent him/her in surface rights negotiations.”

Carried

(d) LICA Amendments:

Waller explained that amendments are being proposed by industry and the lenders to the *Livestock Identification and Commerce Act*. The Working Group has asked the

Steering Committee to consider the proposed amendment and, if possible, have same introduced in the spring 2007 session of the legislature.

Motion by Sawyer/Sartesky

“That the Alberta Beef Producers Board of Directors provide a letter of support for the proposed amendments to the Livestock Identification and Commerce Act.”

Carried

Motion by Saretsky/Maser

“That Alberta Beef Producers would cover up to 50% of Adrienne Waller’s legal fees with respect to the Livestock Identification and Commerce Act if and when government money runs out.”

Carried

(e) Committee Funding Commitments:

Olson put forward a proposal for future budgets to allocate reserve funds for money committed by Committees that has not yet been spent. Olson put forward a motion that Committees can only spend money from the current budget year and not commit money from future budgets. Israelson proposed that they put a cap on future agreements of 5% or 1/3 of the future budget.

Motion by Panrucker/Eddleston

“That the discussion be tabled until the Finance Chair, Controller and Committee Chairs and other staff as may be required can get together to discuss the proposed budget change.”

Carried

Motion by Olson/Burton

“That regarding Committee budgets that all current and future commitments in any year can not exceed the current years budget and any future commitments of funds would be moved from their budget to a Restricted Payable account.”

Steve Primrose and Tony Saretsky were opposed
Carried

(f) SRM update and strategy:

Bergen and Saretsky spoke about their trip to Ottawa about SRM’s and its implementation on July 12th. CCA expects an eighteen month period where the industry will be vulnerable because of the Enhanced Feed Ban. The CCA is working towards trying to develop an interim program. Billy Hewlett, CFIA, said that the Enhanced Feed Ban is the reason that Canada got recommended for controlled risk status. Saretsky stated that all of the major packers will be ready for the feed ban. The problem is what is

going to happen with all of the SRM material. The packing and rendering industry is going to have to absorb the cost of disposal or pass it on to producers. In the process what the Canadian cattleman are saying to the government is that we need an interim plan to deal with the SRM’s. By not having industry at the table during the discussion the industry lost. Some of the smaller and medium sized packers will not be ready. The smaller plants have a longer period to be compliant and they have a few less rules to follow. Burton asked what the interim plan would be and Saretsky said that the industry should know that there is a method of financially supporting the industry to get it over the hump. Butters asked where we want to go with this. Bergen provided a brief synopsis of a letter that will be sent to AF regarding the SRM funding programs and challenges in Alberta. This letter had been provided to the Board for review. We might also expect a request from CCA for a letter of support for an interim support program.

(g) May Board meeting:

Because of the change in the Red Meat Reception it was decided that not to have another Board meeting before the June Semi-Annual would be too long a period. The date for the next Board meeting was set for May 17, 2007.

(h) July Board meeting:

In the past the July Board meeting was set to coincide with the ILC. The ILC will not be held in July and is planned for the fall. It was decided to keep the July Board meeting for July 12, 2007.

(i) ALIDF update:

Waller explained that currently Dr. Bill Newton and Bob Christie are the beef representatives on the ALIDF Board of Directors. Waller further explained that Bob Christies will be resigning in June, 2007 and, by an agreement made last year between ABP, ACFA and WSGA, he will be replaced by Brent Heidecker. With the resignation of Brenda Schoepp, ABP does not have a representative to vote on behalf of ABP at the Annual General Meeting of the members of ALIDF scheduled for June 7, 2007.

Motion by Thiessen/Olson

“That the Alberta Beef Producers Board of Directors appoints Diane Panrucker to attend the June 2007 Annual General Meeting of the members of ALIDF and vote on behalf of ABP.”

Carried

(j) Land Use Framework (LUF):

Smith received a letter from SREM regarding the next steps in the LUF process. They are proposing setting up four working groups of fifteen to twenty qualified people who will meet approximately eight times, three of which

will be joint meetings, between June 1st and October 1st. The four groups are Growth and Resource management, Conservation and Stewardship, Planning and Decision making, and Monitoring and Evaluation. Another option is that we could sit as reviewers. Reviewers would have input before it is shared with the public. Some concern was shared that if ABP did not sit on at least one of the working groups we will have no say in the final results. Burton believes that it is important that we make an effort to be involved to some extent. Sawyer believes that we should also be in on the review process. There was a consensus that we be a part of the review process only.

