

**ALBERTA BEEF PRODUCERS
MINUTES FOR THE CATTLE FEEDER COUNCIL MEETING
TUESDAY FEBRUARY 21, 2017, 8:30 A.M.
AT THE ABP BOARDROOM, CALGARY, ALBERTA**

Present: Bryan Thiessen - *Chair*
Jimmy Nelson - *Zone 2*
Cecil Andersen - *Zone 6*
Ken Stanley - *Zone 7*
George L'Heureux - *Zone 8*
Tim Sekura - *Board rep*
Jeff Havens - *@ Large*

Policy on municipal taxation that was funded jointly by ABP and ACFA.

Motion by Nelson/Havens:

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

Carried

Staff: Rich Smith - *Executive Director*
Rosanne Allen - *Office Admin*

Absent: Howard Bekkering - *Zone 1*
John MacArthur - *Zone 9*
Cam McLerie - *@ Large*
Garth Porteous - *@ Large*

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

1. Adoption of Agenda

(a) Adoption of agenda:

Additions: 4(h) Vet control of prescription drugs; 6(d) Price Reporting;

Motion by L'Heureux/Havens:

“That the agenda be approved with changes.”

Carried

2. Approval of Minutes

(a) Minutes of the November 9, 2016 meeting:

Motion by Stanley/Nelson:

“That the minutes of the November 9, 2016 Cattle Feeder Council meeting be accepted.”

Carried

(b) Minutes of the December 5, 2016 meeting:

Motion by Sekura/L'Heureux:

“That the minutes of the December 5, 2016 Cattle Feeder Council meeting be accepted.”

Carried

3. Financial Statement

(a) Financial Statements ending January 31, 2017:

The council has \$16,000 in expenditures this year; \$9000 is set aside for the Intensive Livestock Working Group (ILWG). The phosphorus project will not need the \$5000 set aside for them this year. The ABP Board paid \$37,000 for the study from the University of Calgary School of Public

4. Decision Items

(a) Refund Report and ABP Budget:

Smith reminded the members on the refund policies and the refund periods. Currently, 88.4% of refunds are taken by producers identified as feeders with 10 people taking 47% of the refunds. We are up about \$100,000 in refunds compared to this period last year. The service charge funds that are retained after refunds are the base for the budget in the next fiscal year.

The Minister has informed ABP that he intends to change the *Marketing of Agricultural Products Act* to allow for non-refundable service charges. The next step once this is done is to confirm with the government that producers want a non-refundable check-off.

If the the Service charge becomes non-refundable, the money that ABP now refunds will be set aside for research, marketing and industry collaboration.

In order for BCRC to maintain their funding, the Board has decided to approve the increase in the National service charge.

(b) Priorities for Cattle Feeder Council:

Smith wanted to know what the members saw as key focuses for the coming year.

- ACFA and a non-refundable check-off
- Taxation and other regulatory burdens for feedlots
- Prescription drug use
- Manure management requirements

(c) Municipal Taxation and Infrastructure Levies:

The council members discussed the results of the study done by the School of Public Policy on *Local Taxation of a Locally Concentrated Industry*. The study shows the impact that the new tax structure will have on confined feeding operations in Lethbridge County.

One of the proposals that they came up with was charging for the use of country roads. If they do this then they need to charge everyone who uses the roads not just one industry. The second proposal was for a levy but to charge different

rates depending on how close the CFO is to a highway. The third option was for a production equivalent based tax. Each producer would pay a set fee per acre of land based on the number of animals that the land could support.

The Lethbridge tax was challenged in court of February 3rd and the defendants feel confident that the tax will be set aside. Lethbridge County is looking for a short-term solution to a long-term problem. Smith is part of a working group looking for a solution to the taxation problem. The ILWG has agreed to pay a levy based on input/output weights for livestock and cropping operations as long as it is capped at \$0.25/tonne and will last for three years only.

The issue of how municipalities handle their money is not a fight that ABP can join. If we can take a position that is fairer to CFO's than the current tax system, then we can move forward with long-term changes.

(d) CFIA Transport Regulations:

Smith spoke to the council about a letter that ABP sent to Dr. Kiley on the regulation amendments to the '*Health of Animals Regulations (Humane Transportation)*'. Travel time has been reduced to 36 hours; changing the resting period; chain of custody. When a truck shows up at feedlot they need to show change of custody. This is unreasonable because there is not always someone there to sign off on change of custody.

CCA has also submitted comments some of them are similar to ours. CCA is asking for an evaluation of changes while ABP is asking for no changes.

Sekura asked if there was any requirements for taking animals in to a vet. Another issue was the movement of castrated and de-horned cattle.

This is at Gazette 1 so producers can still submit comments. We need clarity on how they will identify compromised cattle.

Stanley raised a concern about fires at a feedlot. During a fire, the Fire Department has total control over the cattle whether they know anything about handling cattle or not.

Thiessen suggested creating a working group with the Cow Calf Council. Ken Stanley and Tim Sekura agreed to sit on a working group with Karin Schmid and Thiessen will get someone from Cow Calf Council. We will submit the letter to all of the delegates and ask them for their input as well. Smith will talk to ACFA about having someone sit on the working group.

Schmid joined to discuss the steps she has already taken towards addressing the issues that the council have discussed.

