

ALBERTA BEEF PRODUCERS
MINUTES FOR THE BOARD OF DIRECTORS MEETING
MARCH 23, 2017, 8:30 a.m.
AT THE ABP BOARDROOM, CALGARY, AB

Present: Bob Lowe - *Chair*
Roland Cailliau - *Vice Chair*
Kelly Fraser - *Finance, Zone 5*
Howard Bekkering - *Zone 1*
Fred Lozeman - *Zone 2*
Chris Israelson - *Zone 3*
Tim Smith - *Zone 4 (via phone)*
Tim Sekura - *Zone 6*
Colin Campbell - *Zone 7*
George L'Heureux - *Zone 8*
John MacArthur - *Zone 9*
Brad Osadcuk - *Director at Large*
Ken Stanley - *Director at Large*
Penny Patton - *CCC Chair*
Bryan Thiessen - *CFC Chair*

Staff: Rich Smith - *Executive Director*
Rosanne Allen - *Office Administrator*
Fred Hays - *Policy Analyst*
Laura Procnier - *Controller*
Karin Schmid - *Beef Production*
Tom Lynch-Staunton - *Gov't Relations*

Absent: Garth Porteous - *Director at Large*

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

1. Adoption of Agenda

(a) Adoption of Agenda:

Additions: 8(i) Hotels; 8(j) Farming for Tomorrow; 8(k) Brazilian visit update; 8(l) Vets and feed ingredients; 8(m) Transportation;

Motion by L'Heureux/Thiessen:

“That the agenda be approved with changes.”

Carried

2. Minutes of the Previous Meetings

(a) Minutes of the February 15, 2017 meeting:

Motion by Lozeman/Osadcuk:

“That the minutes of the February 15, 2017 Board of Directors meeting be approved with changes.”

Carried

3. Financial Report

(a) Financial Statement ending February 28, 2017:

Fraser presented the financial statement for the period ending February 28, 2017. With one month remaining in the fiscal year, we have spent 85% of the budget with marketings running slightly ahead of the previous year. This likely will leave some funds from this budget that will be allocated to unrestricted net assets and could be available for the budget in the next fiscal year. We have \$1.5 million in the Operating Reserve fund that also could be used to provide funds for the 2017/2018 budget year. There are \$206,388 from marketings in this calendar year that will be held in trust until the next service charge refund period.

Motion by Fraser/Bekkering:

“That the financial statement be accepted for information purposes only.”

Carried

4. Policy and Governance Issues

(a) Matter arising from Board of Directors review:

At the last board meeting the directors were asked to review the information presented on the boards evaluation. Lowe asked the directors if they had any questions or comments on the review.

Lowe suggested that the directors wait until the end of the day to go over the report.

The governance review will be done at the next board meeting.

5. Council and Committee Reports

(a) Cow Calf Council:

The council met on March 13th and went over the budget for next year and resolutions that came from the fall meetings as well as the Terms of Reference. Hays, Lyndon Mansell and Assar Grinde, agreed to work together to update the Terms of Reference before the next board meeting. There was considerable support to keep the Safety-net Subcommittee as is instead of making it a working group. The council made a motion to encourage the government to facilitate Environmental Services programs and that a working group be created with the help of Tom Lynch-Staunton to work on the issue.

Patton went through the minutes of the meeting discussing the fall meeting resolution that was approved and the discussion on Ecological Goods and Services including reinstating the previous working group. She spoke about the need for a Vice-Chair on the council and Tim Smith was

acclaimed. The council also noted the importance of members reporting back to the council when they attend meetings outside the organization and recommended that the Board do the same. The council had a presentation on farm plastics recycling and developed a working group – Grinde, Mansell and Nico Van Der Giessen and a possible fourth member would be decided. There was discussion about taking actions against a member who misses meetings without a valid reason and the Board reviewed the process for removing elected delegates, directors and council members.

Motion by Patton/Osadczyk:

“That the ABP Board of Directors approve the updated Cow Calf Council Terms of Reference.”

Carried

(b) Cattle Feeder Council:

The council met on February 21st and discussed priorities going forward; the results of a study done by the School of Public Policy on local taxation and industry; talked about the CFIA transportation regulation; supported a proposed study on the impact of the carbon levy; concerns over vet controlled prescription drugs; there were also updates on winter manure management and the TB quarantine in southern Alberta.

Many feedlots in the northern part of the province spread manure in the winter because of the amount of snowfall and the need to keep the pens clear and open for cattle.

