

**ALBERTA BEEF PRODUCERS
MINUTES FOR THE BOARD OF DIRECTORS MEETING
MAY 4, 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*
Tim Sekura - *Zone 6*
Colin Campbell - *Zone 7*
George L'Heureux - *Zone 8*
John MacArthur - *Zone 9*
Brad Osadczuk - *Director at Large*
Garth Porteous - *Director at Large*
Ken Stanley - *Director at Large*
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: Penny Patton - *CCC Chair*

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

1. Adoption of Agenda

(a) Agenda additions and adoption:

Additions: 6(k) Wildlife:

Motion by Porteous/L'Heureux:

“That the agenda be approved with additions.”

Carried

2. Minutes of the Previous Meetings

(a) Minutes of the March 13, 2017 conference call:

Motion by: Lozeman/T. Smith:

**“That the minutes for the March 13, 2017
conference calls be approved as presented.”**

Carried

(b) Minutes of the March 23, 2017 meeting:

Motion by Lozeman/Sekura:

**“That the minutes for the March 23, 2017
meeting be approved with changes.”**

Carried

(c) Minutes of the April 10, 2017 conference call:

Motion by L'Heureux/Osadczuk:

**“That the minutes for the April 10, 2017
conference call be approved with changes.”**

Carried

3. Financial Report

(a) Financial Statement ending April 30, 2017:

We have spent 93% of the 2016/2017 budget. One significant item that was under budget was staff salaries, lower than budgeted as the Marketing and Education Manager position was vacant for much of the year. The budget for salaries has been increased for the coming year for the first time in years to reflect new staff and the increases in salaries for cost of living and staff growth in positions. The \$323,000 not used in the 2016/2017 budget was transferred to Unrestricted Net Assets at year end leaving a balance of approximately \$2.5 million in the Unrestricted Net Assets. The audit will begin on May 15th.

Motion by Fraser/Israelson:

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

Carried

4. Policy and Governance Issues

(a) Directors reporting to zone delegates:

Cailliau spoke to the directors about reporting the information that comes out of board meetings to the delegates in the zones. Cailliau wants to create a mechanism that would ensure that within 10 days of a board meeting, all Zone Directors will have spoken with their delegates and discussed the results of the meetings.

DIRECTION: that a summary be created from the Board minutes and circulated to the Directors and delegates within 10 days of a meeting.

(b) Working group activities:

There are challenges with the working group concept and some delegates are feeling less a part of the organization than before. The change in structure was not meant to reduce delegates participation or engagement. The system was designed to get the delegates more engaged in issues that they are interested in.

The directors suggested we need to give further time and consideration to make this change effective. The Semi-

Annual is in June and the directors agreed that we should have this discussion with the delegates then.

5. Council and Committee Reports

(a) Cow Calf Council:

The council met on April 10th and a working group was created for Ecological Goods.

(b) Cattle Feeder Council:

There has not been a meeting since the last Board meeting.

(c) Research Committee:

The Research Committee and the Saskatchewan Cattlemen's Association have sent out a call for letters of intent. Their targeted priorities are projects that mitigate adverse animal health and welfare effects of mycotoxin infected feed; and quantify the economic and agronomic benefits of integrated annual crop, forage and beef production systems. Information for the research priorities and application can be found on the ABP website.

ABP hosted a meeting to address lessons learned so far on the bTB case. They talked about the concerns they had about the beginning of the quarantine. CFIA is trying to refine the list of people that may be connected to trace in herds. Trace in work is being refined and they are looking to get in touch with potential problem herds. Some of the quarantined land has been released for use.

ABP is submitting a full research application looking to develop an elastrator with pain medication incorporated into it.

6. Decision Items

(a) Carbon Pricing Project Funding:

R. Smith added these projects for discussion before any budget discussions took place. At the March board meeting the directors approved \$8000 in funding for a study on the *Implications of Carbon Pricing for Canada's Beef Sector* proposed by Brenna Grant at Canfax Three other provinces that were approached for funding also agreed to pay the \$8000 but one province can only pay \$4000. Grant has asked if ABP can cover the remaining \$4000 bringing our contribution up to \$12,000.

Motion by Thiessen/Campbell:

“That ABP agree to increase their funding for the *Implications of Carbon Pricing for Canada's Beef Sector* by \$4000 for a total of \$12,000.”

Carried

We need proper facts about carbon pricing and we need actual data to challenge the carbon taxing. The funding for a provincial project has not been supported by Alberta Agriculture and Forestry.

