

ALBERTA BEEF PRODUCERS
MINUTES OF THE BOARD OF DIRECTORS CONFERENCE CALL
TUESDAY MARCH 24, 2020, 8:00 a.m.

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

Staff: Rich Smith - *Executive Director*
Absent: Shawn Freimark - *Zone 4*

The Chair called the conference call to order at 8:05 a.m.

1. CCA Assessment and ABP Draft Budget

Although the primary purpose of the conference call was to determine the allocations of the Canadian Beef Cattle Check-Off from Alberta for the 2021-2022 fiscal year, the directors began the call with a discussion of the CCA assessment and direction for preparation of the draft ABP budget for the 2020-2021 fiscal year. Final decisions on the ABP budget for the 2020-2021 year will be made at the April Board meeting.

At the March Board meeting, the directors had rescinded a motion that would have reduced the CCA assessment paid by ABP by \$540,000. However, the directors had indicated then that ABP might not pay the full assessment this year. The CCA assessment is \$0.53 per marketing, but this assessment includes about \$0.48 per marketing to cover CCA operations and \$0.05 per marketing to build a reserve to help CCA deal with year to year fluctuations in marketings. The directors were informed that the CCA reserve is over \$600,000 after two years of fixed assessments.

The directors considered the idea of ABP just paying the \$0.48 per marketing that would cover CCA operations and not contributing to the CCA reserve this coming year. This reduction in payment of the CCA assessment would not put any of the ABP positions on the CCA Board at risk. The directors made the point that we shouldn't lose sight of trying to reduce ABP expenses, but our financial position may not allow us to contribute to the CCA reserve this year.

The Board provided direction to prepare a draft ABP budget with a CCA assessment of \$0.48 per marketing and the

potential to split any remaining shortfall in the ABP budget between the CCA assessment and the ABP Operating Reserve.

2. CBCCO Allocations

The directors then began consideration of the CBCCO allocations for the 2021-2022 year. These allocations must be submitted to the Canadian Beef Check-Off Agency (the Agency) by March 31, 2020 for implementation on April 1, 2021.

The directors considered a proposal to have Alberta direct a small portion, in the order of 3%, of the CBCCO allocations to provincial investment in research, market development, and promotion programs. The intention would be to use this funding to establish the Alberta Beef Industry Development Fund. ABP has never allocated funds for provincial investment and taking this step would represent a significant change of policy. The point was made that a relatively small allocation of CBCCO funds to provincial investment could make a substantial difference in our research and marketing programs without devastating the budgets of the Agency service organizations (Canada Beef, BCRC, and Public and Stakeholder Engagement (PSE)).

The directors then held a long discussion on this issue with each director on the call expressing his or her views on the matters of an allocation for provincial investment and the percentages of the allocations to Canada Beef, BCRC, and PSE. The discussion led to a motion.

Motion by Haugan/Campbell:

“That ABP does not allocate money from the CBCCO to provincial investment.”

Defeated

3. ABP Commission Regulation Amendment

The directors had received a copy of the *Alberta Beef Producers Commission (Expiry Date Extension) Amendment Regulation* before the conference call. This amendment to the Commission Regulation merely extends the expiry date of the regulation from June 30, 2020 to June 30, 2025. There are no other amendments to the Commission Regulation required for the Regulatory Review.

Motion by Grinde/Israelson:

“That ABP hereby makes the *Alberta Beef Producers Commission (Expiry Date Extension) Amendment Regulation*.”

Carried

The conference call was adjourned on a motion by Israelson at 10:15 a.m.