(c) Research Committee:

Committee had a recent conference call with Saskatchewan Cattlemen’s Association and has agreed to work with SCA on a research call. The BCRC has put out their requests for full proposals for the next Beef Cattle Science Cluster. The committee is seeing challenges with Agriculture and Forestry funding of their own researchers.

As part of the strengthening investment in research and development initiative Lowe participated in a phone call recently about joining the Alberta Agriculture Funding Consortium. The funding consortium comprises 13 organizations and provides coordinated funding for research and innovation that supports diversification and growth for agriculture and the food industry in Alberta. ABP has been approached in the past to join the consortium. We do have common interests with several of the organizations in the consortium, but we already have coordinated funding for beef cattle research and we have not seen the benefit of participating in the consortium.

6. Decision Items

(a) Non-refundable service charge strategy:

During the Board conference call on March 13, 2017, the directors heard about proposed amendments to the

Marketing of Agricultural Products Act (MAPA) that would allow for organizations to have a non-refundable Service Charge based on a plebiscite of producers. ABP provided a letter of support for the proposed amendments and will have producers join the Minister of Agriculture and Forestry at the legislature when the amendments are tabled. All Boards and Commissions, as well as the Alberta Cattle Feeders’ Association, have been informed about the potential amendments. We are expecting the amendments to be put forward in the legislature at the end of March or in early April.

If the MAPA is amended, we will need to consider how to move forward on pursuing a non-refundable service charge and creating the Alberta Beef Industry Development Fund to support research, market development, and industry collaboration. There is a meeting planned between the ABP and ACFA Executives to discuss the development fund and the possibility of a return to a non-refundable service charge. The directors were given background information on the development fund. If ABP and ACFA can reach an agreement supporting a non-refundable service charge, we will be in a better position to pursue this option. There could be a possibility of conducting a plebiscite on a non-refundable service charge in conjunction with our fall meetings, but ABP would need to have extensive communications with producers leading up to a plebiscite.

(b) ABP Budget Discussions:

Before the budget was discussed, Patton spoke to the directors about the CCC budget of \$74,800 for the next fiscal year. This year, the budget for the council and the two committees added up to a little over \$100,000.

R. Smith distributed a second draft of the proposed 2017-2018 budget. This draft budget showed expenses that would be covered by the retained service charge revenue from 2016, as well as a series of investments in research, marketing, and industry partnerships that would require withdrawals of funds from the Operating Reserve. R. Smith considered all of the investments to be worthwhile and ABP had made commitments to some of them based on availability of funds, but the directors needed to be comfortable with the level of withdrawals from the Operating Reserve.

There was a long discussion about the use of the Operating Reserve funds and the potential for further budget cuts in following years. The potential amendments to the MAPA do open the possibility of a return to a non-refundable service charge which would certainly ease budget pressure. These amendments also could create a situation where the issue of a non-refundable service charge would at least be settled by the beginning of the next fiscal year. However, there is no certainty about a non-refundable service charge or even a resolution to the issue in the next year.

The Operating Reserve Fund currently has \$1.5 million and was created to help offset temporary budget shortfalls. Given the uncertainty about marketing levels and the future

of the service charge, the directors wanted to retain a substantial amount of funds in the Operating Reserve for future years, but also were prepared to withdraw some funds for this year. If marketings remain at lower levels and we continue to face service charge refunds, major budget adjustments will be needed in the next couple of years.

Motion by Thiessen/Campbell:

“That ABP withdraw up to \$350,000 from the Operating Reserve Fund for the 2017-2018 fiscal budget.”

Motion by Cailliau/T. Smith:

“That the motion be amended to increase the withdrawal to \$500,000.”

Carried

Motion by Thiessen/Campbell:

“That ABP withdraw up to \$500,000 from the Operating Reserve Fund for the 2017-2018 fiscal budget.”

Carried

(c) Canadian Beef Cattle Check-off (CBCCO) Increase Letter:

The Board package included information ABP has received from the Canadian Beef Check-Off Agency supporting the increase in the national check-off. R. Smith proposed sending a letter to Marketing Council asking them to begin the process of increasing the Alberta check-off to \$2.50. The intention is to have the increase in place for April 1, 2018, but have a commitment to the increase by this summer for the BCRC application to the Beef Cattle Science Cluster

Motion by L’Heureux/Israelson:

“That ABP approach the Agricultural Products Marketing Council to officially increase the Canadian Beef Cattle Check-Off to \$2.50 effective April 1, 2018.”

