



**RaisedRight.ca**



**Working for Our Future**



# Mission Statement

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



*Alberta's beef producers take tremendous pride and care in what they do and how they do it. Their values have stood the test of time and are reflected in how they treat the land, their livestock and the excellent product they produce. Alberta beef is, indeed, raised right.*

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*Erik Butters,  
Chairman*

## Chairman's report

Alberta's cattle industry came to a point of fundamental change in June with Agriculture Minister George Groeneveld's announcement of the Alberta Livestock and Meat Strategy (ALMS). Since the June announcement, Alberta Beef Producers' directors, delegates and staff members, as well as many of our producers, have analyzed and discussed the strategy at length. In response, we sent a letter to each producer outlining our concerns with some areas of the strategy. You should have received this in the mail in early September.

Our main concerns are that the strategy is not market driven; that it is not directed by democratically elected producers; that it includes significant additions to regulatory costs; and that it appears to create duplication of jurisdiction among federal, provincial, and industry initiatives.

Several zones have hosted town hall meetings to engage grass roots producers about ALMS. At the time of writing, seven town hall meetings have attracted over 800 producers and more meetings are planned. This was also the opportunity to have government staff answer questions posed about this new program.

ABP has been participating in the industry engagement workshops with the government. At these workshops we have supported the elements of the strategy we feel appropriate, and we have attempted to point out aspects of the strategy that we believe are beyond the bounds of good government. We are very keen to ensure the provincial government sticks to its stated intent

to not duplicate the efforts of national agencies such as Beef Information Centre, Canada Beef Export Federation, and Canadian Cattlemen Market Development Council (CCMDC).

One very good example of these efforts is the Canadian Beef Advantage, a national branding strategy developed by CCMDC and CCA that is built on the value proposition of our leadership in animal health and beef safety. The Canadian Beef Advantage is a voluntary, market driven initiative that would support a wide range of private marketing ventures. Many of the animal identification and tracking, information sharing, and on-farm food safety elements of the Canadian Beef Advantage have been included in the ALMS. We believe the ALMS and the new Alberta Livestock and Meat Agency (ALMA) should be supportive of our existing marketing agencies and should build on their expertise in marketing our products at home and abroad.

Regarding international trade, Rick Burton, along with representatives from CCA and CAFTA attended the last round of WTO negotiations in Geneva. Unfortunately the round collapsed. CAFTA estimates a successful completion of these negotiations could have resulted in an increase in Canadian cattle prices of up to 40 cents per pound live weight.



As I finish my final term as ABP Chairman, I look back on two years of ups and downs within the cattle industry. The delays in opening the last few international markets still blocking or restricting Canadian beef have been very frustrating indeed. The uncertainty

**“Alberta Beef Producers remains a grass roots policy, development and advocacy organization representing all sectors of the cattle industry.”**

around the potential impacts of COOL is of huge concern to our industry. However at time of writing there is reason for optimism. Over the summer and early fall fed cattle markets inched up to levels at or near profitability. Cull cow and bull prices were up significantly, particularly considering currency levels. And there is reason to believe that feeder cattle prices this fall will be stronger than they have been in several years.

ABP along with CCA continue to lobby government to keep bureaucracy limited and the lines of communication open. Alberta Beef Producers remains a grass roots policy, development and advocacy organization representing all sectors of the cattle industry. Producer inputs at our fall meetings, and healthy debate at the Annual General Meeting are vital.

In conclusion, I wish to thank all delegates, board and executive members as well as staff for their support and guidance throughout the past two years. I have met many fine and dedicated people along the way. It has been my pleasure and honour to serve this industry.

Sincerely,

**Erik Butters, Chairman**



*Rich Smith,  
General Manager*

## General Manager's report

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A lot can happen in a year. At the time of writing the 2007 Annual Report, ABP delegates, directors and staff were searching for ways to assist producers in dealing with the tremendous financial challenges caused by the rising value of the Canadian dollar and the rapid increase in feed grain prices. These challenges were adding to the economic pressure producers already were facing as a result of restricted access to important Asian markets, the high costs and barriers of the Canadian regulatory system, high costs for land, labour, and other inputs, and the relatively low productivity of our feed grains. With our mission being to strengthen the sustainability and competitiveness of the beef industry for Alberta cattle producers, addressing these issues became the highest priority activity for ABP in the past year.

Now, a year later, the value of the Canadian dollar compared to the U.S. dollar has declined, our relative feed costs have gone down, and the prices for feeder and fat cattle have improved. We are hopeful that these trends will continue through the fall, but our producers are still facing the other economic challenges of last year, along with the impact of mandatory Country of Origin Labelling (C.O.O.L) in the United States. Cattle people in Alberta and across Canada are talking about the Alberta Livestock and Meat Strategy (ALMS) and the potential impact of this strategy on our industry. It has been a wild year for cattle producers and ABP, with no signs that the near future will be any less intense.

Our first response to the pressing financial situation and the concerns expressed by producers at the fall meetings of 2007 was to convene a special meeting of the ABP Board of Directors last November. At this meeting, the Board made

recommendations for improvements to the Alberta Farm Recovery Plan (AFRP), evaluated other alternatives for short term assistance, and created task teams to address four key issues affecting our industry: regulatory costs and barriers, market access/value enhancement, competitive challenges/crisis management, and ecological goods and services. The teams presented progress reports at the ABP Annual General Meeting last December and these reports formed the basis for Sustainable Solutions for the Beef Industry, an ABP document containing a series of comprehensive recommendations for the future of our industry.

**“These are challenging times for cattle producers and ABP, but our delegates, directors, and staff members are strongly committed to working for our future and making our industry stronger.”**

Of course, ABP was not the only organization trying to deal with the challenges in the livestock industry. For the Government of Alberta, months of work and weeks of speculation culminated in the unveiling of the Alberta Livestock and Meat Strategy (ALMS) by Agriculture and Rural Development Minister George Groeneveld at an industry workshop and high profile press conference on June 5, 2008. Minister Groeneveld stated that Alberta's livestock industry was facing significant challenges and needed a major and fundamental change. The government of Alberta intends to act as a catalyst for this change. ABP had participated in the round table meetings organized by the Minister last fall and had submitted our recommendations to the government

in the winter, but we had no direct involvement in the preparation of the ALMS.

The ALMS identified eight priority initiatives and contained three key elements. The government created the Alberta Livestock and Meat Agency (ALMA) to support the industry with a focus on directing funds, resources, and programs toward strategic priorities. The government will be implementing mandatory traceability requirements through the Alberta Livestock Information Systems (ALIS), now renamed the Livestock Information System of Alberta (LISA). The government is providing \$300 million in recovery funding to producers through the Alberta Farm Recovery Plan (AFRP II).

Since the announcement in June, ABP directors, delegates, and staff have been actively engaged in discussions of the ALMS with our producers, careful consideration of the ALMS, and preparation of strategies for communicating with producers and responding to the ALMS. We issued a statement on the strategy one day after the announcement and delegates prepared a more detailed response to the ALMS during an extraordinary in-camera session at the Semi-Annual General Meeting in June. In the time following the Semi-AGM, over 850 producers have attended seven town hall meetings on the ALMS and more meetings are planned. ABP Chair, Erik Butters recently sent an open letter providing information and questions about the ALMS to all cattle producers on our mailing list. As further development and implementation of the ALMS proceeds, ABP will continue to communicate with our producers and address the priority initiatives in the strategy.

While the focus of producers and industry organizations has been on industry strategies and government actions, the skilled and diligent staff members at ABP have continued to work on the other priority activities

# General Manager's report continued ...

that will help to strengthen the Alberta cattle and beef industry. The policies and direction for this work are determined by the knowledgeable and committed producers who are elected to serve on our Board, Committees, and Councils. The staff members with whom I have the privilege of working with are responsible for the research, correspondence, consultation and preparation of documents that are necessary to effectively complete these actions.

Over the past year, Adrienne Waller, our Legal Counsel, coordinated a careful and thorough review of the regulations governing the mandate, structure, and operations of ABP. This plan review is a regular requirement of ABP and the last one occurred in 2003. The current review included an unprecedented level of stakeholder and producer consultation through a stakeholder working group, regional plan review meetings, producer discussion and response forms, and a lengthy debate at the Semi-AGM. The results of the plan review will be presented at the fall meetings and a final decision on changes to the regulations will be made at the AGM in December.

Our producers face strong competition in the markets for our products and growing competition for the land and water resources needed for cattle production. It is vitally important that the people of Alberta and our customers around the world have a positive view of our industry. Promotion Manager Barb Sweetland and her team of Education Coordinator Lindsey Metheral and Marketing Coordinator Steven Carr are responsible for the

promotion, marketing, and education initiatives that enhance the image of our producers and the Alberta cattle industry. The new Raised Right campaign and our continuing efforts to work in the school system are examples of these activities.



Communication with grass roots producers, the media, and the public are key activities for an organization representing close to 30,000 producers spread around a large province. Lori Creech, our Communications Manager, and Katelyn Laverdure, our Communications Coordinator, are responsible for maintaining and improving our lines of communication. In the past year, they have increased the frequency of publishing the Grass Routes newsletter, enhanced the content and quality of our website, and polished the presentation of our annual reports and meetings.

ABP recognizes that an active research and development program is needed to help keep our producers competitive. We also need to manage and adapt to the growing demands for higher animal health, food safety, animal welfare, and environmental protection standards. Animal Health and Welfare Manager Reynold Bergen manages the ABP research strategy, works on animal health and welfare issues at

a provincial and national level, and has been deriving information that producers can use from past research reports.

With all the activities of staff, producers, the Board, committees, councils, and partner organizations, the ABP office is a very busy place and we are fortunate to have very good people dedicated to its smooth operation. Laura Procnier, our Controller and Chief Returning Officer, carefully manages the financial and physical assets of the organization, oversees the service charge collection and a rapidly improving producer database, and runs the elections of delegates and directors. Executive Assistant Rosanne Allen manages the Board, committee, and council meetings, provides administrative support to the General Manager and other staff, and maintains our resolution and policy documents. New Office Administrator Marietta Lumban will assist Laura with our accounts and look after the day to day operations of the office. Shipper/Receiver Heather McCrady runs the merchandise room and looks after our kitchen, while Receptionist Denise Delorme has the first friendly face and voice that people see or hear at the entrance to the office.

These are challenging times for cattle producers and ABP, but our delegates, directors, and staff members are strongly committed to working for our future and making our industry stronger.

Sincerely,

**Rich Smith, General Manager**



*Brad Wildeman,  
CCA President*

# Canadian Cattlemen's Association report

Canada's beef cattle industry is weathering a "perfect storm" of high feed costs, a high Canadian dollar, increased regulatory burdens and the all too gradual regaining of international market access. To ensure long-term industry sustainability today, the industry needs to remain focused on global and domestic markets.

## CCA Major Industry Initiatives

To work through the challenges our industry is facing and grow into a trusted world leader, the CCA adopted six major policy initiatives – foundational for building a strong future.

### #1 New World Trade Organization (WTO) Agreement

In order to permanently remove artificial, non-scientific barriers that impede trade, a WTO agreement must be reached - one with the authority to act through strong enforcement rules. As the most protected food product worldwide, beef faces ongoing high tariffs which continue to increase the cost of export, driving the price of our product lower.

