



2020 Annual Report

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FINANCIAL SECTION



KELLY SMITH-FRASER
ABP Chair

ABP CHAIR

If only we knew what we were heading into at this time last year. As I prepared for this report, I was reflecting on our 2019 Annual General Meeting where we gathered in celebration and to finalize a number of changes we had on the horizon. I was ready to hit the ground running as the newly appointed Chair of Alberta Beef Producers (ABP). While this year hasn't turned out how anyone could have envisioned, I am proud of the resilience and dedication our industry has shown through these challenges.

As ABP heads into our Producer Meetings, knowing they don't look as initially planned, we are confident in the adaptations made to ensure producers have time and space to hear from us and provide input for the coming year. Our Producer Town Hall on Thursday, November 26th will include updates from ABP and our national organizations, who are funded through check-off dollars. The Resolution Meetings will follow on December 2 and 3, giving producers the opportunity to put forth direction and help set our priorities for 2021. Producers running for delegate positions are encouraged to attend all three meetings. However, producers who are not seeking election should choose one of the two Resolution Meetings to attend. Producers need to register in advance and resolutions can

be submitted to the [ABP office](#) prior to the meetings.

Our delegate elections are taking place online or through mail-in ballot and a Voter Election Package was mailed to all eligible producers on the ABP voter list. The package will outline all of the procedures in place for the delegate elections, and each eligible producer must choose only one method to cast their vote. An eligible producer is a someone who has sold cattle and paid check-off within the last two years. If a couple sells cattle under one name, it counts as one vote. If cattle are sold under one company, one representative gets to vote. With the new zone structure, all delegate nominees (including sitting delegates) are up for election.

Voting is open until midnight on Friday, December 11, 2020. Please take the time to vote either electronically or with the mail-in ballot.

We went into 2020 with a clear commitment to changing the structure and operations of our organization. We are aiming to make it leaner, more efficient and better able to engage producers and provide value to them for their check-off investment. With the ABP Plan Regulations changes approved by the Minister of Agriculture and Forestry, we are excited to see them take shape.

We have extensively covered the work done by ABP and other industry organizations in the face of a global pandemic and if you would like to see a more detailed breakdown, it can be found in my [Semi-Annual Report](#). ABP, ACFA and CCA continue to work with Agriculture and Forestry and AFSC staff on the fed cattle set-aside program as they work towards eliminating the backlog of cattle that are ready for harvest at processing plants. We haven't seen any significant market disruptions through the fall and continue to watch COVID-19 numbers and outbreaks across the province for any potential impacts to our industry.

This year also signified a change to how agriculture research is funded in Alberta. I was fortunate to be appointed an interim board member to Results Driven Agriculture Research (RDAR) by the Minister of Agriculture and Forestry. This is an exciting chapter for Alberta agriculture research, and I am proud that in six short months RDAR has begun the process of a call for proposals.

On the following pages of the Annual Report, you will see the activities and projects ABP staff and committees have executed throughout the year, work done by our national organizations and a detailed financial section. During the winter we began our search for a new General Manager, we held an open competition and our search concluded with ABP's Marketing and Education Manager Brad Dubeau moving into the role at the beginning of July. He has a phenomenal understanding of the industry and was able to jump right in during uncertain times. Brad has some exciting ideas that you can read about in his report on the next page.

At this time, we are still hopeful that we will be able to hold an in-person Annual General Meeting (AGM) in March. The 2021 AGM was supposed to take place during the Alberta Beef Industry Conference, which has since been cancelled. We appreciate the patience and understanding shown by producers as we do things differently this year. Our hope is that you leave the virtual meetings feeling like your contributions were heard and that your check-off dollars are hard at work. I look forward to our discussions during the Producer Town Hall and Resolution Meetings.

On a final note, I would like to thank our directors for their willingness to adapt throughout this COVID-19 crisis. They have continued to represent producers across the province during uncertain times, and as we develop and put into place a new communications strategy, I look forward to connecting with producers on a new level.

Sincerely,

KELLY SMITH-FRASER



BRAD DUBEAU
ABP General Manager

GENERAL MANAGER

I am excited to give my first report as General Manager of the Alberta Beef Producers after five months of being in the position. I will highlight a few areas for producers as ABP goes through some structural changes regarding producer representation and internal staff adjustments.

To begin though, I would like to extend congratulations to Rich Smith, ABP's former Executive Director, on his well-deserved retirement. Rich spent approximately 15 years with ABP - 13 as the organization's leader. I enjoyed working with Rich as the Marketing and Education Manager for over three years and am grateful for that time, as it has helped me prepare for my new role as General Manager. On behalf of the staff and myself, I want to wish him all the best in his future endeavours and thank him for his dedication to the beef industry.

With the implementation of the new ABP Plan Regulations, changing from nine to five zones and from six to seven delegates per zone, we are well into the process of revamping our producer representation. Two elections will be held this fall in the Southwest and Southeast zones, and we look

forward to filling vacancies that remain within the Northwest and Central zones, filling the slate of delegates across the province.

As those changes take effect, I was charged with analyzing how ABP currently connects with producers, and reflect on how producers connect with ABP. It was determined that some changes would be required within our current internal structure when it came to how we communicate with producers, in hopes that a new approach would generate renewed enthusiasm towards ABP.

With that, I presented a new communications plan that would encompass a new ABP platform available on your desktop computer or through an app on a mobile device. This new platform will have real time market information, industry related stories and the ability for a producer to pick preferences based on their interests. Through the app, notifications can be sent to producers, making them aware of situations that could affect the beef industry in Alberta. This new platform will give producers the option to use more modern technology to source information, but for those who prefer traditional media, ABP will also be introducing a magazine in January 2021. This magazine will be published four times a year and provide updates on the happenings at ABP in each department, such as Research, Government Relations, Marketing and Education. It will also include information on the national organizations representing Alberta beef producers and other provincial cattle organizations, along with industry-related, human interest stories. The objective is to operate a magazine at breakeven to provide more opportunities for the organizations representing producers to tell their stories about the great work being done on your behalf. There will be a minimal subscription fee after the first two editions, which will be sent to

producers on our current mailing list at no charge. This will make producers aware of a new tool to receive information or utilize in their own advertising/marketing strategies. This new plan will replace Cattle Country on radio and the current format of our Grass Routes newsletter. A detailed plan will be released at ABP's Producer Town Hall meeting on November 26, and producers will get to vote on the name of the new publication.

ABP welcomed Mark Lyseng to the Lead, Government Relations and Policy position in November. Lyseng brings a range of government and policy experience to the role, with a strong understanding of collaboration between government and stakeholder groups. He grew up on a fifth-generation cattle operation near Armena, AB, where he continues to raise cattle with his brother.

In closing, the delegates were looking forward to hosting in-person producer meetings this past summer and fall under the new Plan Regulations, to discuss some of the changes already made at ABP and the ones you'll see in the months to come. After a great deal of discussion with the ABP Executive and staff, the difficult decision was made to host our producer meetings online and keep all producers safe. We understand that online meetings are not the preferred method to discuss ABP business with producers across the province, but we are doing our best to ensure producers are safe and to remove any potential of an ABP meeting causing a COVID-19 outbreak in Alberta. ABP fully intends to host in-person events in 2021, throughout the summer and into the fall, if we are able.

Sincerely,

BRAD DUBEAU

CANADIAN CATTLEMEN'S ASSOCIATION

The Canadian Cattlemen's Association (CCA) has continued efforts to support our response to COVID-19 impacts with the goal of maintaining business continuity. Many of these efforts were outlined in our last report for the ABP semi-annual meeting. In addition to activities devoted to the COVID-19 response, CCA has been active on a number of key policy files in the interest of cattle producers across Canada.

Speech from the Throne

On September 23, 2020, the new Parliamentary session opened with the Speech from the Throne. This speech provided insights into the key priorities of the federal government during these uncertain times. Overall, we were pleased to see many priorities highlighted which were included in our written submission for the Finance Committee's pre-budget consultations including: rural broadband investments being fast-tracked; continuing to fight for free trade; leveraging the advantage on immigration and improving interprovincial trade. There are a few priorities we will monitor for further information so we can better assess potential impacts including: investments in irrigation infrastructure, the creation of a new water agency, and the release of United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) legislation later this year.

Trade

This year was anticipated to be positive thanks to the recently negotiated access through various trade agreements and regained technical access, but COVID-19 brought forward unforeseen challenges that tested the capacity of Canadian beef processors and inevitably impacted

our ability to supply Canadian beef to our export markets.

Within Canada's beef industry, processing plants in particular were faced with unprecedented challenges and adapted as quickly as possible to implement new practices and innovations to address the spread of the virus while maintaining operations and worker health and safety. The companies and workers within processing plants undertook significant efforts to maintain this essential service to provide a stable supply of food to Canadians and customers around the world. Despite these significant efforts, trade did suffer in the first half of the year with beef exports falling 8.3 per cent in value from 2019 (as of May 2020).

CCA continues to strongly encourage the continued expansion of free trade and the optimization of current agreements as well as efforts to maintain and strengthen the World Trade Organization (WTO). Of particular importance is advancing reciprocal access through a Canada-United Kingdom (U.K.) trade relationship prior to January 2021, when the U.K. officially parts from the European Union (E.U.). CCA is pleased that our access into world markets has improved in recent years thanks to new trade agreements such as the Canada-United States (U.S.)-Mexico Agreement (CUSMA), the Comprehensive Economic and Trade Agreement (CETA), and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). With 50 per cent of Canada's total production being exported to 60 countries around the world, CCA will continue to prioritize and advocate for expanded technical access, such as OTM and offal access in Asia and expanded market access through CPTPP.

To further support growth of Canada's genetic export potential, CCA and the Canadian Beef Breeds Council (CBBC) have moved forward on a research project to better understand market access issues that are hindering export growth of the Canadian beef genetics

and determine our competitive position in key export markets.

Lastly, to help meet and grow Canada's beef export potential, labour shortages in our industry need to be addressed. Recent reports show Canada is short 1,700 butcher stations and it is anticipated that by 2029 we will need more than 14,000 workers on farm. On May 15, 2020, the Government of Canada launched the Agri-Food Immigration Pilot, which will run until May 2023. The pilot project includes positions for 2,750 full time agriculture and agri-food workers per year and provides a pathway to permanent residence for experienced, non-seasonal workers in specific industries and occupations. CCA recommends the Government of Canada ensure this initiative achieves its objective of filling labour shortages and work with industry to identify long-term future solutions.

Enhancements to business risk management

The temporary processing plant shutdowns in May 2020 and extreme market volatility due to COVID-19 have presented cattle producers with significant challenges. These unforeseen challenges highlight the critical importance of cattle producers having access to well-designed and sufficiently funded business risk management (BRM) tools. Aspects of the BRM programs, including program spending, design, and lack of availability, provide inequitable coverage across the different agricultural sectors and regions.

CCA continues to recommend enhancements to the AgriStability program, including the removal of the reference margin limit (RML) and addressing the \$3 million payment cap. To bring more tangible evidence to federal and provincial governments that demonstrate why these program changes are needed, CCA has partnered financially with the Alberta Cattle Feeders' Association, Beef Farmers of Ontario, and New Brunswick Cattle Producers to sponsor a number of AgriStability modelling scenarios developed by MNP

to show the impact of reference margin limiting, trigger and compensation percentages and payment caps.

In addition, CCA recognizes the value of the Western Livestock Price Insurance Program (WLPPI) as a risk management tool to cattle producers and continues to advocate for price insurance to be a permanent program and available to all cattle producers across Canada and expanded into eastern Canada through a pilot program delivered in the Maritimes.

Animal Health and Care

Another important milestone was met earlier this summer. An industry-government working group, co-chaired by CCA and the Canadian Food Inspection Agency (CFIA), has completed Canada's submission for BSE Negligible Risk Status with the World Organisation for Animal Health (OIE). The final application was submitted in July 2020 and Canada should be notified in May 2021 on whether BSE negligible risk status has been granted. Achieving this status will have a positive impact on our market access and sets the stage for a review of our specific risk material (SRM) removal protocols and the opportunity to become more competitive with our key trading partners, of which initial planning is already underway with CFIA.

CCA is also co-chairing a multi-species initiative called Animal Health Canada (AHC), which intends to develop an integrated approach to safeguarding animal health in Canada. AHC's vision is to build an emergency response model that helps drive action across a comprehensive Animal Health Strategy including priority areas such as; disease surveillance, biosecurity, traceability, diagnostic capacity, emergency response, vaccine deployment, recovery planning, financial risk mitigation, animal health research, and regulatory modernization.

Pivot on engagement with Government

CCA is expanding efforts and policy work as it relates to the environment. When it comes to the environment and sustainability, the Canadian beef industry has a great story that needs to

be shared with policymakers in Ottawa, especially given the high priority place on the environment by the current federal government. Our target is to enhance opportunities to partner on policy, especially environmental policy solutions we can crystalize with the federal government. Of course, we aim to counter the negative public misunderstandings related to these issues.

Environment

Over the past number of years, CCA has keyed in on discussions with policymakers concerning Bill C-68, the Fisheries Act. CCA actively communicated our concerns with the "Deeming Habitat" provision of the Act and were able to influence its removal during the Senate review process. The Act received Royal Assent in June 2019 prior to the regulations being developed. The Department of Fisheries (DFO) pledged to consult with stakeholders on the development of standards, codes of practice, and prescribed works regulations. DFO has reached out to the agricultural sector informally regarding the development of six interim codes of practice, and we have provided initial feedback on these codes before they are to be finalized this fall.

