

**ALBERTA BEEF PRODUCERS**  
**MINUTES FOR THE BOARD OF DIRECTORS MEETING**  
**MARCH 7, 2018, 8:30 a.m.**  
**AT THE ABP BOARD ROOM, CALGARY, AB**

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**Present:** Charlie Christie - *Chair*  
Kelly Smith-Fraser - *Vice-Chair/Zone 5*  
Melanie Wowk - *Finance Chair/Zone 8*  
Garth Porteous - *Zone 1 (via phone)*  
Sheila Hillmer - *Zone 2*  
Chris Israelson - *Zone 3*  
Jesse Williams - *Zone 4*  
Tim Sekura - *Zone 6*  
Colin Campbell - *Zone 7 (via phone)*  
John MacArthur - *Zone 9*  
Assar Grinde - *@ Large*  
Fred Lozeman - *@ Large*  
Brad Osadcuk - *@ Large (via phone)*  
Cathy Sharp - *@ Large*  
Tim Smith - *CCC Chair*  
Ken Stanley - *CFC Chair*

**Staff:** Rich Smith - *Executive Director*  
Fred Hays - *Policy Analyst*  
Laura Procnier - *Controller*  
Karin Schmid - *Beef Production*  
Rosanne Allen - *Executive Assistant*  
Brad Dubeau - *Marketing & Education*

**Absent:** Bob Lowe - *Past Chair*

The Chair called the meeting to order at 8:40 a.m.

### 1. Adoption of Agenda

(a) Additions and Adoption of Agenda:

Additions: 6(n) Wildfires; 8(g) 4H Sponsorships;

Motion by Wowk/Lozeman:

**“That the agenda be approved with additions.”**

Carried

### 2. Minutes of the Previous Meetings

(a) Minutes of the January 11, 2018 meeting:

Motion by Israelson/Stanley:

**“That the minutes for the January 11, 2018  
Board of Directors meeting be approved.”**

Carried

### 3. Financial Report

(a) Financial Statement ending February 28, 2018:

The year-end is March 31<sup>st</sup>. Wowk asked everyone to please submit their expenses to Procnier before the end of the month. The final numbers for the operating fund for the 2018/2019 year will be determined once Procnier has completed the year-end. The Service Charge refunds are up from last year from 2.4 million to 2.5 million. Our budget is on par for where we need to be.

Motion by Wowk/T. Smith:

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

Carried

(b) Refund Report:

Refund requests are up from last year. Feeders represent 30% of the requests and 90% of the value and cow calf producers represent 70% of the requests and 10% of the value.

(c) Preliminary 2018-2019 Budget Discussion:

R. Smith passed out the preliminary budget for the next fiscal year to the directors. He has created a budget of just over \$5.1 million down just over \$100,000 from this fiscal year. We have almost \$4.8 million in retained Service Charges but until the year-end is completed on March 31<sup>st</sup> we will not know exactly how much money is available for the next fiscal year.

CCA is moving to a fixed rate of assessment for their budget. ABP has not received an assessment yet for their next fiscal year but R. Smith was able to estimate an approximate number. Their base rate this year is between \$0.47 to \$0.49 and adding another \$0.04 to \$0.06 to build a reserve fund. At this base rate the CCA assessment will increase by over \$200,000

Feed Grains Research has been reduced from \$100,000 to \$25,000 and we will not be adding money to the Beef Science Cluster this year because of the increase in the national check-off. There have been small increases to Council and Committee budgets to cover changes in their structures and responsibilities. There is also a slight increase to salaries and benefits for the first time in many years.

Last year the Directors added funds from the Operating Reserve to bring the budget to \$5.2 million. This reduced the Operating Budget to just over \$1 million. To meet the proposed budget for the next fiscal year, we may need to use funds from the Operating Reserve Fund, depending on what monies have been retained from the current budget.

By this time next year, we should know whether we will have a non-refundable service charge.

#### 4. Policy and Governance Issues

(a) Select Chair of the Governance Committee:

The Committee approved the appointment of Howard Bekkering as their non-delegate member. They also chose Bekkering as the Chair for the Committee pending the Boards approval.