An agreement came very close in Geneva during the July talks. As most countries recognize that significant opportunities exist for opening new markets, they agreed to reconvene this fall to resolve the remaining issues. However with several countries facing national elections, the talks may not resume as planned. To keep this important agreement top of mind with domestic and international officials, the CCA will continue to be proactive to bring stakeholders back to the discussion table as soon as possible.

### #2 Aggressive Export Focus on International Markets

Gaining market access for our export-dependent beef industry is critical. To achieve our vision of world leadership in improving market access, the CCA plans an aggressive export focus on opening international markets through the development of an International Trade Directorate.

The Directorate will serve as a vital tool in creating an export-focused culture in

both industry and government - essential to enhance and maintain the required capabilities and resources to establish Canada as a world leader. It creates accountability for success by facilitating a collaborative approach between all stakeholders to achieve export goals, providing:

- a focused mandate on export
- enhanced government and industry collaboration in market access initiatives
- improved human resources to agriculture technical market access, including accessing skilled personnel and enhanced training
- provide information resources that support export activities
- promote our world-leading domestic regulatory system

### #3 Exploit our Points of Differentiation for our Product

Key to validating the unique value proposition of Canada's high-quality beef and cattle industry, we need fact-based tools to back up our marketing programs. By maximizing the functionality of the Canadian Cattle Identification Agency's (CCIA) one-stop, verifiable and auditable system, we could affordably include value-added features with animal identification Canada-wide.

### #4 Create the Opportunity for Continual Improvement in our Cattle and Beef Products

The CCA recognizes that the industry's inability to measure signals up and down the supply chain, combined with Canada's segmented marketing system of multiple ownership changes, makes it difficult to improve our product. Enhancing information sharing within the supply chain, with the CCIA tools, makes this relatively easy while still protecting the individual interests of producers and other stakeholders. We will continue working with key stakeholders to move this process ahead.

### #5 Invest in Research and Innovation

Considerable research is conducted each year across Canada which places our industry on the cusp of innovation and success. Developing more productive forage and cereal grains, or adding instrument grading that effectively measures quality and value attributes can make a significant difference to our industry.

However, a lot of research is conducted independently. In addition, limited long-term stable funding continues to be a barrier to research. Co-ordinating this valuable research and innovation, as a key component within the value chain, will significantly enhance long-term industry sustainability.

Recognizing the advantages of this co-ordinated approach, the Beef Cattle Research Council (BCRC) is spearheading the National Beef Research Strategy. Working closely with all levels of government, and industry, the BCRC aims to align the strategy with industry priorities. Developing an outcome-based focus will assist in securing much-needed stable funding

### #6 Connect with Urban Customers on the Value of Cattle to our Economy and the Environment

Consumers create the demand that pushes producers to increase the beef supply. These days myths and rumours about factory farms and inhumane treatment often catch headlines, which can sway consumer choices. We need to provide consumers with the true image of our industry – of family ranchers' and their stewardship approach to the land and animals, of an industry committed to a high-quality, safe food source. We have a great story to tell – one that needs to be shared with our urban customers.

To achieve this, Canadians need to see us out there. Through demonstrating our good stewardship of the environment, gaining recognition as guardians of biodiversity and humane protectors of animal dignity, we foster the confidence required for a sustainable, profitable industry for future generations.

### Country of Origin Labelling (COOL)

On July 28, 2008, the United States Department of Agriculture (USDA) released its final interim rule for the implementation of mandatory COOL. We finally know the compliance requirements of this new law, effective September 30, 2008.

One key concern for CCA is whether beef from animals exclusively born, raised and slaughtered in the U.S. would require identification as "U.S. origin". Fortunately,

it appears some flexibility exists for using multiple COOL labels for all livestock; including those born and raised in the U.S., however this isn't mandatory. The USDA says that multiple-country labels may identify the country of each production step if verifiable records are available.

Some flexibility exists in tracking cattle by birthplace. However we continue to be concerned this will introduce new costs, and little benefit, into the cattle-raising and beef-processing systems, with Canadian producers bearing the brunt.

An unofficial, initial grace period provides two benefits in the short-term. First - any beef produced or packaged before September 30, 2008, does not require COOL labelling. Second - the USDA will conduct education and outreach programs for six months, until March 30, 2009. Such outreach does not preclude enforcement, or prevent a new U.S. administration from taking a different approach in January 2009; however the current administration does not plan to conduct enforcement.

The USDA states that the rule is fully consistent with U.S. trade obligations, but we do not agree. The mandatory COOL requirement is a violation of U.S. obligations under NAFTA and WTO. The CCA will continue to call upon the Government of Canada to press our trade rights and seek the repeal of this law.

## **The Canadian Beef Advantage (CBA)**

Currently, the Canadian cattle and beef industry enjoys some internationally-recognized advantages. These need to be utilized to position the industry and differentiate it among its competition. These advantages include:

- High-quality beef
- High-yielding beef carcasses
- Beef genetics that are among the best in the world
- Clean and environmentally-friendly production system
- World-renowned cattle identification system that enables traceability and source/age verification
- HACCP-based food safety systems

- second to none at the packer level, plus voluntary on-farm HACCP-based food safety systems

- The commitment to leadership and innovation
- Canadians as people with integrity

Instead of placing Canadian beef and cattle at a disadvantage relative to U.S. beef and cattle, our industry needs to make livestock and products more desirable to international customers. The Canadian Cattlemen Market Development Council (CCMDC) believes that by differentiating our industry based on the advantages above, this reduces the impact of COOL, pricing and other factors. Creating a brand promise around Canadian beef will add value and create demand.

The new brand promise, known as the Canadian Beef Advantage (CBA), is an industry-wide, global brand strategy CCMDC created to differentiate Canadian beef and beef products. The CBA's main objectives are twofold: expand and secure Canada's access into markets that accept all beef cattle products and, similar to any other branding initiative, the CBA clearly defines Canadian beef and its advantages over competitors.

To achieve recognition by the marketplace (domestic and international), the CBA is based on a value proposition that Canadian beef and cattle are different than the competition. This is supported by a national set of standards and practices designed and adopted by the industry. To encourage producers to embrace the CBA, the CCMDC is developing a project to establish an information exchange system among all participants in the value chain, building upon the systems we already have in place. The ability for anyone on the program to access information along the value chain and to capitalize on the advantages listed above will depend on the adoption of the industry's value proposition.

To participate in this program, cattle producers must commit to certain standards and be prepared to utilize programs such as the Canadian Cattle Identification Agency's (CCIA) age and source verification, and the Verified Beef Production (VBP) on-farm food safety program. All sectors of the value

chain will need to fully cooperate to facilitate the exchange of information whereby calves will be age and source verified at birth through the CCIA database; feedlots will submit in and out dates, plus certain performance and animal health records and packers would share the yield and grade information of a carcass linked to the animal identification in the CCIA database.

For years, producers have stated that they would like to receive information to help them genetically improve their herds, improve feeding and animal health practices, and reduce costs. By participating in the CBA program, producers will be able to access this information. They will have the opportunity to benchmark and compare their production management system against an industry average and, over time, track their own improvement.

Packing plants will be able to promote the beef from animals on the program as age-verified, fully traceable, back to the herd of origin, and as having health records. This information will benefit retailers and, in due course, should result in higher carcass values as beef from cattle on the CBA program are demanded domestically and internationally. The creation of a strong Canadian brand, where customers come to expect and receive specified qualities and service, will be the end result.

An initial pilot project to determine the efficacy of the information flow throughout the value chain is being conducted and the results will be shared upon completion.

## **CCA Organization**

At the March 2008 AGM, when Hugh Lynch Staunton completed his leadership term, I assumed the role of CCA president. I look forward to helping our industry continue to strengthen itself domestically and in the global marketplace. On behalf of the CCA, I would like to thank Hugh for his significant contributions, throughout his tenure, and value his continued support as CCA Past-President.

**Brad Wildeman, CCA President**





Judy Nelson,  
BIC Vice-Chair

# Beef Information Centre report

The vision set out in the Beef Information Centre's (BIC) 10-year plan is for a sustainable, profitable beef industry where Canadian beef is recognized as the most outstanding by our domestic and export customers. Under the plan, BIC will work to maximize demand for Canadian beef and optimize the value of Canadian beef products for the benefit of Canadian cattle producers.

A cornerstone of BIC's strategy is to build a stronger overarching identity for Canadian fed and non-fed beef in the domestic and U.S. market. This will include quality attributes and points of differentiation versus other proteins and importing competitors.

More than half of BIC's funding now comes from non-check-off sources. BIC has been able to effectively maximize the impact and benefit of producer dollars by leveraging producer funding against industry development funds and private industry partners.

## Building a Canadian beef brand

Along with the Canada Beef Export Federation (CBEF) and the Canadian Beef Breeds Council (CBBC), BIC has been working on a project, facilitated by the Canadian Cattlemen's Association (CCA), to develop and define a unique brand identity for Canadian beef. This positioning includes quality attributes and points of differentiation versus other proteins to position Canadian beef as strongly as possible within identified market segments. This single brand identity will be used for both domestic and international markets.

## Domestic Market

### Beef disappearance

Efforts to maximize demand in Canada have supported and helped grow domestic disappearance of Canadian beef. The 2007 beef disappearance data released by Statistics Canada shows total disappearance was up over 37,000 tonnes to 1,009,505 tonnes. Per capita beef

disappearance in 2007 was up 2.7 per cent as Canadians, on average, consumed 22.3 kg (retail weight) of beef. Beef demand rose 3.5 per cent in 2007 due to increased disappearance and higher average retail prices - \$12 per kg versus \$11.58/kg in 2006.

Canada's share of the domestic beef market fell from 85 per cent in 2006, to 80 per cent in 2007. This is primarily due to tightened supplies as a result of economic factors such as a high exchange rate, and higher labour and processing costs that are making Canadian beef processors less competitive than their U.S. counterparts. This has led to increased levels of live cattle exports to the United States, and to decreased processing volumes and Canadian beef supply in the domestic market. Prior to the BSE crisis, Canadian beef's share of the domestic market was approximately 68 per cent.

### Multimedia marketing campaign

A \$1.4 million multimedia campaign, supporting the new Canadian beef brand, is scheduled for spring 2009 as a test market launch. This campaign, lasting three months in the Greater Toronto Area (GTA), seeks to improve consumer perceptions around the healthfulness of beef. The campaign targets women between the ages of 25 and 49 who currently eat beef one to two times per week, and has the potential to grow the domestic market by 30,000 tonnes annually. These light beef eaters are generally the main food purchasers and meal preparers for their households. The campaign aims to increase eating occasions by one meal per week. The GTA was chosen as the test market launch site because research has shown this area contains the largest single concentration of light beef eaters in the country.

### Nutrition and food safety policy and issues management

BIC protects beef producer interests by working with government in areas such as food safety, nutrition recommendations and labelling. One example is BIC's ongoing collaboration with the American Meat Institute, National Cattlemen's Beef Association, National Pork Board and the Canadian Pork Council on a North

American strategy to address the World Cancer Research Fund Policy report. Another example is BIC's participation in various health symposiums, such as the Dietitians of Canada Omega-3 for Health Symposium, and the International Meat Secretariat Committee meetings on nutrition and health. By providing credible, balanced and practical responses to proposed regulatory policy, BIC has played an important role as a voice for the beef industry.

Several initiatives are under way, including a project to address current health issues through various communication vehicles and collaborative initiatives to maintain credibility and strengthen relationships among the health professional community – a key health and nutrition influencer group.

