

ALBERTA BEEF PRODUCERS
MINUTES FOR THE BOARD OF DIRECTORS MEETING
WEDNESDAY MARCH 4, 2020, 8:30 a.m.
AT THE CAMBRIDGE HOTEL, RED DEER, AB

Present: Kelly Smith-Fraser - Chair
Melanie Wowk - Vice Chair
Brad Osadcuk - Finance Chair/Zone 1
Darren Bevans - Zone 2
Jim Bowhay - Zone 3
Shawn Freimark - Zone 4
Cathy Sharp - Zone 5
Assar Grinde - Zone 6
Colin Campbell - Zone 7
Emil Dmytriw - Zone 8
Mike Nadeau - Zone 9
Brodie Haugan - @ Large
Kolton Kasur - @ Large (by phone)
Fred Lozeman - @ Large
Jason Hale - CCC
Chris Israelson - CFC
Charlie Christie - Past Chair

Staff: Rich Smith - Executive Director
Tom Lynch-Staunton - Government Relations

Guests: Keith Gregory - ACFA
David Haywood-Farmer - CCA President
Bob Lowe - CCA Vice-President
(by phone)
Reg Schellenberg - CCA Officer
Dennis Laycraft - CCA Executive V-P
David Moss - CCA General Manager

The Chair called the meeting to order at 8:30 a.m.

1. Adoption of Agenda

(a) Additions and Adoption of agenda:

Additions: 8(g) Meat Inspection Act and Regulations; 8(h) SCA AGM report:

Motion by Bowhay/Bevans:

“That the agenda be approved with changes.”

Carried

2. Minutes of the Previous Meetings

(a) Minutes of the January 15, 2020 meeting:

One correction to the minutes was proposed.

Motion by Dmytriw/Haugan:

“That the minutes of the January 15, 2020 Board of Directors meeting be approved as amended.”

Carried

3. Financial Report

(a) Financial Statement ending February 29, 2020:

The directors reviewed the financial statement. Expenses are following the budget as the year end approaches and there were no significant variations to note in the statement.

Motion by Hale/Lozeman:

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

Carried

(b) Service Charge Refund report:

Smith presented the report on the July-December 2019 refund period. This period had the highest value of refunds we have seen at \$1.74 million or 43% of the service charge revenue collected. There were 597 refund requests, the same number as the similar period in 2018, but there were close to 80 new refund requests. ABP issued the largest single refund ever and the ten largest refund requests accounted for 49% of the refund value. The accounting staff reported that 70% of the refund requests were submitted on the new form that includes the CCA assessment line. The total refunds for 2019 were \$3.18 million for 44% of service charge revenue compared to \$2.82 million for 39% in 2018. The directors discussed the increase in refunds and suggested calling producers who do support ABP to express our appreciation for this support.

4. Staff Report, Policy and Governance

(a) Operations Reports:

Smith noted that the Board package included the monthly Operations Reports from November through March. He also told the directors that a current Strategic Objectives Performance Report was in the package. We have done relatively well on all the strategic objective measures except for a reduction in refunds. The directors suggested that we should be tracking the backlog on grazing lease renewals and transfers.

(b) Government Relations and Policy Update:

Lynch-Staunton presented an update on recent government relations and policy work. He and Executive members had a good meeting with Environment and Parks Minister Nixon where there was discussion of the wildlife compensation pilot project and grazing leases. There was a suggestion that we show Guardians of the Grassland at the MLA reception. Lynch-Staunton noted that there is a review of the Wildlife Act and Regulations. He and Wowk attended a roundtable meeting with the Associate Minister of Red Tape Reduction. Wowk recommended opening the Veterinary Professions Act to allow Registered Veterinary Technologists to engage in a broader scope of work. Lynch-Staunton had also contacted an

Edmonton restaurant that was providing an environmental scorecard with their menu.

(c) Environment and Sustainability Coordinator:

Smith reported on the work being done by Brian Koberstein, an Alberta Agriculture and Forestry employee who is doing contract work for ABP as the Environment and Sustainability Coordinator under an Interchange Agreement. Koberstein is providing valuable perspectives and advice to the Cool Farm Tool project, is leading work on winter manure management policies for feedlots and will be supporting ABP through an expected AOPA review.

5. Council and Committee Reports

(a) Cow Calf Council:

The council held a conference call on February 19, 2020 and established a draft budget and a work plan for the coming year. The budget will be similar to the current year and the Board will be able to see the budget and work plan in Drop Box.

(b) Cattle Feeder Council:

The council will be holding a meeting near the end of March and one of the agenda items will be selection a representative from the council to BCRC.