(b) Clean Cow Project:

DSM has developed a technology called 3NOP that is an enzyme inhibitor that targets methane emissions from cattle. R. Smith has a full proposal and based on the proposal ABP has supplied a letter of support. They are now moving to some large-scale testing to demonstrate the commercial viability of the 3NOP in backgrounding and finishing operation's in Alberta. They are asking ABP for \$10,000 in support.

Smaller scale testing has proven its viability and they want to increase the scale for marketing purposes. The directors discussed the project and its impact on the beef sector. They saw this as a commercial marketing project and did not see it as an appropriate place to be investing ABP funds.

(c) Final 2017-2018 Budget Decisions:

R. Smith distributed the final proposal for the 2017/2018 fiscal budget and the expenses for the 2016/2017 fiscal year. We have almost \$4.3 million in retained services charges from 2016 and just over \$500,000 available from Unrestricted Net Assets which would give ABP a total revenue of just over \$4.8 million. The budget proposal included the marketing and research investments previously discussed with the Board required \$434,990 in funds from the Operating Reserve to bring the budget up to \$5,236,539 for this fiscal year. The Operating Reserve would be left at \$1,065,010.

R. Smith spoke about the reasons for the increases to various budgets as well as funding for approved projects.

Motion by MacArthur/Stanley:

“That the ABP 2017-2018 Operating Budget be approved as presented.”

Carried

(d) ABP-ACFA Meeting:

Brian Walton, Martin Zuidhof and Ryan Kasko from Alberta Cattle Feeders' Association (ACFA) joined the meeting to discuss the funding issue. The ABP Executive met with the ACFA Executive on March 27th and a summary of that meeting was available in the Board package.

The organizations were looking for opportunities to work more closely together. The proposal from the executives was a concept for the respective boards to consider and was an attempt to find conditions under which both organizations could support a return to a non-refundable service charge. The proposal from that meeting was based on the creation of the Alberta Beef Industry Development Fund to support research, market development and industry collaboration. A portion of this fund would be allocated to ACFA to cover operational costs.

Once our guests left there was lengthy discussion among the directors about the pros and cons of the proposal. Lowe suggested that the Board vote on whether to accept the proposal in principle or not.

With a show of hands, a majority of the Directors did not support the proposal.

(e) Check-off Strategies:

R. Smith spoke to the directors about the increase in the national check-off (nco). Marketing Council has asked that we have a resolution to increase the nco approved at the Semi-Annual General Meeting. Marketing Council will meet a few days after the Semi-Annual and can begin moving forward with the regulation changes that would lead to the increase being implemented by April 1, 2018.

Bill 9 has passed the third reading at Legislature and will come into force upon proclamation.

(f) Review of Fall Meeting Dynamic Duo Exercise:

There is a summary of the exercise from the fall meetings. Fraser spoke about the information tallied regarding the two questions that were asked at the fall meetings.

If we choose to move forward with this exercise again this fall, then the three main answers given by producers at each meeting need to be highlighted.

The strategic objectives were developed from the information received from producers during the exercise. Now we need to show producers the results from those responses.

(g) ABP Strategic Objectives for 2017-2018:

Each year we review the ABP vision, mission, core strategies, and priorities to make sure they are still valid. We then develop specific objectives for the current years. We added new priorities a couple of years ago, but our objectives change every year.

Some of the issues that producers have brought up at the meetings are related to policy and could have been answered by delegates with a policy book. This would be a good area to develop an ad hoc committee to create a policy book for our delegates. The creation of a policy book was the intention when our policy discussions were started several years ago. We have made significant advances on our governance policies and the next step is to make sure we have policies in key subject areas.

Lowe suggested a working group to look at the Ends Policies and create a policy book. Directors suggested getting delegates involved as well as Board members. Fraser and Bekkering volunteered and R. Smith will send out an email to the delegates looking for three or four who are interested.

Motion by Israelson/Porteous:

“That the ABP Board of Directors approve the 2017-2018 Strategic Objectives.”

Carried

(h) Grazing Lease Rental Framework Communications:

A new proposal has been developed for the grazing lease rental rates framework and the government is ready to bring it out to producers for ratification.

The government has asked ABP and other grazing lease groups to lead communications about the proposals. The livestock groups have agreed to work together and we will use the Semi-Annual to get it started. We will also set up meetings in coordination with the other organizations to get producer input.

A copy of the proposed rate framework will be sent to the delegates before the Semi-Annual.

(i) Ad Hoc Carbon Offset Group Representative:

There is an Ad Hoc Coalition on Offset Solutions pursuing a strong framework for carbon offsets. The group meets by conference call monthly and we would like a representative to be a member of this group. The group is working to expand carbon offset opportunities for the agriculture industry.