In relation, CCA has concerns regarding the Interim Code of Practice for Beaver Dam Removal, which states that beaver dams are only to be removed by hand with no use of heavy equipment. CCA has provided comments to DFO on this code to offer a different approach allowing for the use of heavy equipment to remove beaver dams, while minimizing potential sediment downstream or in the impoundment. CCA has also requested further clarification on the text included in this code concerning sediment control plans and measures, which is somewhat confusing and contradictory.

Transport Canada (TC) is currently in phase two of a consultation process on revisions to the Minor Works Order under the Navigation Protection Act, which could slightly impact navigation

of a water body and would not require an authorization. CCA continues to work with TC officials to address several of our outstanding concerns related to this Act and regulation. CCA recommended agriculture works, structures and activities be added to the Minor Works Order, as well as minor waters on agricultural lands.

At the CCA semi-annual meeting in August, a resolution was passed for CCA to lobby all levels of government to develop a coordinated strategy to eradicate wild pigs across the country. Recent research at the University of Saskatchewan indicates the range and occurrence of wild pigs has increased significantly over the past decade. Occurrences are most prevalent in Alberta, Saskatchewan, and Manitoba, but are also on the rise in Ontario and parts of British Columbia. Concerns focus on crop damage, damage to sensitive ecosystems including habitat for at risk species, and the biosecurity risks regarding disease spread to commercial hog operations.

Canadian Beef Breeds Council

CCA is pleased to officially welcome the Canadian Beef Breeds Council (CBBC) as its newest division. This decision was reached by the leadership of both organizations following the work undertaken by an advisory committee to analyze the benefits and costs of the CBBC joining CCA. This increased alignment will result in positive impacts on the entire Canadian beef industry through increased collaboration, coordination, and expanded outreach efforts. Having CBBC as a division of CCA will enhance and strengthen our advocacy efforts in Ottawa, while returning more value to beef producers for their investment.

As we head towards 2021, CCA will continue efforts to capitalize on opportunities to enhance the competitiveness of our industry and in doing so help with Canada's economic recovery post COVID-19.

Sincerely,

BOB LOWE

CANADA BEEF

Canada Beef is the marketing division of the Canadian Beef Cattle Research, Market Development and Promotion Agency. Canada Beef is responsible for domestic and international beef and veal market development with 23 staff in offices in Canada, Japan, China, Taiwan and Mexico.

In addition to National Check-Off and import levy funding, Canada Beef leverages cattle producer dollars with market partner investments, and government-industry development funding to maximize the benefits of producer check-off investment.

In April 2019, Michael Young joined Canada Beef as its new President. Young refined Canada Beef's global strategy focusing on five key areas:

- Promote Canadian beef brands to expand volume, value and market share.
- Build premium quality brands and co-brand programs on the CB platform.
- Focus on functional and emotional attributes to differentiate Canadian beef.
- Improve competitive position through technical marketing and financial performance tools.
- Invest in programs that deliver measurable results to funding partners.

To deliver the strategy, four key factors for success were identified:

- SEGMENT the market to identify the opportunity gaps and deliver solutions.
- DIFFERENTIATE Canadian beef against best-in-class competitor offerings.
- SUPPORT Canadian beef partners/customers with programs that promote Canadian beef brands.
- ENGAGE end-user customers and consumers in meaningful ways that are culturally acceptable.

By focusing on brand partners with large volumes and influence (such as Sobeys, Costco, Loblaws, Walmart, Federated Co-op, Tim Hortons, Swiss Chalet,

Montana's, Subway, Sysco), Canada Beef leverages brand value to build loyalty, generate sustained demand and increase value for producers.

Canada Beef introduced two new domestic trade marketing programs:

- The Domestic Market Development Program provides cost-shared funding for eligible partner activities.
- The Independent Retail Operators Program supports independent regional retail operations with point-of-sale materials to promote 100% Canadian Beef/Veal at the meat case.

With over 61,000 followers and 7.2 million impressions, Canada Beef's social and digital spaces engage to build brand loyalty. The canadabeef.ca (English and French) site offers recipes, instructions, media releases and beef events; the Make it Beef (MIB) e-newsletter has 40,000 subscribers; the Roundup App is a mobile beef buying/cooking app in English, French and Spanish and Chinese.

The Import Levy (collected on beef imports at the equivalent rate of \$1 per head) funds positive beef messaging through advertising, social media, tv/radio interviews generating over 24 million consumer impressions. Visit www.thinkbeef.ca for resources.

Canada Beef's work in export markets creates opportunities for greater carcass value than what the domestic market alone can deliver; export markets offer better returns for end meats, credit/thin meats and offal. Canfax Research Services estimates over \$600/head in additional value is added to the carcass by export markets.

Canada Beef creates brand awareness for Canadian beef in export markets using marketing programs; culinary seminars and competitions; social media and brand campaigns and business development outreach through trade shows and missions. Canada Beef introduced the Export Market Development Program this year with cost-shared funding for eligible Canadian beef representative-company-initiated

activities in five categories to facilitate export market growth.

Canadian beef exports from January to December 2019 were up 10% in volume and 17% in value – record-high values and near record volumes. Canadian beef export demand was up 5.8% from 2018.

Exports to Japan have increased due to the tariff rate reduction Canada received with the implementation of the CPTPP trade agreement. Canada experienced record exports to China in 2019, however, there was a temporary halt to Canadian meat exports to mainland China in June due to issues with pork export permits. Trade resumed in November however sales are lower with exporters wary of access technicalities.

COVID-19 has impacted domestic and international activities due to pandemic protocols around cattle processing, retail and foodservice operations and exporting products. Canada Beef consumer and trade marketing efforts pivoted to meet this new environment.

Canada Beef is working collaboratively with national associations representing beef, veal and pork. Resources were developed for Canadian consumers and meat professionals in domestic and export markets to provide reassurance around the safety and stability of the meat supply.

Canada Beef's Marketing team developed programs including labels and resources to support retailers and help consumers cook and serve Canadian beef. The Canadabeef.ca website saw a 66% increase in total users (93 K) and a 73% increase in new users; the ThinkBeef.ca website has seen a 450% increase.

Canada Beef launched a monthly e-newsletter to keep beef producers and stakeholders informed about the work the CB team is doing in Canada and the export marketplace. Anyone interested can sign-up at canadabeef.ca/sign-up-canada-beef-performs/

PUBLIC AND STAKEHOLDER ENGAGEMENT

In 2020, the Public and Stakeholder Engagement (PSE) program solidified its unique position within the industry through national issue management strategies, collaborative partnerships and proactive content. The program welcomed its first Chair, David Haywood-Farmer, who will serve a two-year term and assist with strategic direction for the Stakeholder Manager.

Due to COVID-19, the CCA crisis communications plan was enacted in March, bringing PSE into the media relations response team. Stakeholder communication initiatives included virtual town hall events and video updates from industry leaders. A media town hall event was developed, enabling engagement from several different outlets at the same time and maximizing spokesperson time for efficient updates.

Issues Management

During COVID-19, the team monitored online narratives attempting to link intensive feeding operations with zoonotic disease outbreaks. PSE collaborated with veterinarians at WCVM and UCVM to develop a response and create media statements for future use. An investment in the media tracking platform Meltwater early in the year allowed for refined media tracking, calculating reach of negative articles and following emerging trends.

In early 2020, responses were developed for publications advocating diet changes together with Canada Beef. Meetings were held with members of Maple Leaf's senior management following advertising for blended burger products that implied being better for the environment than

beef burgers. All attendees agreed to work closer on future campaigns and to focus on the benefits of both plant and animal proteins in blended products.

In July, Burger King launched a campaign announcing an open source solution to methane emissions from cows. Unfortunately, the video focused on bovine flatulence instead of belching and the solution proposed was based on trials demonstrating mixed results. PSE developed key messages that were utilized by the Global Roundtable for Sustainable Beef (GRSB) in discussions with Burger King marketing executives. The result was an apology letter from Burger King and edits to the original campaign video. PSE also worked with the GRSB on a letter to the United Nations following a tweet advising a reduction in meat consumption. In response, the tweet was deleted and meetings between the two organizations are being planned.

Strategic Partnerships

As a member of the GRSB Communications Council, Amie Peck was actively involved in the selection process for a new marketing firm partner to advance global beef sustainability messages and increase the impact of the upcoming Global Conference in 2021. In September, Amie accepted the position of Chair of the council and looks forward to coordinating global issue response and proactive content that is complimentary to Canadian initiatives.

PSE connected Steve Lee from the Foundation for Environmental Stewardship with staff at ABP, CCA and the Young Cattlemen's Council (YCC) to learn more about carbon credit opportunities, grasslands conservation and impacts to young producers to inform his advocacy efforts. The Simpson Centre at the University of Calgary, supported by funding from the PSE program, hosted a series of webinars featuring many beef industry experts speaking on reducing carbon footprint and advancing sustainability initiatives.

Public Outreach

Online screening requests for the Guardians of the Grasslands documentary hit an all-time high early in the year with over 40 percent being held by non-agriculture organizations or groups. An Earth Day presentation was held in partnership with Ducks Unlimited Canada, the Nature Conservancy of Canada and ABP, which saw over 300 registrations and great engagement between the audience and panelists.

The film was an official selection at the Elements Environmental Film Festival in Vancouver, included in the "Caring for the Climate" compilation at the Oakville Film Festival in Ontario and was also selected for the Wildlife Conservation Film Festival out of Los Angeles and New York. The film garnered awards for best editing, directing, research and cinematography and the videographers participated in several audience Q and As.

PSE launched a COVID-19 campaign, Feeding the Future, to raise awareness of the impacts of the pandemic on the beef industry. The media town hall format was adapted for two special presentations. The first featured personal accounts from young producers, including YCC, on the impacts of COVID-19 to their operations. The second featured partner organizations like DUC, NCC and Birds Canada who spoke on the potential threat to native grasslands if beef producers could not stay economically viable. A series of videos were produced in Alberta to support the campaign and feature multi-generational operations discussing how to ensure the success of the next generation of beef producers.

For the 2020-21 fiscal year, PSE will be operating with a \$907,000 budget, of which \$226,750 is allocated to Canada Beef and the remaining \$680,750 being administered through CCA, as overseen by the PSE Manager. The PSE team looks forward to delivering important tools and resources in collaboration with partner organizations to advance public trust in Canadian beef production practices.

BEEF CATTLE RESEARCH COUNCIL

Beef Producer National Check-Off Investments in Research

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 the Canadian Beef Cattle Check-Off funds allocated to research. The BCRC is led by a 14-member Council, comprised of 13 producers and one member at large, and is funded in part through the Canadian Beef Cattle Check-Off. In 2019/20, \$3.6 million of producer Check-Off funding allocated to beef research leveraged an additional \$5.1 million in industry funding from other government and industry partners and initiatives, including the Agriculture and Agri-Food Canada (AAFC) Beef Science Cluster program. Investing the national Check-Off, as well as government and industry funding in key research priorities identified by stakeholders, BCRC currently funds 69 projects led by researchers nationwide.

Impacts of COVID-19 on BCRC Activities

Over the past six months, the BCRC worked closely with industry and government to assess the impacts of the COVID-19 pandemic on research at facilities across the country. The impacts vary greatly across the provinces and depend on factors including project requirements, as well as personal and local pandemic situations. Most of the ongoing research projects continued with minimal interruption. Some of the new projects which were scheduled to start as early as April 2020 were delayed, however all projects are scheduled to continue. Specific to the pandemic, BCRC funded COVID-19 related research initiatives including developing technology



Dr. Karen Schwartzkopf-Genswein (AAFC Lethbridge) is working with a cattle producer and commercial trucking company in Southern Alberta to determine whether weaning (preconditioned vs. non-preconditioned), marketing (ranch direct vs. auction mart) or rest stop (0 vs. 8 hours) management practices affect the health and welfare of calves during long haul transport.

to support the remote delivery of inspection services at processing facilities, research to determine the risk of COVID-19 infection due to changing airflows in processing facilities as COVID-19 physical barriers are put in place, and economic analysis to support the development of eastern cattle price insurance indices. BCRC extension programming has continued to operate without interruption since the pandemic hit.

Overall, the impact of COVID-19 on the BCRC budget and operations has been manageable, given the flexibility in allocating industry funding across years, the existing on-line platforms for resource and program management and the ability of BCRC staff to work remotely as required. Larger than expected funding deferrals will occur in 2020/21 due to delayed project start-ups, but these will be addressed as project activity ramps up with COVID-19 protocols now in place in most Institutions.

BCRC Producer Resources, Industry Engagement and Research Mentorship

BCRC continues to develop and distribute numerous producer and stakeholder resources including fact sheets, interactive decision-making tools, videos, articles for industry

magazines, webinars, blog posts, infographics and radio clips. BCRC recently announced the 2020/21 recipients of the Beef Researcher Mentorship Program – an initiative to facilitate greater engagement of upcoming and new applied researchers with Canada's beef industry. The 2020/21 Alberta mentees include Dr. Christine Liu at the Lacombe AAFC research station, and Drs. Monika Gorzelak and Trevor Coates at the Lethbridge AAFC Research and Development Centre. Dr. Lui will be researching food safety and health, Dr. Gorzelak is studying the role of microbiomes in improving soil health, soil carbon sequestration, and nutrient dynamics, and Dr. Coates will be focusing on air quality and greenhouse gases.

Priority Research Projects Continue to Expand BCRC's Research Program

The 27 research projects funded under the Beef Science Cluster continue, with most of the projects wrapping up in 2023. This year's research projects outside of the Science Cluster are proceeding as approved in the spring 2020. There were some project start-up delays due to COVID-19, as mentioned above, however all projects are proceeding. Projects include research on beef quality, food safety, animal health and welfare, anti-microbial use and resistance, feed efficiency, forage production, as well as environmental sustainability. Information on each project is available on BeefResearch.ca.