(c) Research Committee:

Lozeman had submitted a complete report on the committee activities and he thanked the committee for a significant amount of work in allocating close to \$1.5 million of the \$3 million in funding we received from Alberta Agriculture and Forestry. He commended Karin Schmid for her good work with Andrea Brocklebank and Reynold Bergen of BCRC.

6. Decision Items

(a) ABP Budget considerations:

This agenda item included discussions of ABP budget projections, the CCA assessment fund and Board motion, and the Canadian Beef Cattle Check-Off (CBCCO) allocations.

Smith guided the Board through a large amount of information beginning with the budget projections. After the last refund period, we now know the amount of service charge revenue available for the 2020-2021 budget. We also know the amount of money that has been put into the CCA Assessment Fund from retained service charges and contributions from refunds. There has been money earned on ABP investments that will be placed in Unrestricted Net Assets at year end and there may be year end adjustments to the Trade Advocacy Reserve Fund and the Operating Reserve Fund to cover CCA Legal Assessments and the Simpson Centre funding. Based on the budget from the previous year and some adjustments that will need to be made to this budget for 2020-2021, Smith estimated that there could be a \$250,000 to \$350,000 shortfall in the 2020-2021 budget if the full CCA assessment is paid.

Smith informed the Board about the status of the CCA Assessment Fund. This fund currently has about \$540,000 less than the CCA assessment for the 2020-2021. If the current

Board motion to pay CCA only the amount in the assessment fund is retained, this would mean a 15% loss of assessment revenue for CCA.

Smith then discussed the CBCCO allocations. ABP is required to inform the Canadian Beef Check-Off Agency (the Agency) by March 31st of each year about the allocations of the CBCCO that ABP wants beginning April 1st of the following year. CBCCO allocations can be directed to four agencies, Canada Beef, BCRC, Public and Stakeholder Engagement (PSE), and the provincial cattle association for marketing and research programs. The ABP allocations for the 2020-2021 year will be 60% to Canada Beef, 32% to BCRC, and 8% to PSE. The recommended allocations for Alberta from the Canadian Beef Advisors to meet the National Beef Strategy are 65% to Canada Beef, 30% to BCRC and 5% to PSE.

After the CCA presentation, the directors gave further consideration to the budget decisions. It seems clear that there are not sufficient funds for all of CCA, ABP, Canada Beef, BCRC, and PSE to meet their budget requirements. The directors will have to make decisions on where cuts should happen. The Board values the marketing, research, and communications programs and activities currently being done by ABP and is reluctant to make reductions in these areas.

In the current financial environment, the directors recognized that ABP may not be able to pay its full CCA assessment. However, the motion that ABP pay CCA only the amount in the CCA Assessment Fund would cause a significant reduction in CCA assessment revenue and would not allow ABP to adjust its payment of the CCA allocation.

Motion by: Freimark/Sharp

“That ABP rescind the motion that ABP have a line in the financials for Canadian Cattlemen’s Association showing producer funds collected and the Canadian Cattlemen’s Association is paid from those retained funds only to be implemented by April 1, 2020.”

Carried

Despite the motion being rescinded, ABP sees significant value in showing the CCA Assessment Fund on the financial statement and this reporting will continue.

The directors then discussed options for dealing with the ABP budget shortfall and decided to take time for further consideration of the CCA assessment, a possible provincial allocation from the CBCCO, and the ABP programs. There will be a conference call before the end of March where the directors will decide on the approach to be taken with the 2020-2021 ABP budget

(b) CCA Presentation:

David Haywood-Farmer, Reg Schellenberg, Dennis Laycraft, and David Moss, of the Canadian Cattlemen’s Association (CCA), joined the meeting and made a presentation on the key activities CCA is doing for the benefit of producers across Canada. Bob Lowe, CCA Vice-President and Past Chair of ABP, joined the meeting by phone.

The CCA representatives began their presentation by noting that export trade is worth \$600 per head to Canadian producers. National policy and international market access are top priorities for CCA. They noted the activity being done through the national check-off service providers and mentioned the important relationships and US work that had eliminated mCOOL and supported the CUSMA (NAFTA 2.0). CCA is working with the CFIA to ensure that we are able to submit an application this year for negligible risk status on BSE. If Canada is able to achieve negligible risk status, it could lead to a reduction in the costs of dealing with SRM at processing plants. CCA engaged MNP to address the corporate tax changes proposed by the federal government that could have cost farmers and ranchers \$1.2 million.

