

OUR SOCIAL LICENSE

2016 Annual Report



ALBERTABEEF.ORG

Vision

Alberta Beef Producers is a strong, clear, and representative voice speaking and working on behalf of cattle and beef producers in Alberta and contributing to a vigorous and profitable beef industry.

Mission

To strengthen the sustainability and competitiveness of the beef industry for the benefit of beef producers in Alberta.

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BOB LOWE
ABP Chair

ABP CHAIR REPORT

After record breaking prices last year, this has been quite a year for weather and prices. The year started out extremely dry and you could hear a collective sigh of relief from farmers and ranchers across the province when late spring brought much needed and welcome rain to most agricultural areas. After the rain began in May, there certainly has been quite a bit of moisture across much of the province. There were some good grain crops damaged by hail storms and now many people are struggling to find a dry window of time to harvest their hay and grain. However, rain is always good for grass and we should see sufficient supplies of feed for cattle this winter, hopefully after a month of good harvest weather.

Prices have been another challenging story. There have been sharp declines from the peaks in April and May 2015; some are calling it the biggest price correction in recent memory. By August of this year, calf prices had dropped by 39 percent and fed cattle prices by 30 percent from those peaks. These declines are not the largest we have seen in the last 30 years, but they are the second largest percentage drops in that time. Analysts expect the declining price trend could continue for the next couple of years.

Declining prices are never good news, but it is important to remember that these declines are coming from all-time record prices and are still higher now than they

have been at any time in the 25 years leading up to the huge increases that began in 2014. It is also important to note that the 2014-15 price rally was partially driven by a unique shortage of all proteins (beef, pork, and poultry) in North America that resulted in a larger upswing than in previous cycles. Aggressive expansion in the United States and reduced Canadian feeder exports over the last year have contributed to larger protein production putting significant pressure on prices. We know the risks in predicting prices weeks before our fall meetings, but we hope that the downward trend in prices does not become more severe.

The Earls restaurant announcement this spring was just the latest example of the need for our industry to pay attention to the issues of consumer confidence and public trust. These two concepts are often joined together under the phrase, social license. Social license may be described as authorization from consumers and the public to use the knowledge and technology we have to raise cattle and produce beef sustainably on operations that are economically viable, environmentally sound and socially responsible. It has replaced sustainability as one of the most used and least understood phrases in our industry. Social license is not different from sustainability, but rather is the primary objective of our sustainability efforts.

We may question whether the directions taken by companies such as McDonald's, Earls, and A&W are really driven by consumer demand or are simply marketing opportunities that the companies have identified. However, there seems to be no question about the need for our industry to demonstrate and verify the good practices that nearly all producers are using already. This need to gain more social license drives the work of the Canadian Roundtable for Sustainable Beef (CRSB) and Verified Beef Production Plus

(VBP+). Following the completion of the McDonald's Verified Sustainable Beef Pilot Project, we now are working toward the development of a framework through which Canadian cattle and beef producers can verify the sustainability of their operations using CRSB indicators and VBP+ registration in the areas of food safety, animal care, environmental protection, and biosecurity.

The CRSB is also working with retail and foodservice partners to ensure that these companies recognize the value of our sustainability verification to their customers. One of our challenges is that industry wide sustainability verification may not provide companies with a marketing tool they can use to gain an advantage over their competitors. However, industry wide sustainability will enhance our social license and put Canadian cattle and beef producers in a strong position for internationally competitive markets.

Finally, the need to increase industry funding was a major topic of conversation at our fall meetings last year. We received clear direction from producers at the fall meetings and from your delegates at our Annual General Meeting to pursue an increase to the National Check-off from \$1 to \$2.50 per marketing, and a return to a non-refundable provincial service charge with the retained refunds committed solely to research, marketing, and industry collaboration. We have been working with our industry partners and the government this year to achieve these objectives. ▼

Sincerely,

Bob Lowe, Chair



RICH SMITH
Executive Director

EXECUTIVE DIRECTOR REPORT

The theme of our 2015 Annual Report was Travelling New Trails and with Bill 6, the Earls situation this spring, Alberta and Canadian climate change actions, and cattle price drops, we certainly have been heading into unfamiliar territory. This year, our focus is on social license and all of these new trails, except cattle prices, can be connected back to the social license conversation. ABP Chair Bob Lowe addressed cattle prices and social license in his report.

After the tremendous uproar caused by the introduction of Bill 6, the *Enhanced Protection for Farm and Ranch Workers Act*, last November, the Government of Alberta established six working groups to provide consultation on the regulations and standards that will support the implementation of Bill 6. All of the working groups have producers on them and we are hoping that these groups will be able to deliver sound advice to the government on labour relations, employment standards, the occupational health and safety code, best practices, education and training. Our industry needs the regulations and standards under Bill 6 to respect the unique nature of farm and ranch work and to be practical for farmers and ranchers.

One of the responses to the introduction of Bill 6, was the formation of the AgCoalition, an unprecedented group of close to 30 boards, commissions, and associations that have joined together

to work on farm health and safety on behalf of over 97 percent of farmers and ranchers in the province. ABP is a founding member of the AgCoalition and we developed a policy paper outlining our positions on employment standards, occupational health and safety standards, and labour relations. The AgCoalition has been providing direction and technical support to our nominees on the working groups, as well as consulting producers through its Industry Advisory Leadership Council. Our next steps will be work on the development of provincial organizations needed to coordinate the agriculture safety education and training that will create a true culture of safety on farms and ranches.

Another area where the new provincial, and federal, government has taken decisive action is climate change. Both Premier Notley and Prime Minister Trudeau have indicated that addressing climate change will be high priorities for their respective governments. After convening an advisory panel to hold extensive conversations with the public and industry on climate change, the Alberta government released the Alberta Climate Leadership Plan last November and passed legislation this spring to implement key elements of this plan. ABP recognizes the commitment the Alberta government has made to climate leadership and we are prepared to join all Albertans in addressing the challenges and opportunities presented by the Climate Leadership Plan. However, we are also, in the government's words, one of the "trade-exposed" industries that face global competition from producers in provinces and countries that are not showing the same level of climate leadership.

As we continue our efforts to develop a collaborative and productive relationship with the new government, we have prepared a policy position on climate leadership. In this paper, we have asked the government to consider our competitiveness challenges in decisions regarding the investment of revenue from the carbon levy and to implement policies

and programs that recognize the benefits of healthy, grazed rangelands and the ecosystem services these lands provide. In this work, ABP is helped by our increased focus on government relations and having Tom Lynch-Staunton work part-time for us in Edmonton in conjunction with his CCA issues management responsibilities.

As Bob Lowe described in his report, we are actively pursuing more industry funding for research, marketing and industry collaboration through an increase in the National Check-off and a return to a non-refundable provincial service charge. The National Beef Strategy provides clear direction and a strong case for increased industry funding in these areas. It also reflects the kind of collaboration among industry partners and organizations that we are talking about in our proposal for a non-refundable service charge.

As we seek increases in industry funding for research and industry development initiatives, we are also encouraging governments to sustain or enhance their investments in these areas. Many people in the livestock industry and research community are concerned about future funding for research and industry development with the dissolution of the Alberta Livestock and Meat Agency, but Alberta Agriculture and Forestry has committed to maintaining investment in these areas. We will be encouraging the provincial government to fulfill this commitment and be working to ensure the next federal-provincial agriculture policy framework, currently called Growing Forward 3, makes research, innovation, and industry development a high priority.

As you read the following pages of this Annual Report, you will see the work that the ABP councils, committees, and staff members are doing to preserve and enhance our social license and ensure that our industry remains sustainable and competitive. ▾

Sincerely,

Rich Smith, Executive Director



JOHN BUCKLEY
Governance Chair

GOVERNANCE REPORT

The ABP Governance Committee is one of two oversight committees prescribed in the ABP by-laws and is responsible for oversight of the governance policies and practices of the organization. In this role, the committee reviews ABP corporate governance guidelines and practices, monitors trends and best practices in corporate governance, and makes recommendations to the ABP Board of Directors regarding appropriate changes in corporate governance. These changes could affect the governance provisions of the ABP Plan Regulation and ABP by-laws, as well as the policies and practices of the board.

The Governance Committee is appointed by the Board of Directors and currently consists of four members, supported by the Executive Director. Three members are appointed by the Board of Directors, Cow Calf Council, and Cattle Feeder Council, respectively. The fourth member is appointed by the committee and is an independent person from outside the organization, not directly involved as a delegate with ABP. This year, the Governance Committee selected past chair Doug Sawyer to be the non-delegate member and the ABP Board of Directors approved the committee recommendation to make John Buckley the chair.

Over the past six years, the Governance Committee has completed a thorough review of ABP governance policies and practices, as well as developed a number of important and useful governance

documents. The committee has prepared documents describing delegate, director, and zone committee responsibilities. The committee prepared the Code of Conduct and Conflict of Interest Policy that each director signs every year, as well as a Concerns and Complaints Procedure that the Board of Directors approved in 2012. The committee put a significant amount of effort into the development of the ABP Governance Manual that was approved at the Annual General Meeting in December 2013.

In 2014, the committee reviewed its charter with Maryann Urbanowski, of Marketing Council, and provided recommendations to the board for changes in the ABP honorarium rates. During 2015, the regulation amendments that arose out of the 2014 Plan Review and the decisions made by the delegates at the 2014 AGM were completed. At the 2015 Semi-Annual Meeting, the delegates approved the by-law amendments that were proposed as a result of the Plan Review. After a full review of the ABP councils and committees, the board established two strategic committees to deal with environment and wildlife, and acted on the recommendation of the Beef Production Specialist to establish a Research Committee.

The Governance Committee has several key tasks for this year. The committee needs to do a thorough analysis of the Means Policies in the ABP Policy Manual. These are the policies that direct board governance, board-management delegation, and executive limitations. There will be a need to ensure consistency between the Policy Manual and our Governance Manual, documents that were developed at different times by different people, as well as fill any gaps in the Means Policies.

With the development of the Means Policies and further travel along the ABP governance journey, we have been making changes in the role and responsibilities of the Board of Directors and the ABP staff. The Governance Committee has encouraged the Board of Directors to

ensure that there is appropriate separation between the high level strategic direction that is the responsibility of director and the ABP operations that are the responsibility of the Executive Director and the staff. To continue the governance journey, the board has started including a session on governance and policy on the agenda at every board meeting. The first governance and policy session was a positive in camera session, facilitated by John Buckley, to complete the Executive Director evaluation for the past year.

The committee will also make recommendations on the roles and responsibilities of ABP representatives on working groups, committees, councils, and boards outside of our organization. It is important to ensure that the changes underway at ABP are consistent with corporate governance practices that satisfy the Governance Committee. We need to ensure that there is consistency among the ABP regulations and by-laws, the ABP Policy Manual, and the ABP Governance Manual. Reviewing these documents and ensuring governance consistency is clearly the type of oversight for which the Governance Committee was established. The committee must be confident that the revised Governance Committee Charter will enable it to fulfill this role effectively.

Corporate governance was defined by the original committee chair as the framework of rules and practices by which a board of directors ensures accountability, fairness, and transparency in the organization's relationship with all stakeholders. Governance is a journey and ABP has made considerable progress on that journey over the past six years. The Governance Committee is committed to continuing to provide guidance for ABP along that journey. ▼

Sincerely,

John Buckley, Chair

Dick Wymenga, Cow Calf Council
Garth Porteous, Cattle Feeder Council
Doug Sawyer, non-delegate member



DAN DARLING
CCA President

CCA REPORT

I am pleased to report to you as President of the Canadian Cattlemen's Association (CCA). There have been many positive developments over the summer months. The inaugural Canadian Beef Industry Conference in August was a great success and an excellent demonstration of unity in the beef industry, with participation from nearly every piece of the value chain under one roof.

Leadership from our U.S. and Mexican cattle association counterparts, the National Cattlemen's Beef Association and Nacional de Organizaciones Ganaderas, attended CCA's semi-annual meeting held in conjunction with the conference and we enjoyed good discussion at our subsequent tri-lateral leaders' meetings.

I had the opportunity to meet with Mexican President Enrique Peña Nieto when he announced that Mexico will fully re-open to Canadian beef on October 1, 2016. Mexico closed to Canadian beef in May 2003 and re-opened to beef from cattle under-30-months (UTM) of age later that year, but remained closed to beef from over-30-month cattle and some UTM offal. Another important aspect of the Mexico announcement is that it is the final step in normalizing the Canada-Mexico beef trade. Canadian officials had approved Mexico to export beef to Canada two years earlier. A team of Mexican officials visited Canadian cattle production, feedmill and beef exporting facilities in Alberta and British Columbia in July, in support of the October 1 expansion of market access.

Taiwan had imposed a temporary suspension of Canadian beef imports in February 2015, following Canada's last case of BSE earlier that month. On July 8, 2016 Taiwan restored previous access for Canadian beef from UTM cattle. Taiwan is normally one of the top 10 markets for Canadian beef and was in seventh place in 2014, taking \$12 million of Canadian beef exports.

Currently, the most significant remaining BSE-related market restriction that CCA and the Government of Canada are continuing to work on is expansion of access in China to full UTM from boneless UTM. The value of Canadian beef exports to China more than doubled in 2015 and there is further potential once access is expanded.

Earlier on in the summer, CCA's Dennis Laycraft and John Masswohl travelled to Brazil for a meeting of the CEOs of the International Beef Alliance. In 2015, Brazil and Paraguay became new members of the Alliance, which now represents 46% of world beef production and 63% of world beef exports. Brazil has applied for the U.S. to recognize its claim of regional Foot and Mouth Disease (FMD)-free status. In addition to discussing IBA business and strategies, the CEOs also had the opportunity to meet with Brazilian federal and state level veterinary authorities to gain a greater understanding of Brazil's FMD control programs. Brazil has not yet requested similar recognition by Canada, but we have a good start to understanding their situation.

We spent much time at our summer policy meeting trying to predict the future of the Trans-Pacific Partnership (TPP) and options for a 'Plan B' should it not survive the U.S. political process. Regardless of what happens in Washington, the CCA wants Canada to ratify the TPP as a strong signal to our trading partners that Canada is against protectionism and prepared to move forward. We want to ensure that Canada is well positioned to be Japan's number

one priority for completion of a bilateral trade agreement, whether the U.S. ratifies the TPP or not. If it turns out that the U.S. does not ratify TPP this year, then Canada should explore an option whereby some or all of the remaining 11 members, and possibly some new entrants, implement the TPP without the U.S.

On the Canada-EU Comprehensive Economic and Trade Agreement (CETA), we also spent considerable time discussing our serious concern that the EU is unlikely to have adopted necessary technical approvals on critical anti-microbial treatments by the time Canada's Parliament considers legislation to implement CETA. We are working with the Canadian Meat Council to complete and submit the necessary approval packages to the EU and we are working with our EU meat industry counterparts toward full, outcome-based equivalence recognition of Canada's red meat system. I met with key trade and agriculture officials, as well as Ministers Freeland and MacAulay's staff, in late August to convey these concerns and we will work closely with them on a strategy to address these remaining non-tariff barriers.

In terms of political relations, I am pleased that we have developed a very good working rapport between our Ottawa office and the Agriculture and Trade Ministers' staffs. We are able to discuss issues with them as needed and I am confident that the CCA is viewed in those offices as a trusted partner. We will have another opportunity to discuss priorities for a competitive Canadian beef sector directly with Agriculture Minister MacAulay in late September, when we are in Ottawa for our annual fall Parliamentary reception and have been invited to participate in a mission with him to China later in the fall.

The Canadian Roundtable for Sustainable Beef and the Beef Cattle Research Council continue to ensure beef production remains progressive and adaptive to new efficiencies and

technologies. Important developments this year include progress on the CCA's quest for approval of irradiation for beef. The public comment period, which closed September 1, is part of Health Canada's consultation with Canadians on proposed amendments to the Food and Drug Regulations that would permit the sale of irradiated fresh and frozen raw ground beef in Canada. Treating foods with irradiation to enhance food safety is already supported by the majority of Canadians and the Consumer Association of Canada.