BIC distributed 12 issues of Healthlink (e-bulletin), reaching 3,100 health professional; distributed 325,200 nutrition education resources through Physicians Hotline; delivered three Nutricasts (online health professional seminars); reprinted various consumer resources, including Iron and Women, Iron and Infant and Iron and Teen, for distribution to health professionals and consumers via Physicians Hotline; and continued development of the Nutrition Perspective newsletter and consumer fact sheet entitled 'The Satiating Power of Protein'. These various initiatives included collaboration with external health associations, academics and health professionals which strengthens BIC's credibility through a reach of over 8,000 registered dietitians and 35,000 physicians with nutrition information that includes positive messages about beef's contribution to a healthy diet.

### Responded effectively to World Cancer Research Fund

BIC continues to work closely with industry partners including the American Meat Institute, National Cattlemen's Beef Association, Canadian Meat Council and the Canadian Pork Council on joint response strategies and resources following the release of the World Cancer Research Fund (WCRF) report. From these collaborations, BIC has communicated with key stakeholders such as producer

associations, retailers, foodservice and packers, and also worked with media. BIC conducted health professional seminars in Toronto, Montreal and via webcast dealing with red meat and cancer risk, actively addressing nutrition policy issues resulting from the WCRF report.

## **Increasing Canadian beef sales at retail and foodservice**

BIC works extensively with the retail and foodservice sectors across Canada to maximize demand for Canadian beef and optimize the value of Canadian beef products for the benefit of Canadian cattle producers. These efforts resulted in increased beef sales by featuring new beef menu items, introducing branded beef programs at retail and foodservice outlets, increasing carcass use through new cuts, and by maintaining consumer confidence in Canadian beef products.

BIC was a key in developing two recent projects that highlight Canadian beef: Tim Hortons Slow Roast Beef Sandwich and the McDonald's Canada Angus Burger.

The Slow Roast Beef Sandwich, made with 100 per cent Canadian beef, was featured at 3,400 Tim Hortons restaurants across Canada this past spring and summer. The new sandwich was promoted extensively in television and radio advertisements, via outdoor media and through in-store materials. BIC's well recognized logo 'Make it Beef' appeared on select advertising materials.

In May 2008, BIC partnered with McDonald's Canada to support and launch the new Angus Burger. In addition, BIC entered a strategic alliance with McDonalds – the largest foodservice user of Canadian beef domestically. The agreement aligns BIC's marketing efforts and helps maintain McDonald's Canada's commitment to 100 per cent Canadian beef. The initiative includes the promotion of the 'Make it Beef' logo inside all burger boxes (approx. 150,000,000/year), a link from the McDonald's website back to the BIC website, BIC's 'Make it Beef' logo on tray liners and Angus Burger packaging, and television advertising to gain visibility.

## **New beef products create more**

opportunities for Canadian beef  
A key aspect of increasing the size and maintaining a higher share of the domestic market has been the development of new products and reformulation of existing products to utilize Canadian beef. Since the inception of the Product Development and Reformulations Partners Program just over three years ago until June 30, 2008, 77 projects involving fed and commercial beef with a total value of more than \$6.15 million have been managed by BIC. Of that total, approximately \$1.35 million was funded through BIC. These partners programs are cost shared and have been funded by various levels of government, as well as producer check-off dollars.

## **Commercial Market**

### **Commercial Beef Utilization Strategy**

In response to the BSE crisis and its impact on the cow beef market, BIC implemented the Commercial Beef Utilization Strategy in the fall of 2004 in order to expand the size and share of the domestic market for Canadian commercial beef. The strategy has been successful in supporting the growth of the commercial beef market and increasing the domestic share of this market. To that end, in 2007, the domestic share of over-30-months (OTM) beef market was 73 per cent, or 178,844 tonnes. Total market size (both domestic and imported) was 245,425 tonnes – up over 58,000 tonnes from 2004.

## **U.S. Market**

### **Country of origin labelling**

BIC works with U.S. trade clients in order to mitigate the potential impact of U.S. country of origin labelling (COL) and build awareness of the Canadian Beef Advantage. The Canadian Beef Advantage positions Canadian beef like a brand with identifiable quality attributes such as superior genetics, excellent animal health management, individual animal identification, world renowned food safety system, superior grading, excellent supply capability and improved profitability.

BIC's approach has been to align with Canada's packers and U.S. distributor

partners to communicate Canada's key points of differentiation, provide educational resources and market development support that leverage the Canadian Beef Advantage. BIC focuses on the foodservice sector to provide enhanced returns for Canadian beef middle meats through communication of the Canadian Beef Advantage. BIC develops programs, with a focus on premium positioning, at retail and foodservice that leverage the key points of differentiation for Canadian beef. BIC maximizes the opportunities to build equity in the Canadian brand identity in targeted ethnic markets. And BIC also facilitates linkages within the supply chain to maximize use of Canadian commercial beef within the U.S. processing sector.

Efforts are ongoing to communicate the limitations surrounding COL legislation for U.S. retail and foodservice sectors, and to outline opportunities to grow beef volumes through the establishment of COL compliant programs incorporating Canadian beef. Key U.S. market accomplishments include:

- Distributed over 4,500 technical resources.
- Participated in 26 different trade shows and seminars.
- Hosted eight trade missions with U.S. buyers and Canadian packers.
- Reached over 10,000 U.S. buyers and end users.
- Foodservice distributor partnerships leverage an additional 1.31 million lbs.
- Retail partnerships leverage an additional 2.44 million lbs.
- Ethnic markets have leveraged 1.8 million lbs.

## **Moving Forward**

BIC continues to pursue a shared vision with the CCA for a sustainable, profitable beef industry in order to maximize demand for Canadian beef, and to optimize the value of Canadian beef products for the benefit of Canadian cattle producers.

Respectfully submitted,

**Judy Nelson, Vice-Chair**



*Ben Thorlakson,  
Board Chair*

# Canada Beef Export Federation report

This May marked the end of the fifth consecutive year in which the Canadian cattle and beef industry has not had full access to global markets for its products – and the beginning of the sixth.

In the past five years we have faced challenges that have driven extreme change in our industry's dynamics. Most recently, we have gone from record-high cattle numbers and a self-sufficient processing capacity in 2006 to where today we are shipping a million-plus head of live cattle annually to the U.S., our processors are operating at under capacity and our dependence on the U.S. market has increased to 80 per cent – five per cent higher than our 75 per cent dependency of 2002.

While the economic realities of today have impacted our competitiveness, it is the lack of commercially viable access to our major markets in Asia plus Mexico that stands solidly in the way of our industry's recovery.

Commercially viable access to our international markets has the ability to add \$85 per head in added value for beef derived from under-30-months (UTM) cattle over what can be generated in Canada. This stands in comparison to the reality that those

same products sold in the U.S. are sold at a \$15 per head discount as compared to the domestic market. That's a value difference of \$100 when we're selling in Asia plus Mexico as compared to the U.S. It is this value difference that explains the significant increases in export volume and value in Asia and Mexico in the years leading up to 2002 (from 7,000 tonnes and \$24 million in 1990 to 133,000 tonnes and \$500 million in 2002). It also underscores the priority that industry and government must place on establishing commercially viable access in Asia

Canada's cattle population is currently estimated at 13.9 million head, with its cow herd estimated at 5.9 million head and beef production for 2008 estimated to be 1.3 million tonnes. The Canadian market is an excellent one, but it is simply not a large enough market. Our domestic market can absorb the production from less than three million cows, meaning that we must export all of our production over about 800,000 tonnes. Looking solely to the Canadian market is not an option. We have to remain focused on deriving full value for these beef products we produce over and above those absorbed by our domestic market.

The extent to which we're successful in creating commercially viable access not only to Asia and Mexico but to Europe, Russia, the Middle East and South America will determine the eventual size of our industry. What lies in the balance is the difference between an industry maintaining six million cows – and one maintaining three million cows.

The Canadian industry has recognized the importance of these key markets and, beyond these, other international export opportunities as well. In the past year,

the Federation has seen greater utilization of its Partner Market Development Program, which helps fund the cost of exploring new and



niche market opportunities. On behalf of its members, the Federation hosted a booth at the ANUGA Food Show in Cologne, Germany, which attracts trading partners who do business in the EU, Russia and the Middle East, as well as a booth at Gulfood in Dubai, UAE, where members indicated their interest in exploring opportunities for Halal products. In June, we participated in IndoLivestock 2008 in Jakarta, Indonesia.

The Canadian cattle and beef industry has developed significant international trade experience over the past twenty years. Our industry has become even more experienced through our intense focus on market access and trade policy, as they relate to BSE, over the past five years. Our industry also appreciates enhanced consultation through the Beef and Cattle Producers' Advisory Committee to the Canadian Food Inspection Agency (BCPAC), Beef and Cattle Producers Market Access Group with the Canadian Food Inspection Agency (BCMAG), Beef and Cattle Producers' Trade Advisory Group to Agriculture and Agri-Food



# Canada Beef Export Federation report continued ...

Canada (BCTAG) and Beef Value Chain Round Table (BVCRT).

In the spirit of enhanced consultation, the Federation supported the timely creation of a fully-resourced International Trade Negotiation Directorate to augment and replace current trade negotiation structures; and implementation of the CFIA industry engagement strategy for all technical negotiations. The combination of enhanced resources, focussed strategies and an engaged industry will position the Government of Canada to simultaneously negotiate economically advantaged access for Canadian beef and veal products in multiple priority markets without compromising animal health and food safety. The development of such an initiative is now under discussion. The CCA, in consultation with the BCTAG industry members, has commissioned a study looking at the best practices used by the most successful countries dealing with market access issues. A report soon to be completed will detail recommendations to continue the process of modernizing Canada's approach to agricultural trade policy and position Canada as the world leader in maintaining and expanding market access for Canadian agri-food products.

The Federation continues to advocate for full resumption of trade in Canadian beef and veal internationally. The Federation's Board of Directors has also approved a policy to pursue an



incremental increase in access with the understanding that ultimately this is still a process that will lead to normalized trade as per OIE guidelines. Specifically, the policy calls for Canada to pursue under-30-months access independently of the USA in key markets where over-30-months access is not available in the near term.

There is cause for optimism. While total exports to the world have remained flat, exports to Japan, Southeast Asia and Mexico increased 18 per cent in 2007, and this, we believe, was our turning point. This success is continuing into 2008, with exports to these markets increasing 21 per cent in the first five months of this year.

There is great enthusiasm for Canadian beef in our key export markets. The Federation's international representatives have worked hard to maintain relationships with importers, distributors and end-users. These, our customers, have experienced great success in the past with Canadian beef – and are eager to do so again.

This enthusiasm is demonstrated in the Federation's 2007 Performance Review. Each year, the Federation commissions an independent survey to find out

how well its programs and services are meeting the needs of both our members in Canada and our clients in key international markets. The 2007 survey, completed by Ipsos Reid, also asked clients in Japan, Korea, Taiwan, Mainland China, Hong Kong and Mexico how Canadian beef compares to beef from the U.S., Australia and New Zealand as well as each country's domestic beef. Asked about the safety of Canadian beef, the

survey found that overall the safety of Canadian beef is viewed as being on par with or better than the safety of domestic, U.S., Australian and New Zealand beef. The quality of Canadian beef is also highly regarded overall. The survey found Canadian beef is deemed to be of higher quality than American, Australian, New Zealand and domestic beef in the markets of Taiwan, China and Mexico, with only Japan regarding its domestic beef to be of higher quality, and Korea regarding Australian and New Zealand beef to be of better quality.