Heinz Lemmer might be interested in doing this, as would Ralph Buhler.

(j) Emergency Management Workshop/UCVM:

Matt Taylor has received funding to do workshops on Emergency Management Industry Plans. He has received funding to do projects with different provinces. He would like to do a workshop on June 2nd in Leduc and would like to have ABP attend, as well as 5 to 6 producers. They would look at processes and guidelines for producers in a cattle emergency. This request will also be sent out to delegates.

Cailliau and L’Heureux offered to attend.

We have one complementary registration to the UCVM in June. Fraser expressed an interest in attending and will speak with Schmid about it later.

(k) Wildlife:

Campbell spoke about the Miistakis project and the amount that producers lose to predation every year.

This situation has been a problem for years and we need to be proactive in addressing the problem. Campbell will chair a wildlife working group to develop an ABP policy for dealing with predation.

7. In Camera

8. Discussion Items

(a) Agency Agreements and Funders Meeting:

There will be a provincial funders meeting in Toronto on May 15th. The point of the meeting is to review management of the Agency administration and Canada Beef marketing.

With respect to Alberta's agreements with the Agency, there was some concern about signing the agreements if we need to submit interprovincial levies monthly. ABP will be signing supplementary agreements with BC, Saskatchewan and Manitoba to address our issues with these levies.

Francis Andres is the new Executive Vice President for Canada Beef.

(b) U.S. Trade Advocacy Working Group:

This group came out of the Premiers working group in January. The first meeting was two weeks ago where they set the Terms of Reference. Lowe sits on it as the agriculture representative on the group.

Lowe updated the Board on his trip to Japan with members of the Alberta government.

(c) CRSB Meeting Report:

They are working on finalizing and setting indicators and establishing a verification framework. They broke out into two brainstorming groups on what projects the CRSB should be doing next.

US Roundtable has come up with 6 broad indicators, but that is as far as they are going.

(d) MLA Reception:

The reception is being held on May 17th at the Federal building in Edmonton and the planning is coming along nicely. It will be held from 6:00 to 9:00 p.m. and we are again working with ACFA to present the reception.

ABP has been approached to see if we would be willing to meet with Maxime Bernier for an industry meeting with a lunch at the Canadian Centre of Excellence on May 19th. They are also looking for someone to host a ranch tour.

Lowe will attend, Thiessen will try to attend, and Campbell will also participate. Israelson, Lozeman and Bekkering also agreed to come.

(e) Zone 8 Meetings Report:

Zone 8 held some Spring zone meetings that went very well. The notes from the meetings were available in the package. One request that was made was to have a list of things that ABP has been, or is currently, working on. The younger producers also suggested that we have more on social media.

Cailliau attended one of the meetings and felt it was very productive. They are also planning to hold further meetings.

(f) Governance Excellence Workshop Report:

Lozeman gave a report on the workshop he attended in March. There were a lot of Marketing Council members, as well as representatives from other ag industry organizations. There are seven new members to Marketing Council out of eight.

(g) Wood Buffalo Delegate Decision:

Cailliau gave the Board background on a decision by a Zone 9 delegate to withdraw from further work on the Wood Buffalo situation.

ABP is looking after the interests of producers. Schmid provided responses to questions from Cailliau that outlined the ABP work on this issue well.

(h) CBIC update:

Allen and R. Smith provided the directors with an update on the proposed visit of US officials hosted by the Federal government during the conference in August.

(i) Zone reports:

Zone 1: Held a Zone meeting on April 20th to discuss funding, CBI and the National Strategy.

Zone 2: Participated in the Southern Alberta Youth Range Days.

Zone 3: Co-sponsored the Chinook Junior Stock Show with Zones 1 and 2 in Claresholm. Had a zone meeting last week.

Zone 4: Have had some discussion about the ACFA proposal.

Zone 5: Fraser left early for funeral, nothing to report at this time.

Zone 6: Some delegates helped with the Amazing Ag that took place at Northlands in Edmonton.

Zone 7: Had a meeting on Tuesday to discuss the ACFA proposal. Helped Beth set up for the Amazing Ag at Northlands. Had a meeting to update delegates on board meeting decisions.

Zone 8: Had a conference call to discuss proposal.

Zone 9: Attend GF2 discussions.

9. Reading Materials

(a) BOD Resolutions and Action Items:

(b) Beef Supply at a Glance:

10. Next Meeting and Upcoming Events

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

11. Adjournment

The meeting was adjourned on a motion by Bekkering at 3:05 p.m.