The 2016/17 National Beef Quality Audit (NBQA) is underway. The audit was first undertaken in 1995, with the intent to measure quality defects which could be managed primarily through the efforts of cattle producers. In addition to benchmarking quality parameters, the NBQA supports the development of strategies and research to reduce the incidence of defects. The 2016/17 audit of beef carcasses is the fourth to be completed and follows the third audit in 2010/11. The NBQA beef plant component builds on the recently completed NBQA retail study which examined beef quality and Canadian consumer satisfaction with beef steaks.

The Verified Beef Production Plus (VBP+) program launched in June. VBP+ includes training and auditing for animal care, biosecurity, and environmental stewardship, along with on-farm food safety practices within the cow-calf and feedlot sectors. Through validating sustainable practices at the primary production level, VBP+ enables producers to publicly demonstrate their commitment to responsible stewardship of both cattle and resources.

Programs like VBP+ are about what producers can do to be more responsive to the future direction of the industry. This program will help industry respond to future situations like we saw earlier this year with Earls' restaurant. VBP+ is an expansion of the original VBP

program, which grew from its roots in the Quality Starts Here program, an educational initiative started by the CCA years ago to help the beef industry move toward the highest beef quality in the world. Work to expand the national program offering and enhance provincial delivery across all provinces was initiated in late 2013 to address growing consumer demands for transparent, accountable, and sustainable beef production.

Traceability is another issue showing signs of progress. It is becoming an important tool that customers expect us to have, but at the same time seem unwilling to pay for. It is a priority for me to see the federal government implement the industry-supported Cattle Implementation Plan as the traceability plan that best reflects the realities of cattle production within a competitive marketplace.

The Federal government continues to place a high priority on environmental sustainability and addressing climate change. Fortunately, the Canadian beef sector is already a global leader in this area. We are working to ensure the broader benefits of beef production, in terms of conservation, stewardship, and sustainability, are well understood by the Minister of Environment and Climate Change and reflected in any new policy directions. The CCA has contributed to the government's consultation on climate change and we have found officials very cooperative and welcoming of our involvement. The CCA advocates the importance of government working in collaboration with Canada's beef industry in order to achieve common environmental and economic targets. Working together to find solutions for Species at Risk on agricultural landscapes will help to maintain an economically viable beef industry and avoid regulations that limit the ability of Canadian cattle production to compete on a national and global scale. The CCA also advocates for the support of research and agri-environmental programs, believing

that investing in research, innovation, and agri-environmental programming are some of the best investments to make.

The CCA will continue its work to address the factors that may be preventing some producers from expanding their herds to take advantage of current market opportunities. Issues here include fully funding programs that help producers manage risk, investing in infrastructure, secure access to high value and growing markets, policies that ensure the competitiveness of Canadian producers, investment in research and sustainable practices, and access to sufficient labour.

We also have a great deal of activity on internal initiatives aimed at strengthening the organization of Canada's beef industry. I am pleased with the widespread expression of support for the National Beef Strategy. Successfully implementing the strategic plan will require more producer investment with an increase in National Check-off. In practical terms, achieving the industry goals identified in the Strategic Plan is estimated to require a projected National Check-off investment of approximately \$16-17 million, or around \$2.50 per head (a \$1.50 increase from the current \$1 national check-off). Most provincial association members have endorsed the idea of a \$1.50 increase in support of these goals. With most provincial members now looking at moving towards executing on their respective provincial processes to enable a check-off increase, the estimated finalization of the path to the increase is late 2017 or sometime in 2018, barring any unforeseen complications. ▼

Sincerely,

Dan Darling, CCA President

CANADA BEEF REPORT

In 2015, Canada Beef launched its second, three-year strategic roadmap to further its core objectives over the period (2015-17).

The strategy is firmly geared towards:

1. Brand loyalty
2. Consumers
3. Value creation back to producers

The 2015/16 shift towards brand loyalty was critical for the industry to further market Canadian beef internationally. Canada Beef learned via research and market intelligence that consumers want an emotional connection to Canadian beef and that there is a need to create global co-brand partnerships.

Canada Beef's recent global survey asked what consumers thought about Canadian beef. It came down to this firm, core belief: "we put the best of Canada into our beef". But also Canada Beef needs to validate and back it up. Trust is the only means to create and sustain loyalty.

Canada Beef continues to drive the Canadian beef brand through three core functions: branding, marketing and business development. Canada Beef's brand, go-to-market and business development approach leverages a 'national league' strategy anchored by the Canadian beef brand, its promise, pillars and moreover, the very DNA of the brand being the Canadian Beef Advantage.

Together we are Canada Beef. A league of 68,500 beef producers united with one voice, one story, and one brand.

Canada Beef continues to work with over 100 proven and tested brand partners around the world to enable commercial opportunities for Canadian beef. To date, Canada Beef has executed over 180 market development programs, ensuring

that for every \$1 Canada Beef invests; at a minimum \$6 of partner investment is leveraged. Canada Beef strives for funder profitability and ROI. Canada Beef is not promoting, Canada Beef is driving a brand through to consumers in order to enable demand pull.

The number of downloads of The Roundup app, a buying and cooking resource, grew by about 285 per cent. The consumer-focused Make it Beef Club continued to leverage ongoing domestic and international initiatives to grow the database of subscribers. Nearly 3,500 new members were added through a contest, leveraging the partnership of Canada Beef with Karisma Resorts. A new consumer-focused website was launched in January of this year. Preliminary results show a growing engaged audience and a more integrated communication channel for the Canadian beef brand story.

One of the most impactful means to achieve brand loyalty is through co-branding with market leaders in select priority regions or 'market hubs', including North America, Hispanic, Asia, and potential Emerging Markets.

In export markets, Canada Beef focused on strategic alignment with selected partners to communicate the Canadian beef brand to end users and through to consumers in order to strengthen their confidence and trust in Canadian beef. Key marketing programs included the industry-focused Canadian Beef Branding Series, consumer-focused Canadian Beef Culinary Series, educational youth and family cooking classes, professional chef seminars, culinary events and brand media including targeted social media campaigns.

Here at home, Canada Beef continued to host the gate-to-plate "Canadian Beef Experiences" for industry partners, and find alignments with strong national brands. Canada Beef completed year two of a three year partnership

with the Canadian Football League to build consumer brand connectivity. For example, an aligned CFL-focused partnership with PepsiCo and Overwaitea Food Group reached over 135,000 consumers, ensuring Canadian beef is front and center, this to the benefit of our industry and this proud partner in Overwaitea.

In 2015, social media events that were direct partnerships with Canadian brand partners garnered over 261 million views and over 67,000 posts, focusing on the Canadian beef brand, and leveraging partner resources to tell the brand story to consumers. Key highlights included brand partners McDonald's (Mighty Angus), Subway (Prime Rib Melt), Swiss Chalet (roisserie beef) and Montana's (hand-carved 7 oz. steak) all using Canada Beef hosted Twitter Parties as a communications platform for launching new Canadian beef menu items. Canada Beef also evolved its social media events by linking online and live events through early adoption of Periscope, a social media platform linked with Twitter that hosts live-stream video feeds. Periscope enables Canada Beef to engage consumers around the world in the Canadian beef brand, in real-time.

One of Canada Beef's proudest accomplishments in 2015 was the opening of the Canadian Beef Centre of Excellence (CBCE) – a hub of connectivity between customers and the Canadian beef brand. Born from a need to tie customers to the brand on our own terms, the CBCE allows Canada Beef to create both a technical and emotional connection to Canadian beef. Over the first year in operation, the CBCE hosted 38 specific missions, over 1,000 industry guests and enabled and/or leveraged approximately \$145 million in commercial business.

In August, the Canadian Beef Cattle Research, Market Development and Promotion Agency (the Agency) worked in partnership with Canfax Research Services to release a

study evaluating the economic benefits from the Canadian Beef Cattle Check-Off. The study, prepared by Dr. James Rude and Dr. Ellen Goddard, is an update on the 2010 Cranfield Study which had reported results ahead of the 2010 merge of the Beef Information Centre, Canadian Beef Export Federation and the National Check-off Agency.

The new study reports that on average from 2011/12 to 2013/14, every check-off dollar invested in national research and marketing activities resulted in a benefit cost ratio of 14:1 or \$14 of benefit for Canadian cattle producers. This is up from the \$9 average between 2005 and 2008. In addition, the average benefit cost ratio grew steadily between 2011 and 2014. This implies that despite positive benefits, there has been under-investment in research and marketing activities for the Canadian beef cattle industry.

During 2005 to 2008, marketing managed by Canada Beef, had a benefit cost ratio of \$13.50, up from \$7.55 in the previous study.

Generally, an inverse relationship exists between the amount of money spent on a promotion or research activity and its marginal benefit cost ratio. It is this diminishing marginal return that helps explain why as investment has increased for research over the past five years, that the benefit cost ratio has declined, just as marketing dollars have declined and the benefit cost ratio has increased.

While the Canadian Beef Cattle Check-off provides the core industry funding for research and marketing programs, it does not fully cover the costs of all programs and activities. Supplementary funding is obtained by leveraging the Canadian Beef Cattle Check-off, attracting on average \$3 for every \$1 for research and \$1 for every \$1 for marketing between 2011-12 and 2013-14.

The Agency is dedicated to continually monitoring the benefit cost ratio of the National Check-Off through ongoing studies, and ensuring that extra value is derived from producer check-off and import levy investments.

Along with the full study from Dr. Rude, the Agency worked with Canfax Research Services to develop two supplementary documents to pinpoint the highlights of the study and how they are applicable to the Canadian beef industry. To learn more about the study and to view the supplementary documents, visit www.canadabeef.ca/national-check-off/.

As Canada Beef continues its three year strategy through 2017, the call to action is for the industry to work together to align and share one collective and powerful message, the Canadian beef story – the Canadian beef brand. Canada Beef will work collaboratively and share resources so the industry continues to build a global brand from a strong united front. This is the key to success.

One in six members of the Canadian beef industry joined The League during the inaugural Canadian Beef Industry Conference. Canada Beef invites you to join The League, to be a part of your Canadian beef brand: building consumer trust and loyalty for Canadian beef together. Help tell your story; how you are committed to do the best you can do to bring quality Canadian beef to the consumer's table. To join The League and complete the survey to strengthen the Canadian beef story, visit www.canadabeef.ca/theleague/. ▼



BRYAN THIESEN
BCRC Chair

BCRC REPORT

The Beef Cattle Research Council (BCRC) is Canada's industry-led funding agency for beef, cattle and forage research. Its mandate is to determine research and development priorities for the Canadian beef cattle industry and to administer National Check-off funds allocated to research. The BCRC is led by a committee of beef producers who proportionally represent each province's research allocation of the National Check-off.

On average nationally, the BCRC receives approximately 18% of the National Check-off, and plays a key role in leveraging additional funding for beef cattle research. Recognizing this, the Council works to ensure the highest return on investment possible for industry contributions to research through ongoing consultation with other provincial and national funding organizations.

Canada's Beef Cattle Industry Science Clusters

The first Beef Cattle Industry Science Cluster (2009-2013) directed \$10.5 million to 32 research projects. It proved to be a very successful step towards improving coordination of beef research funding in Canada while generating meaningful, applicable results.

Joint industry and government commitments to the second Cluster (2013 – 2018) total \$20 million, including \$14 million in funding from AAFC, \$1 million in provincial government investments, and \$5 million in funding from the research allocation of the National Check-off and provincial beef industry groups. Funding was directed to 26 research projects. A summary of each project can be found by navigating under the Research tab on BeefResearch.ca.

Highlights of research underway include:

Animal Health and Welfare

- implement a longitudinal disease surveillance network for cow calf operations in western Canada – results to date include that 43% of cows in western Canadian herds are copper deficient.
- study the effect of age of beef cattle on pain, as well as pain mitigation during routine management procedures – results to date clearly indicate that calves castrated at 1 week of age exhibit very few physiological or behavioural responses indicative of reduced welfare.

Feed Grains, Feed Efficiency, and Forage and Grassland Production

- provide Canada's beef industry with a package of improved tame and native forages – results from mixture studies are yielding results in drought adaptation. Forage quality samples were collected in 2015 and are being analyzed for nutritional quality. Potential legumes are in place and data will be collected regarding grazability and forage quality.
- define how the environmental footprint of the Canadian beef industry has changed over the years, assess whether cattle production impacts ecosystem health, how pasturelands store carbon, and affect wetlands and habitat for species at risk – results to date include: Canada produced 32% more beef in 2011 than in 1981. Much of this was due to higher carcass weights; in 2011, slaughter steers were 29% heavier and heifers were 45% heavier than they were in 1981. Producing the same amount of beef in 2011 required 29% less breeding stock, 27% fewer slaughter cattle and 24% less land, and produced 15% less greenhouse than in 1981.

Beef Quality and Food Safety

- conduct a National Beef Quality Audit (NBQA) to measure improvements in the quality of Canadian beef over time – results to

date include survey of 1200 Canadians retail beef customers which found that overall consumer satisfaction remained as high in 2015 as in 2009.

- enhance understanding of the causes of dark cutters – prediction models suggest that dark cutting is more likely in light weight (at weaning or slaughter), slow growing heifers with low feed intake. In terms of packing plant factors, the risk of dark cutting (both typical and atypical) was highest in cattle that were re-loaded from abattoir to temporary feedlot and then returned to abattoir following a short stay and feeding at an unfamiliar feedlot.
- improve education for packing plants on effective food safety procedures that are practical and cost-effective – results to date show that different cost-effective food safety interventions allow both large and small beef packing plants to produce carcasses with minimal numbers of bacteria.

The National Beef Research Strategy

The national Beef Value Chain Roundtable (BVCRT) and Beef Cattle Research Council (BCRC) developed the first National Beef Research Strategy in 2012. The first Strategy was successful in improving collaboration among funding bodies and improve efficiencies in funding research of priority to the industry. The renewal of the National Beef Research Strategy is currently underway and will be complete by January 2017. Following the renewal, planning for the third Science planning can begin.

Due to the importance and priority placed on antimicrobial resistance and use, funding of antimicrobial-related livestock research is increasing both federally and provincially. To make the best use of this funding, a National Beef Antimicrobial Research Strategy was developed as part but ahead of the renewal of the National Beef Research Strategy.

The National Beef Strategy

With a growing global appetite for

beef, consumers with questions and concerns about beef production, and a small Canadian beef herd, among other factors, the BCRC joined forces with the Canadian Cattlemen's Association, National Cattle Feeders' Association, Canadian Beef Breeds Council and Canada Beef to develop a National Beef Strategy.

The BCRC will play an integral role in achieving several of the industry goals established through strategic investments in research and extension. Consequently, the BCRC has developed a long-term funding plan to identify the necessary funding requirements to achieve these goals.

As highlighted in the 2012 National Beef Research Strategy, Canadian beef industry stakeholders strongly identify the need for continued and reinvigorated forage and grassland productivity capacity and research. Having recognized ongoing cuts by government and other organizations to investments in research related to forage and grassland production, and disappointing impacts including declining tame hay yields, the BCRC substantially increased its proportion of funding to this area.

The BCRC is also working with AAFC and universities to maintain and increase capacity, and encourage the transition of new replacement scientists prior to retiring scientist's departure to ensure research momentum is not lost.

Researcher Mentorship

Launched in 2014, the Beef Researcher Mentorship program provides practical learning and networking opportunities to applied researchers with little or no background in Canadian cattle, forage or beef production. Participants are paired with producers and other industry experts who are valuable resources of information about day-to-day cattle and forage production, industry structure and influences, and perspectives on industry challenges and opportunities at regional and national levels. The knowledge, connections and experiences gained through the yearly

program better enable these scientists to develop effective, industry-focused research and extension programs.

The Canadian Beef Industry Award for Outstanding Research and Innovation

The Canadian Beef Industry Award for Outstanding Research and Innovation was established by the BCRC in 2015. Following an industry nomination and committee selection process, the award will be presented annually at the Canadian Beef Industry Conference to recognize a researcher or scientist whose work has contributed to advancements in the competitiveness and sustainability of the Canadian beef industry.

Technology Transfer & Knowledge Dissemination

The BCRC continues to advance the implementation of its Knowledge Dissemination and Technology Transfer Strategy. Summaries of completed and in-progress research projects, advice on adopting technology and innovation into production practices, and commentaries that address misconceptions about modern beef production are continually made available through the BCRC Blog on www.beefresearch.ca. These articles are regularly referenced and redistributed by media and other organizations.

