

ALBERTA BEEF PRODUCERS
MINUTES FOR THE BOARD OF DIRECTORS TELECONFERENCE MEETING
WEDNESDAY APRIL 22, 2020, 8:30 a.m.

Present: Kelly Smith-Fraser - Chair
Melanie Wowk - Vice Chair
Brad Osadczuk - 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
Fred Lozeman - @ Large
Jason Hale - CCC
Chris Israelson - CFC
Charlie Christie - Past Chair

Staff: Rich Smith - Executive Director
Rosanne Allen - Office Administrator

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

1. Adoption of Agenda

(a) Additions and Adoption of Agenda:

Motion by Bowhay/Osadczuk:

“That the agenda be approved as presented.”

Carried

2. Minutes of the Previous Meetings

(a) Minutes of the March 4, 2020 meeting:

Motion by Grinde/Wowk:

“That the minutes of the March 4, 2020 Board of Directors meeting be approved as presented.”

Carried

(b) Minutes of the March 24, 2020 conference call:

Motion by Osadczuk/Lozeman:

“That the minutes of the March 24, 2020 Board of Directors conference call be approved as presented.”

Carried

3. Financial Report

(a) Financial Statement ending March 31, 2020:

The fiscal year-end financial statement indicated that ABP had spent close to 96% of the budget during the 2019-2020 year.

This leaves \$225,488 in unspent funds that will be moved to the Unrestricted Net Assets after year-end.

Smith went through the financial statement in detail, clarifying the expenses from the year and noting the unspent funds from the 2019-2020 year, the unrealized loss on our investments, the CCA legal assessments, the reserve funds, and the unrestricted net assets.

Motion by Osadczuk/Campbell:

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

Carried

(b) ABP investments update:

The Executive met last week with the Investment Advisor from BMO Nesbitt Burns to discuss the ABP investments. ABP has about 22% of our holdings in equities, close to the 25% maximum level that the Board had set in a motion at a 2019 meeting. The equity investments are in solid companies, most of which pay dividends, and it is very reasonable to expect that these quality companies will come back strongly when the stock market recovers from the impacts of the COVID-19 pandemic. ABP will not be needing to sell any of our equity shares at a low market price because most of our portfolio is invested in GICs that come due in a laddered sequence. The return on the ABP portfolio in 2019 was the best since 2008, a time when the interest on bonds and GICs was much higher than now.

4. Staff Report, Policy and Governance

(a) Governance Committee recommendations:

At the call of Chair Howard Bekkering, the Governance Committee held an online meeting at the beginning of April. The committee reviewed the harassment incident that occurred at the AGM in December and prepared recommendations for the Board related to the responsibilities of ABP representatives, a Code of Conduct for delegates, and bylaw amendments regarding the removal of delegates.

The investigation of the incident was concluded, and the delegate was asked to submit a written apology for the actions that occurred. This apology was accepted by the guest who was involved in the incident and the Governance Committee has concluded its actions on the incident. The report on the incident will be kept in a locked drawer of the Executive Director's office and a detailed investigation procedure will be prepared for the ABP files.

The Committee will be developing a set of responsibilities for representatives who represent ABP on outside organizations. The Committee believes it would be appropriate for all delegates to read and sign a Code of Conduct, similar to the Code that Directors sign every year, when they begin their two-year term. The Committee also recommended that ABP make amendments to our bylaws that would allow the Board to

remove a delegate for a serious breach of the ABP conduct policies. The Committee would like to see the work of the Policy Working Group continue.

5. Council and Committee Reports

(a) Cow Calf Council:

There has not been a recent meeting of the Council. The Terms of Reference the council have been approved. The Wildlife Committee has made recommendations for a pilot project on co-existing with wildlife. Tom Lynch-Staunton and Jeff Bectall, Waterton Biosphere, have submitted information for predator compensation in this proposed project.

The Safety-Net Subcommittee has gone through some restructuring. AFSC has made some improvements to the pasture insurance program, updated the methodology for feed costs, and have added a couple of weather stations east of Drumheller.