Asked about interest in purchasing Canadian beef, the following percentages of participants were 'very or somewhat interested': Japan, 61 per cent; South Korea, 94 per cent; Taiwan, 63 per cent; Mainland China, 91 per cent; Hong Kong, 53 per cent; and Mexico, 100 per cent.

In 2002, our last full year of normalized trade, these markets generated \$500 million in sales of Canadian beef exports for our industry. To regain that prosperity, to regain our industry's optimism, to regain sustainable profitability for the Canadian cattle and beef industry, we must pursue commercially viable access to these markets.

Sincerely,

**Ben Thorlakson, Board Chair**



*Stuart Thiessen,  
Chairman*

## Cattle Feeder Council report

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The Cattle Feeder Council has been active over the last year, continuing to work toward a viable industry. There is no question that to accomplish this, the industry must become more competitive. The easy part has been identifying the challenges: high dollar, high labor costs, high regulatory costs (SRM, drugs, etc.), feed costs, poor trade negotiation, etc. The real struggle comes in trying to change these realities.

CFC has tried to focus more of its efforts on the core competitiveness issues including regulatory burden, feed grain availability, market access, enhanced industry coherence and diversification, as well as government assistance programs. One example of these efforts is the recent approval by CFC of funding for a research project evaluating the factors affecting the Canadian-U.S. fed cattle basis. None of these activities are new, all of these are of industry interest and are being dealt with at all levels of the cattle industry governance, and it is doubtful that any of these issues will ever be completely solved as they are never ending challenges.

### **Regulatory Burden**

CFC is supportive of ABP and CCA policies for dealing with the Federal and Provincial regulatory burden. This work includes CCA's current approach to SRM costs, current efforts on drug approvals, attempts to deal with the "Own Use" policies on pharmaceutical products from other jurisdictions, and a host of efforts aimed at improving CFIA's policies and procedures, as well as ABP's involvement on the provincial regulatory task force. While not directly involved in these initiatives, CFC's role is that of input to the respective lead organization.

CFC has been more directly involved on regulatory issues by acting as ABP's champion for our involvement

with the Clean Air Strategic Alliance, the CFIA's Distiller Grains policies, the NRCB's Policy Advisory Group, the Agri-Environmental Partnership of Alberta, the Intensive Livestock Working Group and more. CFC's role within these groups is to provide clear and concise input consistent with ABP's policy, while often playing a significant role in advising the ABP board as to its policy development.

### **Feed Grains**

For the cattle industry to remain viable, there needs to be a feed grain that is productive enough that grain farmers consider it a competitive option for their acres; if not, none will be grown. The industry has seen how little improvement there has been in barley productivity, especially compared to corn. The same can be seen when comparing barley to the crops that compete directly for the acres here in Western Canada, especially the oilseeds. If nothing is done, then over time barley will keep losing its appeal. While it hasn't historically been perceived to be in our interest, the facts are that we need to be a strong advocate for the development of feed grains for our industry.

Accordingly, CFC has strongly encouraged ABP to consider feed grain research and development a top priority. The board has fully endorsed this vision and added a new multi-year budget commitment of \$250,000 annually for feed grain research. CFC has been asked to lead this charge and has been working with CCA to develop a strategy for moving forward. CCA has recently finished its work to understand the state of grain research development, the backbone that will allow the industry to chart its course in this area.

As a result of this work, ACIDF has made a commitment to a major crop research program for which the ABP funding could be used. At the June meeting, the CFC was informed the maximum amount of leverage for this funding with matching grants could

be achieved if the ABP funding was increased to \$300,000 annually. This recommendation was taken to the ABP Board and approved at the July meeting. A funding agreement with ACIDF will be completed as soon as a full proposal for the research program is received and approved.

### **Market Access and Diversification**

Outside of a dramatic downsizing, the industry will remain highly dependant on exports, and for the foreseeable future, the majority of these exports will be to the American consumer. Diversifying our export markets beyond the U.S. must be a key goal, but these efforts must not hinder our ability to compete for the U.S. market.

There is a school of thought that by raising our standards, we can attract new markets through this differentiation. CFC is very supportive of these measures, but is also very cognizant that these initiatives send a mixed message to the government; on one hand we are asking them to streamline and clean up regulation, yet on the other hand we are saying that higher standards are the path to success. For this reason, CFC has supported these types of initiatives on a VOLUNTARY basis, and will continue to voice caution on governmental involvement. The industry must remain vigilant that the extra costs of these programs don't become part of the normal cost of operation for cattle that aren't going to these premium markets.

For the most part, improvements in this area are national and must be driven by the cattle industry's national voice, the CCA. CFC, to the best of its ability, acts as support to this body. CFC is supportive of both CCA's attempts to create an International Trade Negotiations Directorate and its development of an industry-wide global brand strategy called the Canadian Beef Advantage (CBA).

### **Enhanced Industry Coherence**

CCA is leading a charge to use the individual tagging system and the

CCIA database as the foundation for information exchange up and down the value chain through initiatives such as the Canadian Beef Advantage. CFC supports such measures, provided they are voluntary in nature. All aspects of our industry may benefit from these sorts of information transfers, but the individuals must choose if they are getting value within the information swap. CFC has gone even further and tried to encourage CCA to expand its vision to include the ability to use this system for commerce. This would allow participants in the value chain a clearer method of purchasing information that is of value to them or receiving benefits for providing this information.

## **Government Programs**

Given the nature of our industry and our reliance as an exporter, trade is of utmost importance. CFC has struggled with the role of governmental assistance and its potential to impact trade. Assistance that triggers trade actions such as countervail duties could turn assistance into long-term pain. Once trade actions come into play they remain in effect for many years and by their definition preclude the government from helping the industry out of them, as any further assistance will be immediately added to the duty charged. For this reason, CFC has tried to focus on WTO friendly solutions.

CFC helped develop and is supportive of CCA's current efforts to improve the AgriStability program including:

- Removal of program caps.
- Removal of the viability test.
- Increased coverage of negative margins to 70 per cent.

CFC also developed many of the recommendations that CCA is carrying forward to the government on the AgriInvest program, including removal of program caps and proper inclusion of custom feeding as an expense in the ANS calculation.

More recently, the CFC has been involved in reviewing the Margin

Coverage Concept (MCC), a new program designed by AFSC as an alternative to AgriStability. AFSC has received positive responses to this program from most industry sectors and governments across Canada, but the cattle feeding sector in Alberta has concerns about the MCC. AFSC is proceeding with a pilot project on the MCC and wants to develop an external steering committee to guide the project and deal with the particular challenges of applying this program to the cattle sector. ABP and the CFC will be represented both in the pilot project and on the steering committee.

## **Cattle Price Insurance Program (CPIP)**

For several years, the CFC has supported work done by Gibson Capital Inc with Agriculture Canada funding on a Cattle Price Insurance Program (CPIP) that in the past year has been expanded to include basis insurance. The program is intended to operate as a true insurance instrument based on sound actuarial principles, but CFC and Gibson Capital have recognized the need to have government support in the event of a disaster. Gibson Capital approached AFSC about providing the disaster support and the corporation has become very interested in offering the entire fed cattle price/basis insurance program as its first step into providing livestock production insurance. A steering committee with representatives for Gibson Capital, AFSC, ARD, Feeders Associations of Alberta, and CFC has been working on implementation of this program for the spring of 2009. A further project with Gibson Capital that would develop price insurance for feeder cattle is awaiting approval from the federal government.

## **Alberta Livestock and Meat Strategy (ALMS)**

Since the announcement of the ALMS in early June and the appointment of the first board members for the Alberta Livestock and Meat Agency (ALMA), the CFC has been closely following the implementation of this strategy. Of

particular concern to CFC members are the requirements for feedlots with respect to the mandatory traceability parts of the ALMS and receiving the second half of the funding under the Alberta Farm Recovery Plan (AFRP) II. The uncertainty regarding these requirements is causing significant worry in the cattle feeding sector of Alberta and with cattle producers in neighbouring provinces. ABP and CFC have been putting pressure on the Alberta government to clarify these requirements and we have been told that the information will be provided soon, but it has not been published at the time of writing.

While the industry is truly in turmoil, there are some signs of improvement ahead. The CME Live Cattle Futures are showing signs that cattle will be worth more in future. The disparity of our barley price as compared to corn has come into line considerably, greatly reducing the advantage that the American's had on us for feeding cattle. While mandatory COOL is now a reality and will have associated costs, the latest version is far less onerous than the 2002 version. As we move into the future, there is no question that the industry will change, but the prospects for its overall survival appear promising.

## **Stuart Thiessen, Chairman**

Chuck MacLean  
Howard Bekkering  
Joe Groenenboom  
John Schooten  
Leighton Kolk  
Lorne Petersen  
Craig Ference  
Charlie Christie  
Dave Solverson  
John Lawton  
Lyndon Mansell  
Travis Toews  
Greg Bowie



Tony Saretsky,  
Chairman

# Cattle Industry Council report

In 1996, eight Producer Association delegate positions were created whereby each organization would elect their representative to ABP. These delegates have the same obligations and privileges as a zone delegate. With the creation of the Cattle Feeder Council in 2003, the number of Producer Association delegate positions was reduced to six. The 2004 ABP Plan change created the Cattle Industry Council (CIC) for the purpose of providing other sectors of the beef industry an opportunity to come together to discuss items of common concern. This plan change provided the Producer Associations with the option of retaining their two Producer Associate delegate positions or opting to transfer those positions into the CIC. Alberta Milk and the Feeder Association of Alberta (FAA) elected to retain their Producer Associate positions while the Western Stock Growers Association (WSGA) opted to join CIC. The Alberta Livestock Dealers and Order Buyers of Alberta (ALDOBA) and the Alberta Auction Market Association (AAMA) became members of CIC immediately upon the creation of the Council, and since the inception a number of other organizations have sent representatives. CIC may have as many members as they wish but the Council would elect a maximum of ten members to be ABP delegates of which two will be elected to represent the Council on the ABP Board of Directors. Those being elected as a delegate must meet the criteria of being an eligible producer as defined in the ABP Plan. CIC quickly established their Mission Statement, Goals and Values. Over the years there have been a number of conference calls and meetings; working jointly with other ABP committees and outside organizations for the overall good of the industry.

Recent ABP Plan review discussions have lead to the evolution of this Council to the next level, the Association Council. Once the 2008 Plan review is finalized, Producer Associate organizations will join CIC in the creation of the new Association Council (AC). AC will continue to be the forum for the voice of the industry to be heard by the Alberta Beef Producers Board of Directors. The current CIC and Producer Association delegates look forward to the implementation of these plan changes, via legislation in the not-so-distant future.

Cattle Industry Council has always maintained that communications are the key to success. The more informed individuals are the greater chance that the industry will have at success in the future.

During the year CIC addressed concerns regarding cattle financing and livestock security interests, which became apparent during the recent LICA regulations review. A sub-committee was struck and charged with the responsibility of reviewing the rules and regulations for licensing, bonding and for buying and selling cattle in order to gain a comprehensive understanding of how the industry

“Cattle Industry Council has always maintained that communications are the key to success..”

operates including the legal aspect of the legislation governing the industry for the purpose of developing an intelligent response which would address the concerns of the entire industry. The overall goal is to produce a brief policy document to use to further the education of producers.