Videos are regularly produced. These short, engaging segments highlight research results and encourage producers to make informed production decisions. All videos are available on www.beefresearch.ca.

Several calculators have been developed and are available on www.beefresearch.ca. The most recently developed calculator helps producers weigh the costs and benefits of including preg-checking as a management decision, and determine the most profitable time of year to market open cows.

The BCRC hosts a series of webinars to relay science-based information and production advice to producers from researchers and other industry experts. The webinars are proving to be effective. Producers across the

country have reported correcting their method of calf resuscitation, increasing the use of protein supplementation, changing their haying times to increase the sugar content of their forages, and implementing methods to prevent nitrogen leaching as a result of participating in BCRC webinars. Recordings are available at www.beefresearch.ca/resources/webinars.cfm.

Verified Beef Production Plus

In addition to sponsoring research and technology development, the BCRC oversees and supports the beef industry's on-farm food safety program, Verified Beef Production (VBP). With the development of three additional modules in animal care, biosecurity, and environmental stewardship, VBP Plus (VBP+) launched in June 2016. Producers can now become trained and registered under all four modules.

It is recognized that VBP must prepare for a reduced federal/provincial funding structure in the years to come. Consequently, in 2015/16 a new business plan and strategy was developed that sets out a long-term sustainable and funding delivery model for VBP+. The implementation of this plan will move forward in consultation with the VBP Management Committee in the coming year.

VBP+ is expected to grow in importance, as it begins to deliver on all four modules and becomes a core pillar in verifying sustainable beef production in alignment with the Canadian Roundtable for Sustainable Beef and end-users looking for options to verify on-farm production practices.

Subscribe to the BCRC Blog

Learn more about ongoing beef, cattle and forage research that benefits the Canadian beef industry, and be notified of new decision making tools for producers by joining our free email list at www.beefresearch.ca/blog/subscribe. ▼

Respectfully submitted,

Bryan Thiessen, BCRC Chair



MELANIE WOWK
CCC Chair

CCC REPORT

The Cow Calf Council (CCC) reviewed the ABP Plan and Strategic Objectives to ensure they were contributing to the organization in a logical, focused direction. Some areas reviewed were the effects of the feeder sector on the cow calf sector, calf prices, safety-net options, AgriStability security for the calf Advance Payment Program and Agriculture Financial Services Corporation (AFSC) pasture and forage insurance direction after eliminating of the “Feed-Need” program.

Several presentations were made at the Semi-Annual Meeting in June that included the effects of ergot on pasture on cattle; the role of vitamin E in cow-calf nutrition; the new VBP+ program supporting the Canadian Beef Advantage and beef sector sustainability; cattle rustling and ways to address it; cloud seeding to reduce hail damage; an update of the Cow-Calfenomics planning sessions; and a presentation by Tim Smith, CCC member about his two-year Nuffield Scholar program and travel looking at ecological goods and services for agriculture.

Safety-net Subcommittee

Work had been done with AFSC on the “Feed-Need” forage and pasture insurance designed to insure a producer’s feed needs for the year. AFSC indicated mid-year that they would not go forward with this concept. Part of ABP’s request to AFSC was to have them consider insurance for swath grazing. Fred Hays, ABP Policy Analyst, has been supportive of AFSC’s research relating to this topic. The Government of Canada is reviewing

present Growing Forward 2 programs for transition to the Growing Forward 3 program rollout.

The council presented a resolution to the Board of Directors that they support current regulations and control products dealing with gophers (Richardson Ground Squirrels). The board sent a letter to the Minister of Agriculture in support of this resolution.

Last year Agriculture and Forestry had four one-day Cow-Calfenomics seminars in the province. Planning has begun to continue the program for the coming year. ABP will continue our financial sponsorship of agriculture students and young producers, which allows them to attend.

Drought and Excess Moisture Advisory Group reviews weather, pasture and forage conditions during the summer. As conditions were good during this summer there were only two conference calls held for review, and seven crop and field reports were sent to members.

Penny Patton is the CCC representative to Alberta Forages Industry Network (AFIN). Agriculture and Forestry has undergone some significant changes with the new government in place. AFIN discussed the need for GMO alfalfa to be better understood and globally accepted before introducing it into Alberta. Ten new weather stations were added to the network across Alberta, and a researcher was hired by the Alberta government to continue the Lacombe Research Station’s forage development program.

Alberta Agriculture and Forestry, ABP, and Agriculture and Agri-Food Canada signed an agreement on the formation of the Alberta Beef, Forage and Grazing Centre – a virtual Research and Development Centre. Activities will be carried out through collaboration with partners, industry and academia. Assar Grinde was elected as the ABP representative on the Centre’s Industry Advisory Board.

The Feeders Association of Alberta did a considerable amount of work on AgriStability and the Advanced Payment Program with assistance from ABP for changes for loan security needs. As of February producers can access up to \$400,000 per program year in advances based on the value of their cattle with the federal government paying interest on the first \$100,000 advance. Producers now have the choice of continuing to use AgriStability or the Western Livestock Price Insurance Program administered by AFSC as secondary security.

Alberta Farm Animal Care and Society for the Prevention of Cruelty to Animals both presented to the Cow Calf Council this year. They work together on social licence, education, and animal care protection. A discussion took place regarding the Animal Protection Act and Regulations dealing with the transport of livestock from barn to slaughter.

AFSC representatives discussed pasture and forage insurance programs with council members. The cost of calf coverage insurance was expected to be higher during the next year due to market volatility being a major factor impacting premium rates. During the past year, \$10 million in coverage has been paid out across the western provinces, \$4 million in Alberta. ▼

Sincerely,

Melanie Wowk, Chair

- Brodie Haugan, Zone 1
- Jake Meyer, Zone 2
- Kevin Krebs, Zone 3
- Walter Suntjens, Zone 4
- Dick Wymenga, Zone 5
- Assar Grinde, Zone 6
- Penny Patton, Zone 7
- Mike Lutzak, Zone 8
- Linda Messner, Zone 9
- Kevin Stopanski, Member at large
- Tim Smith, Member at large
- Gordon Graves, Wildlife Committee representative
- Rick Friesen, Board representative



BRYAN THIESSEN
CFC Chair

CFC REPORT

The ABP Cattle Feeder Council (CFC) provides a forum for discussion and recommendations on issues of particular importance to the cattle feeding sector of our industry. The mandate of the Cattle Feeder Council is to provide recommendations to the ABP Board of Directors on policy and strategic direction related to the sector.

After a good year from the last half of 2014 through the first half of 2015, many cattle feeders have been facing huge losses this year. Some are saying it is the biggest price correction they have seen and analysts expect further declines in prices. Expensive feeder cattle last fall and falling prices for fed cattle led to the large losses. In turn, these losses will continue to place downward pressure on prices for calves and feeder cattle. Cow calf producers saw record prices in 2015, but this fall, they will likely be back at a point where two-dollar calves will seem exciting again.

In addition to big losses on cattle, cattle feeding operations in Alberta have been, and will be, affected significantly by legislative and regulatory changes introduced by the new provincial government. With the exemptions in Bill 6, the Enhanced Protection for Farm and Ranch Workers Act, this legislation is now clearly directed toward paid employees. Since many cattle feeders have a significant number of paid employees, the impact of the legislation on these operations started on January 1, 2016. Feedlot operations were forced to provide WCB coverage for their employees even though many of them were already providing better coverage

through private insurance programs. Comprehensive investigations of fatalities and serious incidents involving employees are occurring now and these are made extremely challenging by the absence of specific occupational health and safety codes and standards for agricultural operations.

Cattle feeders are unsure about the potential impacts of Alberta's Climate Leadership Plan. Although marked farm fuel will be exempt from the new carbon levy, the fuel that is used to bring feed and haul cattle to and from their operations will be subject to the levy. The carbon levy will be applied to natural gas and we can expect the Climate Leadership Plan will increase the cost of electricity in the province. Beef processors will be subject to these and other added costs, so prices for fed cattle will be affected. Cattle feeding is a prime example of what the Alberta government called "trade-exposed" industries, and competitors in other provinces and the U.S. won't face these same costs.

Another one of the major challenges facing the cattle feeding industry is municipal taxation and levies. The Government of Alberta review of the Municipal Government Act will lead to amendments in the act that we expect to see introduced in the legislature this fall. However, we are not expecting changes in the assessment of farm land, farm buildings, and farm residences or the regulated rate formula for farm land.

The issue of infrastructure levies is another matter. As a result of many factors, including changes in funding from the provincial government, many municipalities are facing severe infrastructure (roads and bridges) challenges and are looking to implement levies to address the funding shortfalls. Unfortunately, confined feeding operations (CFOs) are viewed as a significant contributor to infrastructure problems and a potential source of levy funds to address these problems.

In order to address the issue of infrastructure funding, the CFC had representation on the Intensive Agriculture Operations Working Group (IAOWG), a group created with members from rural municipalities, the agriculture industry, and the provincial government. Unfortunately, the IAOWG was not able to reach a consensus on a provincial framework for infrastructure levies. In the absence of a provincial solution to infrastructure issues, Lethbridge County has implemented a business tax on CFOs and a special tax on farm land. ABP wrote a letter to Lethbridge County strongly opposing the business tax and we will continue to work with our colleagues and the government to find a fair provincial solution to taxation and infrastructure levy issues.

The CFC has also given careful consideration to the Feedlot Animal Care Assessment Tool that was developed by the National Cattle Feeders' Association (NCFA). This tool has Certified Audit status with the Professional Animal Auditor Certification Organization and the NCFA is encouraging the use of this tool through the feedlot and processing sectors. While this tool will be available for use by feedlots, we are working to ensure that it is compatible with Verified Beef Production Plus and the Canadian Roundtable for Sustainable Beef sustainability verification. ▼

Sincerely,

Bryan Thiessen, Chair

- Howard Bekkering, Zone 1
- Jimmy Nelson, Zone 2
- Craig Ference, Zone 4
- Charlie Christie, Zone 5
- Cecil Anderson, Zone 6
- Ken Stanley, Zone 7
- Philip Amyotte, Zone 8
- John MacArthur, Zone 9
- Garth Porteous, Zone 1 at large
- Tim Sekura, Board representative



DARREN BEVANS
Research Chair

RESEARCH REPORT

We were fortunate to partner with the Alberta Livestock and Meat Agency (ALMA) again to deliver a targeted \$1.5 million research call, this time focusing on antimicrobial use and resistance. Priorities were derived from the National Beef Antimicrobial Research Strategy developed by the Beef Cattle Research Council (BCRC) and the National Beef Value Chain Roundtable. The strategy follows comprehensive analysis of the antimicrobial research situation relevant to the Canadian beef sector, extensive consultation with all major stakeholder groups, and collaboration with funders to coordinate and align funding priorities.

Projects had to clearly address at least one of the priority areas:

- Identify and/or develop practical and economically viable modifications to current beef production practices that reduce the need for non-ionophore in-feed antimicrobials (e.g. tylosin and oxychlortetracycline). The development of pre/pro/synbiotics, the use of plant-based or other chemical antimicrobial alternatives, and vaccine development was considered out of scope.
- Identify and/or quantify differences in animal biological processes or genetics that affect animal health responses to high grain diets.
- Develop and pilot rapid and/or chute-side diagnostic techniques that can identify antimicrobial resistant bovine pathogens and help inform antimicrobial treatment decisions in real-time.
- Quantify baseline antimicrobial use data at both the cow/calf and feedlot levels.

- Quantify the prevalence of antimicrobial resistance in bovine pathogens in cattle arriving at the feedlot prior to any antimicrobial treatment at the lot, and/or in cull cattle arriving for slaughter.

A total of 15 letters of intent (LOIs) were received, and six of those were selected to move to the full proposal process. Those six full proposals are currently undergoing peer reviews, and final funding decisions will be made in November. We would like to thank the subject matter experts that assisted the Research Committee to narrow down the LOIs and who will be lending their expertise again at the final funding meeting in November.

The news of ALMA's dissolution came as a shock to many in the industry. ALMA was the second largest beef research funder behind Agriculture and Agri-Food Canada. This source of funding is especially important during the five-year time frame when BCRC funding dollars are completely committed to the Beef Industry Science Cluster. ALMA had the flexibility to fund researchers not only in Alberta, but other provinces and institutions ensuring the most qualified people perform the work.

We would like to thank the staff of ALMA for their dedication over the past seven years, especially Susan Novak and Clint Dobson, who were the staffers we worked closely with.

It is still unclear what the program will look like once Alberta Agriculture and Forestry (AF) absorbs ALMA. We know that the province will honour all contracted commitments made by ALMA. We have received assurances that only the delivery model is changing, not the types of funding offered. Details of how government will determine research priorities, level of industry involvement or engagement, process and governance for selection and funding of projects; as well as whether out of province researchers will remain eligible for funding have not been shared at this point. We are expecting to meet with AF prior to the completion of the transition on October 31, 2016.

It is unlikely that the partnership we've enjoyed with ALMA will continue in the same manner with AF once the transition is completed. The two targeted calls, the first on forage and the current one on antimicrobial use and resistance, were investments that will have concrete benefits to producers, and also a vote of confidence in ABP's research proposal review process and administration.

We continue to work closely with other funding agencies such as Manitoba Beef and Forage Initiatives and Saskatchewan's Agriculture Development Fund, assisting in their processes for project selection and helping to ensure coordination in research funding across jurisdictions.

The Alberta Beef, Forage and Grazing Centre will hold its first Industry Advisory Board Meeting in late fall or early winter, and Assar Grinde will represent ABP.

Every research dollar invested through check-off funds returns \$34.50 in benefits to producers. Without research and innovation beef producers will be hard pressed to meet future production challenges. The refundable check-off has greatly decreased our ability to make significant, long-term research investments in the areas of animal health and welfare, feed grains and feed efficiency, forage and grassland productivity, beef quality, food safety, and the environment. Instead, we are forced to make smaller, short-term investments on only one or two specific objectives in a single priority area at a time. This is undesirable in terms of maintaining research programs and capacity in all priority areas, and flexibility to adequately address emerging issues. ▾

Darren Bevans, Chair

- Howard Bekkering, Zone 1
- Rick Friesen, Zone 1
- Jimmy Nelson, Zone 2
- Brian Edge, Zone 3
- Ralph Buhler, Zone 6
- Cody Miller, Zone 7
- Lyndon Mansell, Zone 8
- Charlie Christie, CFC
- Dick Wymenga, CCC

COMMUNICATIONS REPORT

This last year has seen no shortage of industry issues in need of communicating. Bill 6 was the main focus at the beginning of the year. Keeping producers informed in the process and ensuring their comments and concerns were being heard was a top priority. Our website, radio spots, weekly news and social media were refreshed often to make use of every platform we had available. Once the AgCoalition was developed, ABP assumed the role of communications support – among other team positions. We continue to fulfill this role as this issue moves forward.

The first half of this year was spent making some much-needed updates to a few of our communications tools. The Communications Plan was refreshed, refocused and now reflects the current state of our communications needs and those going forward. The process identified some key areas in which our communications have room for growth. Our website, albertabeef.org, completed a transition to be a mobile responsive site. This wasn't an option at the time the site was built, but the need for a mobile friendly navigation site became apparent and it was moved to the top of our priority list.

The Earls Restaurant announcement to move away from Canadian beef had everyone's attention in April. The public outcry on social media put ABP at the forefront of the conversation. We responded to an impressive amount of mainstream media coverage giving us the opportunity to open a dialog with Earls on how to work together with industry going forward. This also allowed us to share the impressive work being done on a verification system by the Canadian Roundtable for Sustainable Beef with the public. The support for our industry from

the people of Alberta did not go unnoticed, we were thankful for their loyalty and gratified that consumers share the pride we have for our beef.

The inaugural Canadian Beef Industry Conference took place August 9-11 in Calgary at the Grey Eagle Resort – bring together over 600 attendees. ABP hosted a pre-conference tour of beef operations in Alberta, and our communications staff worked on the planning and promotions committee for this event. The agenda was full of interesting speakers and sessions to attend, and offered networking opportunities with producers and industry associates from all over Canada. The conference concluded with co-chairs Rob Smith and Virgil Lowe deeming it a success, and a big step forward for the Canadian beef industry.