Motion by Campbell/Sharp:

**“That the ABP Board of Directors approve the appointment of Howard Bekkering as the Governance Committee chair.”**

Carried

(b) ABP Representatives Actions:

An ABP delegate has misrepresented himself as the lead of a working group and has set up meetings with government officials. Christie believes that we need to develop a code of conduct for delegates similar to the one the Directors have. This would outline the role of delegates and ABP representatives when they are arranging or attending meetings. The code could be used as the basis for action if the work of a delegate reflected badly on ABP.

In another case, an ABP delegate spoke to an Alberta vet about prescription medication and distribution expressing opinions that were not ABP’s. It is unclear if he expressed those opinions as being shared by ABP.

**DIRECTION: Governance Committee to develop a Code of Conduct for delegates and representatives.**

#### 5. Council and Committee Reports

(a) Cow Calf Council:

T. Smith briefed the directors on the discussions and decisions made by the Council at their February meeting. Copies of past approved minutes can be found on the ABP website.

(b) Cattle Feeder Council:

Met on February 5<sup>th</sup> and discussed the current financial position and the numbers needed for the next year. Some producers, working with ACFA, have begun spreading manure on frozen ground with the oversight of the NRCB.

The government has given a grant of \$170,000 for ag safety issues. ILWG is likely to lose its government funding and the ABP share of funding for ILWG will increase to \$30,000 from the \$9000 the council has been providing. Stuart Thiessen has been our producer representative but will be stepping down. R. Smith is looking for someone who is interested to take his place.

(c) Research Committee:

The Research Committee met on February 9<sup>th</sup> and Lozeman was appointed as the committee Chair. He gave a brief review on the topics that were discussed.

#### 6. Decision Items

(a) Non-refundable Service Charge Strategy:

Christie, Fraser, Stanley and Lozeman represented ABP on the strategy committee. R. Smith updated the board. Brian Rhiness has been engaged to write up the draft agreement with ACFA and the Terms of Reference for the Alberta Beef Industry Development Fund. Christie and R. Smith met with Bryan Walton on March 6<sup>th</sup> to discuss the plebiscite and setting up town hall meetings in late May or early June to begin talking about it with producers. R. Smith believes that we can make a case for a plebiscite that is determined only by the producers who vote in it. 75% of ACFA members voted in support of the agreement with ABP at their AGM in February.

We need to have solid speaking points for our delegates and get out there where the producers are now, such as auction marts, and talk to them about the work that ABP has done. Sharp suggested that ABP also watch the social media sites to counter any negative messaging.

R. Smith will take the message forward to the Marketing Council.

(b) CBCCO Communications and Allocation Decision:

A copy of the letter sent to remitters was found in the package along with the backgrounder information that was sent. The previous and next editions of Grass Routes will deal with the increase in the national check-off and we will be communicating through Cattle County, Alberta Beef Magazine and Alberta Farmer Express.

On March 20<sup>th</sup>, we need to send a letter to the agency telling them how we want our money allocated. This decision will be in effect for two years. Ontario is the only province that has not voted on to the increase and Sharp is concerned that the new BFO board may not be in favour of the increase.

Motion by Lozeman/Israelson:

**“That ABP approve the allocation of the national check-off of 50% to Canada Beef, 45% to the Beef Cattle Research Council and 5% to Issues Management.”**

Carried

R. Smith asked the Board for a little latitude in funding Issues Management beyond the 5% and the Board agreed with that.

(c) Alberta Environment and Parks Issues:

This water licensing issue between a southeast producer and the Alberta government seems to be more complex than originally thought. The producer was informed just before Christmas that a number of his water allocation applications

had been cancelled. He is appealing but has not gone before the Environment Appeal Board yet. ABP has been trying to get clarity on the issue and we must stay on it. This is another example of where ABP needs to weigh in and represent our producers properly.