Carried

(d) Canfax Carbon Tax Project:

The Cattle Feeder Council has agreed to support an Intensive Livestock Working Group (ILWG) project that would examine the impact of the Alberta carbon levy on the livestock industry here. Brenna Grant, of Canfax Research Services also has a proposal for research on the impact of carbon pricing on the Canadian beef industry. Grant is looking for five provinces, including Alberta, to provide \$8,000 each in funding for this project. R. Smith will ensure that there is no duplication between the studies and sees the potential for the two studies to complement each other well.

Motion by Sekura/Thiessen:

“That ABP contribute \$8000 to the study on the ‘Implications of Carbon Pricing for Canada’s Beef Sector’.”

Carried

(e) Councils and Working Groups Strategy:

R. Smith provided a document explaining the new roles and responsibilities for councils, committees, and working groups. The directors had a lengthy discussion about this new direction and expressed some of the concerns delegates have raised about the new working groups. The directors considered the process for establishing working groups, how the work of the groups should be reported and addressed, and how the membership on the working groups should be set. The directors also talked about a few specific working groups.

Lowe proposed that the board create a working group to deal with the information ABP received from the producers during the Dynamic Duo exercise at the fall meetings. Lowe, Fraser and Lozeman agreed to sit on the group and work with R. Smith.

The CFC had spoken about setting up a working group to look at the proposed new Transportation Regulations. L’Heureux, Sekura and T. Smith agreed to participate with R. Smith as staff contact.

There was a discussion about how the Safety Net Sub-committee would fit into the new structure and the directors agreed that this could be an ongoing sub-committee if necessary. ABP does need to continue participating in consultations on the next agricultural policy framework with a further need for direction on Business Risk Management programs.

T. Smith asked about EG&S and whether a working group had been approved to deal with this subject. There was no motion at the CCC to establish the working group despite the amount of discussion on the topic. This will be a matter for the CCC to address.

(f) Animal Harvest Restrictions Resolution:

Hays prepared detailed background information on this resolution that was postponed at the last board meeting. There is nothing limiting the number of animals that may be harvested for personal use, but there are restrictions on what can be done with the meat from these animals. Israelson noted that there seems to be flexibility in the Meat Inspection Act that can help 4-H clubs with harvesting animals from 4-H sales.

Motion by Israelson/L’Heureux:

“That the postponed motion from the February 15, 2017 ABP Board of Directors meeting be returned to the table.”

Carried

Motion by Israelson/Bekkering:

“Be it resolved that ABP lobby Alberta Agriculture and Forestry to remove current regulations limiting the number of animals Alberta farmers and ranchers can harvest for personal consumption per year.”

Zone 3

Carried

The directors did not see a need for further action on this resolution.

(g) CCIA Director and Livestock Assurance Fund Tribunal Appointments:

There are two Board appointments on terms that have expired. Bekkering is prepared to continue as the CCIA director and Greg Bowie is on the Tribunal with T. Smith as the alternate. Cailliau will represent ABP at the upcoming CCIA AGM because Bekkering is not able to attend.

R. Smith suggested that we change the length of the term from one year to two years.

Motion by Osadczuk/Thiessen:

“That the ABP Board of Directors approve the appointment of Howard Bekkering as the ABP representative on the Board of the Canadian Cattle Identification Agency.”

Carried

Motion by Osadczuk/Thiessen:

“That ABP increase the term length from one (1) year to two (2) years.”

Carried

Motion by Bekkering/Stanley:

“That the ABP Board of Directors approve the appointment of Greg Bowie as the ABP representative to the Livestock Assurance Fund Tribunal.”

Carried

Motion by L’Heureux/Sekura:

“That ABP increase the term length from one (1) year to two (2) years.”

Carried

(h) MLA Receptions:

ABP hosted a reception for opposition MLA’s at the Canadian Beef Centre of Excellence on the evening following this Board meeting. There seemed to be a lot of interest in the reception, but not many people are attending it. It will still be a good opportunity to build relationships with elected representatives other than government MLA’s. ABP will be hosting another reception for all MLA’s in Edmonton in May.

(i) 25th ESA Video:

Israelson recommended that ABP not proceed with redoing the 25th anniversary ESA video and the Board agreed. Brad Dubeau is looking at making some 30 second videos from our ESA video to play at trade shows.