In an effort to further the reach of our 'Worried About' series, we put together a two-page spread on the use of hormones and antibiotics in cattle for the GrainsWest annual consumer issue. The issue is distributed through two well-established food publications – Calgary's City Palate and Edmonton's The Tomato – with a combined reach of 65,000 urban readers. We are in the process of finalizing our latest in the 'Worried About' series that will focus on greenhouse gas emissions. You can find these information brochures on www.albertabeef.org under Worried About... on the consumer drop down menu.

The Young Guns Contest took place in May and we received nine strong submissions. This year, we asked youth (ages eight to 21) involved in the beef industry to tell us what they think the biggest myth about beef production is and what the truth is behind it. First place prize is \$1,000, second is \$500 and third is \$250. Jayden Calvert (Drayton Valley) came in first place by submitting an informative, fact-based essay on humane treatment from pasture to plate – highlighting the strict regulations and governance in place

to ensure proper handling of beef cattle. Second place went to Jessica Giles (Cayley) who submitted a presentation on hormones in beef and the importance of education, and third place entry came from Carmen White (Claresholm) who put together a video and slide presentation on the care and handling of livestock. The judging panel was impressed by the quality of submissions received this year and want to thank all of the applicants for their time and effort. The Young Guns Contest runs in May and judging takes place in June at the ABP Semi-Annual General Meeting.

ABP is always working towards better communications with producers. Tell your neighbours, friends, relatives or someone sitting beside you at the coffee shop that they can sign up for our weekly news updates online at www.albertabeef.org/page/news/ or contact katelynl@albertabeef.org. Being on our e-mail list means receiving your quarterly Grass Routes newsletter electronically, which saves money and resources. Our twitter account is connected to a strong community of beef enthusiasts who are continuously sharing information about the industry, their love of Alberta Beef and agriculture. You can find us on Twitter [@albertabeef](https://twitter.com/albertabeef). You can also like our Facebook page at www.facebook.com/ABBeefProducers, and be sure to comment on and share our posts.

Don't forget to tune into Cattle Country with Jim Fisher every Wednesday on radio stations all over the province. If you have something you would like to hear covered during these spots let us know and we'll do our best to incorporate it. You can read our monthly industry news advertorials in Alberta Beef Magazine or Alberta Farmer Express, and our next Grass Routes newsletter will be out in the New Year. ▼

GOVERNMENT RELATIONS REPORT

As everyone is aware, last year 2015 marked quite a significant event in Alberta. Forty-four years of a Progressive Conservative government came to an end, as a new NDP government was voted in. Although government relations and provincial advocacy has always been a core service of ABP, it was determined that with the new government it was timely to increase our efforts in government relations and provincial lobbying. The new government brought a changing political atmosphere and new policies which affect the beef industry. A new political climate can present some challenges, but there are also opportunities to capitalize on as we to continue to grow a sustainable Alberta beef industry. New working relationships and trust are being built as we get to know our new government members.

I was hired October 2015 in a joint and complementary position with the Canadian Cattlemen's Association. Forty percent of my time is dedicated to ABP Government Relations, and the other 60 percent is focused on issues management for CCA. The goal of issues management is to maintain and strengthen Canadian beef producers' social licence to operate. Accomplishing this involves having many conversations with the public and consumers to build trust in our production practices. If ABP has a strong relationship with both provincial and federal government members, they can be great advocates for our industry when they are engaging with the public as well. It was recognized that having a person in Edmonton who understands beef industry issues would be a great fit in building these strong relationships with government and staff.

ABP has always had a great relationship with Alberta Agriculture, especially government staff, and will continue to foster this relationship and good rapport with them. We have spent time getting to know Minister Carlier, his Chief of Staff Tony Clark, his Deputy Minister, and Assistant Deputy Ministers, and continue to work with them in many areas including research and innovation funding and strategies, agricultural policy, risk management programs, and development of beneficial management practices. We worked closely with them during the Earls restaurant issue by providing key messaging and information on humane cattle practices in Alberta.

It is obvious the provincial government is interested in environmental stewardship and reducing Greenhouse Gas emissions. ABP has had several meetings with Alberta Environment and Parks staff and see opportunities for the beef industry to contribute to new environmental policies. Areas such as rangeland conservation and stewardship, riparian management, ecological goods and services, on-farm energy efficiency, grazing leases, and climate change have been discussed. At the request of government, ABP put together a Policy Position on Climate Leadership so they have a complete understanding of our views, and the opportunities that can benefit both the beef industry and our environment, allowing government to fulfill some of its environmental goals. We would like to acknowledge the CCA for sharing their Beef Industry Strategies for Reducing Greenhouse Gases and Building the Green Economy document, which was instrumental and became the basis for ABP's position paper.

ABP continues to build relationships and find solutions or opportunities with the Ministry of Labour, Ministry of Economic Development and Trade, and Ministry of Culture and Tourism. We will also have a role to play with other ministries and their policies as we continue our efforts. ABP recently

had discussions with the Ministry of Municipal Affairs to find a solution for the proposed Lethbridge feedlot head tax which will put substantial pressure on the viability of the feedlots in that area, and could also affect the greater provincial feedlot industry.

ABP hosted a successful MLA reception in conjunction with Alberta Agriculture and ACFA at the end of May. MLAs were introduced to our directors in an informal and comfortable setting, encouraging discussion and complemented by great beef hors d'oeuvres. We estimated over 90 percent attendance by the MLAs, which both pleased and flattered us. It was a great step towards getting to know our government members and building this relationship.

Lastly, I continue to develop and foster relationships with other partners through presentations and meetings on a variety of subjects. I continue to guest lecture for some business sustainability classes and animal science classes at the University of Alberta (U of A), have given presentations to AAFC, Canadian Simmental Association, the Beef Value Chain Roundtable, and Farm Credit Canada, and have continued to provide industry connections for researchers at the U of A on complementary and practical research projects.

As we move forward in government relations, we know there will be disagreements but we will also have some common goals which will benefit government, industry, and the citizens of Alberta. It is important that we have a respectful relationship with our government where both sides can express and debate their ideas, concerns, and strategies. ABP, government, academia, and other partners want the best for Albertans, our animals and our environment. We look forward to great opportunities in the years ahead. ▼

Sincerely,

*Tom Lynch-Staunton,
Government Relations*



JUDY FENTON
Environment Chair

ENVIRONMENT REPORT

At the Environment Committee meeting in February a decision was made to produce a video highlighting the last 25 years of the Environmental Stewardship Award. Preliminary assessment indicated an estimated cost of \$30,000 for this project, but further discussion provided a more cost-effective approach. There was some indication that the World Wildlife Federation (WWF) would be interested in providing financial support.

Over the past 19 years the committee has been promoting Alberta Beef Producers' environmental position through Farm for Tomorrow – a rural magazine published three times a year and delivered to rural addresses across the province. This publication features the ABP Environmental Stewardship Award winners on the cover for their annual winter edition.

Former Deputy Minister of the Climate Change Office Bill Werry presented to the committee on the government's climate change policy and the role of the carbon levy, and possible impacts on agriculture and the beef sector. The Canadian Cattlemen's Association has been working on federal industry recommendations and from those the ABP Policy Position on Climate Leadership was presented to the Government of Alberta as they develop their policy.

Funding continues to be an issue with many of the watershed groups in Alberta. The Environment Committee continues to support member representation to watershed groups as required.

The Alberta Land Institute (ALI) is a University of Alberta land-use

research, planning, and policy group dealing with agriculture, water, governance and municipal development. Kelly Hall, winner of the 2008 ABP Environmental Stewardship Award and a cattle producer near Stavely, is a representative on the ALI board. The Alberta Land Institute Conference took place in May and centered around land-use planning including ecosystems services and the use of agricultural land.

The International Rangeland Congress is a five-day scientific conference held once every five years throughout the world. Saskatoon hosted the conference in July with over 60 countries represented by 600 registrants. The congress highlighted rangeland and grazing in a high tech world. There were many opposing views representative of the different countries in attendance and their needs. For example, advocates for grazing versus those who believe only wildlife should access the land – each believing their position best supported continued biodiversity. Educators, researchers, legislators and industry attended. It's important that producers attend these conferences as strong advocates for the industry.

Bryon Wolters from Ducks Unlimited (DUC) discussed their incentive programs with the committee for beef producers including the Wetland Restoration Lease and Forage Incentive and the Revolving Land Purchase programs. Some producers have difficulty competing with DUC on land purchases. DUC has tried to accommodate this by purchasing land for their wetland needs, converting annual crops to perennial cover, and selling it with a conservation easement to ensure cover is maintained.

Cows and Fish is the lead organization in the delivery of the Rancher's Range Management Course. This year a field day was held with Agriculture Minister Carlier in attendance, 15 producers, Cows and Fish staff and government representatives at the farms of Shannon and Danny Ruzicka, and Don Ruzicka north of Killam. Three representatives from ABP attended and although the day was somewhat

wet and windy, the riparian and grassland demonstrations were highly informative.

The Agri-Environmental Partnership of Alberta (AEPA) is a partnership between the agriculture industry, government and environmental non-government organizations working to proactively address agri-environmental policy issues. AEPA provides a forum for developing balanced policies that encourage a vibrant, profitable agriculture industry and a healthy, sustainable environment. Rich Smith represents ABP on the AEPA Working Group.

At the AGM last December, VXX Farms and the Vandervalk family was presented the 2016 Environmental Stewardship Award. Each year, ABP recognizes an operation that demonstrates leadership in environmental stewardship – one that contributes to the land while maintaining productivity and profitability. Jack Vandervalk moved to southern Alberta in 1956 and has been managing their Porcupine Hills area ranch ever since. Jack, along with his wife Merry and son Gerald and his family operate a cow calf business with retained ownership to slaughter. Rotational grazing and unique water management systems have played roles in the stewardship success of the ranch. Throughout the summer they rotational graze their tame grass, moving cattle every two or three days. Native grass is utilized during the winter months to lower feed costs. Numerous dams have been developed which are equipped with water troughs made from recycled mine truck tires. ESA videos are available at albertabeef.org/page/esa. ▼

Regards,

Judy Fenton, Chair

- Kevin Stopanski, Zone 1
- Bob Lowe, Zone 2
- Chris Israelson, Zone 3
- Garth Johnson, Zone 4
- Dick Wymenga, Zone 5
- Stuart Somerville, Zone 5
- Gary Seutter, Zone 6
- Les Geier, Zone 8
- Ron Wieler, Zone 9

ANIMAL HEALTH/ WELFARE REPORT

In July, proposed amendments to the *Food and Drug Regulations (Veterinary Drugs – Antimicrobial Resistance)* were published in *Canada Gazette Part I*, and were open for public comment until September.

The proposed amendments would:

- require veterinary active pharmaceutical ingredients (APIs) imported or sold in Canada to be manufactured in accordance with good manufacturing practices;
- require persons who import, fabricate, package, label or test veterinary APIs to do so in accordance with an establishment license;
- restrict the own use importation of unauthorized veterinary drugs;
- require manufacturers, importers and compounders of veterinary antimicrobials to provide sales volume information by species;
- and introduce an alternative, less burdensome pathway for manufacturers to legally import and sell certain low-risk veterinary drugs, known as veterinary health products (VHPs).

Alberta Beef Producers submitted comments to Health Canada and the Veterinary Drug Directorate regarding these amendments. The majority of amendments close current regulatory loopholes that both ABP and CCA have long advocated for.

However, it was difficult to fully support the restriction of own use importation at this time. The proposed amendments refer to a “List B,” which will be the list of products still allowed under own use importation after the new regulations come into force, but the list of products that would comprise List B has not been created. We recommended that industry be involved with the creation of List B, and that this list be developed prior to the regulations coming into place. For some non-medically important products such as parasiticides,

implants, and some vaccines, we felt that producers should retain the option for OUI, especially if a large cost differential exists between Canada and the U.S.

In terms of requiring manufacturers, importers and compounders of veterinary antimicrobials to provide sales information, we recognized that this was a first step towards a surveillance system for antimicrobial use, but also noted that sales data does not necessarily equate to use on-farm. Providing a less burdensome regulatory pathway for VHPs should stimulate research and development for possible antimicrobial alternatives.

We also used this opportunity to comment on a potential policy change that would see all medically important antimicrobials (MIAs) become prescription only. We are concerned that this may impact the ability of cattle producers to access certain antimicrobials in a timely manner to treat disease in their animals. ABP always advises producers to consult with their veterinarian on herd health protocols and treatment decisions. However, this proposed policy would force producers to not only obtain prescriptions from their veterinarian, but also force them to purchase certain products that are currently available without a prescription from veterinarians. This is because the current regulations governing Authorized Medicine Sales Outlets in Alberta prevent those establishments from purchasing, stocking, or selling any prescription products. Access to MIAs necessary for immediate treatment may be limited, particularly in large geographic regions served by a sole veterinary clinic that may not have the staff capacity to respond to requests after normal business hours.

Veterinarians responsible for both prescribing and dispensing are under a potentially significant conflict of interest. Concerns have been raised that this conflict of interest may encourage the prescription of more expensive antimicrobials whose sales may be more profitable for the clinic. This may inadvertently lead to the use of antimicrobials of higher

importance in human medicine, as those antimicrobials are generally more expensive.

We offered a compromise that would allow over the counter sales of a restricted range of veterinary antimicrobials that are of low or medium importance in human medicine (e.g. certain Category III antimicrobials), provided the buyer can demonstrate they are part of an approved on-farm food safety program, such as Verified Beef Production Plus, with inventory and sales records kept and reported.

Another solution we proposed was to require prescriptions for all MIAs but allow the current Authorized Medicine Sales Outlets in Alberta to continue to sell the products they currently carry upon presentation of a valid veterinary prescription. This would require amendments to the *Authorized Medicine Sales Regulation*, and potentially the *Pharmacy and Drug Act* and the *Veterinary Profession Act*. We have also shared these potential solutions with the province as they undertake their own consultations with Health Canada and Veterinary Drug Directorate.

This will be the last season of the current Northern Alberta Bison Project, unless more funding is applied for. Due to the difficulty of locating bison in densely forested areas, work on this project almost entirely takes place from November to March. We have expanded the project in this last season to test bison moving into Alberta from B.C. for brucellosis. A new CFIA risk assessment regarding the transmission of brucellosis and tuberculosis showed the risk of cattle contracting either disease from wild bison was still extremely low, but also increased substantially compared to the previous risk assessment performed in 1999. The province has requested a federal-provincial working group or committee to address this issue, and we continue to advocate for a long-term solution. ▼

MARKETING REPORT

During the summer seasons of 2015 and 2016, Alberta Beef Producers again executed an ALMA funded campaign to raise awareness of the Alberta Beef brand, increase sales with our retail partners and remind people of a great product that's produced right here in Alberta. The campaign was a combination of television, digital, social media, experiential and event marketing, along with public relations support.

The Famous Taste Express – our tasting truck and trailer – hit the road again for both summers, visiting 25 locations along the way. The truck sampled striploin and sirloin steaks, prepared by professional chefs with our twin-grill setup. The 14 retail events saw the trailer visiting multiple locations in Calgary, Edmonton and their surrounding areas, along with two longer tours into Northern Alberta each Labour Day weekend. Additional events saw the trailer visit the Edmonton and Calgary Dragon Boat Festivals each year, working to further our outreach to new Canadians, as well as reminding long-time Albertan's about the great taste of Alberta Beef. Collaboration with 51 North Productions saw us return to the Stampede Roundup and Oxford

Stomp each year, providing us a large venue with which to remind concert-goers about the products available close to home. Finally, our visits to three CFL games gave us a chance to bring Alberta Beef to people as they celebrated football season in both Calgary and Edmonton.

Aside from the Famous Taste Express, social media saw a big boost in engagement and impressions over the two year span of the campaign. Over the course of the two summers, Twitter impressions totaled 408,648, and Facebook saw 873,723 impressions.

A video content series, with popular recipe videos and local restaurant menu highlights proved popular across social platforms while also providing famoustaste.albertabeef.org with content over the course of the campaign. Partnership in summer 2016 also saw Alberta Beef Producers sponsor YYC Burger Fest, providing more exposure and further associating the brand with popular dining locations in Alberta.

The Reporting

This evaluation report takes a comprehensive look at all of the events and related conversations in media and online tools; we discuss everything of relevance including the events themselves, our media coverage, the interest in the brand online, and the impact in sales felt by our retail partners.