When asked about the impact of a significant reduction in assessment revenue from Alberta, the CCA representatives said that they would be forced to reduce international engagement, reduce staff in a fairly flat organization, and become more reactive than proactive. The CCA presentation was informative and received well by the Board. This presentation provided worthwhile information that guided the discussion on the CCA assessment motion.

(c) Amendment to Refund Request Privacy Policy:

The current ABP Service Charge Refund Privacy Policy states that the names of the producers requesting refunds will be provided to the ABP Board of Directors on a limited and confidential basis so the directors can contact these producers and discuss the reasons for the refund request. With the change in the refund request form to encourage producers to contribute to the CCA assessment, the ABP Executive thought it would be worthwhile for senior people at CCA to know which producers are taking refunds. Many of the producers who take large refunds do not hesitate to request action from CCA on significant issues affecting their operations. Knowing which producers take refunds won't change CCA's work on behalf of the industry, but it will allow CCA to question why these producers don't support an organization that provides them with substantial benefits.

Motion by Freimark/Grinde:

“That ABP amend its Service Charge Refund Privacy Policy to allow the names of producers requesting refunds to be provided to senior CCA representatives on a limited and confidential basis.”

Carried

(d) Replacement Grazing Disposition Agreement:

We have been pleased by the actions of the provincial government in implementing the modernized grazing lease rental rate framework and the tenure for stewardship policy. However, the government recently started distributing a revised grazing disposition agreement to leaseholders in the backlog for renewals and transfers. This agreement contains language that is deeply concerning to leaseholders and the Alberta Grazing Leaseholders Association (AGLA) quickly challenged the government on the wording of the new agreement. Leaseholders have received a letter from the Environment and

Parks Deputy Minister apologizing for the misunderstanding and committing to addressing the issues with the agreement. AGLA has legal counsel reviewing the new disposition agreement and ABP may decide to support actions to modify the agreement.

(e) Renewal of ABFGC Agreement:

ABP is one of the signatories to the agreement that created the Alberta Beef, Forage and Grazing Centre (ABFGC), along with Alberta Agriculture and Forestry and Agriculture and Agri-Food Canada. The ABFGC is a virtual centre that has brought greatly improved coordination and effectiveness to research and technology transfer activities related to forage and grazing. The agreement is due for renewal and ABP can lead the process by supporting this renewal. The directors noted that there were some concerns about the Rancher Researcher Pilot Project and there was a need for better communications with the Industry Advisory Committee. Despite these concerns, the Board recognizes the substantial value provided by the ABFGC.

Motions by Grinde/Lozeman:

“That ABP supports the renewal of the Alberta Beef, Forage and Grazing Centre agreement.”

Carried

7. In Camera

8. Discussion Items

(a) Joint Meeting with ACFA Board:

The Board of Directors joined the Alberta Cattle Feeders' Association (ACFA) Board of Directors for lunch and a discussion of the collaboration between the two organizations. The session included a presentation from MNP on the Intermunicipal Development Plans (IDP)/Intermunicipal Collaboration Frameworks (ICF) project that is being funded by ABP and ACFA. MNP has presented a series of training sessions on engaging with municipal governments to producers who were recommended by ABP and ACFA. MNP has prepared tools for producers to use when they discuss IDP/ICF with their municipalities and will be preparing a strategy for ABP and ACFA to use when addressing these matters with the provincial government.

The two Boards also heard from members of the collaboration working group about the areas where ABP and ACFA had enjoyed success through collaboration. Jeff Smith, the ACFA representative on the Canadian Beef Check-Off Agency (Agency) also talked about the Agency plans and the Alberta allocation of the CBCCO. There is still strong support at ABP and ACFA for continued and enhanced collaboration.

(b) ABP Strategic Plan:

The directors were informed that the process of reviewing the ABP Strategic Plan and developing Strategic Objectives for the 2020-2021 year would occur over the next month. Decisions on the objectives will be made at the April Board meeting. After the Strategic Objectives have been identified, the key

performance indicators and the performance report will be developed.

(c) ABP Regulatory Review Amendments Update:

Smith provided the directors with an update on the status of the ABP Regulatory Review amendments. The Commission Regulation amendment, simply a change in the expiry date from 2020 to 2025 has been prepared. Marketing Council reviewed a conceptual proposal for the Regulatory Review amendments and approved all of the amendments supported by the ABP delegates at the AGM with two exceptions. Marketing Council wants further information on the reasons and objectives for the proposals to have directors serve five consecutive terms (10 years) and the declaration regarding refund requests on all delegate and director nomination forms.

With the approval from Marketing Council, the Plan Regulation amendments can be prepared, and we can start working on the ABP Bylaw amendments. All of the amendments will be reviewed by the ABP Legal Counsel and ready for approval by the delegates at the Semi-AGM in June.