(e) Definition of Manure Storage Areas:

Under the Agricultural Operation Practices Act (AOPA), there are specific requirements for manure collection and storage areas. The NRCB and the Technical Advisory Committee have proposed definitions for manure collection

areas. Smith wanted to see what the council thought about sick pens and processing pens being considered manure collection areas. There is a minimum distance separation requirement between manure collection areas and the nearest neighbour. Processing pens don't hold cattle that often but cattle can spend extended periods in sick pens. Sick pens and processing pens that have concrete floors would not be an issue for contaminating ground water.

Motion by Stanley/Nelson:

“That the Cattle Feeder Council recommend that processing pens and shipping and receiving pens should not be considered part of manure collection areas.”

Carried

(f) Impact of Carbon Levy:

The ILWG has submitted a proposal to Alberta Agriculture and Forestry for funding of a study on the impact of the carbon levy. We are proposing a 50/50 match with 50% of the funding from industry and the rest from government. BCRC is supporting a study looking at the national implications of carbon pricing. The cost of the ILWG study could be \$6000 to \$7000 from each organization.

Motion by L'Heureux/Nelson:

“That the Cattle Feeder Council support the proposal to study the ‘Impact of the Carbon Levy’ for up to \$10,000.”

Carried

(g) VBP+ and Feedlot Animal Care Assessment:

There are ongoing discussions with the NCFCA about incorporation of the Feedlot Animal Care Assessment Tool into the VBP+ program. Cargill supported the development of the tool, but there is uncertainty about the degree to which they will be requiring this tool or would consider VBP+. Virgil Lowe has been hired to manage the operation side of VBP+. He is looking at BQA from the US. Thiessen would like another committee to review the animal care assessments that has more producers with an independent chair to oversee everything. VBP+ could modify their animal care module to meet the requirements of the processors.

(h) Vet control of prescription drugs:

Changes are being considered to the regulations governing own use importation of pharmaceuticals and control of active pharmaceutical ingredients. With OUI, they are trying to close the loop holes with drug importation. The other part was making it easier for natural health products to be approved. The other thing that is likely to come will be a change in feed and water delivery of pharmaceuticals. The feed industry pushed back very strongly on the prescription changes. The prescription only process would be acceptable if they could stockpile the medication. We need to be aware

that once it becomes mandatory that prescription drugs can only be bought from a vet, it may become mandatory that only a vet could apply them.

There is potential for a conflict of interest for vets both prescribing and selling medications.

5. In Camera

6. Discussion Items:

(a) Winter Manure Management:

The producers on the pilot project are going to manage their manure in the winter as they do normally. Basically, it is another year of studying the runoff and they are not finding much to be concerned about. We are doing a better job of staying away from water runways. If feedlots are not allowed to spread manure during the winter, operations will have a huge cost in either shipping the manure or leaving their pens half empty. Operations are able to get permission to spread on snow covered ground, but ABP is trying to get more clarity to the issue. There are a number of the board positions open for NRCB. Part of the qualifications they are looking for is someone with experience in agriculture and confined feeding. There are provisions in AOPA for temporary storage of manure, but there are specific conditions that must be met to qualify.

(b) TB Case in Southeastern Alberta:

We remain at 6 positives with all the same strain. We are sitting at 64 quarantines and 19 or 20 have been released. Except for 150 calves, all of the animals from the infected and presumed infected herds have been humanely slaughtered. There are more trace-outs that will need to be done and the CFIA is in the process of contacting the owners to see when the testing can be done. The trace-in work is yet to be done and likely won't be started until the fall with the testing finished by March 2018. There is still no indication of where the TB came from.

Lots of compensation packages have gone out and the feedback Schmid has received is that they have been fair. Producers affected have to provide back-up documentation to receive compensation. Producers with infected and presumed infected premises have to do cleaning and disinfection of corrals and high density areas. Pasture land must be allowed to sit for 45 days of sunlight and warm weather.

(c) Bill 6 Working Groups and Labour Legislation:

Smith's understanding is that several of the groups have finished and submitted their reports. We should be close to the point where the working groups have reported. The Labour Relations Working Group could not come to consensus. We are part of the AgCoalition and they are meeting on February 23rd to look at some of the reports. The government seems to be more open to dealing with the AgCoalition.

(d) Price Reporting:

Thiessen did a conference call with Jerry Bouma on alternatives for enhanced price discovery. They were assessing the current price insurance models. The lack of price discovery with low levels of price reporting makes insurance premiums too high. Everyone seemed supportive of processes to encourage price reporting during the call, but Saskatchewan and Manitoba have now come out against it. Price reporting could wait up to three weeks. AFSC are not doing any re-insurance on cattle price insurance now. If they began to get re-insurance, would the premiums lower? AFSC discontinued their basis insurance but basis coverage is still available through the price insurance. ABP has taken the position that price reporting should be a condition for participating in government supported risk management programs. Thiessen is working with Brenna Grant, Canfax, on price reporting alternatives.

(i) Board update:

Thiessen updated the members on the changes that have been made to the committee structure. This change will create working groups that can be more focused and effective than the previous committees. One of the areas we were trying to address was the effectiveness of the CCC. What was considered was what the council was going to do because many of the issues faced by the Cow Calf Council were being addressed by the Environment Committee and the Wildlife Committee. With the changes, we can get the right people in to work on the working groups and once the issue has been addressed, the working group is disbanded. We need to be focused on real solutions and figure out a stronger approach.

7. Next Meeting and Upcoming Events

(a) Semi Annual Meeting:

8. Adjournment

The meeting was adjourned on a motion by Sekura at 12:20 p.m.