Achieving Goals

The past two summers made up the fourth and fifth years of the five-year Famous Taste Express Campaign, during which we delivered on the following goals:

- Remind Canadians of the great taste of Alberta Beef
- Introduce the high quality and great taste of Alberta Beef to New Canadians
- Increased retail sales for retail partners. ▼



By the Numbers

Number of people who sampled over the 2 summers	42,625
People who heard about Alberta Beef from events (word of mouth impressions)	127,875
Average lift in sales of beef at event locations	2.8%
Average lift in sales of Choice Cut at event locations	208%
Total retail events	14
Total non-retail events	11
Total Twitter Impressions	408,648
Total Facebook Impressions	873,723
Total impressions through digital media	8,053,426



COLIN CAMPBELL
Wildlife Chair

WILDLIFE REPORT

The Wildlife Committee objectives included using the Miistakis report completed in 2015 to help develop a policy position on wildlife impacts, building rapport with government officials and others in the wildlife sector, and creating a wildlife communications plan for delegates.

The Occupiers Liability Act was reviewed by legal counsel Daniel Hawkwood, Beaumont Church LLP. This Act deals with potential liability from situations whereby employees, workers and trespassers are injured or death occurs. In most cases liability insurance for injury or damages for beef producers is covered by their homeowner's liability policy. This is usually extended to rental properties including grazing leases. Regardless, it was recommended that producers carry an additional \$3-5 million in liability insurance.

The Wildlife Committee held a forum in January to give ABP direction on wildlife issues. In attendance were representatives from ABP, Alberta Fish and Wildlife (Policy), Alberta Fish and Game Association, Alberta Ag Service Board, Alberta Conservation Association, and the Waterton Biosphere Reserve. Recommendations included having liability and education information as part of hunting handouts, providing ABP members with hunting release forms via the website, increase media communication, increase government lobbying efforts, and increase dialog with recreation groups. There was also a recommendation to improve training for wildlife officers, and for the government to provide more wildlife field officers.

Committee Membership

Alberta Game Policy Advisory Committee is a streamlined group from the former Alberta Game Management Advisory Group who's main function is to establish how many hunting licences will be allocated. In some areas they allocate up to 20 percent of licences to landowners, and in some areas up to 50 percent of the licences are allocated to Wildlife Management Units. Colin Campbell is the Wildlife Committee representative.

The use of hunting licences to help manage wildlife issues was addressed. However, the distribution and use of landowner tags does not appear to address these issues. There are also problems obtaining tags online.

Endangered Species Conservation Committee is a government committee dealing with impacts and management of endangered plant and animal species. Species at risk legislation is developed that can impact the agri-industry. Gordon Graves is the representative, and Walter Suntjens the alternate.

Wildlife Predator and Shot Livestock Compensation Group had Cecil Anderson appointed, and Norm Hennigar is the alternate.

ABP Cow Calf Council Safety-net Subcommittee has Gordon Graves as the Wildlife Committee representative.

Wildlife predator compensation continues to be an issue facing the industry. Mark Heckbert, Fish and Wildlife (Policy), discussed the government's approach to predation control. The Alberta government promotes the Waterton Biosphere model of having a local working group manage these problems with assistance from Fish and Wildlife. They feel producers need to address their issues of controlling attractants to curb predator destruction of livestock. Best management practices for burying or burning deadstock and planning calving areas helps control area predator numbers. Predator compensation was discussed and the Waterton Biosphere developed a position paper advocating increased

compensation for lost and injured livestock. ABP supports their position.

British Columbia is allowing certified producers and trappers to assess predation damage for compensation. Their livestock assessments are sent to BC Fish and Wildlife for review, and on to BC Agriculture for payment. The province pays 80 percent of verified predation costs including those for coyote damage. ABP's improved compensation position will continue to include livestock losses by coyotes.

The Board of Directors held an MLA reception in Edmonton. The Minister of Environment and Parks Shannon Phillips was briefed about the predator compensation deficiency and other wildlife concerns for beef producers.

Producers continue to provide a land base for hunting while the legal process prohibits them from charging to do so on their property. The committee continues to push for changes to the legislation by exploring this as paid ecological service.

British Columbia is testing the Etthithun area bison coming into Alberta for brucellosis. There have been monthly surveillance flights around highway 35 dealing with the Wood Buffalo National Park herd. Around \$246,000 is left in the grant for bison management in northern Alberta to be spent by May 31, 2017. The management group is moving ahead with a proposal for a long-term solution to deal with tuberculosis and brucellosis risks from the Wood Buffalo bison. ▼

Colin Campbell, Chair

- Brad Osadczuk, Zone 1
- Jeff Havens, Zone 3
- Mark Crowle, Zone 4
- Walt Suntjens, Zone 4
- Cam McLerie, Zone 5
- Cecil Andersen, Zone 6
- Rick McKnight, Zone 7
- Gordon Graves, Zone 8
- Maarten Braat, Zone 9
- Norm Hennigar, Zone 9
- Kevin Stopanski, CCC representative



BRIAN CHOMLAK
Audit Chair

AUDIT REPORT

Audit committees are viewed as a critical component of the overall corporate governance process. The ABP Audit Committee was appointed by the Board of Directors to assist the board in fulfilling its oversight role and to help discharge its fiduciary responsibilities. The primary tasks of the Audit Committee are to:

- Identify and monitor the management of principle risks that could impact financial reporting.
- Monitor the integrity of the financial reporting process and the system of internal controls regarding financial reporting and accounting compliance.
- Monitor the independence and performance of the external auditors.
- Provide an avenue of communication between the auditor, management, and the Board of Directors.

The Audit Committee is comprised of:

One member appointed by the Board of Directors;

One member appointed by the Cattle Feeder Council;

One member appointed by the Cow Calf Council; and

One non-delegate member appointed by the members of the Audit Committee.

The Audit Committee has reviewed and considered ABP's internal control and risk management procedures as well as the financial reporting and disclosure procedures.

The committee met with the auditors to review the final audited financial statements prior to the commencement of the ABP Semi-Annual Meeting in June.

The members of the Audit Committee are dedicated to the beef industry in Alberta and have demonstrated that commitment through a willingness, not only to offer their time and hard work for the greater good of the industry, but more importantly, to offer it with enthusiasm and good humour. ▼

Regards,

Brian Chomlak, Chair

Bryan Thiessen, Board of Directors
Michael D. Lutzak, Cow Calf Council
Jimmy Nelson, Cattle Feeder Council

ABP OPERATIONS BUDGET FOR 2016-17

Alberta Beef Producers

Operations Budget for the year ending March 31, 2017

With comparisons to the actual expenses for the year ending March 31, 2016

	Budget March 31, 2017	Actual March 31, 2016
National Policy and Trade Advocacy Programs:		
Canadian Cattlemen's Association	\$ 1,482,300	\$ 1,451,088
Enhanced Federal Lobbying	35,000	17,783
National Governance and Oversight	35,000	26,415
U.S. and International Trade Management	35,000	27,655
Organizational Expenses:		
Board of Directors and board appointed representatives	133,000	118,029
Annual General Meeting	115,000	119,610
Fall producer meetings & resolutions policy development	100,000	96,034
Semi-annual Meeting	75,000	74,367
Zone Committees	70,000	62,970
Executive Committee	60,000	58,921
Annual Report	55,000	50,205
Audit Committee	2,000	676
Governance Committee	2,000	-
Operational Expenses:		
Salaries and benefits, related to priority areas	547,500	471,878
Marketing and Education	315,000	86,111
Communications	253,000	246,717
Industry Partnerships	178,000	157,859
Research Committee	105,000	75,114
BCRC Science Cluster	100,000	100,000
Feed Grain Research Project	100,000	-
Provincial Advocacy	60,000	34,070
Environment Committee	55,000	47,732
Canfax Membership and Services	53,400	53,400
Projects Reserve Fund/VBP+ Enhancement Fund	50,000	10,210
Cattle Feeder Council	30,000	35,339
Sponsorships	30,000	571
Industry Collaborations	25,000	6,200
Wildlife Committee	25,000	18,358
Animal Health and Welfare	18,000	18,958
Cow Calf Council	18,000	14,769
Cattle Industry Forum	5,000	124
Administrative Expenses:		
Rent, office supplies and equipment	400,000	356,929
Salaries and benefits	332,500	294,055
Legal, audit, and consulting	50,000	41,639
	<u>4,949,700</u>	<u>4,173,785</u>
Non Cash expense		
Amortization of furniture and equipment	<u>20,000</u>	<u>17,026</u>
Total operational budget	4,969,700	<u>\$ 4,190,811</u>
Capital asset budget	<u>10,000</u>	
	<u>\$ 4,979,700</u>	

ABP REFUND REPORT

Refund Period Ending	Number of refund requests	Number of marketings refunded	Net Amount Refunded	Refunded to to Cow Calf # requests	Amount Refunded to Cow Calf	Refunded to to Feedlots # requests	Amount Refunded to Feedlots
Dec-15	429	633,765	\$ 1,239,464	294	\$ 152,483	135	\$ 1,086,981
Jun-15	388	564,365	\$ 1,113,233	241	\$ 134,012	147	\$ 979,221
Dec-14	488	662,946	\$ 1,294,803	320	\$ 153,263	168	\$ 1,141,540
Jun-14	442	639,849	\$ 1,246,736	278	\$ 169,031	164	\$ 1,077,704
Dec-13	491	624,396	\$ 1,217,511	333	\$ 170,579	158	\$ 1,046,932
Jun-13	432	615,941	\$ 1,204,360	261	\$ 154,713	171	\$ 1,049,647
Dec-12	532	547,308	\$ 1,061,740	365	\$ 152,581	167	\$ 909,159
Jun-12	407	569,901	\$ 1,109,397	241	\$ 114,327	166	\$ 995,070
Dec-11	572	599,038	\$ 1,173,105	381	\$ 157,468	191	\$ 1,015,637
Jun-11	414	516,204	\$ 1,008,705	242	\$ 113,333	172	\$ 895,372
Dec-10	647	584,075	\$ 1,586,156	473	\$ 304,054	174	\$ 1,282,102
Jun-10	396	364,789	\$ 1,042,110	244	\$ 169,126	152	\$ 872,984
	5,638	6,922,577	\$14,297,319	3,673	\$ 1,944,970	1,965	\$ 12,352,349

Percentage of refunds allocated

14%

86%

Note: While there have been a total of 5,638 refund requests since the refund process was implemented, these requests have come from approximately 2,097 producers as many producers have made refund requests in more than one refund period.

Refund Rates

The full \$3 service charge and levy was refundable until November 30, 2010. Thereafter, only the \$2 Alberta Service Charge was refundable.



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June 13, 2016

INDEPENDENT AUDITOR'S REPORT

Edmonton, Alberta

To the Directors and Delegates of Alberta Beef Producers

We have audited the accompanying financial statements of Alberta Beef Producers, which comprise the statement of financial position as at March 31, 2016 and the statements of operations, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Alberta Beef Producers as at March 31, 2016 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Kingston Ross Parnak LLP

Chartered Professional Accountants

ABP STATEMENT OF OPERATIONS

ALBERTA BEEF PRODUCERS

Statement of Operations

For the Year Ended March 31, 2016

	2016	2015
REVENUE		
Alberta service charge and levy revenue (Note 2)	\$ 10,381,433	\$ 11,107,741
Less dealer rebate	(171,620)	(182,146)
Less Alberta service charge refunded	(2,352,697)	(2,541,538)
Interprovincial marketings (Note 2)	97,403	133,563
	7,954,519	8,517,620
Canadian Beef Cattle Research, Market Development and Promotion Agency (Note 9)		
Canada Beef	2,745,917	2,914,334
Beef Cattle Research Council	686,479	728,584
	3,432,396	3,642,918
Excess of revenue over expenses before the undernoted	4,522,123	4,874,702
OTHER REVENUE		
Grants (Note 8)	646,206	615,883
Interest and other income (Note 4)	160,630	247,375
Producer Loyalty Partnership Program	12,500	10,000
	819,336	873,258
OTHER EXPENSES		
Grants (Note 8)	646,206	613,835
CCA legal assessment (Note 9)	281,029	297,458
ABP matching funds for Marketing Campaign	212,327	259,338
Research commitments, conditionally restricted fund	52,500	-
Economic Impact of Wildlife Study	7,990	-
Producer Loyalty Partnership Program	2,021	-
	1,202,073	1,170,631
EXCESS OF REVENUE OVER EXPENSES BEFORE OPERATING EXPENSES	4,139,386	4,577,329
OTHER EXPENSES		
Operating Expenses (Schedule 1)	4,173,784	4,508,902
Amortization of furniture and equipment (Note 6)	17,025	18,523
	4,190,809	4,527,425
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	\$ (51,423)	\$ 49,904

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS

Statement of Changes in Net Assets

Year Ended March 31, 2016

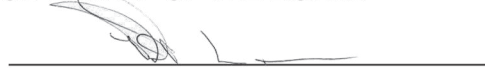
	Trade Advocacy Reserve (Note 3)	Operating Reserve Following year (Note 3)	Operating Reserve Future years (Note 3)	Project Reserve Fund (Note 3)	Invested in Furniture and Equipment (Note 6)	Un- restricted	2016 Total	2015 Total
NET ASSETS - BEGINNING OF YEAR	\$ 4,500,000	\$ 4,925,000	\$ 1,500,000	\$ 290,000	\$ 62,030	\$ 2,022,788	\$ 13,299,818	\$ 13,249,914
Transferred to current year operations	-	(4,925,000)	-	-	-	4,925,000	-	-
Internally restricted for following year operations	-	4,900,000	-	-	-	(4,900,000)	-	-
Internally restricted transfers	-	-	-	188,125	-	(188,125)	-	-
(Deficiency) excess of revenue over expenses	(281,029)	-	-	(247,500)	(17,025)	494,131	(51,423)	49,904
Invested in furniture and equipment	-	-	-	-	9,078	(9,078)	-	-
NET ASSETS - END OF YEAR	\$ 4,218,971	\$ 4,900,000	\$ 1,500,000	\$ 230,625	\$ 54,083	\$ 2,344,716	\$ 13,248,395	\$ 13,299,818

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS
Statement of Financial Position
March 31, 2016

	2016	2015
ASSETS		
CURRENT		
Cash	\$ 3,251,264	\$ 1,446,976
Restricted cash (Note 3)	230,625	290,000
Operating Reserve Fund, Following year (Note 3)	4,900,000	4,925,000
Investments (Note 4)	7,406,621	7,356,083
Service charge receivable	920,458	994,876
Interest and other receivables	117,850	216,105
Goods and Services Tax recoverable	-	16,632
Prepaid expenses	68,366	68,496
Inventory (Note 5)	21,145	6,817
	16,916,329	15,320,985
OPERATING RESERVE FUND, Future years (Note 3)	1,500,000	1,500,000
FURNITURE AND EQUIPMENT (Note 6)	54,083	62,030
	\$ 18,470,412	\$ 16,883,015
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 1,544,081	\$ 1,870,246
Goods and Services Tax payable	8,551	-
Alberta marketings held in trust	1,543,956	1,628,546
Deferred revenue (Note 7)	2,125,429	84,405
	5,222,017	3,583,197
COMMITMENTS (Note 10)		
Trade Advocacy Reserve Fund (Note 3)	4,218,971	4,500,000
Operating Reserve Fund, Following year (Note 3)	4,900,000	4,925,000
Operating Reserve Fund, Future years (Note 3)	1,500,000	1,500,000
Project Reserve Fund (Note 3)	230,625	290,000
Invested in Furniture and Equipment	54,083	62,030
Unrestricted	2,344,716	2,022,788
	13,248,395	13,299,818
	\$ 18,470,412	\$ 16,883,015

ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS
Statement of Cash Flow
Year Ended March 31, 2016

	2016	2015
OPERATING ACTIVITIES		
(Deficiency) excess of revenue over expenses	\$ (51,423)	\$ 49,904
Items not affecting cash:		
Amortization of furniture and equipment	17,025	18,523
Loss on disposal of furniture and equipment	301	-
Change in unrealized gain on investments held at year end	114,653	(57,713)
	80,556	10,714
Changes in non-cash working capital:		
Service charge receivable	74,418	302,956
Interest and other receivables	98,255	(22,269)
Prepaid expenses	130	51,105
Inventory	(14,328)	1,945
Goods and Services Tax payable	25,183	5,345
Accounts payable and accrued liabilities	(326,165)	(31,992)
Alberta marketings held in trust	(84,590)	(178,716)
Deferred revenue	2,041,024	(307,765)
	1,813,927	(179,391)
Cash flow from (used by) operating activities	1,894,483	(168,677)
INVESTING ACTIVITIES		
Purchase of investments	(3,765,058)	(2,582,078)
Proceeds from sale of investments	3,599,867	2,488,551
Purchase of furniture and equipment	(9,379)	(5,103)
Cash flow used by investing activities	(174,570)	(98,630)
INCREASE (DECREASE) IN CASH	1,719,913	(267,307)
CASH - BEGINNING OF YEAR	8,161,976	8,429,283
CASH - END OF YEAR	\$ 9,881,889	\$ 8,161,976
CASH CONSISTS OF:		
Cash	\$ 3,251,264	\$ 1,446,976
Restricted cash (Note 3)	230,625	290,000
Operating reserve fund, following year (Note 3)	4,900,000	4,925,000
Operating reserve fund, future years (Note 3)	1,500,000	1,500,000
	\$ 9,881,889	\$ 8,161,976

All cash bears interest at prime less 2% per annum.