BCRC Funding Profile

The chart to the right displays BCRC's five-year funding profile for Beef Cattle Check-Off dollars. The research priority areas as displayed are based on BCRC's [five-year strategy](#) and focus on maximizing the benefits of investment in beef cattle research. Approximately 26% of the research Check-Off funding is allocated to research in Forage and Grassland Productivity; 20% to Animal Health and Welfare; 16% to Feed Grains and Feed Efficiency; with 16% also to Beef Quality and Food Safety.



GEORGE L'HEUREUX
Audit Chair

AUDIT COMMITTEE

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:

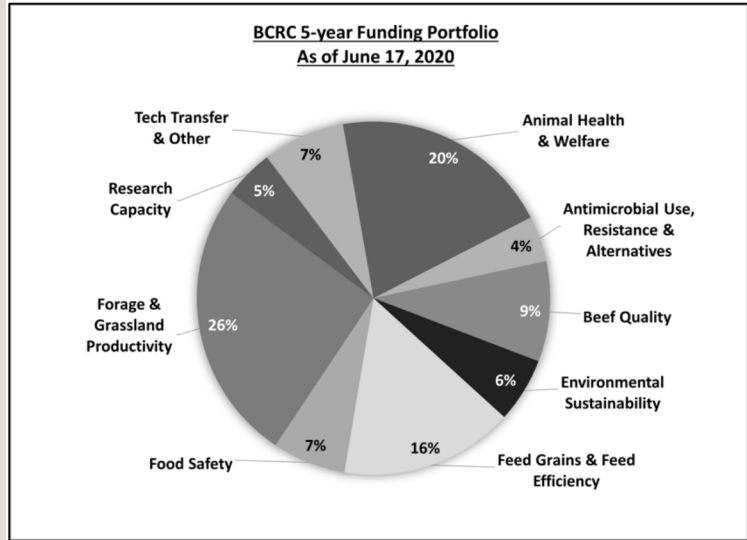
- One member appointed by the Board of Directors;
- One member appointed by the Cattle Feeder Council;
- One member appointed by the Cow Calf Council; and
- One non-delegate member appointed by the members of the Audit Committee.

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.

Sincerely,

GEORGE L'HEUREUX

Assar Grinde, Board of Directors
Martin Clausen, Cow Calf Council
Howard Bekkering, Independent



The remaining 22% funds research related to Environmental Sustainability, Antimicrobial Use, Research Capacity, and Technology Transfer.

For More Information

To learn more about BCRC initiatives and to access our extension resources, including articles, videos, webinars, and calculators, visit our website at www.beefresearch.ca.



HOWARD BEKKERING
Governance Chair

GOVERNANCE COMMITTEE

This is a re-print of the Governance Committee report from the ABP Semi-Annual Meeting.

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 Board of Directors regarding appropriate changes in corporate governance. These changes could affect the governance provisions of the ABP Plan Regulation and bylaws, as well as board policies and practices.

The Governance Committee was established by the Board of Directors and currently consists of four members. 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 committee appointed Howard Bekkering, a past ABP delegate and director, as the non-

delegate member of the committee. The committee also recommended that he chair of the Governance Committee, which was approved by the board.

Over the past ten years, the Governance Committee has completed a thorough review of ABP governance policies and practices, as well as developing a number of important and useful governance documents. The committee has prepared documents describing delegate, director, and zone committee responsibilities. The committee led the preparation of the Code of Conduct and Conflict of Interest Policy, a Concerns and Complaints Procedure, and the ABP Governance Manual. Most recently, the Governance Committee completed the development of the ABP Workplace Respect, Violence and Harassment Policy.

The role of the Governance Committee has evolved as the Board of Directors has placed more focus and attention on governance. The board includes a session on governance and policy on every meeting agenda. For the past two years, the first full meeting of the new Board of Directors has included a lengthy session on governance provided by consultants.

During the first of these sessions, the directors identified gaps in ABP governance policies that need to be addressed. The board has established a small working group, including two Governance Committee members, to work with a consultant on improving the policies. While our Governance Manual is seen as a good foundation for the organization, there are a number of critical policies that are either missing or poorly stated in the governance policy section of the Policy Manual. Work on the policies was delayed last year, but will resume and hopefully concluded soon.

With the conclusion of the Regulatory Review and plans to approve amendments to the ABP Plan Regulation and Bylaws at the Semi-AGM, the Governance Committee held an online meeting at the beginning of April to consider its input to the amendments. The committee had previously

identified the need to require further responsibility and accountability from ABP delegates, as well as are people representing ABP on outside boards, committees and working groups. The process of amending the regulations and bylaws provides a good opportunity for implementing these changes.

The meeting began with a review of an incident that had occurred at the ABP AGM last December. This incident has been investigated by the Chair of the Governance Committee, working with the Executive Director. The Governance Committee recommended action to address the incident and these actions were completed. The incident is closed and the file on the incident will be retained in a locked drawer in the General Manager's office.

The Governance Committee believes that ABP delegates should be required to read and sign a Code of Conflict and Conflict of Interest Policy similar to the policy signed by directors each year. The current policy will be modified to make it appropriate for delegates. The committee has recommended that ABP outline more detailed responsibilities for delegates, directors, producers and others who act as designated representatives of ABP in outside organizations.

The committee believes that the ABP Board of Directors should have the ability to remove delegates for serious breaches of the Code of Conduct or other ABP policies. The ABP bylaws already allow the board to remove directors in exceptional circumstances by following a strict and carefully controlled process. The Governance Committee is suggesting a similar process could be used by the board to remove a delegate in exceptional circumstances. The committee recommended that this process be incorporated into the ABP bylaw amendments.

Sincerely,

HOWARD BEKKERING

Fred Lozeman, Board of Directors
Jodi Flaig, Cow Calf Council
Joanne Solverson, Cattle Feeder Council

COUNCILS: FINAL REPORT

Both the Cow Calf Council (CCC) and Cattle Feeder Council (CFC) will cease operations at the beginning of the producer meetings this year. We would like to thank the delegates who have contributed their time to the work done by these councils. Active files will continue to be handled by the appropriate staff member and committees or working groups will be struck as needed.

The CCC continued work through several committees that will likely remain active once the council is dissolved. These working groups include: Wildlife Committee, Safety Net Committee, Ecosystem Services Committee, cull cow working group and a cow calf extension working group. The council developed a 2020–21 workplan with several objectives and targets for each committee to pursue. Council members provide representation in eight regional watershed groups throughout the province and designate members to sit on the Cows and Fish board, Endangered Species Conservation Committee, Agri-Environmental Partnership of Alberta, Drought and Excess Moisture Advisory Group and Alberta Forage Industry Network. Participation in these groups is important to ensure the voice of beef producers is heard in other organizations and that any policy development minimizes impact or benefits producers.

The Wildlife Committee in collaboration with the Waterton Biosphere Reserve Association and Alberta Environment sought after funding approval for a proposed “Co-existence with Large Carnivores” pilot project, which includes improving the predator compensation program to account for true costs of depredation, a livestock depredation verification training program and

implementation of best management practices like deadstock removal to reduce potential conflict with predators. We will continue to work on this three-year pilot project.

Our Safety-Net Committee was pleased to hear that AFSC has made the development of a Feed Need Model a strategic priority, along with improvements to other pasture and forage insurance products that aim to increase program subscription rates to 30 percent. ABP will continue to help AFSC improve these programs at the provincial level, while supporting CCA lobbying efforts focused on improvements to AgriStability.

The Meat Inspection Regulation was up for renewal this year and the Cull Cow Committee submitted recommendations on behalf of ABP to the Government of Alberta. At the end of July, the government announced amendments to the Meat Inspection Regulation that reflected the recommendations put forth by ABP.

The amendments included:

- Increased licensing options for personal use slaughter. Consumers will be able to buy an animal direct from the farm and have it slaughtered on-site for personal consumption.
- Provincially licensed processing facilities will be allowed to salvage and sell meat by-products, giving abattoirs opportunity to expand to new markets.
- Abattoirs will also be able to video pre-slaughter inspections in an emergency situation, minimizing wait time if animal welfare is in question

ABP and the Alberta Cattle Feeders’ Association (ACFA) continue to collaborate and work closely on issues of common interest. One area where the two organizations have collaborated was a project with MNP to provide producer training and strategies for engaging municipalities and the provincial government on Intermunicipal Development Plans (IDP) and Intermunicipal Collaboration Frameworks (ICF). MNP completed the training for

producers dealing with municipalities over IDP and ICF restrictions on the development or expansion of Confined Feeding Operations (CFO). However, we continue to see municipalities implement CFO exclusion zones in their Municipal Development Plans and IDPs. Our industry needs consistent provincial rules for CFOs.

During the past year, the Intensive Livestock Working Group embarked on a public trust project, with MNP, which has been broken into three phases. Phase I was completed October 2020 which determined, through a detailed public perception survey, a number of critical issues that must be addressed:

- A disconnect between rural residential and the agriculture industry
- Different perceptions of “agriculture operations” vs “CFOs”
- Consistent concern regarding road damage by CFOs and the cost of repairs to the municipalities
- Consistent complaints about odour and manure spreading
- A few poor operators set a negative tone towards the entire industry
- A gap in perceived solution for improving public perception of CFOs

The process of preparing the workplan and funding application for Phase II has been initiated, and utilizing the work completed in Phase I, the prime objective of Phase II is to develop a strategic model directed at the municipal level that expatiates stakeholder engagement, collaboration and consensus building.

ABP and ACFA have also been supporting a group of cattle feeders across Alberta working to find a practical solution to the issue of winter manure management for feedlots. We prepared a letter to the government identifying the need for a better long-term policy on spreading feedlot manure during the winter. Producers need more clarity on this issue because they recognize that it is going to get more difficult every year to receive approval to spread manure on frozen or snow-covered land.

RESEARCH COMMITTEE

Last year the ABP Research Committee partnered with BCRC in a joint research and technology transfer call for proposals to allocate our own small internal research budget, and also funds from Alberta Agriculture and Forestry (AF). Overall, approximately \$1.3 million of provincial funding was allocated to feed and forage projects with a total value of \$5.3 million, and a leverage ratio of \$4:1. \$75,000 of internal ABP funds were allocated to animal health and welfare projects with a total value of \$2.2 million for a leverage ratio approaching \$30:1. Unfortunately, the COVID-19 pandemic has delayed contracting or initiation of some of these projects. Some further detail on projects funded last year follows.

2019 ABP funded projects, subcontracted through BCRC:

ANH.01.19 - A screen for drugs that reveal *Mycoplasma bovis* to the bovine immune system (Ruzzini, \$15,000) Contracted, first report due Oct. 31, 2021

ANH.02.19 - Application of a multi-omics strategy to investigate liver abscess development in beef cattle (Gruninger, \$15,000) Start date and contracting delayed to April 2021

ANH.10.19 - Antimicrobial use and resistance in cow-calf herds: Will anything change after the switch to prescription only sales of medically important antimicrobials? (Waldner, \$20,000) Contracted, first report due Sept. 30, 2021

ANH.11.19 - Surveillance of antimicrobial use and antimicrobial resistance in Canadian feedlot cattle; expansion of bovine respiratory disease pathogen susceptibility testing (Gow, \$10,000) Contracted, first report due April 30, 2021

ANH.18.19 - Antimicrobial resistance of *Histophilus somni* isolated from western Canadian feedlot cattle: an extended pilot study (Waldner & Woebeser, \$15,000) Contracted, first report due July 31, 2021

2019 AF Funded Projects:

ANH.14.19 - Effect of forage inclusion strategy on finishing beef cattle performance and liver abscess (Riberio, \$140,076) Start date and contracting delayed to April 2021

ANH.17.19 - The impact of prepartum energy intake on colostrum quality and calf performance (Steele, \$187,000) Contracted, first report due Oct. 15, 2021

FRG.12.19 - Predicting intake, digestibility of nutrients, and performance in grazing cattle using near infrared spectroscopy (NIRS) of the feces (Riberio, \$308,000) Contracted, first report due Oct 15, 2021

FRG.16.19 - Survey of cattle rumen microbiome under different natural grazing systems: linkage to grazing behaviour and productivity (Guan, \$271,980) Contracted, first report due Oct. 15, 2021

FRG.09.19 - Corn intercropping strategies for extended winter grazing of beef cattle (McGeough/Lawley, \$277,437) Subcontract through BCRC, start date and contracting delayed to April 2021

FDE.03.19 - Improving feed efficiency in the cow herd; individual cow variability in fibre digestibility, feed efficiency and methane emissions (Wood, \$125,454) Subcontract through BCRC, waiting on confirmation of matching funds.

FDE.06.19 - Evaluating new next-generation strategies to boost breeding efficiency for feed and forage production in barley and triticale (Capettini, Zantinge) Subcontract through BCRC. Exact dollar amount unclear due to current AF funding restrictions. AF indicated in June that they were not prepared to sign a research agreement for this project at that time. ABP and BCRC have responded with a request for a firm response by the end of December regarding whether this project will proceed (under AF or otherwise).

Fact sheets are currently under development for these projects and will be posted on the ABP website once they are completed.

This year's research call followed a similar process, with approximately \$75K of internal funding and \$1M of AF funding available. The ABP research committee reviewed 43 letters of intent (out of a possible 81 received through the call) and has requested full

proposals for 26 projects. Full proposals are due in November, and then these projects will undergo staff and industry expert review, as well as peer review from experts in the particular area of research. Final funding decisions will be made by the Research Committee in January or early February 2021.