(j) Grazing Lease Rental Rates:

The Board package included a report from John Buckley on the most recent Operational Grazing Disposition Holder Committee meeting in Red Deer. Industry and the Alberta government are looking for support for the implementation of an updated grazing lease rental rate and assignment fee framework. The current rental rate and assignment fee formulas are outdated, difficult to justify, and do not align with other industries or jurisdictions. ABP has followed the development of a new grazing lease framework and has joined other grazing organizations in supporting updates to the public land grazing framework. Now, the government needs to see further producer support for reviewing and updating the framework.

The Operational Committee also will be discussing issues such as the disposition renewal system, tenure for stewardship, and updating the Grazing Lease code of practice.

Motion by Stanley/Patton:

“That ABP support the grazing lease rental rate fee formula as proposed by the Operational Grazing Disposition Holder Committee.”

Carried

(k) Governance Workshop:

Marketing Council is presenting an Essentials of Governance workshop with Jim Brown of STRIVE!. Fraser was planning to attend, but now is unable to go. Lozeman has been registered and will attend the workshop.

(l) Agricultural Policy Framework (NFP) Consultations:

ABP has been invited to send four representatives to attend the consultations on the next agricultural policy framework. Thiessen suggested that these workshops would be a good thing for our Safety-net Subcommittee attend.

The meetings will be held March 30th in Lethbridge; April 7th in Sangudo; April 8th in Red Deer; and April 29th in Grande Prairie. Zone 7 will send either Lorrie Jespersen or Stanley to Sangudo and MacArthur will go to Grande Prairie or find an alternate. Assar Grinde will be asked to attend Red Deer and Lowe will go to Lethbridge.

This is the first round of consultations and there will be further consultations.

(m) Executive Coaching:

R. Smith met with the last potential governance coaching firm and is waiting for a quote from them. He will have all of the information ready for the next Board meeting.

(n) April-May Board Meeting Date:

Often, we have the board meeting at the same time as the MLA reception, but because it will be so late in May, it will not work for a Board meeting with the Semi-AGM coming a few weeks later.

The Board planned to meet on April 27, 2017, but Lowe informed the directors that he has been requested to join a delegation to Japan on the 27th. The Board set the date for the next Board meeting on May 4, 2017.

7. In Camera

8. Discussion Items

(a) bTB Case Update:

We remain at six confirmed cases and roughly 53 premises under quarantine. A number of premises have been released from quarantine. Reactor slaughter is up to date and analysis of all current histopathology samples will be completed in the next few weeks. Culture results have been negative so far, but completion of all current cultures will take more time.

The bulk of the trace-out herds have been located and testing, but a limited number of new trace-out herds may be identified. Due to calving and movement to pasture, most of the low risk trace-in herd testing will begin in the fall of 2017 and continue into the spring of 2018. Nearly all infected and presumed infected premises have received cleaning and disinfection plans and a number of producers have started working on these plans. Restocking testing on infected and presumed infected premises will occur approximately six and eighteen months after restocking.

(b) CCA AGM Report:

Directors who attended the AGM at the beginning of March gave reports to the board. Meeting CETA requirements might give us access to China; if NAFTA is opened it will be more than tweaked; Korea is having a problem with traceability; Tyson plant will not take Canadian cattle in the event there is another BSE outbreak and they lose Korea.

Canada attended discussions in Chile about TPP and the idea of moving forward without the US.

Bekkering spoke about Animal Health & Care and Value Creation committee meetings; participated in the scenarios for diverse types of disease outbreaks across Canada.; transport regulations; traceability update; CBGA grade requirements.

Lowe and T. Smith provided the update for Domestic Ag. and the Environment Committees. Lowe also read a few resolutions that came out of the AGM.

R. Smith gave the update for the Provincial Managers; discussed the separation of CB from the CBCCO; issues management; felt the provincial communications people should get together more often; Ontario will not be changing the national check-off.

Thiessen discussed the CCA budgeting process and using a fixed assessment per marketing.

ABP had appointed Thiessen to the CCA Executive, while Doug Sawyer and Cathy Sharp were acclaimed as large CCA Executive members.

(c) Ottawa Fly in Report:

Osadczuk, Stanley, Lowe and L'Heureux reported to the Board on the results of the most recent Fly In. The group flew in on March 20th and returned on the 21st. The group was split between John Masswohl and Brady Stadnicki.

The Conservatives are bringing up a Bill for free trade across Canada.

(d) Castle Park Response and Consultation:

In January, the Alberta government released the draft Castle Management Plan for the Castle Provincial Park and the Castle Wildland Provincial Park in southwestern Alberta. ABP established a working group consisting of Brad Osadczuk, Mike Nadeau, Tyler Sawley and Darryl Carlson to work with Tom Lynch-Staunton on a response to plan. ABP sent a letter to Alberta Environment and Parks with our response to the plan and Minister Phillips tabled the letter in the legislature.