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS

Notes to Financial Statements

Year Ended March 31, 2016

1. DESCRIPTION OF BUSINESS

Alberta Beef Producers ("ABP") was incorporated under the Marketing of Agricultural Products Act for the purpose of initiating and carrying out projects and programs to stimulate, increase and improve the production and marketing of cattle and cattle products. Effective since November 30, 2010, ABP is authorized under its Plan Regulation and Commission Regulation to collect a \$2.00 refundable Alberta service charge and a \$1.00 non-refundable National Levy from producers who sell or who are in the business of feeding and slaughtering their own cattle ("Alberta Service Charge and Levy").

Since April 1, 2000, \$1.00 (the "National Levy") of the per head service charge collected has been paid to the Canadian Beef Cattle Research, Marketing Development and Promotion Agency ("the Agency"). The National Levy is paid to the Agency by all the provincial cattle associations to fund research, market development and promotion projects for the benefit of Canadian producers.

Effective July 1, 2011, the ABP Board of Directors allocates the National Levy as follows: \$0.80 to Canada Beef ("CB") and \$0.20 to Beef Cattle Research Council ("BCRC").

ABP meets the qualification of a not-for-profit organization as defined in paragraph 149(1) of the Income Tax Act, Canada and as such is exempt from income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for Not-for-Profit Organizations. Significant accounting policies observed in the preparation of the financial statements are summarized below.

Cash, cash equivalents and restricted cash

Cash, cash equivalents and restricted cash consist of cash on deposit, less cheques issued.

Financial statement presentation

ABP has chosen to continue to present net assets invested in furniture and equipment as a separate category of internally restricted net assets.

(continues)

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS Notes to Financial Statements Year Ended March 31, 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

The Alberta Service Charge (Note 1) collected is held in trust until such time as the refund period is complete. When the number of marketings retained is known, the revenue is recognized. The revenues reported represent Alberta Service Charge collected and management's best estimate of uncollected fees. Due to the uncertainties in the industry reporting, there may be adjustments in future periods and such adjustments may be material to the financial position of ABP.

ABP pays a dealer rebate of \$0.05 per head to those who collect and remit the Alberta Service Charge and Levy collected on behalf of ABP.

ABP follows the deferral method of accounting for contributions, which includes government grants. Grant revenue is recognized in accordance with the terms of the grant agreements when received or receivable if the amounts to be received can be reasonably estimated and collection is reasonably assured.

Investment income includes interest and realized and unrealized gains and losses on investments. Revenue from investments and other income is recognized on an accrual basis as it is earned.

Budgeting process

The net revenues remaining from the Alberta Service Charge and Levy collected less refunds of the Alberta Service Charge and payments to the National Agency in one year are to be used for the following year's draft budget. This process of collecting net revenue one year for the following year's expenditures enables ABP to budget effectively and ensure there are funds available for core operations. The budget is finalized once the total amount available to be spent is known.

Refunds

The Alberta Service Charge and Levy is payable by producers who sell cattle and by producers who feed and slaughter their own cattle. The Alberta Service Charge paid by or on behalf of a producer is refundable to that producer on request of that producer. A producer could request a refund of all or a portion of the \$2.00 Alberta Service Charge. The \$1.00 National Levy is non-refundable. The refund is only available to Alberta residents selling or feeding and slaughtering cattle in Alberta.

Interprovincial marketings

When non-Alberta residents sell cattle in Alberta, the purchaser or livestock dealer is deducting and remitting a \$3.00 Federal Levy and not the Alberta Service Charge and Levy. The \$3.00 Federal Levy is collected by ABP on behalf of the Agency. Payments of the Federal Levy are forwarded to the Agency for national beef cattle research, marketing and promotion projects for the benefit of Canadian producers. The Agency pays a portion of the Federal Levy to the provincial cattle association in the province where the seller resides. When an Alberta resident sells cattle in another province, the provincial cattle association in that province is, in turn, collecting the Federal Levy from the Alberta producer. The Federal Levy is non-refundable.

(continues)

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS Notes to Financial Statements Year Ended March 31, 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Investments

Investments are recorded at market value. ABP's investments consist of government bonds which are held primarily for trading purposes. The portfolio is managed by a third party investment manager and is subject to an investment policy set by the Board of Directors and which has as its main objective the growth and preservation of capital. Transition costs are recognized immediately in the statement of operations.

Inventory

Inventory is valued at the lower of cost, determined on an average cost basis, and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less estimated selling costs. Cost of inventories includes materials and other costs incurred in bringing the inventories to their present location and condition.

Furniture and equipment

ABP provides amortization on its furniture and equipment using the straight-line method at the following rates:

Furniture and fixtures	10 years
Computer equipment	4 years
Audio-visual equipment	5 years

Financial instruments

All financial instruments are initially measured at fair value, and, unless otherwise noted, ABP subsequently measures its financial instruments at amortized cost.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. These estimates included the useful lives of the furniture and equipment, collection of Alberta Service Charge, collectability of accounts receivable and inventory obsolescence.

Disclosure of allocated expenses

ABP has chosen to continue to classify their expenses by function and allocate their expenses to a number of functions to which the expenses relate. ABP has allocated salaries expenses to Operational Expenses and to Administrative Expenses (Note 13).

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS Notes to Financial Statements Year Ended March 31, 2016

3. INTERNALLY RESTRICTED NET ASSETS

Trade Advocacy Reserve Fund

In 2005, the Board of Directors passed a motion to establish a reserve fund for the purpose of future trade advocacy and legal defence projects.

In 2016, the transactions in the fund consisted of expenses of \$281,029 were incurred (2015 - \$145,188) and a transfer from the Unrestricted Fund in the amount of \$nil (2015 - \$463,821).

	Withdrawal	Transfer	2016	2015
Balance, beginning of year	\$ -	\$ -	\$ 4,500,000	\$ 4,181,367
Payment of CCA legal assessment	(281,029)	-	(281,029)	(145,188)
Motion to transfer funds into fund	-	-	-	463,821
	\$ (281,029)	\$ -	\$ 4,218,971	\$ 4,500,000

Operating Reserve Fund

On April 30, 2009, the Board of Directors passed a motion to establish a reserve fund for the purpose of allocating operational funds for the following budget years.

	2016	2015
Balance, beginning of year	\$ 4,925,000	\$ 5,011,000
Transferred from the fund for operations in current year	(4,925,000)	(5,011,000)
Allocation from the current year to the following year's operations budget	4,900,000	4,925,000
	\$ 4,900,000	\$ 4,925,000

Operating Reserve Fund, future years

In 2010, the Board of Directors established this fund to cover budget shortfalls caused by short-term declines in cattle marketings during the cattle cycle. The purpose of this fund is to allow ABP to maintain high level of services for the benefit of producers during these periods. The cattle herd in Alberta is currently at a low level and the Board of Directors expects that the number of marketings will be low over the next few years as the herd is rebuilt.

	2016	2015
Balance, beginning of year	\$ 1,500,000	\$ 1,309,800
Motion to transfer funds into the fund	-	190,200
	\$ 1,500,000	\$ 1,500,000

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS Notes to Financial Statements Year Ended March 31, 2016

3. INTERNALLY RESTRICTED NET ASSETS *(continued)*

Conditionally Restricted Reserve Fund

In 2012, the Board of Directors passed a motion to establish a conditionally restricted reserve fund. When the board passes a motion to fund a project where certain conditions must be met, the funds will be placed in this fund until the conditions are satisfied. If the conditions are not satisfied the funding will return to the unrestricted net asset fund.

	2016	2015
Balance, beginning of year	\$ -	\$ 5,000
Motion to transfer funds out of fund	-	(5,000)
	\$ -	\$ -

Project Reserve Fund

In 2007, the Board of Directors established a project reserve fund for the purpose of segregating all multi year commitments. The Board established a policy that the full value of long-term commitments would be removed from the current year budget and placed in this fund. This policy was modified in 2013 and modified again in 2014. Now, the policy on long-term projects is when all the funding for a long-term project is available in a current budget year, this funding will be moved to the Project Reserve Fund (for long-term projects), but when all the funding is not available in a current budget year, the ABP Board of Directors may make long-term project commitments on a year to year basis subject to the availability of funding in future years.

	2016	2015
Balance, beginning of year	\$ 290,000	\$ 366,650
Current year marketing campaign obligations expensed	(247,500)	(271,650)
Current year commitments	188,125	195,000
	\$ 230,625	\$ 290,000
Consists of:		
Current commitments	\$ 230,625	
Long term commitments	-	
	\$ 230,625	

(continues)

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS Notes to Financial Statements Year Ended March 31, 2016

3. INTERNALLY RESTRICTED NET ASSETS *(continued)*

Comprised of:

Research projects

As of March 2014 the Board of Directors had allocated \$95,000 to various research projects over two years.

Balance, beginning of year	\$	95,000
Recognized in 2016		(52,500)
	\$	42,500

Marketing Campaign

Balance, beginning of year	\$	185,000
Recognized in 2016		(185,000)
Addition in 2016		188,125
	\$	188,125

Board of Directors

"The Economic Impact of Wildlife Study"

Balance, beginning of year	\$	10,000
Recognized in 2016		(10,000)
	\$	-

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS Notes to Financial Statements Year Ended March 31, 2016

4. INVESTMENTS

	2016	2016	2015	2015
	Cost	Fair Value	Cost	Fair Value
Bonds:				
Provincial government, bearing yield rates ranging from 1.35% to 2.1%, due between June 2016 and January 2019	\$ 7,300,539	\$ 7,406,621	\$ 7,135,348	\$ 7,356,083

Although some of the bonds have maturity dates beyond one year, due to their ability for prompt liquidation, all have been classified as current assets.

Interest and other income is comprised of the following:

	2016	2015
Interest on investments	\$ 167,208	\$ 93,866
Change in unrealized gain in investments held at year end	(114,652)	57,713
	52,556	151,579
Interest on bank balance	67,144	82,202
Other income	40,930	13,594
	\$ 160,630	\$ 247,375

5. INVENTORY

	2016	2015
Inventory consists of the following:		
Promotional items	\$ 21,145	\$ 6,817

During the year ended March 31, 2016, ABP expensed \$25,217 (2015 - \$18,983) of its inventory in the regular course of operations and had no inventory write-downs.

6. FURNITURE AND EQUIPMENT

	Cost	Accumulated amortization	2016 Net book value	2015 Net book value
Furniture and fixtures	\$ 105,475	\$ 70,156	\$ 35,319	\$ 40,880
Computer equipment	27,244	14,008	13,236	13,411
Audio-visual equipment	11,055	5,527	5,528	7,739
	\$ 143,774	\$ 89,691	\$ 54,083	\$ 62,030

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS Notes to Financial Statements Year Ended March 31, 2016

7. DEFERRED REVENUE

	Opening	Additions	Recognition of Revenue	2016	2015
Targeted Antimicrobial Use Resistance Research Call	\$ -	\$ 1,282,500	\$ -	\$ 1,282,500	\$ -
Targeted Forage Research Call	-	950,000	(315,730)	634,270	-
Alberta Beef: Marketing Campaign	-	376,250	(188,125)	188,125	-
Environment Grant	34,536	-	(17,278)	17,258	34,536
AHI Investigation Summary and Producer Education Information Program (1)	3,276	-	-	3,276	3,276
AMR Diagnostic Panel Grant	46,593	14,959	(61,552)	-	46,593
Body Condition Scoring Grant	-	47,044	(47,044)	-	-
Wood Buffalo Bio Security Grant	-	16,477	(16,477)	-	-
	\$ 84,405	\$ 2,687,230	\$ (646,206)	\$ 2,125,429	\$ 84,405

(1) Funds from the Animal Health Investigator (AHI) program are earmarked for producer education and awareness programs regarding the effects of the oil and gas industry on cattle health.

Refer to Note 8 for details of the external restrictions on these amounts.

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS Notes to Financial Statements Year Ended March 31, 2016

8. GRANTS

	2016	2015
Targeted Forage Research Call	\$ 315,730	\$ -
Alberta Beef: Marketing Campaign	188,125	250,102
AMR Diagnostic Panel Grant	61,552	88,317
Body Condition Scoring Grant	47,044	51,714
Environment Grant	17,278	33,908
Wood Buffalo Bio Security Grant	16,477	99,794
Technological Communications Grant	-	90,000
	\$ 646,206	\$ 613,835

Targeted Forage Research Call

In 2016, the Alberta Livestock and Meat Agency ("ALMA") provided ABP with \$950,000 grant to execute a call for research in the area of forage projects. A balance of \$317,730 was recognized as revenue in 2016, of which \$315,730 was recognized as eligible expenses incurred.

Alberta Beef: Marketing Campaign

In 2016, ALMA provided ABP with \$388,625 for use in a two year provincial marketing campaign. A balance of \$188,125 was recognized in revenue during 2016 and \$188,125 was recognized as eligible expenses incurred.

AMR Diagnostic Panel

In 2015, ALMA provided ABP with a \$149,900 grant for the purpose of providing a tool to measure antibiotic resistance in the field. A balance of \$61,552 was recognized as revenue in 2016 (2015 - \$88,317) which agreed to eligible expenses incurred.

Body Condition Scoring Grant

In 2014 Growing Forward 2 provided ABP with a \$112,500 grant for the purpose of educating producers about body condition scoring. In 2016, a balance of \$47,044 (2015 - \$51,714) was recognized as revenue and agreed to eligible expenses incurred.

Environment Grant

In 2012 ABP received a grant from Alberta Agriculture and Rural Development (ARD) for an Overwintering Sites project. A balance of \$17,278 was recognized as revenue in 2016 (2015 - \$33,908) which agrees to eligible expenses incurred.

Wood Buffalo Bio Security Grant

In 2012 Growing Forward provided ABP with an initial grant to assist with costs related to a study on tuberculosis and brucellosis present in bison outside Wood Buffalo National Park. In 2014, Growing Forward 2 provided ABP with a second grant of \$425,450 to continue work on this project. In 2016, the balance of \$16,477 (2015 - \$99,794) was recognized as revenue which agrees to the eligible expenses incurred.

Technological Communications Grant

In 2015, ALMA provided ABP with a \$90,000 grant for the purpose of providing an Educational Digital Asset for Youth. The whole balance of \$90,000 was recognized in 2015 as revenues and agree to eligible expenses incurred.

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS Notes to Financial Statements Year Ended March 31, 2016

9. RELATED PARTY TRANSACTIONS

National Organizations:

The Alberta Beef Producers Plan provides for ABP to be the provincial member of and contribute funds to the national organizations. As a contributing organization, ABP is entitled to representation as follows:

1. Canadian Cattlemen's Association (CCA)

- a) The number of seats on the Board of Directors of the CCA is based upon the proportionate share of the CCA annual assessment. Effective July 1, 2012, ABP is entitled to seven of the twenty-eight seats.

2. Canadian Beef Cattle Research, Market Development and Promotion Agency (the "Agency"), operating as Canada Beef. As a contributing organization, ABP is entitled to representation as follows:

a) Canada Beef

Alberta is entitled to two of sixteen seats on the Board of Directors of Canada Beef and by agreement, these seats are divided between ABP and the Alberta Cattle Feeders' Association.

b) Beef Cattle Research Council

A number of representatives to the Beef Cattle Research Council based on its proportionate share of total funding. For the year ending March 31, 2016 ABP was entitled to four of the eleven seats.