ABP has been an active member of Results Driven Agriculture Research (RDAR)'s Advisory Committee. RDAR's mandate is "to support results driven agriculture research priorities and programs that will increase competitiveness and profitability of Alberta's agriculture industry."

We have been providing detailed input and feedback on scope, governance and research focus and priorities. We have also invited RDAR interim staff to observe our next research committee meeting to promote collaboration and opportunities for co-funding between ABP and RDAR.

The Government of Alberta has recently committed \$37M per year for 10 years to RDAR for agriculture research and knowledge transfer, although at least initially, not all of this funding will be available for research projects. Another recent announcement detailed the transition of the Field Crop Development Centre administration to Olds College, and we are pleased that this program will continue providing advancements in feed and forage barley and triticale varieties for producers.

Fact sheets on ongoing and completed research projects supported by ABP can be found at www.albertabeef.org/producers/industry-research

Sincerely,

FRED LOZEMAN

Craig Lehr, Cattle Feeder Council
Jill Burkhardt, Cow Calf Council
Darren Bevans, Zone 2
Graeme Finn, Zone 3
Stuart Somerville, Zone 5
Martin Clausen, Zone 7
Rod Carlyon, Zone 7
Emil Dmytriw, Zone 8
Lori Kinnee, Zone 9



KARIN SCHMID

Lead, Beef Production and Extension

BEEF PRODUCTION REPORT

On February 20, 2020, the Health of Animals Regulations Part XII, humane transport, came into force. These regulations introduced a number of challenges for the beef industry, especially with regards to long distance transport. Recognizing some of these challenges, the Canadian Food Inspection Agency (CFIA) granted the livestock sector a two-year transition period for the feed, water and rest interval provisions within the regulations. During this transition period, CFIA will focus on awareness and education rather than strict enforcement. It is important to note that this transition period only applies to the feed, water and rest interval provisions. The transition period will also allow for some ongoing research into the effects of rest stops on cattle welfare to progress further.

ABP and CCA are participating in a joint CFIA/industry working group that is tasked with identifying potential challenges within the new transport regulations and developing practical solutions to these issues. Activities of the working group include refining the CFIA's regulatory interpretive guidance document, identifying solutions to record keeping challenges (especially at auction markets), a lack of rest stop

infrastructure, and addressing potential subjective inconsistencies in inspection.

An informative webinar was co-hosted by ABP, Alberta Farm Animal Care and CFIA to answer specific questions pertaining to the new transportation regulations. A frequently asked questions document resulting from this webinar is in preparation and will be shared with producers as soon as it is available.

ABP is participating in the Mule Deer Management Plan Advisory Committee. This group is tasked with providing advice to Alberta Environment and Parks as they look to update the current management plan for mule deer in Alberta, which is 30 years old. There are several areas of focus that will need to be considered, including but certainly not limited to, chronic wasting disease.

We were also invited to submit comments as part of a consultation initiated by the Alberta College of Pharmacy as they consider the role of pharmacies and pharmacists in veterinary medicine dispensing. While we are pleased to finally see the idea of "veterinary pharmacies" gain more traction, there were several instances where it appeared that the role of pharmacists and veterinarians were conflated. We also noted that food producing animals seemed inappropriately singled out in some of their proposed changes. We worked closely with other members of the Intensive Livestock Working Group and UFA while preparing our comments and look forward to further engagement with the College of Pharmacy to ensure adequate access to veterinary medication for producers.

In a similar vein, we are working with the Alberta Veterinary Medical Association to provide some updated communications and answers to questions regarding veterinary prescriptions and dispensing. We have noted that there is still lingering confusion since all medically important antibiotics became prescription only in

December 2018, and further guidance in this area would be helpful.

ABP is involved in several animal health and production limiting disease surveillance initiatives, and one of those, the Western Canadian Animal Health Network (WeCaHN), has released some interesting findings from their first quarterly analysis of animal health laboratory data relating to beef cattle. Data from laboratory submitted abortions indicated that the majority of these had unknown causes or were unable to be definitively diagnosed. Other causes of abortion included placental inflammation, bacterial or protozoal infection, and IBR. Similarly, the majority of pre-weaning calf losses also had unknown causes or were unable to be definitively diagnosed. The second most common cause of pre-weaning calf loss was nutritional problems or deficiencies, followed by septicemia (blood poisoning), and a small number of IBR and BVD cases. To improve the chances of laboratory submissions yielding a diagnosis, in the case of aborted fetuses, it is recommended that producers freeze abortions until 2-3% of the year's potential calf crop has accumulated, and then submit them all at once to the lab.

For many years, diagnostic services in Alberta have been lacking. A recent funding announcement by the provincial government will support a pilot program at the University of Calgary - Faculty of Veterinary Medicine to expand their diagnostic capabilities, including on-farm disease investigations. These types of services are critical to protect cattle health from emerging diseases and to support individual producer needs. We are pleased with the announcement of the pilot program, but we will continue to advocate for long term, stable support for diagnostic and surveillance programs.

Sincerely,

KARIN SCHMID

GOVERNMENT RELATIONS AND POLICY

This is a re-print of the Government Relations and Policy report from the ABP Semi-Annual Meeting. This position was vacant from July to November, when Mark Lyseng joined ABP as Lead, Government Relations and Policy.

Many of our lobbying and policy development priorities were abruptly redirected in March as we began working to find solutions to minimize the impacts of COVID-19 on the beef industry. However, ABP continues to be active in pursuing priorities on behalf of beef producers that will benefit the industry outside of COVID-19. The pandemic has placed significant financial pressure on both the Alberta and Canadian governments leaving funding for initiatives unrelated to COVID-19 limited in the short term. Regardless, we will continue to pursue initiatives that have significant benefits to the industry, many of which do not require high incremental cash investments by the province. Some of these include changes to the Meat Inspection Regulations and Wildlife Regulations and further red tape reduction in several areas.

One of our priorities this year is to seek approval for a proposed predator pilot project titled “An Improved Alberta Program for Agriculture Producers to Co-exist with Large Carnivores” which we submitted to Alberta Environment and Parks for funding in collaboration with the Waterton Biosphere Reserve Association. This project has been in development over the past year and even though COVID-19 has delayed the approval process, we hope it will be supported and implemented this

year. We continued to advocate for this project directly in meetings with AEP Minister Nixon, senior government staff in Resource Stewardship and the Alberta Conservation Association – who currently contribute to predator compensation and wildlife habitat projects.

Parallel to this project, our Wildlife Committee also developed and submitted recommendations for improvements to the Wildlife Regulations, which will help improve how we manage and compensate for depredation. The submission can be viewed on our website at www.albertabeef.org/producers/policy-regulation

We continue to develop and update policy briefing documents and government advocacy priority documents that have been submitted to government and used as speaking points in discussions with elected officials and government staff. These documents include the “Alberta Beef Lobby Priorities – May 2020” and “Alberta Beef Red Tape Reduction Recommendations” which were developed in collaboration with ACFA and other industry stakeholders. They are available on our website under the Policy and Regulation section, along with policy briefing notes on the Meat Inspection Regulation changes, recommendations on implementing MELT transportation requirements, an air quality monitoring briefing note and other more in-depth briefing notes.

Providing recommendations to improve the Meat Inspection Regulation was another significant focus this spring and we have been working directly with the Alberta Agriculture Food and Safety Division staff to see some of these changes implemented this year; especially with respect to ante-mortem slaughter rules to allow for the sale of meat from animals slaughtered on-farm but processed at a licenced facility.

Every spring, the Alberta government also reviews submissions for carbon

credit protocols to be accepted into the Alberta compliance market. We have been strongly advocating to Alberta Environment and Parks, Policy Division, for two protocols to be considered: the “Canadian Grasslands Avoided Conversion” and “Conversion of Annual Cropland to Perennial Forage” carbon offset protocols. One of our priorities is to find ways to recognize the value beef producers provide through ecosystem services, and these carbon credit protocols will be one way to create value from carbon storage on grazing lands.

Our lobbying efforts have resulted in some success this year. We are pleased to hear that AFSC is making a commitment to prioritize further improvements to forage and pasture insurance, including the development of a “feed-need” insurance program. This commitment is further demonstrated through the establishment of a strategic goal to increase the participation rate in these programs to 30 percent. Some additional successes include the recent temporary exemptions from CFIA to allow for interprovincial trade of beef and poultry products from provincially inspected processors and government support for the fed cattle set aside program to mitigate the impacts of COVID-19. We continue regular engagement with senior Alberta government officials on COVID-19, while also providing input on many issues impacting the agriculture industry.

We’re able to collaborate and present sound policy solutions to government MLAs and staff on issues related to beef producers and opportunities to capture value for the industry. We have a strong working relationship with the Alberta government and are looked upon as a solutions-oriented and respectful association. We look forward to continuing our work with the government and beef industry stakeholders on practical policy for the benefit of Alberta’s beef producers.



KATELYN LAVERDURE
Lead, Stakeholder Communications

COMMUNICATIONS REPORT

Adaptability has been key for ABP communications this year. Our communications priorities during the spring were redirected to focus on COVID-19 and the impacts to Alberta producers. We worked closely with our provincial and national partners to develop messaging around what support industry needed to minimize impacts of the pandemic. We sent out regular updates, hosted town halls for

producers and media, ran a thank you campaign for processing plant workers, and developed materials for producers and consumers to send to government officials.

A document detailing the financial support available to producers was maintained on albertabeef.org. For the thank you campaign, a video was created with ACFA and shared on both organizations' social media channels, receiving over 45,000 views. A review of our media coverage from April to August showed our earned media reach, where ABP was either interviewed and quoted or our position/communications were referenced in an article, totalled 3.2 million unique views - meaning that many people actively engaged with media content connected to ABP.

A review of the analytics on our COVID-19 communications outlined:

- A demonstrated stronger engagement than other non-related content during the same time period. Top performing content was related to news and advice for producers, especially around government support and industry programming.
- Social media posts related to COVID-19 had higher rates of engagement across all platforms

(compared to other posts during the same period). We saw the highest rates of engagement on Facebook, which were almost double than what we normally see.

- Open rates for Grass Routes news emails related to COVID-19 were higher at 41%, compared to an overall average of 38%.

Following the height of COVID-19, the ABP Board of Directors struck a Crisis Management Working Group to review the crisis communications plan and garner insight on lessons learned. The plan was updated and approved by the Board of Directors. Significant changes were made during the planning of our Producer Meetings and delegate elections, including arrangements for online meetings and an election mailout to producers. This Annual Report has been distributed online and print copies are available by request.

Judging for the 2021 Environmental Stewardship Award has taken place and a recipient has been selected. The award presentation is tentatively scheduled for our Annual General Meeting in March. You can find information on the 2020 Environmental Stewardship Award recipients - Deer Creek Livestock Co. on our website

at www.albertabeef.org/producers/environmental-stewardship-award.

We are looking forward to the changes to ABP communications coming in the new year, but until then we continue to keep producers informed with [Grass Routes News](#), you can hear us on Cattle Country - our agriculture programming radio spots, or follow us on any of our social media accounts: [Twitter](#), [Facebook](#), [Pinterest](#) or [Instagram](#).

Sincerely,
KATELYN LAVERDURE

2020 ABP PRODUCER MEETINGS

Alberta Beef Producers is proud to be a grassroots producer organization. We are an organization of producers, led by producers, speaking and working on behalf of cattle and beef producers in Alberta.

This year, our producer meetings will take place entirely online in the format of a Producer Town Hall followed by separate Resolution Meetings. Delegate elections will be held by mail-in ballot or voting online. A Voter Election Package has been mailed to all eligible producers. ▼

PRODUCER TOWN HALL

Thursday, November 26, 2020
6:30-8:30 pm MT

RESOLUTION MEETINGS

Wednesday, December 2, 2020
6:30-8 pm MT

Thursday, December 3, 2020
6:30-8 pm MT

Producers need to register for these upcoming meetings at: www.albertabeef.org/producers/events

Resolutions can be submitted to the ABP office prior to the meetings
email: rosannea@albertabeef.org or fax: 403.274.0007



MARKETING AND EDUCATION

2020 was a year of unexpected challenges and opportunities for ABP's marketing and communications team. We began the year with a plan to build upon the success of our social and influencer marketing campaign from 2019, but the onset of COVID-19 in mid-March meant we, like everyone else in our industry, had to adapt and adjust quickly as the situation changed.

Our new ad campaign was originally slated to run through the summer grilling season. However, when COVID-19 hit the meat processing plants, ABP needed to get something into market right away. We developed an extension of the ads we had planned for the summer that tied our brand concept in with a community message, allowing us to express our thanks to workers and all Albertans. While industry organizations in other parts of the country took a combative public stance towards the government, ABP won media and community praise for our collaborative position.

Because we based the Thank You ads off our planned campaign, we were then able to transition seamlessly from the community message to our new campaign ads when the time was right. The brand campaign launched in July across TV, billboards, and online. Across a two-month period, we secured 1.9 million TV impressions, 6.2 million billboard impressions, and 4.9 million online ad impressions resulting in 3,439 clicks to the newly launched All for the Beef website.

Previously, all our communications drove to a single online hub – albertabeef.org – that housed both our producer-facing and our consumer-facing information and materials. A site audit and ongoing reporting of the existing site showed that much of the content in the consumer section wasn't being visited, and that the material that was visited wasn't driving engagement. The site was too big and was trying to speak to too many audiences at once.

Our solution was to cleave off the consumer site from the industry site, and to develop a web experience that makes it easy for consumers to find the information they're looking for as well as helping them learn and engage with Alberta beef.