(k) BBQ in Kandahar, Afghanistan

At the Red Meat Reception Butters was approached by Minister Lyle Oberg who asked if Alberta Beef Producers would be interested in sponsoring a BBQ to take place in Kandahar, Afghanistan for Canadian soldiers.

Motion by Thiessen/McLean

“That the Alberta Beef Producers fund the beef for the Kandahar troop BBQ providing we can get Canadian beef into Afghanistan.”

Carried

5. In Camera Session

6. Items for Discussion

(a) Winter Feeding Welfare Issues:

Table until Public Affairs Report.

(b) Beef Grading System:

Eddleston was asked at the last Board of Directors meeting to come back with information on the Beef grading system. Only 20% of current cows are being graded at this time and McLean says they are currently not using the grading system for cows.

(c) BC and Saskatchewan's Cattleman's Conventions:

Chairman Butters has asked Rick Burton to attend the BC Cattleman's convention as an ABP representative. Because Saskatchewan overlaps with ABP Semi-Annual no one will be able to attend their convention.

DIRECTION for Rosanne to make arrangements for Rick Burton to attend the BC Cattleman's Convention

(d) PNWER 17th Annual Summit; Anchorage, Alaska:

Chairman Butters will be attending the summit with Rick Burton.

DIRECTION for Rosanne to make arrangements for Eric and Rick to attend the PNWER Summit in Anchorage, Alaska.

(e) Cash Advance Program:

The Federal government has expanded the program beyond grain to include livestock. Part of the criteria on the Cash Advance is that the loan can not be more than your CAIS allotment. ABP was asked to administer this program in Alberta and declined. AFSC might be interested in administering the program but have not been asked. The Feeder Associations are considering administering the program to their members. The Canadian Canola growers are set up to administer the program and ABP has no problem with that if AFSC will not do it. The Canola growers are okay with administering this for the livestock industry as long as our producers have no problems with the way it is set up.

(f) Semi-Annual Agenda:

Rich informed the Board that there will be a change in the way the Semi-Annual will be run this year as opposed to last year. The main meeting will occur on the second day and the committee meetings on the third day.

(g) Agri-Environmental Strategy and partnership update:

Stuart Thiessen and Rich Smith explained the reasoning behind this partnership. The intent is to create a partnership to reduce the number of fronts in which ABP and other organizations address issues with the government. There would need to be a stronger commitment from the government to make this work.

(h) Animal Health Act:

On March 28, 2007 ABP sent a letter to Dr. Gerald Ollis, Chief Provincial Veterinarian commenting on the latest consultation paper prepared on the proposed *Animal Health Act*. Waller advised that the government intends to introduce the new *Animal Health Act* in the spring session of the legislature. Waller advised that she will forward a copy the Bill once it is posted on the Legislative Assembly's website. Waller further advised that the first consultation meeting on the regulations to be enacted under the *Animal Health Act* will be held on June 12, 2007. Waller and Bergen will attend on behalf of ABP.

(i) Feed Grain Research:

Smith gave an update on feed grain research. Thiessen says the provincial government is planning to close down all barley research as of June 1, 2007. The Barley researches are all being moved to bio-fuel research.

(j) Age Verification Working Group update:

Rick Burton spoke about the conference call that took place earlier this week. They discussed the issue of a possible incentive for age verification. Burton supplied a written report on the issues that came out of the call. It was believed that an incentive to the primary producer to age verify their cattle would be useful, but in order to be effective, would likely have to be implemented for two consecutive years. It would take about two years to get a program running and once the primary producer saw that there is a premium to age verification it would become self sustaining. If we agree to do this ABP needs to get on it now. ABP would not be okay with mandatory age verification

(k) Beef Promotion for returning soldiers:

Mike Cook, BIC, spoke about this promotion. Alberta is the only province that has made a commitment at this time.

(l) CCIA update:

Rick Burton spoke about the annual meeting of the Canadian Cattleman's Identification Agency. Steve Primrose was elected to chair the CCIA Board of directors and Tony Saretsky was voted to vice-chair.

(m) Mosaik Credit Card:

Motion by Olson/Maser

“That Alberta Beef Producers decline getting a Mosaik Mastercard because the Canadian Cattleman's Association already has one.”

(n) Committee Reports:

(i) Promotion:

Judy Fenton informed the Board that the Promo Committee held its 2nd quarter meeting on March 14th. Judy supplied the Board with a report showing the number of different avenues they are currently using to promote ABP. The CAP promotion showed an increase in the number of schools who wished to participate but there are not enough volunteers to implement the program. The BEA was present in March at a number of high-profile tradeshow events.

