

ALBERTA BEEF PRODUCERS
MINUTES OF THE BOARD OF DIRECTORS VIRTUAL MEETING
WEDNESDAY APRIL 21, 2021, 10:00 a.m.

Present: Melanie Wowk – *Chair, NE*
Jason Hale – *Vice Chair, SE*
Brodie Haugan – *Finance Chair*
Rod Carlyon – *CT*
Mike Nadeau – *NW*
Fred Lozeman – *SW*
Darren Bevans – *@ Large*
Colin Campbell – *@ Large*
Sheila Hillmer – *@ Large*
Kent Holowath – *@ Large*
Lee Irvine – *@ Large*
Chris Israelson – *@ Large*
Kelly Smith-Fraser – *Past Chair*

Staff: Brad Dubeau – *General Manager*
Rosanne Allen – *Office Administrator*
Laura Procnier – *Controller*

Guest: Lyle Adams – *ACFA*

The Chair called the meeting to order at 10:00 a.m.

1. Adoption of Agenda

(a) Additions and Adoption of Agenda:

Motion by Hillmer/Carlyon:

“That the agenda be approved as presented.”

Carried

2. Minutes of the Previous Meetings

(a) Minutes of the March 18, 2021 Board of Directors meeting:

Under 6(c) change the mover from Flozeman to Lozeman.

Motion by Bevans/Lozeman:

“That the minutes of the March 18, 2021 Board of Directors meeting be approved as amended.”

Carried

(b) Minutes of the March 26, 2021 Board of Directors meeting:

Motion by Haugan/Lee:

“That the minutes of the March 26, 2021 Board of Directors meeting be approved as presented.”

Carried

3. Financial Report

(a) Financial Report ending March 31, 2021:

The financial statements reflect less cash than a year ago, this is a result of the deferred revenue projects being taken into revenue and the projects being paid for. A gain of \$600,000 has been realized on the investments which will not be repeated next year. As the GICs come due they are being reinvested at lower rates and the 25% of the investments are invested in stocks. Expenses are under budget by roughly \$400,000 primarily due to COVID. ABP passed a motion to pay \$0.48 rather than the \$0.53 assessed by CCA. The difference in the payments and the assessment to date is \$115,000.

Motion by Haugan/Lozeman:

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

Carried

4. Staff Report, Policy and Governance

(a) Board Governance Training update:

This is still a work in progress. Dubeau has done some research and there are a few people he will contact soon and he will bring back something to the board in May. Dubeau will also speak with ACFA to see if they are interested in a participating in the training with ABP

(b) Operations update:

The operations report was added to the package for the directors to look over.

5. Council and Committee Reports

(a) Research Committee:

The committee met on March 30th to discuss how they will approach any budget that they have. The committee also decided that they will join the Agriculture Funding Consortium.

The AF funding needs to be spent by 2023 and BCRC is helping Karin Schmid, ABP Lead Beef Production, find projects that ABP can fund.

BCRC met on April 19th to approve funding for a few additional 2020 project proposals.

(b) Audit Committee member approval:

The Audit Committee needs approval for their independent member.

Motion by Campbell/Bevans:

“That the ABP Board of Directors approve the appointment of Howard Bekkering as the independent member of the Audit Committee.”

Carried

(c) ACFA Update:

The members discussed some of the resolutions passed at their AGM. ACFA will be going ahead with their golf tournament with 25 teams. If you are a member and interested in participating contact Jennifer Burnett at ACFA. If there are not enough ACFA members interested in playing golf the tournament will be open to other organizations.

Bevans attended the meeting as the ABP rep and added to the update; the ACFA spoke about mandatory packer price reporting; this would be beneficial to producers. He also complimented the ACFA messaging on carbon pricing; the presentation was very well done and well thought out. Carbon pricing will affect producers in a large way. If the province was to develop their own program this would be a good opportunity for us to make suggestions. Bevans suggested these were two issues that ABP should look at.

DIRECTION: Dubeau will get in touch with Janice Tranberg at ACFA to see how ABP can help.

There is a mechanism through Stats Canada to force the packers to report prices. Brian Thiessen, a past ABP Director, brought forward this issue a number of years ago.

Adams also suggested that the ABP/ACFA working group get back together.

(d) ABP/ACFA update – Minister Toews meeting:

Representatives from ABP and ACFA met with Minister Toews and identified 3 key areas of concern for the industry. Access to foreign labour; the carbon tax; and regulatory burden. The carbon tax has increased producers expenses. They also discussed the proposed increase in county taxes; regulatory burdens that Canadians have to deal with compared to the US; taxation rates are much lower in the US; BRM's were discussed; equitable payments between crop and cattle producers.

ABP/ACFA will continue to work with Dreeshen and would like to have Toews involved in the discussions.