Supported by the paid campaign in July and August, 7,976 users have visited the new ABP consumer site since it launched in July. Of those, 17.8% have continued past the homepage to find out more about Alberta beef, with an average of 1.87 pages per visit. This is up 39.5% over the previous site.

Visitors are also engaging with more variety of content on the new site. Where previously users almost exclusively went to the About page, visitors on the new site who click past the homepage are visiting the About section (36.1%), the Alberta Beef Classroom section (25.8%) and Resources section (recipes, blogs, and news) (24.2%).

We also extended our influencer campaign this year, continuing to partner with local influencers to help share the facts about Alberta beef and Alberta ranching, and some tasty Alberta beef recipes to boot. We chose local influencers with strong Alberta roots and local followings, with a variety of focus

areas. Beyond just food bloggers (whose recipes are delicious), we also engage parenting, fitness, nutrition and lifestyle influencers who can help us speak to the health and community aspects of beef, and not just its great taste.

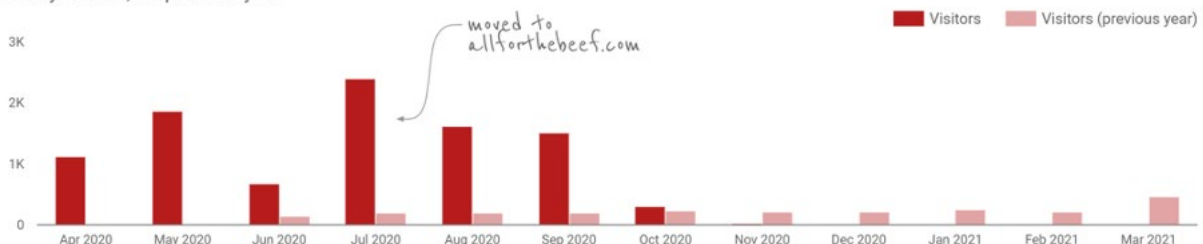
Our influencer network also presented an unexpected opportunity this year when the schools were closed in March, just as we were getting ready to release our new classroom resources. With students stuck at home and parents searching for learning materials, we leveraged our influencer contacts to run a mini campaign promoting our classroom resources directly to parents. This campaign ran through the spring and picked up again in the fall, continuing to put our resources in the hands of parents who have chosen to keep their kids home for this year.

Not every influencer's metrics are the same since each uses their platform and post type of choice, but since September 2019 our influencers have driven 4,298 pageviews with an average of 3:04 on site, and 474,509 social impressions have driven 10,926 engagements with an average engagement rate of 2.3%.

All planned sponsorship events that ABP was committed to either financially support or contribute merchandise were cancelled. It was decided to move some of the resources to other areas of the marketing budget to increase exposure where possible.

We continue to develop the senior high resources and are targeting for release in early 2021. These resources will support Alberta Science, Social Studies, Language Arts/English curriculum and have a focus on sustainability and how the media can contribute to misinformation about food choices.

Monthly visitors, vs. previous year



ABP 2020-21 OPERATIONS BUDGET

Alberta Beef Producers Operations Budget For the year ending March 31, 2021	Budget Year ending March 31, 2021	Percentage of Operations Budget March 31, 2021	Restated Actual Expenses Year ending March 31, 2020	Percentage of Operations Actual Expenses March 31, 2020
Canadian Cattlemen's Association (CCA)				
CCA Operations Assessment Fee, \$0.48	1,654,443		1,594,696	
CCA Reserve Fund Assessment Fee, \$0.05	-		166,144	
	<u>1,654,443</u>	<u>32.7%</u>	<u>1,760,840</u>	<u>35.9%</u>
ABP Governance and Oversight				
ABP Board of Directors	115,000		85,720	
Audit and Governance Committees	4,000		1,279	
Executive Committee	60,000		45,713	
	<u>179,000</u>	<u>3.54%</u>	<u>132,712</u>	<u>2.70%</u>
Government Relations and ABP Policy				
Board Appointed Representatives	10,000		5,312	
Federal and Provincial Initiatives	35,000		32,691	
Projects and Programs	101,250		106,277	
Provincial Advocacy	30,000		22,436	
Resolutions Committee	3,000		-	
Working Groups	5,000		1,625	
	<u>184,250</u>	<u>3.64%</u>	<u>168,341</u>	<u>3.43%</u>
Marketing and Communications				
Communications	220,000		203,378	
Marketing	346,500		317,906	
Sponsorships and Other Initiatives	65,750		44,789	
Social Media Platforms	40,250		41,130	
Working Groups	5,000		2,102	
	<u>677,500</u>	<u>13.40%</u>	<u>609,305</u>	<u>12.42%</u>
National Policy, Trade Advocacy, and Legal				
ABP Representation on National Organizat	25,000		15,643	
CCA Legal Assessment	120,000		-	
U.S. and International Initiatives	35,000		33,937	
	<u>180,000</u>	<u>3.56%</u>	<u>49,580</u>	<u>1.01%</u>
Stakeholder Liaison				
Canfax Membership and Services	53,400		53,400	
Industry Initiatives	28,000		33,831	
Media Relations	5,000		4,720	
Producer Liaison	240,000		324,079	
Townhalls and Webinars	-		-	
Youth Initiatives	26,250		26,000	
Working Groups	3,000		6,138	
	<u>355,650</u>	<u>7.03%</u>	<u>448,168</u>	<u>9.13%</u>
Research, Production, And Education				
Animal Health and Welfare	50,000		43,077	
Environment	78,500		69,044	
Forage	75,000		75,000	
Education & Extension Working Groups & Pr	34,550		69,489	
Project Reserve Fund	25,000		-	
Research Committee and Projects	88,000		88,117	
Wildlife	10,000		-	
	<u>361,050</u>	<u>7.14%</u>	<u>344,727</u>	<u>7.02%</u>
Salaries Associated with Programs	<u>623,000</u>	<u>12.32%</u>	<u>615,111</u>	<u>12.53%</u>
Administrative Expenses				
Amortization of furniture & equipment, non-	10,000		9,646	
Rent, office supplies and equipment	410,000		362,122	
Salaries and benefits	341,000		323,072	
Legal, audit, and consulting	80,000		84,099	
	<u>841,000</u>	<u>16.63%</u>	<u>778,939</u>	<u>15.87%</u>
Total ABP Operations Budget	<u>5,055,893</u>	<u>100.00%</u>	<u>4,907,723</u>	<u>100.00%</u>
Capital Assets Budget	<u>10,107</u>			
Total	<u>5,066,000</u>			

ABP REFUND REPORT

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-19	598	914,786	\$ 1,743,725	409	207,550.73	189	1,536,174.00
Jun-19	468	766,332	\$ 1,433,438	275	181,621.27	193	1,251,816.82
Dec-18	597	745,667	\$ 1,467,774	405	214,778.10	192	1,252,996.18
Jun-18	431	701,400	\$ 1,353,160	256	161,104.35	175	1,192,055.52
Dec-17	453	716,624	\$ 1,414,277	274	139,510.60	179	1,274,766.71
Jun-17	396	576,869	\$ 1,124,459	222	133,271.62	174	991,187.49
Dec-16	429	683,325	\$ 1,343,890	244	112,517.82	185	1,231,372.50
Jun-16	401	597,675	\$ 1,132,472	241	156,617.34	160	975,854.30
Dec-15	429	633,744	\$ 1,239,422	268	140,995.22	161	1,098,427.14
Jun-15	388	564,365	\$ 1,113,233	241	134,011.81	147	979,221.33
Dec-14	488	662,967	\$ 1,294,845	320	153,305.00	168	1,141,539.61
Jun-14	442	639,849	\$ 1,246,736	278	169,031.40	164	1,077,704.22
Dec-13	491	624,396	\$ 1,217,511	333	170,578.90	158	1,046,932.08
Jun-13	432	615,941	\$ 1,204,360	261	154,713.02	171	1,049,646.98
Dec-12	532	547,308	\$ 1,061,740	365	152,580.80	167	909,158.98
Jun-12	407	569,901	\$ 1,109,397	241	114,326.77	166	995,070.25
Dec-11	572	599,038	\$ 1,173,105	381	157,468.25	191	1,015,636.81
Jun-11	414	516,204	\$ 1,008,705	242	113,333.37	172	895,371.53
Dec-10	647	584,075	\$ 1,586,156	473	304,054.40	174	1,282,102.03
Jun-10	396	364,789	\$ 1,042,110	244	169,125.54	152	872,984.00
Total refunds	9,411	12,625,255	\$ 25,310,515	5,973	\$ 3,240,496	3,438	\$ 22,070,018

Note: While there have been a total of 9,411 refund requests since the refund process was implemented, these requests have come from approximately 2,345 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.

Note, effective April 1, 2018 the Non refundable levy increased to \$2.50.



June 8, 2020
Edmonton, Alberta

INDEPENDENT AUDITOR'S REPORT

To the Directors and Delegates of Alberta Beef Producers

Report on the Financial Statements

Opinion

We have audited the financial statements of Alberta Beef Producers (ABP), which comprise the statement of financial position as at March 31, 2020, and the statements of operations, changes in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the ABP as at March 31, 2020, and the results of its operations and cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the ABP in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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.

In preparing the financial statements, management is responsible for assessing the ABP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the ABP or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the ABP's financial reporting process.

(continues)

Independent Auditor's Report to the Directors and Delegates of Alberta Beef Producers
(continued)


Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 ABP's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ABP's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the ABP to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Kingston Ross Pasnak LLP
Chartered Professional Accountants

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS

Statement of Operations

Year Ended March 31, 2020

	2020	2019
REVENUE		
Alberta service charge (Note 2)	\$ 7,661,270	\$ 7,431,149
National Levy (Note 2)	9,439,792	9,375,358
Less dealer rebate	(188,795)	(188,886)
Less Alberta service charge refunded	(3,362,434)	(2,894,134)
Plus recovery of dealer rebate and voluntary contributions	77,419	73,200
Plus voluntary contributions to CCA (Note 3)	107,853	-
Interprovincial marketings (Note 2)	169,758	109,569
	13,904,863	13,906,256
Canadian Beef Check-Off Agency (Note 9)		
Canada Beef	4,483,901	4,448,172
Beef Cattle Research Council	3,945,833	3,891,231
Public and Stakeholder Engagement	538,068	529,369
The National Agency	471,990	506,587
	9,439,792	9,375,359
Excess of revenue over expenses before the undernoted	4,465,071	4,530,897
OTHER REVENUE		
Grants (Note 7)	599,635	1,076,905
Interest and other income (Note 4)	43,632	350,820
Producer Loyalty Partnership Program	6,750	15,000
Provincial research and development	5,150	4,250
	655,167	1,446,975
OTHER EXPENSES		
Grants (Note 8)	599,635	1,048,164
CCA legal assessment (Note 9)	284,672	-
ABP matching funds for Marketing Campaign	13,895	-
Provincial research and development	2,474	4,674
Producer Loyalty Partnership Program	283	4,786
	900,959	1,057,624
EXCESS OF REVENUE OVER EXPENSES BEFORE OPERATING EXPENSES	4,219,279	4,920,248
OTHER EXPENSES		
Operating Expenses (Schedule 1)	\$ 4,898,050	\$ 5,082,506
Amortization of furniture and equipment (Note 6)	9,646	11,120
	4,907,696	5,093,626
DEFICIENCY OF REVENUE OVER EXPENSES	\$ (688,417)	\$ (173,378)

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS

Statement of Changes in Net Assets

Year Ended March 31, 2020


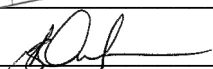
	Trade Advocacy Reserve <i>(Note 3)</i>	Operating Reserve Following year <i>(Note 3)</i>	Operating Reserve Future years <i>(Note 3)</i>	CCA Assessment Fund Following year <i>(Note 3)</i>	Invested in Furniture and Equipment <i>(Note 6)</i>	Unrestricted	2020 Total	2019 Total
NET ASSETS - BEGINNING OF YEAR	\$ 4,336,000	\$ 4,530,898	\$ 1,100,000	\$ -	\$ 29,167	\$ 2,609,035	\$ 12,605,100	\$ 12,778,478
Transferred to current year operations	-	(4,530,898)	-	-	-	4,530,898	-	-
Internally restricted for following year operations	-	3,221,616	-	1,243,453	-	(4,465,069)	-	-
Internally restricted transfers	-	-	-	-	-	-	-	-
Deficiency of revenue over expenses	-	-	-	-	(9,646)	(678,771)	(688,417)	(173,378)
Invested in furniture and equipment	-	-	-	-	7,454	(7,454)	-	-
NET ASSETS - END OF YEAR	\$ 4,336,000	\$ 3,221,616	\$ 1,100,000	\$ 1,243,453	\$ 26,975	\$ 1,988,639	\$ 11,916,683	\$ 12,605,100

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS
Statement of Financial Position
March 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 3,573,047	\$ 2,002,603
Operating Reserve Fund, Following year (Note 3)	3,221,616	4,530,898
CCA Assessment Fund, Following year (Note 3)	1,243,453	-
Term deposits (Note 3)	900,000	-
Investments (Note 4)	7,607,821	7,751,585
Service charge receivable	2,329,425	2,525,762
Interest and other receivables	31,520	401,729
Prepaid expenses	28,973	23,035
Inventory (Note 5)	6,246	5,115
	18,942,101	17,240,727
OPERATING RESERVE FUND, Future years (Note 3)	1,100,000	1,100,000
FURNITURE AND EQUIPMENT (Note 6)	26,975	29,167
	\$ 20,069,076	\$ 18,369,894
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 2,211,870	\$ 2,280,954
Goods and Services Tax payable	39,449	40,471
Alberta marketings held in trust	1,578,700	1,674,584
Deferred revenue (Note 7)	4,322,374	1,768,785
	8,152,393	5,764,794
COMMITMENTS (Note 10)		
NET ASSETS		
Trade Advocacy Reserve Fund (Note 3)	4,336,000	4,336,000
Operating Reserve Fund, Following year (Note 3)	3,221,616	4,530,898
Operating Reserve Fund, Future years (Note 3)	1,100,000	1,100,000
CCA Assessment Fund, Following year (Note 3)	1,243,453	-
Invested in Furniture and Equipment (Note 6)	26,975	29,167
Unrestricted	1,988,639	2,609,035
	11,916,683	12,605,100
	\$ 20,069,076	\$ 18,369,894