CIC held their Annual Information Meeting, in conjunction with the Alberta Industry Beef Conference in Red Deer this past February. This is an open session where all interested industry participants were welcome to discuss items of common concern.

### *Cattle Industry Council Mission Statement*

Our mission is to provide effective representation on broad industry issues at the Alberta Beef Producers Board of Directors and enhance communication among industry players. This will provide a structure for the entire beef industry to communicate and contribute to the Alberta Beef Producers.

### *Cattle Industry Council Goals*

- To provide a collaborative structure that engages all sectors of the beef value chain.
- To be proactive on all challenges and opportunities facing the beef industry.
- To be involved in the long-term goals of the Beef Industry.
- To work with all sectors of the industry on common issues to find solutions.
- To collaborate with ABP committees and councils.
- To be respected by producers, government and consumers.
- To be a stable and active council; to meet regularly and provide input at the ABP board table.

### *Cattle Industry Council Values*

- Teamwork- including all industry organizations.
- Consensus building- through broad inclusive consultation.
- Respect- through industry leaders involved.

### **Tony Saretsky (ALDOBA), Chairman**

Darryl Carlson (WSGA)  
Craig Dorin (WCABP)  
Russel Picket (WSGA)  
Steve Primrose (ALDOBA)  
Corey Sekura (AAMA)



*Frank Murphy,  
Chairman*

## Cow/Calf Committee report

The Cow/Calf Committee was established early this year in response to a resolution that was passed at the 2007 AGM. The Board of Directors struck a working group to develop recommendations for the mandate, structure, and focus of the committee. At the February Board meeting, the Board basically took the recommendations of the Working Group and created the Cow/Calf Committee. The committee was formed with our initial meeting in March. I have the honour of being the first chairperson of the committee.

As the working group recommended, the committee has a maximum of one member per zone, including the Chairman who was elected by the Board. The purpose of the Cow/Calf Committee is to investigate and address issues of importance and concern to the cow/calf producers of this province. The working group was determined to avoid duplication with the work being done by other committees and identified cow/calf competitiveness issues, an age verification policy and proposal, and a cull cattle value strategy as the beginning issues for the committee

To date we have had three meetings with much of our early time and effort focused on trying to come up with a solution regarding age verification, or more specifically, how to get more producers to age verify their calves and how to provide a direct return to these producers for age verification. We initially concentrated on age verification, believing that if age verification is in demand there must be a value for it to the cow calf sector for doing the work – if this is valuable information it must be worth money. We were intent on finding a way that

the producers entering this information could obtain a monetary return for it. We were also looking at the grading system, mainly the D grades, with a hope producers could capture more value from cull animals.

At our first meeting, our committee prepared a detailed proposal on age verification that recommended government payments for age verification to cow/calf producers for three years followed by the implementation of a market-based system similar to the ABP Age Verification Information Market proposal. This proposal was taken to the ABP age verification task team and a modified version of the proposal was narrowly defeated in a motion at the March Board meeting. At subsequent meetings, the committee endorsed the ABP proposal for an age verification information market through a one-time charge for animal birth date access that would be paid to cow/calf producers.

Our further goal was to examine the competitiveness of the cow/calf sector. Those of you who check the ABP website and read some of our materials will be quite aware of the regulatory burden that ABP has identified. The



cow/calf committee believes that the cost of regulatory burden falls primarily on the pocket books of cow calf producers as the rest of the industry works it into their margins by lowering the price of feeder calves. These

government regulations to our industry put us at a \$100 disadvantage for each calf raised through to slaughter as compared to our United States competitors.

With the announcement by The Honourable George Groeneveld, Alberta Agriculture and Rural Development Minister, on June 5 of this year regarding the Alberta Livestock and Meat Strategy, it put pressure on the committee to try to look at the strategy from the primary producers prospective.

We have put considerable effort into trying to understand and evaluate the strategy. It includes a statement that regulatory burden will be lowered as well that research will be done concerning raising production of feed grains, both of these could be extreme positives to primary producers. If in fact regulatory burden were eliminated, it would leave far more money in the hands of producers each year than Alberta Farm Recovery Plan II will pay the same producers. We are concerned about the extra regulations being put on primary producers (premise ID, age verification, movement, on farm food safety certification, weaning date, and medication/vaccination). How this is possible without furthering the cost of regulatory burden which will again be the burden on cow calf producers has not been explained to us? The Honourable Minister's philosophy seems to be that consumers will be willing to pay more for beef when these regulations are in place. We are also concerned that primary producers appear to be the only segment of the industry having requirements on them to qualify for the AFRP II payment.

We will go to great efforts in the Committee not to duplicate work being done by other committees, however we realize that some of the work being done by these committees will directly impact cow/calf producers and our request is to have representation on these issues.



# Cow/Calf Committee report continued ...

Most specifically at this time being the Safety Net Sub-Committee. We feel that the safety net issue is one of the main reasons for producers requesting the existence of the Cow/Calf Committee.

As a result of the committee's request for representation, Rick McKnight was appointed as the Cow/Calf Committee representative on a new Safety Net Sub-Committee that met this summer with AFSC officials. The primary purpose of the meeting was to review the Margin Coverage Concept, a program that AFSC is proposing as an alternative to AgriStability. However, there also was a widely ranging discussion of business risk management, including the CAIS program, the Bred Heifer Reallocation, the calculation of BPU's for structural changes, and the new suite of federal government programs. AFSC is proposing a pilot project on the Margin Coverage Concept and wants to establish an external steering committee to guide this project. ABP and the Cow/Calf Committee will be represented on both the steering committee and the participants in the pilot project.

as 30 per cent of their cattle income from cull animals. Now, that number has dropped to somewhere lower than 10 per cent, although cull cow prices have improved significantly at the

enthusiasm and in financial pressures. Some producers may also be taking the Agriculture Minister's message to heart, and I quote;

"Producers who are unable.....exit the industry."

"... the establishment of the Cow/Calf Committee has provided an important forum for consideration of issues that are particularly important to primary producers."

Our members think the establishment of the Cow/Calf Committee has provided an important forum for consideration of issues that are particularly important to primary producers. The value of this work was recognized during the recent ABP Plan Review with a recommendation for a Cow/Calf Council, equivalent to the Cattle Feeder Council and Association (Cattle Industry) Council, to be included in the revised regulations.

time of writing. If there is a possibility of getting some of the younger cull animals to fit into another grade, there may be an opportunity to capture additional value out of these cattle. A recent article that I read indicates that some 25 per cent of cull cows are basically first calf heifers that have the potential to be quite valuable meat.

Clearly, the specific requirements of the cow/calf sector will continue to be addressed by ABP either through a committee or a council.

I look forward to the fall producer meetings and trust there will be some resolutions giving direction to the cow/calf committee.

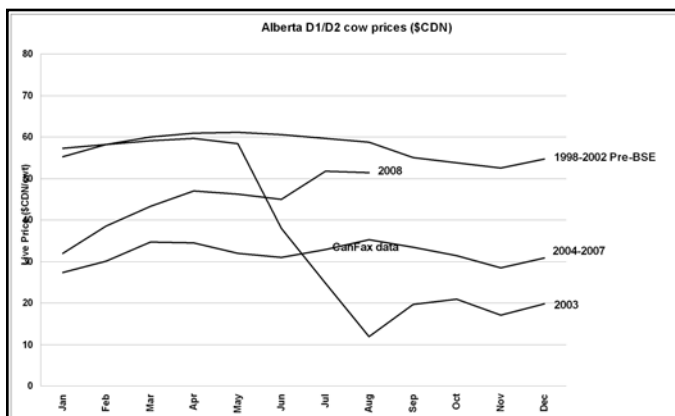
The committee met with Cindy Delaloye, from the Canadian Beef Grading Agency, to review possible changes to the grading system that would enhance the value of cull cattle.

## Frank Murphy, Chairman

Gordy Cunningham  
Adam Moseson  
Richard McKnight  
Ed Dokter  
Joyce Scobey

As the year progresses, we are watching large numbers of breeding cattle being slaughtered and our breeding

herd is shrinking. Between the drought, BSE and other factors it has been a number of years since Alberta cow/calf producers have realized a significant profit and it is taking its toll both in



Our committee also is committed to looking at cull cattle values. The figures that I have heard from the pre-BSE time indicate that cow/calf producers were realizing as much



*Darcy Eddleston,  
Chairman*

# Government Affairs Committee report

The Government Affairs Committee had a slow start to the year and has had difficulty gaining momentum in its work with government. The committee held its first meeting of the year in February and addressed the long list of resolutions from the fall meetings, but work since then has been delayed by other events in the province. There was a second meeting at the Semi-Annual General Meeting and two sub-committees have been active through the year.

As the name of the committee suggests, a primary role for Government Affairs is communication and coordination with the government. This spring, the Alberta government held an election, selected a new cabinet and delivered a new budget. A number of key government departments, including Agriculture and Rural Development, Sustainable

“After almost two years of work, the Alberta Government recently released a draft Land Use Framework for the province.”

Resource Development, and Environment, have new Deputy Ministers. As a result, it was difficult to establish meaningful contact with these departments through the early part of the year.

Even after the election, the resources and attention of Alberta Agriculture and Rural Development were committed to the development of the Alberta

Livestock and Meat Strategy (ALMS) and the new Alberta Livestock and Meat Agency (ALMA). Now, the department has some staff working at the ALMA, will be putting other staff to work on the traceability requirements of the ALMS, and has offered severance packages to a large number of staff in an attempt to meet the budget demands of the ALMA. Obviously, the ALMS has dominated the agenda of both the Alberta government and ABP, leaving limited resources available for the work of the Government Affairs Committee. Nevertheless, the committee has been able to achieve significant results in a few key areas and will be prepared to take action as opportunities arise.

### **Safety Net/Business Risk Management Programs**

Members of the Government Affairs Committee were very active last year working on the CAIS CITI Bred Heifer Reallocation initiative and forcing changes in the Alberta Farm Recovery Plan. Payments under these two programs were sent in late winter and 2,353 producers received \$3.4 million under the Bred Heifer Reallocation. Now the committee will be looking to support the policy and lobbying efforts of ABP and CCA as we try to improve the new suite of federal business risk management programs that will be delivered under the Growing Forward platform. We have proposed changes to the AgriInvest and AgriStability programs that have not been accepted by the governments and there is clearly the need for continued efforts.

In Alberta, AFSC is working on the Margin Coverage Concept (MCC) as an alternative to the individual farm margin coverage that has been provided by CAIS/AgriStability. AFSC is also looking to implement the Cattle Price/Basis Insurance Program that has been developed by Gibson Capital under the management of the ABP Cattle Feeder Council, as well as some form of livestock production insurance, likely based on insuring against calf mortality.

As the development of new business risk management programs continued, the Government Affairs Committee established a new Safety Net Sub-Committee, with representatives from Government Affairs, the Board of Directors, and the Cow/Calf Committee, to concentrate on this work. The Safety Net Sub-Committee met with AFSC representatives this summer to discuss the MCC and a broad range of business risk management topics. AFSC is proceeding with a pilot project on the Margin Coverage Concept and will be setting up an external steering committee to guide the project and address the particular challenges of making the MCC effective for cattle producers. ABP and the Government Affairs Committee will be represented through participation both in the pilot project and on the external steering committee. The Safety Net Sub-Committee will continue address the key issues related to proposed business risk management programs.