The Promotion Committee authorized two tours of the Alberta beef industry for representatives of the government of Canada's Department of Foreign Affairs and International Trade. The tours took place on March 19th and 26th.

RancHers appeared at the above events and are currently involved in a refreshment of the highly

popular Overwaitea Foods Western Family ad campaign.

(ii) Public Affairs:

Doug Sawyer informed the Board that the PA Committee has developed an enhanced program for the Environmental Stewardship Award (ESA). They will be using the winners at more public events, giving them some media training, promoting a higher profile. PA will also put together a video of all ESA winners. This is the 15th year the ESA has been around.

PA purchased the Ontario Farm Annual Council Magazine and we will receive 2500 copies.

Sawyer said the PA continues to increase its membership on Watershed groups, with representatives on the Battle, North Saskatchewan, Red Deer and Oldman River Watershed groups. They are also reviewing their role with Growing Alberta to ensure they are getting good value for their investment.

Department of Fisheries and Oceans gave a presentation to the PA Committee in an effort to keep communication lines open. They continue to work with Cows and Fish and will be giving a presentation at our summer meeting.

Reynold Bergen talked about AFAC and the recent news coverage of the ranch in northern Alberta where the SPCA came in and seized cattle. Bergen noted that there have been a number of incidents this year likely caused by a combination of harsh weather conditions, high feed costs, and low cattle prices. The SPCA and AFAC both deal with humane situations but the AFAC is not as well known. Bergen said that more advertising had to be done for AFAC so that people think to call them first before the SPCA.

(iii) Producer Liaison:

Gerald Maser reported that the PL Committee had met on Tuesday April 17th. The website committee has met and have come up with some positive input towards an upgraded website.

(iv) Technical:

Diane Panrucker attended an Agri-Series Seminar Workshop on March 28th. Dr. Stephen Moore spoke about prion research. Dr. Stefanie Czub reviewed what is currently known about the character and transmission of the prion protein and the clinical and pathological features.

The Committee met to review the Best Management Practices and Risk Assessment proposed by CAHC.

Panrucker was given direction to send the letter to AF regarding ABP participation in the Alberta Johnne's Disease Prevention and Control Program.

(v) Government Affairs:

SRD informed the GA Committee about two delegations from China that would be in Alberta to study tour grazing practices around the province. The first group will be here April 24th the second group on June 19th. As part of the tour they will be taken to the Brown Creek Ranch.

Mike Alexander from SRD Range Forestry gave a presentation on the results of the Bob Creek GPS Collar study that GA helped fund. Mike requested that the third year funding be diverted into a study of grazing behaviour in cut block systems as well as an additional \$10,000.00 over the next two years for this study. The committee supported this objective.

AFSC is in the process of developing an information package regarding the CAIS overpayment situation, which will be sent to producers shortly.

(vi) Cattle Feeder Council:

The next CFC meeting will be held on May 10th in the ABP Board Room. Thiessen did want the Board to know that there is a plan to revise the Code of Practice for the Care and Handling of Beef Cattle. If anyone is interested in reading it they are to get in touch with Stuart Thiessen or Rich Smith.

(vii) Cattle Industry Council:

CIC is active on the issue of humane transportation. The council has designed a log book for transporters as part of the study on current practices. Rick Pascal and Bryan Walton of the National Cattle Feeders Association are participating with Cattle Industry Council on this initiative. The Ottawa task force meeting seemed to hit the right note with politicians. The CanFax study on the aged of our cow herd is complete and ready for distribution. Primrose also referred to a document from CFIA with directions for importing live cattle from the U.S.

7. General Information

- (a) Board Resolution Table;
- (b) Beef Supply at a Glance;

- (c) Letter from George Groeneveld to Butters re: SRM Disposal

8. Next Meeting Dates

- (a) Board Meeting – Thursday, May 17, 2007 – Calgary
- (b) Semi-Annual Meeting - June 11 – 13, 2007, Fantasyland Hotel, Edmonton
- (c) Board Meeting – Thursday, July 12, 2007 – Calgary
- (d) Board Meeting – Thursday, September 20, 2007 – Calgary
- (e) Board Meeting – Thursday, October 18, 2007 – Calgary
- (f) Board Meeting – Thursday, Possible November 22nd or 29th depending on fall meetings schedule – Calgary (to be selected)
- (g) Annual General Meeting – December 9 – 12, 2007 – Calgary, Sheraton Cavalier Hotel

9. Adjournment

The meeting was adjourned on a motion by Judy Fenton at 3:15

CHAIRMAN

GENERAL MANAGER