3. Payments

	2016	2015
CCA Monthly Assessments		
Payments	\$ 1,451,088	\$ 1,431,153
Payable at year-end	-	15,172
	\$ 1,451,088	\$ 1,446,325
CCA, Other		
CCA Legal Assessment	\$ 281,029	\$ 297,458
Sponsorship of Young Cattlemen's Council	1,000	1,000
Canadian Round Table for Sustainable Beef Membership	2,000	1,500
Research project funding, BCRC	152,500	152,500
Sustainable Beef Project	-	10,000
	\$ 436,529	\$ 462,458

(continues)

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS Notes to Financial Statements Year Ended March 31, 2016

9. RELATED PARTY TRANSACTIONS *(continued)*

ABP made additional payments to the foregoing parties for contracted services as follows:

	2016	2015
Payments to Canfax, a division of CCA:		
Membership and services	\$ 53,400	\$ 53,400
Communications Committee, services	10,200	10,200
Research projects	10,210	12,000
	\$ 73,810	\$ 75,600

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Amounts payable at March 31, 2016 to the following:

Canadian Beef Cattle Research, Market Development and Promotion Agency	\$ 1,301,733	\$ 1,311,936
Canadian Cattlemen's Association - Operations	3,995	422
Canadian Cattlemen's Association Legal Assessment	-	152,270
Canadian Cattlemen's Association Monthly Assessment	-	88,144
	\$ 1,305,728	\$ 1,552,772

Amounts receivable at March 31, 2015 from the following:

Canadian Beef Cattle Research, Market Development and Promotion Agency	\$ 42,532	\$ 87,765
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Amounts receivable and payable at year-end are in the normal course of operations. The amount owing to and from Canadian Beef Cattle Research, Market Development and Promotion Agency includes the monthly collection of the National Levy and the province of origin amounts.

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS Notes to Financial Statements Year Ended March 31, 2016

10. COMMITMENTS

Operating leases:

ABP leases office space and equipment under various operating leases. The future minimum lease payments over the next five years and thereafter are as follows:

2017	\$	148,959
2018		155,607
2019		145,076
2020		145,076
2021		151,724
Thereafter		494,135
		<hr/>
	\$	<u>1,240,577</u>

Funding of research projects:

Funding of research projects is contingent upon researchers meeting certain criteria prior to payments being advanced. The obligations for payments are only recorded in the financial statements when such criteria have been met. If the researchers meet such criteria for all projects outstanding as at March 31, 2016 the additional charges will be \$230,625 (2015 - \$290,000), which has been set aside in the Project Reserve Fund (Note 3).

In 2013, a \$500,000 funding agreement has been signed payable to BCRC to continue the Beef Science Cluster Projects and will be funded out of retained funds over five years commencing in 2014. In 2016, one payment was made for \$100,000 and a balance of \$200,000 remains and will be financed out of future retained funds (2015 - 300,000).

In 2013, an agreement was made to continue funding the Feed Grain Research Project in the amount of \$200,000. This project will be funded out of future retained funds in 2014 and 2015. In 2015, the final payment was made for \$100,000.

In 2013, a \$200,000 agreement was signed with BCRC to fund various research projects over four years. A balance of \$52,500 was expensed in 2016 (2015 - \$nil). The balance of the funding (\$42,500) for this project to be paid as follows (Note 3):

\$25,000 upon progress report year four being approved;
\$17,500 upon final report being approved.

The balance of these research commitments to Beef Science Cluster Projects and BCRC is \$242,500 (2015 - \$395,000).

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS
Notes to Financial Statements
Year Ended March 31, 2016

11. DIRECTOR, DELEGATE AND NON-DELEGATE EXPENSES

With respect to payment of honoraria and the reimbursement of expenses to producers elected as a delegate or a director and to the payment of the daily allowance and reimbursement of expenses to producers not elected as a delegate or director of ABP who worked as a delegate or director of ABP with respect to authorized ABP programs or activities, the following director and delegate honoraria, and non-delegate daily allowances, and expenses are included in each of the categories is as follows:

	2016	2015
Board of Directors and Board Representatives	\$ 99,797	\$ 103,099
Annual General Meeting	63,482	62,864
Executive Committee	57,818	58,116
Semi-annual Meeting	36,465	38,048
Environment Committee	23,020	18,854
U.S. and International Trade Management	18,752	19,756
Fall producer meetings and Resolution Policy Development	17,262	12,722
Enhanced Federal Lobbying	14,914	22,169
Canadian Cattlemen's Association	14,329	21,440
Wildlife Committee	11,995	7,239
Cow Calf Council	10,579	11,632
Zone Committees	8,995	10,676
Animal Health and Welfare	8,767	15,279
Research Committee	8,651	2,767
Marketing and Education	7,205	9,350
Canadian Beef Cattle Research, Market Development and Promotion Agency	6,724	11,820
Cattle Feeder Council	6,101	9,266
Industry Partnerships	3,613	1,972
Provincial Advocacy	3,061	1,826
Communications	1,378	1,605
Audit and Governance Committees	573	3,505
Beef Cattle Research Council	335	740
Cattle Industry Council	-	366
	\$ 423,816	\$ 445,111

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS Notes to Financial Statements Year Ended March 31, 2016

12. FINANCIAL INSTRUMENTS

ABP is exposed to various risks through its financial instruments. The following analysis provides information about the ABP's risk exposure and concentration as of March 31, 2016. Unless otherwise noted, ABP's risk exposure has not changed from the prior year.

Credit, liquidity and price risk

ABP has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed in investments. The risks that arise from transacting financial instruments include credit risk, liquidity risk, and price risk. Price risk arises from changes in interest rates, foreign currency exchange rates, and market prices. ABP does not use derivative financial instruments to alter the effects of these risks. ABP manages these risks using extensive risk management policies and practices, including various Board-approved asset mix strategies and risk management limits.

Changes in interest rates and credit ratings are the main cause of changes in the fair value of government bonds resulting in a favourable or unfavourable variance compared to book value. Credit risk is mitigated by investing in securities with a rating of BBB or better and diversifying the securities. Interest rate risk is mitigated by managing maturity dates and payment frequency. ABP is also exposed to interest rate fluctuations on its cash balances. A sensitivity analysis for interest rate risk has not been performed for the year ending March 31, 2016 as the effect of a change in interest rates would have been minimal as the interest on the existing cash on hand is not a material amount. ABP limits credit risk associated with accounts receivable by dealing with counterparties that it believes are creditworthy. ABP has a significant number of customers which minimizes concentration of credit risk.

13. ALLOCATION OF EXPENSES

The salaries of the Executive Director and Controller have been allocated proportionately as determined by the Board of Directors on an annual basis. Costs that can be directly attributable to the individual programs and functions have been allocated to the specific programs and functions.

	Operational Expenses		Administrative Expenses	
	2016	2015	2016	2015
Executive Director	40%	40%	60%	60%
Controller	30%	30%	70%	70%

14. SUBSEQUENT EVENTS

Subsequent to year end, a lease was signed committing ABP to a additional storage space commencing June 1, 2016 and expiring May 2024 at a rate of \$5,090 per annum.

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS

Operating Expenses

(Schedule 1)

Year Ended March 31, 2016

	2016	2015
National Policy and Trade Advocacy Programs:		
Canadian Cattlemen's Association (Note 9)	\$ 1,451,088	\$ 1,446,325
U.S. and International Trade Management	27,654	33,779
National Governance and Oversight	26,415	37,909
Enhanced Federal Lobbying	17,783	25,270
Organizational Expenses:		
Annual General Meeting	119,609	114,809
Board meetings and Board appointed representatives	118,029	127,587
Fall producer meetings and resolution policy development	96,034	95,386
Semi-annual Meeting	74,368	71,400
Zone Committees	62,970	58,476
Executive Committee	58,921	60,197
Annual Report	50,205	50,878
Audit Committee	676	144
Governance Committee	-	4,170
Operational Expenses: (Note 13)		
Salaries and benefits related to programs	471,878	527,271
Communications	246,717	222,636
Industry Partnerships	157,859	132,557
BCRC Science Cluster	100,000	100,000
Marketing and Education	86,111	88,684
Research Committee	75,114	63,348
Canfax Membership and Services (Note 9)	53,400	53,400
Environment Committee	47,732	45,975
Cattle Feeder Council	35,340	24,628
Provincial Advocacy	34,070	15,137
Animal Health and Welfare	18,957	18,730
Wildlife Committee	18,358	10,656
Cow Calf Council	14,769	16,007
Project reserve fund	10,210	93,500
Industry Collaborations	6,200	-
Sponsorships	571	13,090
Cattle Industry Council	124	393
Feed Grain Research Project	-	100,000
Administrative Expenses: (Note 13)		
Rent, office supplies and equipment	356,929	370,051
Salaries and benefits	294,054	292,190
Legal, audit and consulting	41,639	194,319
	\$ 4,173,784	\$ 4,508,902

CCA FINANCIAL STATEMENTS

CANADIAN CATTLEMEN'S ASSOCIATION

Schedule of Revenue, Expenditure and Net Assets (Unaudited)

Year ended June 30, 2016, with comparative figures for 2015

	2016		2015	
Revenue:				
Assessments				
Alberta	\$1,457,734	34.2%	\$1,431,153	38.0%
Saskatchewan	603,438	14.2%	544,132	14.5%
Ontario	420,970	9.9%	437,412	11.6%
Manitoba	237,640	5.6%	218,429	5.8%
British Columbia	121,837	2.9%	110,046	2.9%
Nova Scotia	12,069	0.3%	11,642	0.3%
New Brunswick	10,057	0.2%	9,702	0.3%
Prince Edward Island	9,770	0.2%	9,425	0.3%
Quebec	-	0.0%	-	0.0%
	2,873,515	67.5	2,771,941	73.7%
Legal assessments	\$630,112	14.8%	695,025	18.5%
CYL Second Step	73,131	1.7%	106,168	2.8%
Young Leaders Development Program	52,339	1.2%	55,898	1.5%
Other	45,779	1.1%	44,906	1.2%
Sustainable Beef	461,851	10.8%	26,557	0.7%
Town Halls	7,110	0.2%	16,402	0.4%
Young Cattlemen's Council	11,467	0.3%	15,270	0.4%
National Beef Strategy	82,880	1.9%	13,704	0.4%
Sponsorship	15,000	0.4%	9,000	0.2%
Interest	4,924	0.1%	6,743	0.2%
Total Revenue	4,258,108	100.0%	3,761,614	100.0%
Expenses:				
Calgary Office	\$1,237,676	29.7%	1,006,196	28.2%
Legal Reserve	630,112	15.1%	695,025	19.5%
Sustainable Beef	461,851	11.1%	383,789	10.8%
CCA Division Services	339,894	8.2%	321,068	9.0%
Ottawa Office	330,310	7.9%	316,202	8.9%
Advocate Services	318,194	7.6%	141,868	4.0%
Executive & Finance	146,676	3.5%	106,168	3.0%
Annual Meeting	93,260	2.2%	82,519	2.3%
Animal Health & Meat	90,584	2.2%	81,274	2.3%
National Beef Strategy	82,880	2.0%	75,373	2.1%
CYL Second Step	73,131	1.8%	75,301	2.1%
Foreign Trade Committee	72,421	1.7%	55,898	1.6%
Semi Annual Meeting	61,451	1.5%	43,978	1.2%
Young Leaders Develop	52,339	1.3%	34,197	1.0%
Communications	50,532	1.2%	31,834	0.9%
Environment	41,080	1.0%	26,557	0.7%
International Beef Alliance	35,038	0.8%	18,455	0.5%
Animal Care Committee	16,782	0.4%	16,402	0.5%
Young Cattlemen's Council	11,467	0.3%	15,270	0.4%
Convention	10,753	0.3%	13,704	0.4%
Town Halls	7,110	0.2%	12,489	0.4%
Domestic Ag Policy	4,904	0.1%	4,281	0.1%
Value Creation & Competitiveness	872	0.0%	2,419	0.1%
Canadian Cattlemen's Foundation	304	0.0%	-	0.0%
Total Expenses	4,169,621	100.0%	3,882,153	100.0%
Excess of revenue over expenses	88,487		94,599	
Net assets, beginning of year	739,664		443,718	
Net assets, end of year	\$828,151		\$538,317	

AGENCY FINANCIAL STATEMENTS

Canadian Beef Cattle Research Marketing Development and Promotion Agency Year ending March 31, 2016

	2016		2015	
Revenue				
National Check-off revenue				
Alberta	\$ 3,692,553	27.8%	\$ 3,914,234	27.1%
Saskatchewan	1,009,479	7.6%	1,166,032	8.1%
Ontario	864,127	6.5%	1,022,393	7.1%
Quebec	459,566	3.5%	686,791	4.8%
Manitoba	453,141	3.4%	560,133	3.9%
British Columbia	249,264	1.9%	248,042	1.7%
New Brunswick	29,643	0.2%	12,575	0.1%
Nova Scotia	27,259	0.2%	23,240	0.2%
P.E.I.	18,433	0.1%	31,162	0.2%
	<u>6,803,465</u>	<u>51.2%</u>	<u>7,664,602</u>	<u>53.0%</u>
Canadian Cattlemen Market Development Council	3,488,495	26.3%	5,377,200	37.2%
Government of Canada- Growing Forward II	1,090,146	8.2%	-	0.0%
Import Levies	918,401	6.9%	911,737	6.3%
Western Economic Diversification	902,463	6.8%	419,709	2.9%
Interest	51,373	0.4%	62,965	0.4%
Miscellaneous	31,518	0.2%	12,599	0.1%
	<u>13,285,861</u>	<u>100.0%</u>	<u>14,448,812</u>	<u>100.0%</u>
Expenses				
National Check-off Returned to Provinces				
Federation des Producteurs de Bovins du Quebec	459,716	3.7%	679,938	5.3%
Beef Farmers of Ontario	422,054	3.4%	652,078	5.0%
Manitoba Cattle Producer's Association	35,365	0.3%	46,640	0.4%
New Brunswick Cattle Producers	31,632	0.3%	13,288	0.1%
Nova Scotia Cattlemen's Association	25,813	0.2%	22,900	0.2%
Prince Edward Island Cattle Producers	19,891	0.2%	31,995	0.2%
Saskatchewan Cattlemen's Association	-	0.0%	537	0.0%
	<u>994,471</u>	<u>7.9%</u>	<u>1,447,376</u>	<u>11.2%</u>
National Check-off Agency				
Board of Directors	303,520	2.4%	224,496	1.7%
NCO Administration	148,843	1.2%	-	0.0%
	<u>452,363</u>	<u>3.6%</u>	<u>224,496</u>	<u>1.7%</u>
National Check-off Allocation to Research				
Beef Cattle Research Council	1,261,143	10.1%	1,228,387	9.5%
National Check-off Allocation to Marketing				
Operations, Canadian	3,593,710	28.7%	3,543,466	27.4%
Operations, Foreign	1,250,888	10.0%	1,506,740	11.7%
Market Development, North America	1,477,818	11.8%	2,298,418	17.8%
Market Development, Global Markets	3,508,009	28.0%	2,674,728	20.7%
	<u>9,830,425</u>	<u>78.4%</u>	<u>10,023,352</u>	<u>77.6%</u>
Total Expenses	<u>12,538,402</u>	<u>100.0%</u>	<u>12,923,611</u>	<u>100.0%</u>
Excess of revenue over expenses	747,459		1,525,201	
Net assets, beginning of year	7,996,601		6,471,400	
Net assets, end of year *	<u>\$ 8,744,060</u>		<u>\$ 7,996,601</u>	

* The Board of Directors of the Agency has internally restricted \$4,100,000 as a contingent fund to allow for orderly operations to continue in the event of a change in funding or a wind down of the Agency.