Motion by Stanley/Sekura

**“That ABP seek support from other agriculture organizations to send a letter to Alberta Agriculture & Forestry regarding a range of issues that producers are facing with Alberta Environment & Parks.”**

Carried

(d) BRM Review with AFSC:

Ken Handford, Stuart McKie and Shad Thevenaz from AFSC spoke to the Board about business risk management. A task force has been put together from each representative government to go through the current conditions in Canada for agriculture and how BRM’s are responding to it.

Shad gave a slide presentation showing the Canadian averages and asked the directors if this reflected Alberta’s experience. He discussed the programs that are offered to producers. Director’s discussed the problems they have had using the AgriStability, AgriInvest, and AgriInsurance programs.

Directors also asked about financial support for producers who have lost land, equipment, and livestock to wildfires.

AFSC is sending a link to a BRM survey that ABP will forward to delegates.

(e) ILAC OH&S Meetings:

The government has been working with the recommendation from the final two working groups under Bill 6. Through the AgCoalition, we have suggested that our industry could work with the intent of the OH&S code and with the risks to create guidelines. Tom Lynch-Staunton has been working with Darcy Fitzgerald at Alberta Pork and Mike Slomp from Alberta Milk to create the guidelines. There will be several meetings across Alberta to get input from producers on what the working group has created. R. Smith passed around a copy of his email with the dates and places of the meetings.

(f) AFAC appointment (one year):

Greg Bowie has been our representative on AFAC for the last two years and is currently their Chair. His term as Chair will be over this year and he will sit for 1 year as their Past Chair. After Bowie became the representative, AFAC changed their terms of service for directors from two years to three years causing a lag for Bowie. Since he will be sitting as the Past Chair for one-year, R. Smith suggested that ABP appoint him as our representative and when his term is over we can then appoint someone for a three-year term.

Motion by Stanley/Sekura:

**“That ABP approve the appointment Greg Bowie to Alberta Farm Animal Care for one (1) year.”**

Carried

(g) CCA Issues for AGM:

There were questions about the CCA position on traceability. There was also discussion about international foreign trade and importation.

(h) Ottawa Fly-In on May 1, 2018:

The three Executive are going to Ottawa and we are looking for one more person from the board to go. Israelson said he would like to go.

(i) ABP Mileage Rates:

Laura Procnier and Nancy Ring from CCA attended a CRA taxation seminar in February. ABP currently pays the same mileage rate that the Alberta government pays. The CRA says that after 5000 kilometers the rate should decrease, or it would become a taxable benefit. Procnier is suggesting that we follow the CRA rates of \$0.55 per kilometre for the first 5000 kilometres and \$0.49 per kilometre for everything over that.

Motion by Campbell/Wowk:

**“That ABP follow the Canadian Revenue Agency mileage rates of \$0.55 per kilometre for the first 5000 kilometres and \$0.49 per kilometre over 5000 kilometres.”**

Carried

(j) Responses to ABP meeting arrangements:

We have been having problems with directors and delegates who either do not confirm they are attending a meeting or confirm and don’t show up and ABP has to pay for the hotel room as well as the extra food ordered. When a meeting is booked, Allen books hotel rooms for everyone on the board, council or committee who requires a room. This has been a convenience for directors and delegates in the past.

After some discussion, the Directors agreed that any director or delegate who did not cancel their hotel room would have to cover the cost. Delegates can either call the hotel directly or contact Allen and request that she cancel the room.

Motion by Stanley/Hillerman:

**“That the ABP Board of Directors approve charging Directors and Delegates, who do not cancel their hotel rooms, the cost of the hotel room.”**

Carried

(k) FAA Resolution:

In the package was a letter to Christie from the Feeder Association asking ABP to take the lead in resisting changes in the designation and use of grazing lease land.

Carried

(l) Board of Director Resolutions:

The Directors did not have sufficient time to debate all the resolutions but at the request of Sekura they dealt with Resolution #3.

Motion by Sekura/Grinde:

**“Be it resolved that ABP support the development of a calf mortality program, based on Bob Dublanko's proposal.”**  
Zone 6

Defeated

What Dublanko would like is a similar program to the crop insurance program that would help producers to recover the cost of lost calves. The problem is there are different management techniques. There are many ways that a calf could die in its first year. Because of the countervail implications we do not feel this is a program we could support. AFSC has not expressed any interest in supporting a calf mortality insurance program.