Following the initial consultations and a meeting with ranchers in the area, the government has released a revised management plan that addresses many of the issues ranchers had with the original plan. The government has recognized the value of cattle grazing for managing and enhancing the health of the ecosystems in the parks. There is a commitment to working with beef producers to develop a sustainable and long term livestock grazing plan to complement the parks' conservation objectives. Rangelands staff will be managing the grazing permits in the parks.

There will now be a further period of consultation on the revised management plan until April 19, 2017. ABP will be encouraging producers to participate in the consultations and will be formally responding to the revised management plan.

(e) Wood Buffalo Park Update:

There was a handout in the Board package from Maartin Braat. Cailliau spoke briefly about the information in the handout. ABP is continuing to work with the provincial government on the surveillance project and finding a real solution to the issue with the diseased bison.

There is a stakeholder call on April 3rd.

(f) Labour Legislation Consultation:

In the last weekly update, there were two opportunities for people to participate in reviews of labour legislation. The government has released the reports from the first two of six working groups that were established after Bill 6, the Employment Standards and Labour Relations working groups. They are taking feedback on these reports until April 3rd. The Labour Relations working group did not reach consensus on many issues. The government is also reviewing overall labour legislation in the province with a focus on the Employment Standards Code and the Labour Relations Code. This consultation will be open until April 18th.

(g) Agriculture and Forestry Extension Initiatives:

ABP has received two grants from Alberta Agriculture and Forestry as part of their strategic client engagement. The grants are for a total of \$232,000 to do extension initiatives related to Cow Calf Sector Sustainability and Climate Change. Most of the funding will go toward hiring a person to implement the programs.

(h) Zone reports:

Zone 1: Nothing to report

Zone 2: Sponsored Beth for Aggie Days at the end of April

Zone 3: Beth is taking care of the booths for the Stampede and Aggie Days in Calgary. ABP sponsored Israelson, Assar Grinde, Katelyn Laverdure, and Karin Schmid to attend the Agriculture Day Meet in the Middle dinner. They found the event interesting and a good networking opportunity. Beth managed the Calgary Health Show which Israelson and Heinz Lemmer attended for a day. They found it a very interesting day

Zone 4: Supported the local beef club

Zone 5: Nothing to report

Zone 6: Had a zone meeting last month after the Board meeting

Zone 7: Having a zone meeting next week, Beth will be attending

Zone 8: Will hold some town hall meetings next week

Zone 9: MacArthur was invited to attend the Peace Country Forage meeting. Trade show in Grande Prairie last week went well.

(i) Hotels:

L'Heureux suggested that we might want to look at the rates of other hotels in the area for to see if there is something less expensive for delegates and directors when they attend meetings in Calgary. R. Smith assured him that Katelyn Laverdure, the Communications Manager, regularly compares hotel pricing.

(j) Farming for Tomorrow:

L'Heureux read a note from Danny Hozack about a concern over some of the articles found in *Farming for Tomorrow*. The Cow Calf Council had decided at their last meeting to no longer sponsor the magazine.

(k) Brazilian update:

JBS in Brazil had a problem with tainted meat, but Lowe was able to explain the situation and put the issue into perspective.

(l) Vets and feed ingredients:

There is a letter from the Veterinary Drug Directorate (VDD) of Health Canada regarding control and use of antimicrobials. There are no specific recommendations yet, but the industry has concerns about prescription requirements and control over sellers of these products. There would be concerns if veterinarians became the only people who could sell the antimicrobials.

Thiessen will head up a working group to consider this issue. Schmid was asked to be a member and a Cow Calf Council member should also sit on it. Thiessen said they should have a policy in place as soon as possible. Lozeman suggested that we include other organizations in the discussions, as well.

(m) Transportation:

This was discussed earlier in the meeting.

9. Reading Materials

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

10. Next Meeting and Upcoming Events

- (a) Board meeting – May 4, 2017, ABP Board Room, Calgary, AB
- (b) Board meeting – June 12, 2017, Edmonton, AB
- (c) Semi-AGM – June 12-14, 2017, Edmonton, AB
- (d) Board meeting – July/August **TBD**
- (e) Board meeting – September 14, 2017, ABP Board Room, Calgary, AB
- (f) Board meeting – October 19, 2017, ABP Board Room, Calgary, AB

11. Adjournment

The meeting was adjourned on a motion by Patton at 4:40 p.m.