BCRC FINANCIAL STATEMENTS

BEEF CATTLE RESEARCH COUNCIL

Schedule of Revenue, Expenditures and Net Assets (Unaudited)
Year ended June 30, 2016, with comparative figures for 2015

	2016		2015	
Revenue				
National Check Off	\$1,237,951	43.29%	\$1,248,398	55.6%
Other Project Funds	879,538	30.76%	617,648	27.5%
Enhanced VBP Plus	407,173	14.24%	-	0.0%
ABP Beef Science Cluster	152,500	5.33%	152,500	6.8%
Verified Beef Program Plus	151,599	5.30%	183,042	8.2%
Interest Revenue	31,059	1.09%	42,536	1.9%
Total Revenue	2,859,820	100.0%	2,244,124	100.0%
Expenses				
Cluster Projects	1,088,166	37.09%	965,740	40.8%
Projects	844,532	28.79%	796,677	33.7%
Expenses	347,414	11.84%	337,846	14.3%
Enhanced VBP Plus	407,173	13.88%	-	-
On Farm Food Safety	137,486	4.69%	149,273	6.3%
Quality Starts Here	108,998	3.72%	116,275	4.9%
Total Expenses	2,933,769	100.0%	2,365,811	100.0%
Excess of expenses over revenue	(73,949)		(121,687)	
Net assets, beginning of year	3,630,323		3,752,010	
Net assets, end of year *	\$3,556,374		\$3,630,323	

* The majority of the net assets are committed to future year projects and are essentially held in trust for these projects.

ELECTION BACKGROUNDER



ZONE 1 INCLUDES:

Vulcan County; County of Newell No.4; County of Forty Mile; Cypress County; M.D. of Taber; Special Area No.2 South of the Red Deer River.



Rick Friesen
Vauxhall
403-654-7126



Kevin Stopanski
Jenner
403-898-2373



Brad Osadczuk
Jenner
403-793-5041



Howard Bekkering
Vauxhall
403-634-4449

Zone 1 Candidates: Acclaimed

Brodie Haugan was born and raised on a family mixed farming operation south of Medicine Hat by the town of **Orion**.

Brodie attended the Medicine Hat College and later transferred to the University of Saskatchewan where he received a Bachelor of Science in Agribusiness with distinction. The year following university, Brodie worked for the Farm management Consulting Team at MNP in Lethbridge. He currently lives and works full time on the family farm. His family operates a mixed cow calf commercial herd and grain operation

that has been in his family for over 100 years, with Brodie representing the fifth generation. Brodie is a graduate of the Cattlemen's Young Leaders program, a past board member of the Young Cattlemen's Council and has been a Zone 1 delegate with ABP for the past two years.

Garth Porteous was born and raised in southern Alberta. Garth graduated from Olds College with a diploma in Land Resource Management and a Certificate in Environmental Reclamation. Garth, along with his wife Karla and their four young children, and his wife's family, Bob

and Maureen Laidlaw and Wes Laidlaw, operate the Laidlaw Ranch - a ranch and finishing feedlot along the South Saskatchewan River near **Bow Island**.

"I am honoured to be nominated as a delegate for the Alberta Beef Producers, not only as our heritage comes from the grassroots agricultural sector, but as we wish to continue to provide this way of life for our future generations. I would like to help build the present and future beef industry."



ZONE 2 INCLUDES:

County of Warner No. 5; County of Lethbridge No.26; Cardston County; M.D. of Pincher Creek; M.D. of Willow Creek; M.D. of Ranchlands; Improvement District No. 4 (Waterton); Kananaskis Improvement District.



Darren Bevans
Raymond
403-634-6451



Bob Lowe
Nanton
403-652-0029



Tyler Sawley
Nanton
403-652-6829

Zone 2 Candidates: Acclaimed

Fred Lozeman operates a feedlot and cow calf operation in the **Claresholm** area.

Zone 2 can appoint up to one Zone Delegate for the 2016-18 term.

Cattle Feeder Council:

Zone 2 can appoint up to one CFC Zone Delegate for the 2016-18 term.

ELECTION BACKGROUNDER



ZONE 3 INCLUDES:
Improvement District No. 9 (Banff), M.D. of Bighorn, Mountain View County, Rockyview County, Wheatland County, M.D. Foothills, Calgary.



John Buckley
Calgary
403-932-2486



Chris Israelson
Didsbury
403-994-0561



Jeff Havens
Madden
403-899-2639



Bryan Thiessen
Strathmore
403-710-4188

Zone 3 Candidates: Election

Heinz Lemmer and his family have been involved in the cattle business directly and indirectly for the last 32 years. They operate a 140 cow calf operation east of **Calgary**. Heinz and his wife have both worked off-farm for the last 32 years, his wife as a high school teacher and Heinz as a representative with a livestock pharmaceutical company. Heinz has also been a delegate on the Rocky View Agricultural Service Board for eight years.

“Depending on feed availability and markets, our steer calves are generally sold and heifers are generally raised as replacement heifers for us or for sale. The beef

industry has been part of us for a number of decades. Our industry has changed since the BSE crisis and continues to lose capacity going forward. My greatest concern with our associations is the lack of a ‘one voice message’ that our industry so desperately needs. My interest is to encourage a ‘one voice’ organization that represents all sectors of our industry.”

Jeff Whitlow is the third generation on the homestead operating a mixed farm including grain, export hay, and a 200 head commercial cow calf herd in the **Cremona** area. He is a former board member of the Canadian Pro Rodeo Association, and currently coaches minor hockey and baseball.

“I am very interested in learning and sharing with other producers ideas for lessening costs of production. As well, I believe it’s important to have a role in reaching consumers regarding our practices and what we are doing correctly and what can be corrected.”

Kevin Krebs operates a cow calf, grain and export hay operation along with his wife and three daughters.

“Our farm, west of **Didsbury**, has been in the family for close to 70 years. I have enjoyed serving on ABP for the past two years and have served on the Cow Calf Council for the last year. I have gained valuable knowledge and experience and look forward to serving another term with ABP. Thank you for your support.”



ZONE 4 INCLUDES:
Flagstaff County, M.D. Wainwright, County of Paintearth, M.D. of Provost, Special Area No. 4, Special Area No. 2 North of the Red Deer River, Special Area No. 3, M.D. of Acadia.



Judy Fenton
Irma
780-842-0119



Tim Smith
Coronation
403-575-1173



Mark Crowle
Hanna
403-857-9607

Zone 4 Candidates: Acclaimed

Garth Johnson operates a cow calf and backgrounding operation near **Killam**.

Walter Suintjens and his wife run a mixed operation with between 400-500 cows depending on conditions, and they crop 3,000 acres in the **Hanna** area.

“I believe businesses and organizations are only as good as the people representing them. I hope I am up to the task. I do believe the cattle business has a great future.”

Cattle Feeder Council:

Zone 4 can appoint up to one CFC Zone Delegate for the 2016-18 term.

ELECTION BACKGROUNDER



ZONE 5 INCLUDES:
Clearwater County,
Lacombe County,
County of Stettler,
Red Deer County,
Kneehill County,
Starland County.



Charlie Christie
Trochu
403-588-8384



Dick Wymenga
Leslieville
403-304-6715



Stuart Somerville
Endiang
403-741-7746



Cam McLerie
Red Deer County
403-505-3059

Zone 5 Candidates: Acclaimed

Devon Joel Sengaus has a cow calf operation in the **Rumsey** area.

Kelly Fraser, along with her parents Gary (until his recent passing) and Kristine Smith, her husband Scott and daughter Aubrey own and operate NuHaven Cattle Co. in **Red Deer County**.

"We raise purebred Maine-Anjou and club calves. I hold a Bachelor's

Degree in Marketing from Texas Tech University. Currently, I am on the Canadian Maine Anjou Association Board of Directors as Vice President. Reflecting on my first term as an Alberta Beef Producers delegate, I have really enjoyed one year on the Cow Calf Council and representing Zone 5 on the Board of Directors.

As I watch my young daughter become more involved in our operation, I continue to be

invigorated by the endless possibilities available to our youth. I believe in the developments our industry has worked to create to ensure a strong future for her generation. Continuing to improve upon the beef industry we are currently in and developing the industry's future concurrently are essential to its sustainability. I look forward to working for the Alberta beef industry once again."



ZONE 6 INCLUDES:
Parkland County,
Edmonton, Strathcona
County, Brazeau
County, Leduc County,
Beaver County, County
of Wetaskiwin, County
of Camrose, Ponoka
County, Improvement
District No.13.



Tim Sekura
Rocky Rapids
780-621-6704



Ralph Buhler
Armena
780-893-0274



Kolton Kasur
Bashaw
780-387-8376

Zone 6 Candidates: Acclaimed

Assar Grinde manages a 300 head cow calf operation near **Bluffton**. It is heavily forage based and he rotationally grazes his animals with calves on pasture, and he has been bale/swath/corn grazing his cows for the past four years.

"I have been a delegate for the past two years and have enjoyed the opportunities to network and learn from other producers, while having the chance to influence issues that affect our industry."

Raymon Boeve has been farming for over 20 years with dairy, beef and grain operations near **Gwynne**. He and his wife run a 100 plus cow calf operation, raising all his own heifers, and backgrounds cattle for others. They also farm over 800 acres of land.

"I am a director with the Wetaskiwin Agricultural Society, a volunteer with our two children in their 4-H Beef Club and an active member in our community. I feel that I would bring positive input, ideas, and direction to Alberta Beef Producers. I think now

is the time to promote our product and educate the next generation."

Cattle Feeder Council Candidate: Acclaimed

Cecil Andersen runs a 450 head cow calf herd near **Drayton Valley** and backgrounds 600-700 calves that are sold off grass.

"I chair and supervise the Pembina Grazing Reserve and currently chair of the Great West Feeder Association. We are a family run operation with two sons involved on a full time basis.

ELECTION BACKGROUNDER



ZONE 7 INCLUDES:

M.D. of Opportunity, M.D. of Lesser Slave River, Athabasca County, Woodlands County, County of Barrhead, Westlock County, County of Thorhild, Lac Ste. Anne County, Sturgeon County, Yellowhead County, Improvement District No. 12, Municipality of Jasper.



Ken Stanley
Westlock
780-349-1936



Penny Patton
Westlock
780-954-3737



Colin Campbell
Bon Accord
780-914-9066



Stan Smigelski
Niton Junction
780-693-2270

Zone 7 Delegates: Acclaimed

Buck Eden operates a cow calf and background operation in the **Barrhead** area. Buck Currently runs 140 cows and backgrounds his own cattle. For the past seven years he has also been managing the Connor Grazing Reserve west of Barrhead.

Lorrie Jespersen farms west of **Barrhead** along with his wife Debbie, daughter Kathrin and son-in-law Jim. They milk 100 cows and run 160 cow calf pairs.

“We farm enough land to feed them and all replacements, and do a little cash cropping as well. For several years I have been a delegate representing Alberta Milk at ABP.”



ZONE 8 INCLUDES:

Smoky Improvement District No. 24, Regional Municipality of Wood Buffalo, Lac La Biche County, Improvement District No. 349, Smoky Lake County, County of St. Paul, M.D. Bonnyville, Lamont County, County of Two Hills, County of Vermilion River, County of Minburn.



Lyndon Mansell
Innisfree
780-853-7975



Melanie Wowk
Beauvallon
780-210-2500



Gordon Graves
Iron River
780-207-0312

Zone 8 Candidates: Acclaimed

Danny Hozack operates a cow calf operation near **Streamstown**.

“I have been a supporter and a promoter of ABP for more than 30 years. I believe that now, more than ever, the beef industry needs to be represented by a strong, united elected organization. I believe that organization should be the Alberta Beef Producers. I have previously served on both the ABP Board of Directors and on CCA. I am prepared to serve again if producers so wish.”

Gordon Anderson operates a small cow calf operation near **Cold Lake**.

“I believe I have a number of skills from teaching and industry experience to bring to the position. My interest is to make producing beef a viable industry. This comes from the emphasis of being a producer, but this is not to forget the stake the transportation people, marketing people, processors and inspection people have.”

Cattle Feeder Council Candidate: Acclaimed

George L'Heureux has a cow calf and background operation near **Lac La Biche**. George has been the Chair of the Feeder Association for the past two years.

ELECTION BACKGROUNDER



ZONE 9 INCLUDES: M.D. of Mackenzie, Mackenzie County, County of Northern Lights, Clear Hills County, Northern Sunrise County, Saddle Hills County, M.D. of Fairview, M. D. of Peace, M.D. Spirit River, Birch Hills County, M. D. of Smoky River, M. D. of Big Lakes, County of Grande Prairie, M. D. of Greenview, Improvement District No. 25.



John MacArthur
Fairview
780-835-1194



Linda Messner
Berwyn
780-219-2127



Maarten Braat
Fort Vermilion
780-927-3800



Norman Hennigar
Grande Prairie
780-814-3595

Zone 9 Candidates: Acclaimed

Nico Van Der Giessen and his son operate a cattle and grain farm near **Bezanzon**.

“The cows start calving in early May and the calves are usually backgrounded till March or April. Previously, I have served on the local United Grain Growers board, as a director on the Alberta Canola Producers Commission for six years,

and am currently a delegate at UFA. If elected I would be honoured to serve the interests of producers and work with others in the cattle industry to build a viable and sustainable industry.”

Roland Cailliau and his wife run a cow calf operation near **Valleyview**, where they have lived and worked since 1980. They have four wonderful children and five magnificent

grandchildren. Roland has served eight years as an ABP delegate, the past seven on the Board of Directors. Currently Roland is the Vice Chair.

“Long term profitability in ranching must be achieved to encourage the next generation to take over the reins.”

Vision

Alberta Beef Producers is a strong, clear, and representative voice speaking and working on behalf of cattle and beef producers in Alberta and contributing to a vigorous and profitable beef industry.

Mission

To strengthen the sustainability and competitiveness of the beef industry for the benefit of beef producers in Alberta.

2016 FALL MEETING & ELECTION SCHEDULE

ZONE 1 (MEETING 7 p.m. START FREE SUPPER 6 p.m.)

OCT 26 MEDICINE HAT, FEEDING COMPANY
OCT 27 BROOKS, BOW SLOPE SHIPPING

ZONE 2

OCT 24 FORT MACLEOD, SOUTHERN AB LIVESTOCK EXCHANGE - MEETING 7 p.m., FREE SUPPER AT 6 p.m.

NOV 1 PICTURE BUTTE, COMMUNITY SENIORS CENTRE (607 HWY AVE) - MEETING 7 p.m.

ZONE 3 (ALL MEETINGS 7 p.m. START)

OCT 25 CROSSFIELD, COMMUNITY CENTRE
OCT 26 COCHRANE, HERITAGE CENTRE
NOV 3 STRATHMORE, CIVIC CENTRE

ZONE 4 (ALL MEETINGS 7 p.m. START FREE SUPPER 6 p.m.)

OCT 24 VETERAN, COMMUNITY HALL
OCT 26 CZAR, COMMUNITY HALL
OCT 28 HANNA, LIONS HALL

ZONE 5 (ALL MEETINGS 7 p.m. START FREE SUPPER 6 p.m.)

OCT 24 SPRUCE VIEW, COMMUNITY HALL
OCT 26 BIG VALLEY, COMMUNITY HALL
OCT 27 LESLIEVILLE, COMMUNITY HALL

ZONE 6 (ALL MEETINGS 7 p.m. START FREE SUPPER 6 p.m.)

OCT 25 BRETON, COMMUNITY HALL
OCT 27 CAMROSE, REGIONAL EXHIBITION
NOV 1 PONOKA, LEGION HALL

ZONE 7 (ALL MEETINGS 7 p.m. START FREE SUPPER 6 p.m.)

NOV 1 HAZEL BLUFF, COMMUNITY HALL
NOV 2 ANSELMO, COMMUNITY HALL

ZONE 8 (ALL MEETINGS 7 p.m. START FREE SUPPER 6 p.m.)

NOV 1 SANDY RAPIDS, COMMUNITY HALL
NOV 2 VILNA, SENIOR HALL
NOV 3 MINBURN, COMMUNITY HALL

ZONE 9 (ALL MEETINGS 7 p.m. START FREE SUPPER 6 p.m.)

NOV 1 GRANDE PRAIRIE, HOLIDAY INN
NOV 2 FAIRVIEW, DUNVEGAN INN
NOV 3 VALLEYVIEW, MEMORIAL HALL

AN ELECTION IS BEING HELD IN ZONE 3



www.albertabeef.org

Return Undeliverable Canadian Addresses to:
Alberta Beef Producers 165, 6815 – 8 Street NE, Calgary, AB T2E 7H7