### **Land Use Framework**

After almost two years of work, the Alberta Government recently released a draft Land Use Framework for the province. ABP and the Government Affairs Committee have been closely following the progress of this framework from the very beginning of the process and we have participated at almost every opportunity. The draft framework is a welcome development as it recognizes that there are limits to the land resources of this province and a critical need to do a better job of planning how we use them. The framework identifies three desired outcomes and six key strategies, including the development of regional plans in six new land use areas, to achieve these outcomes. However, the framework does not have a clear description of the provincial priorities and principles that will govern the development and implementation of these regional plans, as well as the difficult land use decisions that will be necessary in the future.

Real implementation of the Land Use Framework will not occur until the government the Cabinet Committee and the Land Use Secretariat that will set provincial policy, establish the regional planning teams and lead the development of the regional plans. The first priorities for plans are the Northeast (Fort McMurray), South (particularly the foothills and eastern slopes of the Rockies), Calgary, and Capital (Edmonton) regions. The government is planning to bring an omnibus bill to the legislature in the spring of 2010 that will consolidate much of the land use legislation in the province and provide legislative authority to the land use plans. The Government Affairs Committee will be monitoring this process and ensuring that the cattle industry is actively engaged in the actual development of provincial priorities and regional plans.

## **Wildlife Damage and Compensation**

The issue of wildlife damage and compensations has always been a high priority for the Government Affairs Committee. The committee has had a long standing Wildlife Damage Sub-Committee and appointed two new members to the sub-committee at the February meeting. The sub-committee has been strongly encouraging SRD to address this issue and last year, the department engaged Les Lyster, a former employee of Alberta Agriculture and the NRCB, to review the provincial wildlife damage and compensation programs. Les had extensive contact with the Wildlife Damage Sub-Committee during the preparation of his report.

The completed report from Les Lyster was distributed this spring and SRD engaged him to work on the implementation of the recommendations from the report. Les again worked closely with the Wildlife Damage Sub-Committee on a thorough review of the recommendations in his report. He met with the Sub-Committee and then had Walt Suntjens attend a multi-stakeholder meeting with the government agencies responsible for

the programs. We are hopeful that the government will implement nearly all of the recommendation in the Lyster report.

The Wildlife Damage Sub-Committee did not agree with all of the recommendations that Les Lyster made, but saw the recommendations as a very positive step toward improving compensation programs. The sub-committee also recognizes that these recommendations do not complete the work that is needed to address wildlife issues for our producers. The Lyster report is a good start, but the sub-committee will be continuing its efforts to achieve meaningful changes in the management of wildlife in Alberta. With the disappointing reduction in the scope of the Open Spaces Alberta project, this work on wildlife damage and compensation takes on even greater significance.

## **Surface Rights and Land Issues**

Another priority issue for the Government Affairs Committee is the area of surface rights, a point of considerable contention with the high level of subsurface energy activity going on in Alberta. The committee has taken strong positions on the Land Agents Licensing Act, the Surface Rights Act, and the Alberta Utilities Commission Act (Bill 46). The members will continue to develop and lobby for sound policies to improve the position of land owners with respect to surface rights. There have been changes proposed to the legislation governing the activities of land agents and these may address the concerns of the Government Affairs Committee, but we will need to watch the developments. The committee welcomes the recommendation in the Land Use Framework that there needs to be better integration between the policies governing surface and subsurface activities, as well as a review of the process for identifying major surface concerns before offering subsurface rights for sale.

In addition to the four critical subject areas already described, the Government Affairs Committee will continue to address ongoing issues with grazing leases, including

**“The issue of wildlife damage and compensations has always been a high priority for the Government Affairs Committee.”**

grazing and timber integration. Due to the current economic conditions in the beef industry, the committee passed a resolution to ask SRD for extensions on compliance with grazing lease improvements as long as the extensions do not endanger the environment or public safety. The Government Affairs Committee will also be closely watching any developments with respect to countervail actions in the United States. It is clear that the issues being addressed by the Government Affairs Committee continue to have vital importance for our industry and require a strong effort from ABP.

## **Darcy Eddleston, Chairman**

John DeGroot  
Max Tateson  
Bob Lowe  
Larry Gano  
Margaret Kvigstad  
Walter Suntjens  
Rob Somerville  
Kevin Boon  
Ben Schrader  
Peter Lazowski  
Dale Johnson  
Soren Odegard  
Garry Gurtler  
Ted Quist



# Producer Liaison Committee report

Gerald Maser,  
Chairman

The biggest accomplishment of the Producer Liaison (PL) committee in 2008 was finishing the new website [www.albertabeef.org](http://www.albertabeef.org). The project was in the pipeline for several months before it was introduced to the public in January. The site has been designed for dial-up access, while still maintaining interest for people with high-speed Internet.

The PL committee maintained its commitment to Alberta 4-H with a \$26,500 sponsorship. The committee believes in the ongoing support for youth involved in livestock. PL also sponsored the annual Cattlewomen for the Cure golf

“We’ve been working towards making the Grass Routes publication more informative, interesting and timely.”

tournament in Medicine Hat. ABP was a hole sponsor for the event. Other areas of financial commitment included the Southern Alberta Grazing School for Women, Future Agricultural Business Builders, Alberta Farm Writers Association tour, ABP calendar, the National Young Cattlemen Award, Rural Crime Watch poster contest and Farmfair International.

PL hosted the second annual media tour this year, this time co-hosted with Alberta Milk. Journalists were invited from across Alberta to take part in the Ponoka-area tour of Vold Jones Vold, de Geir Dairy and Kamps Dairy. The foundation of the tour was to inform media about the cattle industry and issues facing producers. The tour was a success, allowing ABP the chance to get to know journalists and provide information about our industry.

PL will continue to work with Jim Fisher and Cattle Country radio to get timely information out to the producer twice a week. You will notice this year’s Annual Report is black and white on the inside. This small change saves ABP \$20,000. The decision to go from colour to black and white was made by PL.

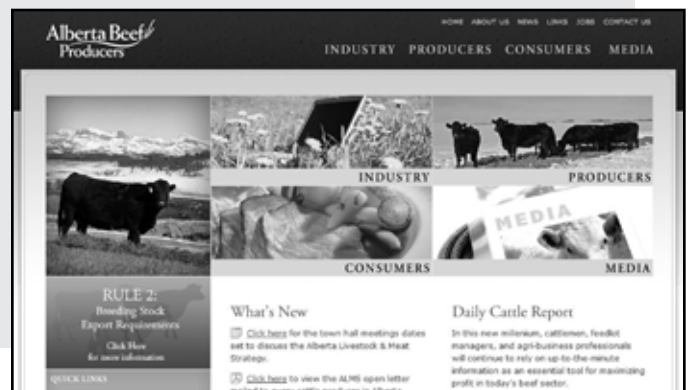
We’ve been working towards making the Grass Routes publication more informative, interesting and timely. PL is currently researching possible changes to make the magazine bigger, better and more helpful.



Overall, it’s been a successful year for the PL committee. We were able to look at trying out some new ideas, and stick with the tried-and-true that we have faithfully been a part of. As we look towards 2009, the committee and I are excited about what we hope to achieve. I would like to thank all the committee members and staff for their hard work. It’s been a pleasure working with everyone.

## Gerald Maser, Chairman

- Cecilie Fleming
- Shelley Grundberg
- Warren Beck
- Joanne Fenton
- Bruce Jack
- Lorrie Jespersen





Roy Eckert,  
Chairman

## Promotion Committee report

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It's safe to say ABP's Committee Chairmen are not prone to bragging, but, at this time of year, when we're faced with writing annual reports, it's possible to find ourselves in a position best summed up by the famous talkies actress, Mae West. When hauled into court for her sometimes unseemly behaviour, Miss West once said, "I always try very hard to avoid temptation, your Honour. Except," she added, "when I simply can't resist it."

So, given I am in famous, if not good company, I hope I'll be forgiven for taking this special opportunity to talk about how proud I am of the accomplishments of the Alberta Beef Producers' Promotion Committee during 2008.

At the end of 2007, the Committee had, through a good deal of hard work, come to a point where it was ready to execute a new image campaign for ABP. To that end, it acquired the services of ADFarm, one of the largest and most accomplished agricultural advertising agencies in the world, and began the implementation of the new "Raised Right" campaign. The campaign's mandate was twofold. First, it was designed to pay tribute to cattle producers in this province for their unflinching, day-to-day commitment to raising a safe, world class beef product. Second, it was designed to assure beef consumers that Alberta beef is a quality product because it is produced by people who devote their lives to raising it. For beef producers in this province - the messaging implies - raising beef is not just a job; it is a way of life.

Before the Committee began to actually initiate the campaign, however, it did some hard thinking about ABP's overall image and came to the conclusion that, although our organization is and always has been easily recognized and well respected by the larger community, it was time to refresh and update our public profile. As a result, the Committee proposed that ABP execute a branding initiative which would ensure that all of our internal and external

communiqués had consistency, punch and polish. The Committee approached the Board of Directors and asked for both financial and policy support of this endeavour. I am proud and grateful to say that not only did the Board endorse a branding initiative for ABP, so did all of the committees and councils in our organization. With their invaluable help, therefore, the development of a Branding Guidelines Manual for ABP is now underway, and will be completed sometime in early 2009.

Just as the push for an organizational branding began, the core tactic of the image campaign was executed with the launch of the first of four 22 foot high paintings of real life Alberta beef producers. The launch event was hosted at the Bar U Ranch in southern Alberta on August 4, 2008 and featured an artistic rendition of local beef producer, Dean Kennedy. Deemed an unprecedented success, the launch garnered the attention of government, the press and over 500 local producers and beef consumers. The remaining three murals by artist John Cerney will eventually be placed across the province in high traffic corridors. It is estimated that, if placement is successful, more than 3.75 million consumers will ultimately see the tagline "Raised Right" and the brand new ABP logo affixed to these visually stunning celebrations of our hard working producers.

A second campaign tactic completed around this time involved the showcasing of the four producers Dean Kennedy (ex NFL hockey star and team mate of Wayne Gretzky), Brian Sutter (well known hockey coach), Colin McNiven (producer and professional western wear model) and Brian and Holly Lane (ABP Environmental Stewardship Award winners) on a new website called "Raised Right.ca". At this micro-site, consumers are invited to view video clips in which these high-profile producers talk about their lives in the beef industry and about their commitment to ensuring our famous product is "Raised Right." Consumers are also provided with interesting information on the beef industry and our wonderfully delicious and nutritious product, plus they are invited to enter a

contest to win great barbeque prizes. In next year's budget, the website will be expanded to include a contact information page which will provide space for producers to insert any ranch information they might wish to make public, including stock sales, available gate products, etc.

A third keystone tactic which the Promotion Committee initiated in the fall of 2008 involved a supportive transit advertising program. The story line behind the print campaign is centered on the concept that raising beef is not just another nine-to-five job. The first two concepts which were featured on bus advertising in September and October of 2008 are "Casual Friday" and "Employee of the Month." Whereas another business might have a casual Friday which shows employees hanging around the water-cooler, our industry has one in which things are depicted as business pretty much as usual. The visuals in this program segment feature several real life beef producers relaxing as much as they ever relax – simply by taking a minute or so to cool off their hard working horses while they chat about the day's events.