How do we draw workers out of the large centers where salaries are higher and working hours are 9-5, five days a week. Producers cannot compete with this as hours can be longer during certain periods and they cannot compete with the wages offered in urban centres.

An update will be sent out to the delegates on the meeting with Minister Toews and Minister Marchand once ABP has met with Minister Marchand.

6. Decision Items

(a) Captial gains:

In the past the unrealized gain were utilized in our budgets and, on the recommendation of our Auditor, ABP needs to get a motion on the books to make sure the money is not added to our budget.

Motion by Haugan/Campbell:

“That the unrealized gain on the investments as of March 31, 2021, in the amount of \$258,166, be held in trust at year end and not closed into the unrestricted net assets account.”

Carried

The amount will change and fluctuate month to month. We really do need to take a look at money in the market that is unavailable to us until we sell the investment. The Auditor also recommended that the motion be refreshed every year. The Executive should meet every year with Nesbitt Burns to discuss the investments and any decisions that are made will come back to the board for approval.

(b) Budget:

Dubeau and Procnier have spent many hours working on the budget for this fiscal year. Haugan went through the numbers and asked that general questions be left to the end of the presentation.

Haugan spoke briefly on the Trade Advocacy Fund, the Reserve Fund and the Unrestricted Net Asset fund that have been set up. Haugan went through each line item explaining the reasoning behind each decision made in regards to funding.

The CCA allotment is a concern for directors and Haugan suggested that ABP pay what it owes to CCA for this fiscal year and their next fiscal year which ends June 30, 2022 but warn them that their following fiscal year ABP will be making different decisions. Haugan and Dubeau explained where there will be reductions and the reasoning behind each decision.

Some areas will see an increase and others will see cost savings because we are sharing the costs, looking for a sponsor or, like the Semi-Annual General meeting, having large meetings online only.

Scholarships were created for 4-H students because they pay check-off on their animals and the decision was made to leave this area alone. Each Zone has a budget for Zone activities but this does not include Fall Meetings. Haugan suggested that the delegates be informed of the zone budget and what the funds can be used for. Megan McLeod, ABP Field Specialist, will work with the zones to determine on how the money should be spent.

One significant increase is the legal cost due to the ABP Legal Council taking on a lawyer to eventually replace her when she retires.

The budget is higher than last year but the increase is due to the new communications platform and increase in legal costs.

Dubeau brought forward some ideas on how to reduce the budget numbers and the directors discussed the options. Dubeau also explained why the budget looks different from what the directors saw last month.

Haugan presented a \$3.5 million budget for 2021-2022. Whatever decisions that ABP makes we need to reduce our budget by \$500,000.. When we include the CCA allotment of

\$1.2 million that increases it to over \$4.1 million. ABP still needs to find almost \$1.5 million to complete the budget. ABP would need to go into the Unrestricted Net Assets and going forward we will have a balanced budget on retained marketings only. This budget will keep us whole for this fiscal and CCA will have a full year to make the transition.

Dubeau and Haugan created a forecast to show funds for over the next five years and presented it to the directors. If the board accepts the proposed budget that keeps CCA funded with no arrears and goes forward with only using retained funds after July 2022 then ABP needs to have an awareness campaign to show the delegates and producers what ABP is doing and why and give them an opportunity to respond.

The directors were asked for their input on the budget and the options facing ABP. The hard decisions need to be made now if ABP wants to continue as a viable organization.

Wowk asked questions that the directors need to answer and get back to Dubeau with the answers as soon as possible. Wowk believes that the ABP Executive needs to meet with CCA to discuss the issues facing ABP but at the end of the day the board still needs to make a decision for ABP.

The consensus is that we pay CCA up to the end of their 2022 budget, before moving to paying from retained funds only, to keep them whole; that we remove programs to get closer to our \$3 million budget. Dubeau will speak with CCA and let them know what the Board is discussing.

Motion by Campbell/Irvine:

“That the ABP Board of Directors approve using only retained marketings to pay the Canadian Cattlemen’s Associations assessment of \$0.53 beginning July 1, 2022 and going forward.”

Motion by Haugan/Lozeman:

“That the motion be postponed until Dubeau and Procnunier have completed the 2021-2022 fiscal budget.”

Carried

(c) Per diem:

At the last board meeting Israelson brought forward a motion on changing the per diems that ABP pays to delegates and directors. Though the motion was defeated the directors asked for more information and staff have been speaking with other organizations in Alberta as well as other provincial cattle organizations. We are still compiling information.

We will be putting a working group together that Haugan has offered to sit on who will look at the information and bring the information back to the board for a final decision.