Lynch-Staunton is working with Alberta Grazing Lease Association (AGLA) to get the government to approve carbon credit protocols for grasslands. The council proposed changes to the meat inspection regulations and are waiting for a response from the government. The council is looking into Cow-calfenomics for next spring.

The directors discussed the WLPIP premium pricing and Christies spoke about a conference call he participated in regarding premiums.

(b) Cattle Feeder Council:

Held a conference call on March 23rd. The Council discussed the COVID-19 pandemic. Discussed adjusting elements of the AgriStability program and cost sharing on WLPIP premiums. triggers; conversation around the new transportation regulations; there is pressure to capture more information on manifests than truckers may have; discussed infrastructure in western Canada – we need to use this opportunity to discuss with the government the benefits of having smaller Alberta based processing plants; discussion about the use of ultra-high frequency tags. The reads are more accurate without a great increase in cost; Joanne Solverson is now the CFC representative to BCRC; last topic was the future of CFC and a request that the board would consider making the CFC a working group of the Board.

(c) Research Committee:

There is not much to report. Karin is busy working on the contracts for research that was approved earlier this year and is working with BCRC to develop some priorities for the next research call.

6. Decision Items

(a) COVID-19 update and actions:

CCA has been very busy working with the government to ensure that food processing and the entire food production chain are considered essential services or critical infrastructure.

Everyone seems to be focused on the set-aside package, but we need to remember that this is just a part of a much broader request for government support. There are requests for changes to the BRM programs and a request to make Covid-19 a natural disaster to bring AgriRecovery into effect. We are requesting specific changes to AgriStability in the removal of the cap on payments, elimination of the Reference Margin Limit, and increasing the trigger for payments to 85% of the reference margin.

We have been using Cattle Country, our weekly updates, and our website to make sure producers are getting the most up-to-date information on Covid-19 and the measures we are taking to address it. We are looking at retroactive enrollment in AgriStability, deferred payments and increased limits on the Advanced Payment Program, and advanced payments on AgriStability claims. There have been some concerns from producers about the set-aside program.

(b) ABP Plan for 2020-2021:

Smith presented the final performance report for the strategic objectives from the 2019-2020 year. We were very successful in achieving the results identified in the performance report with the only result we were not able to achieve being a decrease in service charge refunds.

The National Beef Strategy has been updated and the ABP plan includes the new goals for 2020-2024. ABP's Core Strategies and the Industry Priorities will remain the same. The plan for 2020-2021 has six strategic objectives, many of which are similar or identical to the objectives for the 2019-2020 year. The staff believed that a number of the objectives are still valid and only the key performance indicators and target results will need to change for this year. The five continuing objectives relate to government relations, research and technology transfer, marketing and education directed at consumers and students, communications, and government actions on land use, stewardship and ecosystem services. There is one entirely new objective related to increasing the preparedness of the Alberta beef industry and Alberta cattle and beef producers to deal with emergencies, crises, and drastic market fluctuations.

The next step will be to take the objectives and put them into a performance report with appropriate target results and dates. We need to focus and have more dialogue on keeping more service charge refunds with ABP. A performance report on these objectives will be in the package for every Board meeting.

Formal approval of the plan was postponed until the next Board meeting, giving the directors the opportunity to review the plan.

(c) Draft ABP Budget:

Smith presented a draft budget for this fiscal year with a detailed explanation for the proposed expenses. The budget had a reduced assessment for CCA (\$0.48 instead of \$0.53 per marketing) and a number of other areas where savings were found. These areas included the Annual General Meeting that will now be one day at the ABIC, a shortened Semi-AGM, reduced zone cost with fewer zones, and reduced costs for the Annual Report. The budget did include new costs for quarterly

CCA legal assessments and the Simpson Centre funding commitment. There was an increase in the amounts for marketing and sponsorships to help us be more effective in promoting Alberta Beef. There will be a small cost of living adjustment for staff which was discussed and approved by the directors. The proposed budget was for \$5.07 million compared to \$5.13 million in the 2019-2020 budget.