(d) Ottawa Fly-In Report:

Smith-Fraser, Wowk, Osadcuk, and Grinde travelled to Ottawa at the end of January for a Fly-In right after parliament resumed sitting. They complimented the excellent work done by Fawn Jackson and Jennifer Babcock, of CCA, in organizing and guiding the Fly-In. They thought the meetings were very worthwhile and Smith-Fraser had a strong response to social media video and pictures from the Fly-In. They would like more meetings with Liberal MP's on future Fly-Ins.

(e) NCBA Report:

The Executive reported on the trip to San Antonio for the NCBA convention. It was a productive convention, they were received well by the NCBA, and they participated in many meetings with key US state cattle organizations. At the tri-lateral meetings with the US and Mexico, there was a lot of pressure on Canada to get the CUSMA ratified by our parliament. There seems to be significant interest in the US, not supported by the NCBA, in resurrecting mCOOL. Mexico is even more worried than Canada about the possibility of mCOOL returning. There are concern that the current US administration might be persuaded to implement it.

There were discussions by NCBA and state organizations on transport regulations, animal health issue, and traceability. The Executive saw a very good video prepared by NCBA highlighting their wins in Washington D.C. and thought this might be a good initiative for Canadian cattle organizations. The US Farm Bill likely will include a substantial investment in a FMD vaccine bank. The NCBA was happy about the trade agreement with Japan and excited about the potential in the Chinese market. They are still working to address “fake meat” labelling with a Real Meat Act that includes a codified definition of beef. The Executive also noted US concerns about their dietary guidelines and their use of a cattle emissions explanatory card and a check-off successes report card.

(f) Zone Reports:

Zone 1: no recent meeting

Zone 2: no recent meeting or activities

Zone 3: a recent meeting where a producer expressed concerns about compensation for cattle destroyed in a TB investigation.

Zone 4: Freimark could not attend the Manitoba Beef Producers AGM as planned; zone discussions of issues

Zone 5: will be holding a meeting after the CCA AGM

Zone 6: held a zone meeting a month before the Board meeting; producers there don't think the proposed vaccination extension initiative is worth it; questions about providing a research tax credit for service charge payments.

Zone 7: held a zone meeting in January and Campbell had reported to the Executive about the topics covered at the meeting.

Zone 8: received a series of recommendations on delegate engagement from delegate George L'Heureux; will be having a pizza night meeting in March.

Zone 9: no official meeting, but monthly email exchanges and bi-monthly conference calls; delegate Ron Weiler would be willing to participate on the grazing lease working group.

(g) Meat Inspection Act and Regulations:

Lynch-Staunton provided an update on the review and consultations on the Meat Inspection Act and Regulations. The main focus for ABP in our submission to this process will be helping producers to make better use, either by sale or donation, of the beef from cattle slaughtered on farm. It seems that the primary barrier to better use of this beef is the requirement for ante-mortem inspection. ABP is proposing to make ante-mortem inspection more accessible through the use of video inspection or the authorization of inspectors other than veterinarians. The government survey on possible amendments to the Act and regulations includes consideration of allowing producers to sell uninspected meat to informed customers at the farm gate, but ABP is not comfortable supporting this activity now.

(h) SCA AGM Report:

Lozeman and Israelson were in Saskatchewan for a BCRC meeting and attended the Saskatchewan Cattlemen's Association (SCA)AGM. This was a three-hour meeting attended by about 75-80 producers. There was discussion of Beef Strong, which has a focus on people who have overcome adversity, and their Ag in the Classroom program. SCA would like to see Western Livestock Price Insurance Program (WLPIP) coverage on 650-pound calves extended to late winter or spring for producers who background calves. They want producers to receive credit for on-farm training and experience toward a Class 1 Drivers License and they would like to see a major cull of elk in the Suffield Block.

9. Reading Materials

(a) 2019 Resolutions Report:

(b) Beef Supply at a Glance

10. Next Meeting and Upcoming Events

- (a) ABIC – March 4-6, 2020, Cambridge Hotel, Red Deer, AB
- (b) CCA AGM – March 11-13, 2020, Ottawa, ON
- (c) Livestock Care Conference – March 19-20, 2020, Olds, AB
- (d) Board of Directors Meeting – April 22, 2020, ABP Board Room, Calgary, AB
- (e) Board of Directors Meeting – May 20, 2020 ABP Board Room, Calgary, AB
- (f) Board of Directors Meeting and Semi-Annual General Meeting – June 9, 2020, Delta South Hotel, Edmonton, AB

11. Adjournment