Motion by Sekura/Grinde:

**“That ABP investigate the development of a cost-shared calf mortality program.”**

Carried

(m) AGM Resolutions Actions:

Christie asked the Directors to review the resolutions and decisions would be made at the next meeting on actions.

(n) Wildfires:

Osadcuk spoke about the damage the wildfires did to land in southeastern Alberta and the lack of government support for the producers affected. Minister Carlier announced a \$200,000 support fund for damages. It is a nice gesture but doesn't even begin to cover the loss in equipment, crops and livestock.

He was asked to join the municipalities of Acadia Valley and Cypress on behalf of ABP for a meeting with the Ag Minister. He wondered if he could bring the Executive with him. Christie agreed to join him and would like the Fraser and Wowk to come as well.

This problem demonstrates a hole in the system. Some producers lost almost everything, and we need to advocate for these producers. ABP can make a formal request that the government consider AgriRecovery for this.

Motion by Fraser/Israelson:

**“That ABP formally request AgriRecovery for the producers affected by the wildfires in southern Alberta.”**

There is uncertainty about the actual triggers for AgriRecovery funding and it does not always seem to be based on need.

**7. In Camera**

**8. Discussion Items**

(a) Traceability Regulations Discussion:

The board had discussed the status of the federal traceability regulations. At this time, it seems that the regulations will be consistent with the industry Cattle Implementation Plan (CIP), but we will need to remain vigilant.

(b) Research and Development Advisory Committee – Christie:

Christie is the Chair of the Advisory Committee and met with Alberta Ag to discuss research and development strategy and funding. The minutes from the first meeting were available in the Board package. The government officials were very open and frank about their intentions and are eager to work with industry to discuss research and develop strategy.

(c) Agriculture Recycling Group update:

Dave Burdek attended the meeting. Manitoba and Saskatchewan have been working on their own pilot for the last five years. We should be able to get funding for the project and Grinde asked if R. Smith could send in a letter of support. On March 26<sup>th</sup>, they will be deciding on what results they want from the program.

(d) NCBA Reports:

Christie, Fraser, Wowk and R. Smith attended the National Cattlemen's Beef Association conference in February. They spoke briefly about the convention, the issues raised by American producers and the value of ABP presence there.

Christie raised concern about the electronic logging devices that could be installed on trucks in the US.

(e) Fall Meeting Producer Engagement Responses:

Williams has received the information and will report on it at the next meeting.

(f) Zone reports:

Zone 1: Nothing to report

Zone 2: We were at Ag Expo last week

Zone 3: Had a booth at the County Bull Sale, Dubeau helped with it

Zone 4: Nothing to report

*Zone 5:* Will be having a zone meeting next week; Reg Cox passed away and his funeral will be in Lacombe on Friday

*Zone 6:* Lost the steak challenge to Simmental

*Zone 7:* Nothing to report

*Zone 8:* Nothing to report

*Zone 9:* Will be at a Trade Fair for the next three days; Nico Van Der Giessen has resigned as a delegate; the pasture manager has been fined \$45,000 for shooting the grizzly bear

(g) 4-H Sponsorship:

Sekura was contacted by a delegate who was wondering about ABP support for 4-H advertising. Sekura contacted Katelyn Laverdure, Communication Manager, and was provided with the relevant forms.

**9. Reading Materials**

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(a) Board Resolutions and Action Items:

(b) Beef Supply at a Glance:

**10. Next Meeting and Upcoming Events**

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(a) Board meeting – April 18, 2018, ABP Board Room, Calgary, AB

(b) Board meeting – June 11, 2018, Delta South, Edmonton, AB

(c) Semi-Annual General Meeting – June 11-13, 2018, Delta South, Edmonton, AB

(d) Board Meeting – July 2018, ABP Board Room, Calgary, AB

(e) Board Meeting – September 2018, ABP Board Room, Calgary, AB

**11. Adjournment**

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The meeting was adjourned on a motion by Israelson at 5:15 p.m.