Smith identified the possible sources of funding to support the budget. We had \$4.47 million in retained service charge revenue from the 2019-2020 year. There were unspent funds from the 2019-2020 year, a commitment from the Board to pay the 2019-2020 CCA legal assessments from the Trade Advocacy Reserve Fund, and a decision to pay the 2019-2020 Simpson Centre fund from the Operating Reserve, future years. These funds can be transferred into the Unrestricted Net Assets and made available for the 2020-2021 budget.

ABP has typically held our Unrestricted Net Assets at around \$2 million to cover a catastrophic stop to ABP operations, but Laura Procnier and Smith have determined that we would need only \$1.5 million to deal with this situation. With the adjustments noted above and this change in our requirements, there was enough money in the Unrestricted Net Assets to allow the transfer of sufficient funds into the current year operating budget to meet the \$5.07 million in proposed expenses.

The Board also discussed the funding for sponsorships and VBP+ Alberta. The Board recognizes that there will be a need to increase revenue in the future if we are going to maintain our current level of operations.

Motion by Israelson/Haugan:

“That the ABP Budget for the 2020-2021 fiscal year be approved as presented with the proposed adjustments to the Trade Advocacy Reserve Fund, the Operating Reserve Fund, future years, and the Unrestricted Net Assets.”

Carried

(d) Regulation Review and Semi-AGM:

Smith gave an update on the Regulation review. The Plan Regulation needs significant changes and Marketing Council has approved the changes in concept. The Plan Regulation amendments are back at Marketing Council and we can proceed with the Bylaw amendments which should be ready for the delegates in June. Once the delegates approve the changes in June, they will be sent back to Marketing Council for approval and the Plan Regulation will need approval by the cabinet.

ABP will likely be unable to hold an in-person meeting for the Semi-Annual in June and staff have been investigating various online platforms for the meeting.

Motion by Shawn/Grinde:

“That ABP hold the Semi-Annual General Meeting using an online platform.”

Carried

(e) Grazing Disposition Document:

There are still ongoing discussions with Alberta Environment & Parks (AEP) on the proposed document. AEP are revising the document and there are continued concerns about the changes from the current contract. AGLA has procured a legal review of the disposition document and there has been very limited distribution of this review.

Nadeau spoke about his conversation with John Buckley who sits on the Operational Grazing Disposition Holders Committee with him. Smith will speak with AGLA to determine what documents can be distributed to directors

(f) Sale of Public Land policy:

The directors reviewed a copy of a submission on the sale of public lands that AGLA would like ABP to sign on to before it is sent to the Minister of EP. The directors were not sure of the background on the letter, but some believe it is related to a recent sale of grazing lease land in southern Alberta.

While there were elements of the submission with which the Board agreed, the Board was not prepared to support the submission as it was written and have our organization attached to it. The Board is prepared for ABP to work with the AGLA on a sale of public land policy that would be acceptable to both organizations.

DIRECTION: for Smith to speak with AGLA about the Board’s concerns and our offer to work together on a policy.

(g) NCC Letter on securing ranching tenure:

There was a copy of the letter NCC send to Smith in the package. The NCC sees an opportunity for ABP and the Alberta government to work together on securing sustainable long-term grazing tenure.

ABP can open the conversation with NCC and suggest that AGLA also be brought into the conversation.

(h) Farm gate beef sales:

With COVID-19, there is growing interest in farm gate beef sales. The Government of Alberta had previously sought input on a range of proposed changes to Meat Inspection Regulations, including the sale of uninspected meat to consumers at the farm gate. ABP had submitted a detailed brief with our recommendations for changes in the regulation.

Smith-Fraser received a phone call from the Minister of Agriculture and Forestry for a confidential discussion of proposed meat inspection regulation changes. Smith and Smith-Fraser reviewed the proposed changes and Smith-Fraser submitted questions to the government. Smith and Smith-Fraser will be on a call with the government on the day after the Board meeting to review the changes.