(d) Farm Implement Board representative:

Brian Chomlak is the Chair of the FIB and has asked that ABP bring forward his name as our representative again for another year. There was some frustration about the lack of notice for motions like this. ABP will be making some changes going

forward over the next months to make this process more streamlined.

Motion by Hale/Hollowath:

“That the ABP Board of Directors approved the appointment of Brian Chomlak as their representative to the Farm Implement Board.”

Carried

(e) Terms of Reference for TAT and IMC:

Dubeau spoke to the directors about the Terms of Reference for the Tier Advisory Team (TAT) and the Issues Management Committee (IMC). Adrienne Waller, Legal Counsel, has developed the Terms of Reference for the Issues Management Committee (IMC). Mark Lyseng will be the staff representative for the IMC. The Governance Committee has looked though the Terms of Reference for both committees and approved them. The committees will be populated by delegates, directors and staff. The IMC is established by the board and reports to the board. The directors discussed their concerns about some of the wording of the Terms. This committee will also receive all of the fall meeting resolutions to determine what will happen with them. Both committees are made up of producers acting and working on producer concerns.

Motion by:

“That the ABP Board of Directors approve the Terms of Reference for the Issues Management Committee.”

Carried

The Tier Advisory Team is an operational committee that is under Dubeau’s management and he will act as staff support. The committee will be populated by delegates and producers. There was a form that was developed that shows all of the organizations that ABP participates in. Andrew MacGregor, ABP Legal Counsel in training, will also be working with ABP and reaching out to the organizations to see if this is something that ABP needs to be part of.

Motion by Carlyon/Lozeman:

“That the ABP Board of Directors approve the Terms of Reference for the Tier Advisory Team that are stated as an operational committee.”

Carried

7. Discussion Items

(a) Monthly delegate meetings:

It has been brought to the attention of the Executive that delegates would like a monthly delegate meeting. The Executive decided on a meeting every 2 months over lunch hosted by the Executive. Because we have a Town Hall soon the Executive thought that June would be a good time for the first meeting. It was suggested that an agenda be provided as well and that the delegates be asked for feedback.

(b) Grasslands Carbon Pilot:

Dubeau met with the group involved in this pilot project. There was talk about protocols of carbon pricing. ABP was asked to lead the discussions with the Alberta government. Dubeau was asked for ABP's stance on the issue. The group was interested in asking ABP to move forward. Any directors who have questions were asked to send them to Dubeau who would bring them forward to the group who could address them.

One issue was easements and giving producers an out if they felt they were not getting anything out of it.

Dubeau thought ABP's role was more one of communications but after the last meeting it seems the group wants ABP to have a more active role. ABP has not provided any funding beyond the time Dubeau has spent on the meetings.

The directors were very concerned about supporting one carbon pricing group over others. They see ABP more of a communications body to provide information to producers on all carbon pricing options available to producers. Dubeau suggested that ABP have a presentation from the group before making a decision on whether to pull out. Directors agreed that ABP needs to be involved in some form.

DIRECTION: directors to submit any questions to Dubeau on the the Grasslands Carbon pilot by Friday April 30th.

(c) Strategic objectives:

In the package was the zones input on the strategic objectives and Dubeau can start developing strategic objectives for this year. Once the objectives have been developed they will be brought to the Semi-Annual in September for the delegates approval. The information can be sent out to the delegates prior to the Semi meeting

(d) CCA Industry update: initiative overview:

There was a reaction over a Calgary Herald article about the \$800,000 supposedly going to a CCA rebranding initiative. Wowk spoke with CCA and was informed that the bulk of the money was going towards an environmental initiative. They will be lobbying in the Federal government; some of the funds would also be used to redo the CCA website. Wowk expressed her concerns over the optics of the story and the money; now that Wowk has received an explanation on how the money will be spent she feels we cannot tell them how to spend their money.

As of 2020 Canada's trade deficit with the UK is over \$14 million and with the EU it is \$96.8 million. Wowk thanked Campbell for continuing to voice his concerns over the trade agreement that Canada had with the UK and the EU.

(e) AGM resolutions:

The directors were asked if they had any questions. Otherwise the resolutions would be sent to IMC once the committee is populated.

8. In Camera

9. Reading Material

- (a) BOD Resolutions and Action Items:
- (b) Beef Supply at a Glance:
- (c) CASA meeting reports:
- (d) TAG meeting report:
- (e) Ag Plastics update:

10. Next Board meeting & Upcoming Events

- (a) Board of Directors meeting – Wednesday May 19, 2021 - Virtual
- (b) Board of Directors meeting - Wednesday June 16, 2021
- (c) Board of Directors meeting - Wednesday July 21, 2021
- (d) Board of Directors meeting - Wednesday August 18, 2021

11. Adjournment

The meeting was adjourned on a motion by Haugan at 3:35 p.m.