ON BEHALF OF THE BOARD


 _____ Director

 _____ Director

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS

Statement of Cash Flow

Year Ended March 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ (688,417)	\$ (173,378)
Items not affecting cash:		
Amortization of furniture and equipment	9,646	11,120
Change in unrealized loss (gain) on investments held at year end	307,844	(61,161)
Loss on disposal of investments	1,621	-
	(369,306)	(223,419)
Changes in non-cash working capital:		
Service charge receivable	196,337	(947,457)
Interest and other receivables	370,209	(53,415)
Prepaid expenses	(5,938)	(93)
Inventory	(1,131)	2,033
Goods and Services Tax payable	(1,022)	925
Accounts payable and accrued liabilities	(69,084)	869,982
Alberta marketings held in trust	(95,884)	127,124
Deferred revenue	2,553,589	1,122,603
	2,947,076	1,121,702
Cash flow from operating activities	2,577,770	898,283
INVESTING ACTIVITIES		
Purchase of investments	(2,346,481)	(2,673,156)
Proceeds from sale of investments	2,180,780	2,565,057
Purchase of term deposits (Note 3)	(900,000)	-
Purchase of furniture and equipment	(7,454)	(936)
Cash flow used by investing activities	(1,073,155)	(109,035)
INCREASE IN CASH	1,504,615	789,248
CASH - BEGINNING OF YEAR	6,533,501	5,744,253
CASH - END OF YEAR	8,038,116	6,533,501
CASH CONSISTS OF:		
Cash	\$ 3,573,047	\$ 2,002,603
Operating reserve fund, following year (Note 3)	3,221,616	4,530,898
CCA Assessment fund, following year (Note 3)	1,243,453	-
	\$ 8,038,116	\$ 6,533,501

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS

Notes to Financial Statements

Year Ended March 31, 2020

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 April 1, 2018, ABP is authorized under its Plan Regulation and Commission Regulation to collect a \$2.00 refundable Alberta service charge and a \$2.50 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 National Levy").

The National Levy is paid to the Canadian Beef Check-Off 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 April 1, 2019 until March 31, 2020, the ABP Board of Directors allocated the National Levy as follows: an Agency fee of 5% (2019 - 5.43%) is withheld to enable the Agency to operate and thereafter the net funds are allocated 50% to Canada Beef ("CB"), 44% to Beef Cattle Research Council ("BCRC"), and 6% to Public and Stakeholder Engagement.

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 and cash equivalents

Cash and cash equivalents consist of cash on deposit, less cheques issued, and internally restricted cash reserves for the following year.

Term deposits

Term deposits are recorded at amortized cost, and include Guaranteed Investment Certificates ("GIC") (Note 3).

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.

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS

Notes to Financial Statements

Year Ended March 31, 2020

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 National Levy collected on behalf of ABP.

ABP follows the deferral method of accounting for contributions, which includes government grants. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount 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 National 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 National 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 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 \$4.50 (2019 - \$4.50) Federal Levy and not the Alberta Service Charge and National Levy. The \$4.50 (2019 - \$4.50) Federal Levy is collected by ABP on behalf of the Canadian Beef Check-Off 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.

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS

Notes to Financial Statements

Year Ended March 31, 2020

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

Investments

Investments are recorded at market value. In 2020, the Board of Directors passed a motion to invest up to 25% of funds available in low risk stocks and the balance of the funds in short term, low risk government secured investments.

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

In the year of purchase, amortization on furniture and equipment is taken at one half of the normal amount.

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 salary expenses to Operational Expenses and to Administrative Expenses (Note 13).

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS

Notes to Financial Statements

Year Ended March 31, 2020

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. Countervail trade actions are almost always accompanied by an anti-dumping investigation. While the government can and will defend their programs from countervail action, the responsibility for a defence against an anti-dumping action rests almost entirely with industry and industry organizations such as ABP.

	Withdrawal	Transfer	2020	2019
Balance, beginning of year	\$ -	\$ -	\$ 4,336,000	\$ 4,336,000
Balance, end of year	\$ -	\$ -	\$ 4,336,000	\$ 4,336,000

Operating Reserve Fund, Following year

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.

	2020	2019
Balance, beginning of year	\$ 4,530,898	\$ 5,303,000
Transferred from the fund for operations in current year	(4,530,898)	(5,303,000)
Allocation from the current year to the following year's operations budget	3,221,616	4,530,898
	\$ 3,221,616	\$ 4,530,898

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 a 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.

	2020	2019
Balance, beginning of year	\$ 1,100,000	\$ 1,100,000
Balance, end of year	\$ 1,100,000	\$ 1,100,000

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS

Notes to Financial Statements

Year Ended March 31, 2020

3. INTERNALLY RESTRICTED NET ASSETS *(continued)*

CCA Assessment Fund, Following year

Effective July 1, 2018, ABP's annual membership assessment for Canadian Cattlemen's Association (CCA) will be based on the Alberta cattle marketings calculated at \$0.53 per head. The rate of \$0.53 per head has been set for the CCA fiscal years ending June 30, 2019 through to June 30, 2023. The assessment will be revised each year based upon the provincial marketing numbers for the related calendar year's reported cattle sales.

Accordingly, in 2020, the ABP Board of Directors passed a motion to establish a CCA Assessment Fund. Producers who requested a refund were asked to leave \$0.53 of the \$2.00 Alberta Service Charge to be allocated to the CCA Assessment Fund. This Fund would be used to pay the annual CCA Assessment.

Producers who did not ask for a refund are assumed to have left \$0.53 of their \$2.00 Alberta Service Charge as a voluntary contribution and has been allocated to the CCA Assessment Fund.

CCA is responsible for National Trade Advocacy and Policy work.

	2020	2019
Allocation from the current year to the following year's operations budget	\$ 1,243,453	\$ -
Voluntary contributions to CCA	107,853	-
	\$ 1,351,356	\$ -

Term Deposits

Under the term of the Agricultural Plastics Recycling Pilot Project, funds are to be invested in GIC's and come due over the term of the project.

	2020	2019
1.99% 1 year, non redeemable GIC due September 9, 2020	\$ 600,000	-
1.82% 1 year cashable GIC due September 9, 2020	300,000	-
	\$ 900,000	\$ -

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS Notes to Financial Statements Year Ended March 31, 2020

4. INVESTMENTS

	2020	2020	2019	2019
	Cost	Fair Value	Cost	Fair Value
Bonds:				
Provincial government, bearing yield rates ranging from 1.35% to 3.20%, due between June 2020 and December 2022	\$ 5,923,497	\$ 5,975,270	\$ 7,667,406	\$ 7,751,585
Stocks	1,907,989	1,632,551	-	-
	7,831,486	7,607,821	7,667,406	7,751,585

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:

	2020	2019
Interest on investments	\$ 173,778	\$ 141,476
Realized loss on investments during the year	(1,621)	-
Change in unrealized (loss) gain in investments held at year end	(307,843)	61,162
	(135,686)	202,638
Interest on bank balance	177,158	145,962
Other income	2,160	2,220
	\$ 43,632	\$ 350,820

5. INVENTORY

	2020	2019
Inventory consists of the following:		
Promotional items	\$ 6,246	\$ 5,115

During the year ended March 31, 2020, ABP expensed \$6,789 (2019 - \$12,371) of its inventory in the regular course of operations and had no inventory write-downs.

6. FURNITURE AND EQUIPMENT

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Furniture and fixtures	\$ 46,679	\$ 29,799	\$ 16,880	\$ 21,548
Computer equipment	26,800	16,981	9,819	7,232
Audio-visual equipment	10,378	10,102	276	387
	\$ 83,857	\$ 56,882	\$ 26,975	\$ 29,167

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS Notes to Financial Statements Year Ended March 31, 2020

7. DEFERRED REVENUE

	Opening	Additions	Recognition of Revenue	2020	2019
Feed and Forage Production and Utilization	\$ -	\$ 3,000,000	\$ -	\$ 3,000,000	\$ -
Agricultural Plastics Recycling Pilot Project	1,000,000	20,725	(194,515)	826,210	1,000,000
Knowledge Transfer Grant	439,394	-	(112,310)	327,084	439,394
Climate Change Extension Initiative	97,185	-	-	97,185	97,185
Sustainability Assessment Tool and Extension Pilot	126,547	49,679	(140,533)	35,693	126,547
Verified Beef Production +	-	37,987	(7,371)	30,616	-
AHI Investigation Summary and Producer Education Information Program (1)	3,276	-	-	3,276	3,276
Environmental Grant	3,740	-	(1,430)	2,310	3,740
Targeted Antimicrobial Use Resistance Research Call	55,427	-	(55,427)	-	55,427
Rancher Research Pilot Project	22,936	26,833	(49,769)	-	22,936
Alberta on the Plate	18,000	18,000	(36,000)	-	18,000
Cow Calf Sector Sustainability Extension Initiative	2,280	-	(2,280)	-	2,280
	\$ 1,768,785	\$ 3,153,224	\$ (599,635)	\$ 4,322,374	\$ 1,768,785

(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, 2020

8. GRANTS

	2020	2019
Agricultural Plastics Recycling Pilot Project Grant	\$ 194,515	\$ -
Sustainability Assessment Tool and Extension Pilot Grant	140,533	40,831
Knowledge Transfer Grant	112,310	35,606
Targeted Antimicrobial Use Resistance Research Call	55,427	166,280
Rancher Research Pilot Project	49,769	90,873
Alberta on the Plate	36,000	-
Verified Beef Production +	7,371	-
Cow Calf Sector Sustainability Extension Initiative	2,280	(280)
Environmental Grant	1,430	21,602
Satellite Derived Forage Insurance Grant	-	281,545
Targeted Forage Research Call	-	187,398
Elastrator Bands Development Grant	-	153,447
Alberta Beef: Marketing Campaign	-	56,047
Climate Change Extension Initiative	-	14,815
	\$ 599,635	\$ 1,048,164

Agricultural Plastics Recycling Pilot Project Grant

In February of 2019, Alberta Agriculture and Forestry provided ABP with a grant in the amount of \$1,000,000 for a three-year Agricultural Plastics Recycling Pilot Project that will expand agricultural plastics recycling collection sites and services in Alberta leading to the development of a permanent and sustainable provincial agricultural plastic recycling program. ABP will be the program administrator of the grant for the project, while the Agricultural Plastics Recycling Group will provide advisory and oversight services for the project. \$194,515 (2019 - \$Nil) was recognized as revenue and eligible expenses incurred.

Sustainability Assessment Tool and Extension Pilot Grant

In late 2018, Alberta Agriculture and Forestry approved a grant to ABP in the amount of \$239,112 for a Sustainability Assessment Tool and Extension Pilot project that involves adapting a sustainability assessment tool for use in Canada, encouraging producers to come together in their use of the tool, and increasing producer understanding of practices that will improve the sustainability of their operations. ABP received the initial payment of \$167,378.40 on this grant. \$140,533 (2019 - \$40,831) was recognized as revenue and eligible expenses incurred.

Knowledge Transfer Grant

In 2018, Alberta Agriculture and Forestry provided ABP with a grant in the amount of \$500,000 to carry out knowledge translation and transfer (extension) activities related to managing grazing in average and extreme conditions, species/variety selection for regional adaptation, and critical elements of animal nutrition and feed quality, along with an expansion of the Rancher Researcher Pilot project, and to facilitate the transfer of valuable information from foragebeef.ca to beefresearch.ca. \$112,310 (2019 - \$35,606) was recognized as revenue and eligible expenses incurred.

Targeted Antimicrobial Use Resistance Research Call

In 2016, ALMA provided ABP with a grant in the amount of \$1,425,000 to administer and deliver a call for research proposals in the area of antimicrobial use and resistance (AMU/AMR). With the dissolution of ALMA, this grant agreement has continued between ABP and Alberta Agriculture and Forestry. \$55,427 (2019 - \$166,280) was recognized as revenue and eligible expenses. This project was completed by March 31, 2020.

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS

Notes to Financial Statements

Year Ended March 31, 2020

8. GRANTS (continued)

Rancher Research Pilot Project

In 2017, Alberta Agriculture and Forestry provided ABP with a grant in the amount of \$109,350 to carry out an extension project encouraging the adoption of new management practices, technologies, and innovations on a subset of pilot ranches in Alberta. \$49,769 (2019 - \$90,873) was recognized as revenue and eligible expenses incurred. This project was completed by March 31, 2020.

Alberta on the Plate

In 2019, ABP received \$18,000 from the Government of Alberta for match funding for Alberta on the Plate initiative. In 2020, participating commodities matched the \$18,000 to sponsor an event in August of 2019 during the Canadian AG Summit. \$36,000 (2019 - \$Nil) was recognized as revenue and eligible expenses incurred. This project was completed by March 31, 2020.