There are three key changes proposed for the Meat Inspection Regulations and a fourth area where no change is proposed. The first change would allow animals to be slaughtered on land not owned by the owner of the animal. This would allow a consumer to purchase an animal and have it slaughtered for the

purchaser's use on the producer's land. There would be no sale of uninspected meat and no provision of this meat to retail or food service outlets.

The second change would allow salvage and sale of meat by-products with controls to manage food safety risks and manage risks to wildlife if the by-products are used as bait. The third change would allow video ante-mortem inspection of animals for emergency slaughter. After slaughter and post-mortem inspection, the meat could be available for sale. The fourth area is multi-species slaughter and the government is planning to retain the requirement that horse slaughter must occur in a separate facility from the slaughter of other species.

Motion Grinde/Kasur:

“That ABP approve in concept the changes proposed by the Alberta government for the Meat Inspection regulations.”

Carried

7. In Camera

8. Discussion Items

(a) Fall meeting plans:

Smith-Fraser and Laverdure have discussed plans for the fall meetings. Laverdure does need some feedback on where the zone meetings should be held. An email will be sent out requesting feedback.

They are looking for feedback on having Saturday meetings. The meetings will be held at the end of November and beginning of December. Start times for meetings would be at 10:00. Fall videos would not be necessary as the information will be presented during the meeting. The nomination deadline for delegates can be moved back from the current August 31st date. Resolutions from the fall meetings that need more timely consideration than several months later at the AGM could be sent to the board for debate. There likely will be keynote speakers at each zone meeting.

The AGM will be on the Wednesday of the ABIC. The Executive should attend each zone meeting and the Directors should try to attend as many of the fall meetings as possible.

Set up the meetings so that producers RSVP, this would give ABP some idea of how many people are attending. This would still allow people to show up the day of a meeting.

(b) Results Driven Agriculture Research:

Fraser was asked by the Minister to sit as an interim board member for Results Driven Agriculture Research. Dr David Chalak is the Board Chair. This will be a new, not-for-profit entity that will operate at arms-length from the government. It is being initially funded by a \$2 million grant to establish the organization and will be run by government staff members until the Board can hire full-time staff. The entity will eventually be responsible for allocating the \$37 million in funding available

for agricultural research. The first research funding call will likely occur this fall. press release will be coming out soon to explain the concept for the entity.

There will be an advisory committee with representatives from the livestock and crop sectors. There also will be a series of townhall meetings with stakeholders to talk about the entity and answer questions.

(c) De-certification of liquid strychnine:

AF Minister Dreeshen has stated that the Alberta government will be filing their objection to the re-evaluation decision by Canada's Pest Management Regulatory Agency to de-certify the use of liquid strychnine for Richardson ground squirrel (gopher) control. ABP and CCA will also be filing Notices of Objection to his decision.

(d) Traceability framework:

Smith is not sure if this will be released this Spring as expected. If the framework is published in Canada Gazette 1, there will be a 60-day period for comments.

(e) Zone Reports:

Zone 2: They have held a conference call meeting where they discussed the impacts of Covid-19 on producers.

Zone 5: The zone will be having a conference call meeting shortly

Zone 7: The delegates met after ABIC to discuss information and issues that came from the conference. They will be having another conference call meeting soon.

9. Reading Materials

- (a) 2020 BOD Resolutions Report:
- (b) Beef Supply at a Glance:
- (c) 2019 Fall Meeting Resolutions Report:

10. Next Meeting and Upcoming Events

- (a) Board of Directors Meeting – May 20, 2020 ABP Board Room, Calgary, AB
- (b) Board of Directors Meeting and Semi-Annual General Meeting – June 9, 2020, Delta South Hotel, Edmonton, AB
- (c) Board of Directors Meeting – July 22, 2020, ABP Board Room, Calgary, AB
- (d) Board of Directors Meeting – September 2, 2020, ABP Board Room, Calgary, AB
- (e) Board of Directors Meeting – October 14, 2020, ABP Board Room, Calgary, AB

11. Adjournment

The meeting was adjourned on a motion by Bowhay at 12:30 p.m.