The second story features the beef industry employee of the month who is not just a keen overtime worker but who is always, always at work – the stock dog, Riff. With these two highly engaging visuals, the consumer's eye is caught and our message "Raised Right" is powerfully delivered; the "more than a job, a lifestyle" concept is firmly reinforced. In September and October the transit ad program ran in five major cities in the province and, because it was delivered in such a public and repetitive way, tens of thousands of consumers saw and enjoyed these engaging advertisements.

It should be noted here, that because the Promotion Committee is always cognisant of the need to maximize bang for the buck when spending producer dollars, it managed to get one and a half weeks of free transit advertising – a truly remarkable achievement when one considers that the weekly rate for just one bus is in the thousands of dollars - by ensuring that our visuals were ready to place well ahead of schedule. This fortuitous situation allowed

# Promotion report continued ...

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us to take advantage of an essentially unsalable spot in the time schedule which just happened to be open ahead of our secured program commencement. Rather than have no advertising on their buses for this week and a half, the outdoor ad company (Pattison) quite sensibly allowed ABP to fill in with our ads until our official start date began.

The Raised Right image campaign will continue into 2009 with the planning and execution of several high profile partnership events having the power to elevate ABP's media profile. Using funds which the Committee has, in the past, dispersed to whatever worthwhile organizations approached us for support, we will now be working with AdFarm to engage large industry players such as UFA, John Deere, etc. to create and partner in community relations activities which will not only enhance the beef industry image but which will primarily use partner dollars to do it. Such arrangements are good for everybody involved. The community reaps the financial rewards of participation in larger, more highly organized and advertised events than they would be able to sponsor on their own. Principal partners such as UFA and John Deere cultivate a reputation as caring for the little guy and do themselves no harm whatsoever by supporting events in which beef producers, a primary target audience, is involved. ABP also enhances its image as a responsive community member and does so at minimal cost to itself, while simultaneously benefitting from the increased media coverage that large, well-funded events invariably enjoy.

In addition to conceiving of and executing this wonderfully successful image campaign, the Promotion Committee has also ensured that our educational role in the community has flourished.

The 2008 Classroom Agriculture Program was once again successful with nearly 19,000 Alberta students participating. The initiative's signature accomplishment during the year was a re-branding effort which was financed, in part, through a \$40,000 Agriculture Initiatives Grant. This money was used to develop a new logo, student

activity booklets, folders, teacher activity lessons and vertical standing banners. In addition to increasing its arsenal of educational materials, CAP expanded its membership roster by recruiting two new partners, the Canadian Wheat Board and Olds College.

The Beef in the Classroom program also excelled this year with 3,500 students receiving a presentation in the Calgary, Edmonton and Grande Prairie areas. Five BITC contractors have been back in the schools since October 2008 teaching High School Food Studies students about the importance of and preparation techniques for beef in a nutritious diet. Through ABP's hard work, the program has recently been expanded to post-secondary schools and is now offering nutrition programs to tomorrow's elite beef consumer.

In 2008, the Promotion Committee's Beef Education Sub-Committee focussed its efforts on women and wellness events, and, including all other tradeshow opportunities, attended over 50 shows. These shows were strategically chosen on the basis of target audience density, show profile, and anticipated cost-per-consumer-touch. Such a strategic approach ensured that producer dollars were, once again, judiciously and well spent.

Now that we are at the end of what has been a banner promotional and community relations year for ABP, I would like to take the opportunity to thank a very long list of people who have gone beyond the call of duty to make our initial vision a reality. Among them are:

- The Executive, the Board of Directors, the Chairmen and the individual ABP Committees and Councils for their unstinting support of the branding initiative for ABP.
- Chairman Doug Sawyer for his connections and willingness to use same in securing placement of our rural murals.
- Ex-Chairman Judy Fenton and committee member Judy Nelson for their connections and willingness to use same in securing placement of our rural murals.
- Delegate Bill Fox for his voluntary and

spirited efforts to have a mural placed at Lakeland College.

- Image Campaign Committee Members Brad Pierson, Judy Fenton, Mark Francis, Sara Arthurs and Chad Meunier for their wise counsel, hard work and, at times, just plain brilliant tactical ideas.
- Promotion Committee Members Brad Pierson (Vice Chairman), Judy Fenton, Chuck Groeneveld, Judy Nelson, Donna Noullett, Steven Jarema, Cathy Sharp, Mike Cook, Chad Meunier, Mark Francis, and Sara Arthurs for recognizing the potential weight of a campaign called "Raised Right", for having the courage and dedication to execute it, and for bringing unbridled enthusiasm to such demanding work.
- Beef Education Subcommittee Members and CAP partners for devoting themselves wholeheartedly to the education of tomorrow's beef consumer.
- ABP staff Barb Sweetland, Steve Carr and Lindsey Metheral for their professionalism, creativity, caring and, for their willingness, for Heaven's sake, to even work on weekends.

Thanks to each and every one of you. I have enjoyed your company, have been impressed by your drive, and have taken inspiration from your good humour. I look forward to another year working with you all and am convinced that no matter what challenges we face today, tomorrow will undoubtedly bring us a renewed prosperity. What else could one expect of an industry borne on the backs of good people and buoyed by a product with a century old reputation for being "Raised Right?"

## **Roy Eckert, Chairman**

Sara Arthurs  
Mike Cook  
Judy Fenton  
Mark Francis  
Chuck Groeneveld  
Stephen Jarema  
Chad Meunier  
Judy Nelson  
Donna Noullett  
Brad Pierson  
Cathy Sharp  
Rose Wymenga



*Doug Sawyer,  
Chairman*

## Public Affairs Committee report

In the PA committee's Terms of Reference it states the committee's role is to, "Enhance, Promote & Protect" the image of the cattle industry. Our committee uses this and the value of "check-off" dollars as benchmarks to help guide us through every increasing issue and opportunity. Careful management of our human and financial resources has allowed us to excel in the following areas.

### **Environmental Stewardship Award**

Glenn and Kelly Hall, of Bar None South Ranch, were selected as the 2008 Environmental Stewardship Award recipients, as was announced at ABP's AGM in December. The Halls have been excellent ambassadors for our industry this year, and will continue to do so. They are a great example of the kind of stewardship management that ABP is very proud to promote for the cattle industry.

This award and its winner's prestige continue to grow and find new ways each year to exemplify and promote good stewardship practices in our industry. This program is a fantastic way to promote our industries' commitment to the animals and the environment.

### **Cows & Fish**

As a founding member, ABP is proud to congratulate Cows & Fish on their 15th year anniversary of outstanding achievements. The longevity of this excellent organization is a tribute to their success. Their ability to promote and make positive changes with landowners and community based groups has brought forth positive recognition, both provincially and nationally.

### **Water**

Water quality and availability issues continue to require an increased role from the PA committee. Water shortages in the southern regions of Alberta and inter-basin transfer discussions have focused their attention on water issues throughout the entire province. The Alberta Water Council has appointed task teams to working on Wetland Policy, intra-basin water movement, shared governance and watershed planning framework, Water-for-Life implantation and healthy aquatic ecosystems. All of these issues could have a significant impact on the cattle industry, making ABP's representation here a must. Alberta Water Council has completed the Wetland Policy, with input from the Intensive Livestock Working Group and Alberta Beef Producers representatives.

Various PA committee members sit on Watershed Planning and Advisory Councils (WPAC) throughout the region, these include: North Saskatchewan, Oldman, Battle, South Saskatchewan and Red Deer. As new WPAC's are formed, the committee is constantly working to stay involved. These councils have a great deal of influence in the direction of water management in Alberta. The PA committee is also represented on the Alberta Stewardship Network, which works with local stewardship groups who do most of the "hands-on" work in the country side.

### **Environmental Goods And Services**

Environmental Goods and Services is not a new concept throughout the world. Recently it has been receiving attention throughout Canada and Alberta and could lead to potential impacts on the cattle industry. If set-up and administered properly EG&S could benefit the industry both financially and environmentally, or it could lead to more regulation, and limit or remove land from cattle production with little financial benefit to producers. It is very important that ABP is involved in the development of these policies.

### **Animal Welfare**

The beef industry continues to be under increasing pressure to raise the standards of animal welfare. Some of the pressure is based on sound science and good animal husbandry, and some of it is from public and political pressure, often influenced by misinformed opinions. The beef industry is, and has always been, leaders in animal welfare and good husbandry practices. ABP needs to promote the excellent practices that are used in animal welfare and husbandry management. It is imperative that ABP works diligently to educate governments and the public, so science-based laws and regulations are developed. The excellent work ABP and partners are doing to help guide the transportation regulations is an excellent example of this. ABP's input has been crucial in bringing these regulations back to a science-based, realistic form. There are, unfortunately, a small number of negative animal welfare issues that some media (not all) and well-funded extremist groups are "at the ready" to exploit to the public. ABP is constantly working hard to prevent these situations and to be prepared should they happen again.

### **Media Training**

Many ABP delegates have opportunities to interact and do interviews with the media. It is very important that a positive, consistent and accurate message is given every time. The media training teaches delegates how to accomplish this while being confident and comfortable during the interview. Every

successful interview or story boosts consumer confidence and positively promotes the cattle industry at no cost to ABP.

### **Growing Alberta**

Growing Alberta is a multi-sector organization that promotes agriculture products, recipes and issues surrounding food and food producers in Alberta. They accomplished this through programs such as Food for Thought magazine, Food for Thought Online, the Growing Alberta website, Growing Together Online (an industry news email), CTV Edmonton Food for Thought program, An Afternoon of Food for Thought (Speaker and Alberta feature food), Harvest Gala and the Harvest Gala Awards, as well as many other opportunities. They also sponsor youth educational programs like scholarships or student learning events relating to food production. This is a great opportunity to spread a positive message to consumers.

### **Alberta Farm Animal Care**

AFAC is a multi-species animal welfare organization that is recognized for their great work across Canada and the U.S. Programs such as, the Alert Line, winter preparedness promotion, Certified Livestock Transportation training, 4-H training and education, Livestock Emergency Response courses, Humane Handling Guideline books, the Annual Livestock Care Conference and a host of other research and education programs, work to educate and promote good animal welfare to all facets of the livestock industry. AFAC has a leadership role in the Alberta Livestock Protection System, where they discuss enforcement and regulatory issues with other animal welfare and protection participants in Alberta. AFAC represents all participants in the livestock industries of Alberta. AFAC has valuable input into government decisions on regulations and laws. An educated and unified response to industry problems is very important, which AFAC is able to help coordinate quickly. AFAC believes that education and prevention is the key to protecting the livestock industries good image to the world.

This year has been very successful for the PA Committee due to the hard work and cooperation of the committee members and ABP staff.

### **Doug Sawyer, Chairman**

Greg Bowie  
Brian Chomlak  
Gerry Fowlie  
Bill Fox  
Greg Nichiporik  
Anne Stevick  
Carol Wilson



Brian Edge,  
Chairman

## Technical Committee Report

The primary goal of the ABP Technical Committee is to encourage practical, applied research to enhance the competitiveness of Alberta beef producers. The Technical Committee meets to set research priorities, review research proposals, and to make research funding decisions. The Technical committee also has several representatives on the national Beef Cattle Research Council, and our two groups work closely in terms of timelines and processes. The



Technical Committee has also been working with provincial and federal research funding agencies to communicate our research priorities as well as to obtain matching research dollars to offset a portion of ABP's funding commitment. Approximately 3.6 per cent of the checkoff collected in Alberta supports these activities; another 1.7 per cent of the checkoff is used to fund national research initiatives through the Beef Cattle Research Council.