Verified Beef Production +

On November 1, 2019, ABP became the provincial delivery agent for Verified Beef Production + (VBP +). ABP received the balance of a provincial Canadian Agricultural Partnership (CAP) grant for Public Trust, \$37,987, that is to be used to provide training and information about VBP + and sustainable beef value chains to Albertans by September 30, 2020. \$7,371 (2019 - \$Nil) was recognized as revenue and eligible expenses.

Cow Calf Sector Sustainability Extension Initiative

In 2017, Growing Forward II provided ABP with \$120,000 for the use in a one year study on cow calf sustainability extension initiatives. \$2,280 (2019 - (\$280)) was recognized as revenue and eligible expenses incurred. This project was completed by March 31, 2020.

Environmental Grant

In 2012, ABP received a grant from Alberta Agriculture and Rural Development (ARD) for an Overwintering Sites project. \$1,430 (2019 - \$21,602) was recognized as revenue and eligible expenses incurred.

Satellite Derived Forage Insurance Grant

ABP has received funding from the Agriculture and Agri-Food Canada AgriRisk Initiatives Program for a project entitled, Assessing the Feasibility and Development of an Innovative Forage Insurance Plan using Satellite-Derived Biophysical Parameters with a focus on Alberta. It is a two-year project that was suggested to ABP by the Agriculture Financial Services Corporation in Alberta. Our industry has been looking for better forage and pasture insurance programs for some time and we hope this project will contribute to the development of more effective programs. ABP has engaged the University of Manitoba as the lead researcher on the project and AgReSoft Enterprises Ltd. as a consultant on the project. ABP will provide in-kind project management services, but will not be contributing cash to the project. \$Nil (2019 - \$281,545) was recognized as revenue which agrees to the eligible expenses incurred. This project was completed in March 2019.

Climate Change Extension Initiative

ABP received a grant from Alberta Agriculture and Forestry (AF) to undertake a two-year Climate Change Extension Initiative. The purpose of the grant is to develop and implement beef cattle climate change practices among cattle and beef producers and increase participation in the project, an extension coordinator will be hired to develop and implement the program while working with AF and ABP staff. ABP will be providing in-kind project management services and in-kind support for the extension coordinator. \$Nil (2019 - \$14,815) was recognized as revenue and eligible expenses incurred.

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS

Notes to Financial Statements

Year Ended March 31, 2020

8. GRANTS (*continued*)

Feed and Forage Production and Utilization

In 2019, Alberta Agriculture and Forestry provided ABP with a \$3,000,000 grant to administer and deliver a call for research proposals in the area of feed and forage production and utilization. \$Nil (2019 - \$Nil) was recognized as revenue and eligible expenses.

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 Check-Off Agency (the "Agency"). As a contributing organization, ABP is entitled to representation as follows:

a) The Agency

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

Public and Stakeholder Engagement is a national check-off initiative jointly operated by CCA and Canada Beef.

b) Beef Cattle Research Council (BCRC)

BCRC is responsible for providing research services for the Agency. A number of representatives to the Beef Cattle Research Council based on its proportionate share of total funding. For the year ending March 31, 2020 ABP was entitled to five of the fourteen seats.

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS Notes to Financial Statements Year Ended March 31, 2020

9. RELATED PARTY TRANSACTIONS *(continued)*

3. Payments

	2020	2019
CCA Monthly Assessments	\$ 1,760,810	\$ 1,766,280
CCA, Other		
CCA Legal Assessment	\$ 284,672	\$ -
Research project funding, BCRC; included in operational expenses	75,000	27,047
Young Cattlemen's Council, membership; included in operational expenses	2,500	2,500
Canadian Round Table for Sustainable Beef Project; included in operational expenses	2,000	2,000
	\$ 364,172	\$ 31,547

ABP made additional payments to the foregoing parties for contracted services as follows, included in operational expenses:

Payments to Canfax, a division of CCA:		
Membership and services	\$ 53,400	\$ 53,400
Communications	10,200	10,200
	\$ 63,600	\$ 63,600

ABP received payments from the following parties for renting office space as follows, included in administrative expenses:

Public and Stakeholder Engagement	\$ 15,899	\$ -
Canadian Round Table for Sustainable Beef	4,951	-
VBP + Delivery Services Inc.	2,166	-
Canadian Cattlemen's Association (CCA)	971	-

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS

Notes to Financial Statements

Year Ended March 31, 2020

	%	2020	%	2019
Canadian Beef Check-Off Agency				
The National Agency	5.00 %	\$ 471,990	5.43 %	\$ 506,587
The net balance has been allocated as follows:				
Canada Beef	50.00 %	4,483,901	50.00 %	4,448,172
Beef Cattle Research Council	44.00 %	3,945,833	44.00 %	3,891,231
Public and Stakeholder Engagement	6.00 %	538,068	6.00 %	529,369
		\$ 9,439,792		\$ 9,375,359

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.

Canadian Beef Check-Off Agency	\$ 1,841,777	\$ 1,434,690
CCA Legal Assessment	26,370	-
Canadian Cattlemen's Association - Funding for research project	-	2,048

Amounts receivable at March 31, 2020 from the following:

Canadian Beef Check-Off Agency	\$ -	\$ 432
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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 Check-Off Agency includes the monthly collection of the National Levy and the province of origin amounts.

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:

2021	\$ 158,862
2022	160,041
2023	156,547
2024	159,701
2025	26,838
	<u>\$ 661,989</u>

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS

Notes to Financial Statements

Year Ended March 31, 2020

10. COMMITMENTS *(continued)*

Commitment to Edmonton Valley Zoo

In 2019, a \$30,000 ten year agreement was signed with Valley Zoo Development Society to help fund the bovine enclosure in the Urban Farm, \$3,000 per year with the final payment due March 2028. A total of two \$3,000 payments have been made to date.

Commitment to Simpson Centre for Agricultural and Food Innovation and Public Education

The ABP Board of Directors decided that ABP would join the Alberta Cattle Feeders' Association and the Canadian Cattlemen's Association Public and Stakeholder Engagement group in providing funding for the Simpson Centre for Agricultural and Food Innovation and Public Education at the University of Calgary. The funding commitment from each organization is two years of funding at \$50,000 per year. The ABP Board directed that the first year of funding, during the 2019-2020 fiscal year, would come from the Operating Reserve, future years fund, while the second year of funding would be included in the operating budget for the 2020-2021 fiscal year.

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:

	2020	2019
Board of Directors and Board Representatives	\$ 69,587	\$ 76,386
Annual General Meeting	63,430	57,289
Executive Committee	43,800	49,207
Enhanced Federal Lobbying	29,800	26,103
Semi-annual Meeting	26,995	28,316
U.S. and International Trade Management	20,386	17,015
Cow Calf Council	16,412	20,797
Fall producer meetings and Resolution Policy Development	13,725	16,548
Provincial Advocacy	13,602	8,033
Canadian Cattlemen's Association	12,668	12,926
Marketing and Education	8,470	3,821
Research Committee	7,565	6,834
Industry Partnerships	4,309	6,141
Zone Committees	1,962	3,054
Cattle Feeder Council	883	9,652
Animal Health and Welfare	720	4,960
Beef Cattle Research Council	600	670
Audit and Governance Committees	592	3,956
Cattle Industry Forum	383	-
Communications	225	225
Canadian Beef Check-Off Agency	-	1,235
Environment Committee	-	717
	\$ 336,114	\$ 353,885

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS

Notes to Financial Statements

Year Ended March 31, 2020

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, 2020. 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, 2020 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	
	2020	2019	2020	2019
Executive Director	40%	40%	60%	60%
Controller	30%	30%	70%	70%

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS

Notes to Financial Statements

Year Ended March 31, 2020

14. COVID-19

The recent outbreak of the Coronavirus Disease 2019, or COVID-19, has spread across the globe and is impacting worldwide economic activity. This global pandemic poses the risk that ABP or its clients, employees, contractors, suppliers, and other partners may be unable to conduct regular business activities for an indefinite period of time. While it is not possible at this time to estimate the impact that COVID-19 could have on ABP's business, the continued spread of COVID-19 and the measures taken by the federal, provincial and municipal governments to contain its impact could adversely impact ABP's business, financial condition or results of operations. Specifically, ABP could be impacted by the closure of processing plants resulting in a suppressed market. However, the impact is expected to be minimal on the fiscal year and reserves are held for any short-term reduction in marketings. The extent to which the COVID-19 outbreak impacts ABP's results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the spread of the virus and government actions.

15. SUBSEQUENT EVENTS

Effective April 1, 2020 until March 31, 2021, the ABP Board of Directors allocates the National Levy as follows: An Agency fee of 5% is withheld to enable the Agency to operate and thereafter the net funds are allocated 60% to Canada Beef ("CB"), 32% to Beef Cattle Research Council ("BCRC"), and 8% to Public and Stakeholder Engagement.

Effective April 1, 2021 until March 31, 2022, the ABP Board of Directors allocates the National Levy as follows: An Agency fee of 5% is withheld to enable the Agency to operate and thereafter the net funds are allocated 62% to Canada Beef ("CB"), 31.4% to Beef Cattle Research Council ("BCRC"), and 6.6% to Public and Stakeholder Engagement.

16. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

ABP FINANCIAL STATEMENTS

ALBERTA BEEF PRODUCERS

Operating Expenses

(Schedule 1)

Year Ended March 31, 2020

	2020	2019
National Policy and Trade Advocacy Programs:		
Canadian Cattlemen's Association (Note 9)	\$ 1,760,810	\$ 1,766,280
U.S. and International Trade Management	33,937	31,443
Enhanced Federal Lobbying	32,691	28,506
National Governance and Oversight	15,643	17,768
Organizational Expenses:		
Annual General Meeting	124,555	114,788
Board meetings and Board appointed representatives	91,032	104,417
Fall producer meetings and resolution policy development	86,244	87,298
Semi-annual Meeting	61,108	66,374
Executive Committee	45,713	50,363
Zone Committees	44,368	55,013
Annual Report	7,804	48,333
Governance Committee	882	3,785
Audit Committee	397	635
Operational Expenses: (Note 13)		
Salaries and benefits related to programs	615,111	597,191
Marketing and Education	320,008	306,177
Communications	257,166	274,658
Industry Partnerships	209,282	191,263
Project reserve fund	113,400	30,900
Research Committee	88,117	83,878
Canfax Membership and Services (Note 9)	53,400	53,400
Sponsorships	40,902	30,307
Verified Beef Producers +	32,138	30,000
Cow Calf Council	31,092	29,902
Provincial Advocacy	22,436	14,270
Cattle Feeder Council	19,511	51,759
Environment Stewardship Awards	15,547	19,384
Animal Health and Welfare	3,077	7,580
Industry Collaborations	1,359	14,165
Cattle Leaders Forum	1,027	-
Service Charge Campaign	-	185,843
Feed Grain Research Project	-	50,000
Administrative Expenses: (Note 13)		
Rent, office supplies and equipment	362,122	382,471
Salaries and benefits	323,072	315,695
Legal, audit and consulting	84,099	38,660
	\$ 4,898,050	\$ 5,082,506

CANADIAN CATTLEMEN'S ASSOCIATION

CANADIAN CATTLEMEN'S ASSOCIATION

Schedule of Revenue, Expenditure and Net Assets (Unaudited)

For the Year ended June 30, 2020, with comparative figures for June 30, 2019

	2020		2019	
Revenue:				
Assessments				
Alberta	\$ 1,735,847	43.6%	\$ 1,835,700	41.1%
Saskatchewan	722,400	18.1%	599,540	13.4%
Ontario	466,939	11.7%	411,142	9.2%
Manitoba	308,355	7.7%	258,001	5.8%
British Columbia	152,446	3.8%	138,944	3.1%
Quebec	115,488	2.9%	90,824	2.0%
Nova Scotia	9,721	0.3%	-	0.0%
New Brunswick	10,469	0.3%	10,057	0.2%
Prince Edward Island	8,550	0.2%	9,770	0.2%
Total Assessments	3,530,215	88.6%	3,353,978	75.0%
Public and Stakeholder Engagement	-	0.0%	355,174	8.0%
Legal	-	0.0%	214,773	%
Other	-	0.0%	130,345	3.8%
Town Halls	16,458	0.4%	12,000	0.3%
Domestic Ag	193,977	4.9%	-	0.0%
Young Cattlemen's Council	28,266	0.7%	64,500	1.4%
International Beef Alliance	31	0.0%	107,519	2.4%
Young Leaders	99,723	2.5%	67,347	2.3%
National Beef Strategy	20,343	0.5%	23,485	0.5%
Sponsorship	43,000	1.1%	10,000	0.2%
Interest	14,726	0.4%	37,478	0.3%
Investment Revenue - recognized	22,014	0.5%	19,079	0.5%
Other income	14,448	0.4%	35084	0.4%
Total Revenue	3,983,201	100.0%	4,430,763	100.0%
Expenses:				
Canadian Cattlemen's Foundation	54	0.0%	52	0.0%
CCA Division Services	250,688	8.1%	368,049	8.5%
Calgary Office	1,116,379	36%	1,255,148	29.0%
Ottawa Office	427,786	13.9%	416,486	9.7%
Public and Stakeholder Engagement	-	0.0%	355,174	8.2%
Legal Reserve	-	0.0%	214,773	5.0%
Communications	46,769	1.5%	51,009	1.2%
Convention	-	-%	21,667	0.5%
Town Halls	-	-%	6,066	0.1%
Executive & Finance	192,102	6.2%	207,761	4.8%
Advocate Services	309,296	10%	397,805	9.2%
Annual Meeting	117,212	3.8%	92,603	2.1%
Semi Annual Meeting	82,775	2.7%	60,692	1.4%
Animal Health & Meat	116,171	3.7%	91,968	2.1%
Animal Care Committee	-	-%	29,023	0.7%
Value Creation & Competitiveness	-	-%	3,513	0.1%
Foreign Trade Committee	40,047	1.3%	67,890	1.6%
Domestic Ag Policy	199,566	6.4%	8,779	0.2%
Young Cattlemen's Council	28,266	0.9%	34,731	0.8%
International Beef Alliance	13,763	0.4%	152,408	3.5%
Young Leaders Development	99,724	3.2%	97,116	2.2%
Environment	35,225	1.1%	53,017	1.2%
National Beef Strategy	20,344	0.7%	21,347	0.5%
Food Policy	2,161	0.1%	-	0.0%
Special Projects	47,330	%	-	%
Total Expenses	3,145,657	100.0%	4,007,076	100.0%
Revenue over Expenses	837,544		423,687	
Redemption of shares	-		249,975	
Net assets, beginning of year	1,361,913		688,250	
Net assets, end of year	\$ 2,199,457		\$ 1,361,913	

CANADIAN BEEF CHECK-OFF AGENCY

CANADIAN BEEF CATTLE RESEARCH, MARKET DEVELOPMENT AND PROMOTION AGENCY, OPERATING AS CANADIAN BEEF CHECK-OFF AGENCY

Schedule of Revenue, Expenditures and Net Assets (Unaudited)

For the year ended March 31, 2020, with comparative figures for March 31, 2019

	2020		2019	
			Restated	
Revenue:				
Canadian Beef Check-Off: *				
Domestic Beef Check-Off:				
Cattle Industry Development Council (B.C.)	\$ 911,128	4.1%	\$ 746,236	3.6%
Alberta Beef Producers	9,832,904	44.6%	9,673,668	46.5%
Saskatchewan Cattlemen's Association	3,985,649	18.1%	3,723,753	17.9%
Manitoba Cattle Producer's Association	1,677,096	7.6%	1,433,176	6.9%
Beef Farmers of Ontario	958,356	4.3%	931,522	4.5%
Les Producteurs de Bovins de Quebec	1,623,615	7.4%	1,585,171	7.6%
New Brunswick Cattle Producers	79,031	0.4%	72,233	0.3%
Nova Scotia Cattle Producers	79,348	0.4%	75,990	0.4%
P.E.I. Cattle Producers	72,250	0.3%	58,490	0.3%
	19,219,377	87.2%	18,300,229	88.0%
Import Levies	1,100,342	5.0%	1,094,435	5.3%
Other income	156,935	0.7%	42,300	0.2%
	20,476,654	92.9%	19,436,964	93.5%
Government of Canada - Canadian Agriculture Partnership	1,470,819	6.7%	1,208,183	5.8%
Amortization of Deferred Capital Contributions	106,256	0.4%	250,073	1.2%
Government of Canada - EMD	11,316	0.1%	-	0.0%
Government of Canada - Canadian Agriculture Adaptation Program	-	0.0%	61,068	0.2%
Government of Canada - Growing Forward	-	0.0%	- 145,768	- 0.7%
Total Revenue	22,065,045	100%	20,810,520	100.0%
Expenses:				
Canadian Beef Check-off Agency:				
Board of Directors	227,809	1.2%	210,208	1.1%
Canadian Beef Check-off Operations	491,061	2.5%	449,202	2.3%
	718,870	3.7%	659,410	3.4%
Programs:				
Public Stakeholder and Engagement (Jointly delivered by CCA and Canada Beef)	748,380	3.8%	736,624	3.8%
Marketing (Canada Beef):**				
Marketing - Generic Beef	1,016,608	5.2%	818,190	4.3%
Marketing - Branded	7,924,759	40.4%	8,193,415	42.8%
	8,941,367	45.5%	9,011,605	47.1%
Research (Beef Cattle Research Council)	5,851,638	29.8%	5,589,419	29.2%

CANADIAN BEEF CHECK-OFF AGENCY

Provincial Investment:

Portions of the Canadian Beef Cattle Check-off returned to the respective provincial cattlemen's associations:

Federation des Producteurs de Bovins du Quebec	1,467,487	7.5%	1,407,097	7.3%
Beef Farmers of Ontario	438,000	2.2%	453,259	2.4%
Manitoba Cattle Producer's Association	91,711	0.5%	79,183	0.4%
Nova Scotia Cattlemen's Association	25,304	0.1%	25,915	0.1%
Prince Edward Island Cattle Producers	21,399	0.1%	17,730	0.1%
New Brunswick Cattle Producers	20,566	0.1%	20,703	0.1%
Saskatchewan Cattlemen's Association	-	0.0%	-	0.0%
Cattle Industry Development Council (B.C.)	-	0.0%	-	0.0%
Alberta Beef Producers	-	0.0%	-	0.0%
	2,064,467	10.5%	2,003,887	10.5%
Provincial Portion of the Federal	1,312,811	6.7%	1,143,405	6.0%
Total Expenses	19,637,533	100.0%	19,144,350	100.0%
Excess of revenue over expenses	2,427,512		1,666,170	
Unrestricted net assets, beginning of year	3,705,459		2,039,289	
Unrestricted net assets, end of year	\$ 6,132,971		\$ 3,705,459	
Net assets, end of the year consist of:				
Unrestricted	\$ 6,132,971		\$ 3,705,459	
Internally restricted				
(In the event of a wind down for the Agency and/or Canada Beef)	3,000,000		3,000,000	
Other restricted net assets (Canada Beef)	1,000,000		1,000,000	
Consolidation reserve transfers	951,796		951,796	
Resulting from the combining of Beef Information Centre and Canada Beef Export Federation in July 2011				
	\$11,084,767		\$8,657,255	
Marketing (Canada Beef):**				
Market Development – North American Canada	\$1,795,106	20.1%	\$1,551,895	17.2%
Market Development – Global Markets	2,825,644	31.6%	2,776,015	30.8%
Operations – Canada	3,035,001	33.9%	3,426,367	38.0%
Operations – Foreign	1,285,616	14.4%	1,257,328	14.0%
	\$8,941,367	100.0%	\$9,011,605	100.0%

BEEF CATTLE RESEARCH COUNCIL

BEEF CATTLE RESEARCH COUNCIL

Schedule of Revenue, Expenditures and Net Assets (Unaudited)
Year ended June 30, 2020, with comparative figures for 2019

	2020		2019	
Revenue:				
National Check Off	\$ 5,756,444	79.7%	\$ 5,851,923	77.5%
Investment Income	264,114	3.6%	249,926	3.3%
Interest Earned	92,892	1.3%	89,052	1.2%
Other Project Funds	727,293	10.0%	1,088,056	14.4%
Verified Beef Production Plus	39,497	0.6%	160,626	2.1%
Enhanced VBP Plus	-	0.0%	(39,863)	(0.5)%
VBP+ Industry & Market Alignment	346,828	4.8%	149,001	2.0%
Total Revenue	7,227,068	100.0%	7,548,721	100.0%
Expenses:				
Operations and Administration	956,942	22.0%	724,836	16.2%
BCRC Projects	1,291,873	29.7%	2,012,604	45.0%
Verified Beef Production Plus	452,937	10.4%	520,665	11.6%
Cluster III Projects	1,302,147	29.9%	1,067,890	23.9%
VBP+ Industry & Market Alignment	347,488	8.0%	146,107	3.3%
Total Expenses	4,351,387	100.0%	4,472,102	100.0%
Excess Revenue over Expenses	2,875,681		3,076,619	
Net assets, beginning of year	6,447,683		3,371,064	
Net assets, end of year *	\$ 9,323,364		\$ 6,447,683	

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

PUBLIC AND STAKEHOLDER ENGAGEMENT

PUBLIC AND STAKEHOLDER ENGAGEMENT (PSE)

Schedule of Revenue, Expenditure and Net Assets (Unaudited)

For the Year ending June 30, 2020

PSE, a division of CCA effective as of July 1, 2019

	2020	
Revenue:		
National Check-off	\$ 613,981	72.3%
Deferred Revenue	235,225	27.7%
Total Revenue	849,206	100.00%
Expenses:		
Salary and Benefits	252,898	47.2%
Office and Administration	105,950	19.7%
Communications	109,197	20.3%
Consulting	69,006	12.8%
Total Expenses	537,051	100.00%
Excess of Revenue over Expenses	312,155	
Net assets, opening	-	
Net assets, ending	\$ 312,155	

CANADIAN ROUNDTABLE FOR SUSTAINABLE BEEF

Canadian Roundtable for Sustainable Beef (CRSB)

Schedule of Revenue, Expenditures and Net Assets (Unaudited)

For the year ended June 30, 2020, with comparative figures for June 30, 2019

CRSB, a division of CCA.

	2020		2019	
Revenue:				
Membership Revenue	\$ 307,330	25.3%	\$ 290,347	22.4%
Agriculture and Agri-Food Canada (AAFC)	488,597	40.2%	605,397	46.6%
Alberta CAP Funding	339,517	28.0%	250,000	19.2%
Federal CAP Funding	79,274	6.5%	153,286	11.8%
Total Revenue	1,214,718	100.0%	1,299,030	100.0%
Expenses:				
Administrative and Membership	176,258	16.3%	179,246	15.1%
MULTISAR	488,597	45.1%	605,397	51.0%
Alberta CAP Funding	339,517	31.3%	250,000	21.0%
Federal CAP Funding	79,274	7.3%	153,286	12.9%
Total Expenses	1,083,646	100.0%	1,187,929	100.0%
Excess Revenue over Expenses	131,072		111,101	
Net assets, beginning of year	424,483		313,382	
Net assets, end of year	\$ 555,555		\$ 424,483	

CANFAX MARKETING

CANFAX MARKETING

Schedule of Revenue, Expenditures and Net Assets (Unaudited)
 For the year ended June 30, 2020, with comparative figures for June 30, 2019
 Canfax, a division of CCA.

	2020		2019	
Revenue:				
Canfax Subscriptions	\$ 256,814	54.6%	\$ 243,716	56.5%
CCA Dues	15,000	3.2%	15,000	3.5%
ABP Dues	21,000	4.5%	21,000	4.9%
ABP Membership Fees	32,400	6.8%	32,400	7.5%
ABP Monthly Website Market Articles	10,200	2.2%	10,200	2.4%
Media Contracts	22,422	4.8%	22,184	5.1%
Grading and Slaughter Data	2,852	0.6%	2,120	0.5%
Data Collection	2,400	0.5%	2,400	0.6%
Mobile APP	30,000	6.5%	23,850	5.5%
Daily Snap Shot	5,150	1.1%	4,900	1.1%
Sponsorship	5,000	1.1%	5,000	1.2%
Interest Income	5,664	1.1%	5,430	1.3%
Miscellaneous	60,900	13.0%	43,325	10.0%
Total Revenue	469,802	100.0%	431,525	100.0%
Expenses:				
Administrative	436,115	100.0%	456,124	100.0%
Excess of Revenue over Expenses (Expenses over Revenue)	33,387		(24,599)	
Net assets, beginning of year	59,847		84,446	
Net assets, end of year	\$ 93,534		\$ 59,847	

CANFAX RESEARCH

CANFAX RESEARCH

Schedule of Revenue, Expenditures and Net Assets (Unaudited)
For the year ended June 30, 2020, with comparative figures for June 30, 2019
Canfax Research.

	2020		2019	
Revenue:				
Investment Income	\$ 3,859	1.6%	\$ 4,444	1.9%
CCA Dues	25,000	10.2%	25,000	10.6%
Canada Beef Contract	57,875	23.5%	56,500	23.9%
Contract Income	19,763	8.0%	51,982	22.0%
Monthly Price and Grade Reports	8,792	3.6%	8,396	3.6%
Quarterly Reports	5,375	2.2%	5,375	2.3%
BCRC Research Analysis	45,000	18.3%	61,500	26.0%
Canadian Beef Breeds Council	-	0.0%	2,000	0.8%
Canadian Beef Check-Off Agency	5,000	2.0%	5,000	2.1%
Canadian Roundtable for Sustainable Beef	22,283	9.0%	16,145	6.8%
Cost of Production Project	39,121	15.9%	-	0.0%
Green House Gas Project	14,060	5.7%	-	0.0%
Miscellaneous	28	0.0%	-	0.0%
Total Revenue	246,155	100.0%	236,342	100.0%
Expenses:				
Administrative	252,342	100.0%	169,721	100.0%
Excess (Expenses over Revenue)	(6,187)		66,621	
Revenue over Expenses				
Net assets, beginning of year	189,717		123,096	
Net assets, end of year	\$ 183,530		\$ 189,717	

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.

FOR MORE INFORMATION

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2020 PRODUCER MEETINGS



Alberta Beef Producers (ABP) is proud to be a grassroots producer organization. We are an organization of producers, led by producers, speaking and working on behalf of cattle and beef producers in Alberta.

This year, our producer meetings will take place entirely online in the format of a Producer Town Hall followed by separate Resolution Meetings. Delegate elections will be held by mail-in ballot or voting online. A Voter Election Package has been mailed to all eligible producers. ▼

PRODUCER TOWN HALL

Thursday, November 26, 2020
6:30–8:30 pm MT

RESOLUTION MEETINGS

Wednesday, December 2, 2020
6:30–8 pm MT

Thursday, December 3, 2020
6:30–8 pm MT

PRODUCERS NEED TO REGISTER FOR THESE UPCOMING MEETINGS AT:

www.albertabeef.org/producers/events

Resolutions can be submitted to the ABP office prior to the Resolution Meetings

email: rosannea@albertabeef.org or

fax: 403.274.0007 – Attn: Rosanne Allen