Research efforts have been focused on animal health and disease (34 per cent of total funding), health and disease issues that may affect both cattle and humans (18 per cent of total funding), and genetics (11 per cent) in recent years. Another 19 per cent of funding has been devoted towards projects related to education and technical transfer. Four new projects were approved in the past year:



“ Approximately 3.6 per cent of the checkoff collected in Alberta supports these activities ...”

“Prevalence of *C. difficile* in Canadian feedlot cattle” (University of Guelph),

“Improved diagnostic tests for Johne's disease” (University of Guelph),

“Evaluation of forage varieties for whole plant yield and feed quality” (Lakeland Ag. Research Association), and

“DNA markers for beef tenderness and feed efficiency (University of Alberta).

Summaries of all ongoing ABP research projects are available on the ABP website at <http://www.albertabeef.org/producers/research-and-development/>. Summaries of the final research reports will be added as they are submitted and approved.

Other committee activities have members working on a variety of other projects and representing ABP on a number of groups. These include the Alberta Johne's Disease Working Group, Foreign Animal Disease Eradication Support (FADES), University of Alberta Bovine Genomics Initiative, and Agricultural Research and Extension Council of Alberta.

Resolutions from the 2007 ABP fall meetings referred to the Technical Committee have been the focus of a great deal of effort. Reports on these resolutions are published in the print edition of Grass Routes or posted to the ABP website as they are completed.

### Brian Edge, Chairman

Bruce Niznik  
Brent Carey  
Pat Rutledge  
Millie Boake  
Blake Chapman  
Diane Panrucker  
Harvey Hagman  
Gordon Graves  
Janys Boyte



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## Auditors' Report

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June 4, 2008  
Edmonton, Alberta

To the Directors and Delegates of Alberta Beef Producers:

We have audited the statement of financial position of Alberta Beef Producers ("ABP") as at March 31, 2008 and the statements of operations, changes in net assets and cash flow for the year then ended. These financial statements are the responsibility of ABP's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of ABP as at March 31, 2008, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

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**Kingston Ross Pasmak LLP**  
Chartered Accountants

# ABP Financial Statements

## Statement of Operations

### ALBERTA BEEF PRODUCERS

Year ended March 31, 2008

	2008	2007
<b>Revenue</b>		
ABP Service charge and Federal Levy	\$ 13,229,421	\$ 13,638,495
Less dealers' rebates	223,333	230,872
	13,006,088	13,407,623
Grants (Note 9)	319,899	158,359
Interest and other income (Note 6)	317,774	190,763
Recognition of deferred revenue (Note 8)	11,606	16,243
	<b>13,655,367</b>	<b>13,772,988</b>
<b>EXPENSES</b>		
Canadian Beef Cattle Research, Market Development and Promotion Agency (Note 10)		
Beef Information Centre	2,971,005	3,042,385
Canada Beef Export Federation	1,225,317	1,254,755
Beef Cattle Research Council	220,859	226,166
National Check-off Agency	90,147	92,312
Governance and oversight	104,801	86,690
Trade and market access programs		
Commercial beef utilization and market recovery programs (Note 10)	525,000	1,300,000
International legal contingency fund (Note 10)	196,822	-
U.S. and international trade management	68,739	422,938
Enhanced federal lobbying	32,628	354,921
Canadian Cattlemen's Association (Note 10)	1,267,718	764,916
CCA special assessment	-	549,318
Board and Delegates		
General meetings	247,497	273,460
Board meetings	182,822	185,909
Fall meetings	104,328	54,877
Zone	68,857	82,208
Executive	64,008	89,920
Provincial initiatives	32,328	5,684
Committee expenses (Note 11)		
Producer liaison	588,580	555,700
Promotion	554,964	673,411
Public affairs	264,920	372,614
Technical	144,731	330,378
Government affairs	43,454	57,199
Cattle Feeder Council	38,023	228,910
Cattle Industry Council	4,916	57,248
Management, operations and administration		
Salaries and benefits	935,776	1,029,773
Rent	218,545	203,043
Office supplies and equipment	153,264	160,502
Legal, audit and consulting	247,057	228,378
Grant proceeds expended (Note 9)	319,899	158,359
Amortization of furniture and equipment (Note 7)	55,796	52,420
Livestock health investigator (Note 8)	11,606	16,243
Research commitments, prior year	219,640	-
	11,204,047	12,910,637
<b>Excess of revenue over expenses</b>	<b>\$ 2,451,320</b>	<b>\$ 862,351</b>

# ABP Financial Statements

## Statement of Changes in Net Assets

### ALBERTA BEEF PRODUCERS

Year ended March 31, 2008

	Internally restricted (Note 4)	Long-term projects (Note 4)	Invested In furniture and equipment	Unrestricted	2008 Total	2007 Total
Balance, beginning of year	\$ 2,000,000	\$ 390,307	\$ 254,659	\$ 3,261,625	\$ 5,906,591	\$ 5,044,240
Internally restricted	1,500,000	69,050	-	(1,569,050)	-	-
Excess of revenues over expenditures	-	-	(55,796)	2,507,116	2,451,320	862,351
Change in accounting policy (Note 5)	-	-	-	31,267	31,267	-
Investment in furniture and equipment	-	-	17,163	(17,163)	-	-
Balance, end of year	<b>\$ 3,500,000</b>	<b>\$ 459,357</b>	<b>\$ 216,026</b>	<b>\$ 4,213,795</b>	<b>\$ 8,389,178</b>	<b>\$ 5,906,591</b>

# ABP Financial Statements

## Statement of Financial Position

### ALBERTA BEEF PRODUCERS

March 31, 2008

#### ASSETS

	2008	2007
<b>CURRENT ASSETS</b>		
Cash	\$ 283,476	\$ 611,576
Investments (Note 6)	3,735,368	2,086,604
Service charges receivable	1,142,777	1,444,806
Interest and other receivables	170,028	239,489
Inventory	89,428	113,496
Prepaid expenses	42,711	14,919
	5,463,788	4,510,890
INTERNALLY RESTRICTED CASH (Note 4)	3,500,000	2,000,000
FURNITURE AND EQUIPMENT (Note 7)	216,026	254,659
	<b>\$ 9,179,814</b>	<b>\$ 6,765,549</b>

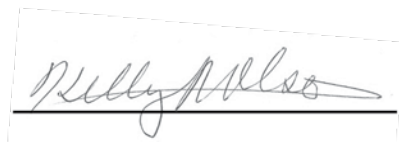
#### LIABILITIES

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 755,848	\$ 823,064
Deferred revenue (Note 8)	34,788	35,894
	790,636	858,958

#### COMMITMENTS (Note 12)

#### NET ASSETS

INTERNALLY RESTRICTED (Note 4)	3,500,000	2,000,000
LONG-TERM PROJECTS (Note 4)	459,357	390,307
INVESTED IN FURNITURE AND EQUIPMENT	216,026	254,659
UNRESTRICTED	4,213,795	3,261,625
	8,389,178	5,906,591
	<b>\$ 9,179,814</b>	<b>\$ 6,765,549</b>



Director



Director

# ABP Financial Statements

## Statement of Cash Flow

### ALBERTA BEEF PRODUCERS

Year ended March 31, 2008

	2008	2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 2,451,320	\$ 862,351
Add items not involving cash:		
Amortization of furniture and equipment	55,796	52,420
Obsolete furniture and equipment written off	886	-
	2,508,002	914,771
Changes in non-cash working capital accounts		
Service charges receivable	302,029	(206,203)
Interest and other receivables	69,462	108,631
Inventory	24,067	(13,433)
Prepaid expenses	(27,792)	(14,919)
Accounts payable and accrued liabilities	(67,586)	5,696
Deferred revenue	(1,106)	(16,243)
Cash from operating activities	2,807,076	778,300
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Increase in investments	(1,617,497)	(541,217)
Purchase of furniture and equipment	(18,139)	(91,604)
Proceeds on sale of furniture and equipment	460	-
Cash used in investing activities	(1,635,176)	(632,821)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,171,900	145,479
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,611,576	2,466,097
CASH AND CASH EQUIVALENTS, END OF YEAR	<b>\$ 3,783,476</b>	<b>\$ 2,611,576</b>
<b>CASH AND CASH EQUIVALENTS CONSIST OF:</b>		
Unrestricted cash	\$ 283,476	\$ 611,576
Internally restricted cash	3,500,000	2,000,000
	<b>\$ 3,783,476</b>	<b>\$ 2,611,576</b>

Cash included in the operating bank account bears interest at prime less 2% per annum.

## Notes to the Financial Statements

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### ALBERTA BEEF PRODUCERS

March 31, 2008

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#### Note 1

##### Description of Business

Alberta Beef Producers ("ABP") was incorporated under the Marketing of Agricultural Products Act ("Act") for the purpose of initiating and carrying out projects and programs to stimulate, increase and improve the production and marketing of cattle producers. Under the Alberta Beef Producers Plan Regulation and Cattle Marketing Regulation, ABP is authorized to collect a \$3.00 service charge from producers who sell or who are in the business of feeding and slaughtering their own cattle.

Since April 1, 2000 \$1.00 of the \$3.00 per head service charge collected has been paid to the Canadian Beef Cattle Research, Market Development and Promotion Agency (the "Agency") for national beef cattle research, market development and promotion. The Agency is responsible for the distribution of the funds received from ABP to the Beef Information Centre, Canada Beef Export Federation, Beef Cattle Research Council and National in accordance with the allocation determined annually by ABP.

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.

#### Note 2

##### Significant Accounting Policies

Significant accounting policies observed in the preparation of the financial statements are summarized below. These policies are in accordance with Canadian generally accepted accounting principles.

##### **Revenue recognition**

Revenue from service charges is recognized at the time of sale. The organization follows the deferral method of accounting for contributions, which include donations and government grants. Grant revenue is recognized when the related expenses are recognized. 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.

##### **Investments**

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

## Notes to the Financial Statements

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### ALBERTA BEEF PRODUCERS

March 31, 2008

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#### Note 2

Significant Accounting  
Policies Continued...

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#### Inventory

Inventory is valued at the lower of cost, determined on an average-cost basis, and net realizable value.

#### Furniture and equipment

Furniture and equipment are recorded at cost. ABP provides amortization on its furniture and equipment using the straight-line method at the following rates:

	<u>Rate</u>
Furniture and fixtures	10 years
Computer equipment	3 years
Audio-visual equipment	5 years

#### Leases

Leases are classified as capital or operating leases. A lease that transfers substantially all of the benefits and risks incident to the ownership of property is classified as a capital lease. All other leases are accounted for as operating leases, wherein rental payments are expensed as incurred.

#### Statement of Cash Flow

ABP is using the indirect method in its presentation of the Statement of Cash Flow.

#### Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the collectibility of service charges receivable and interest and other receivables, the net realizable value of inventory and the useful life of furniture and equipment for amortization purposes. Actual results could differ from those estimates.

## Notes to the Financial Statements

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### ALBERTA BEEF PRODUCERS

March 31, 2008

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#### Note 3

#### New Accounting Standards

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Several new Canadian accounting standards have been issued which will require additional disclosure in ABP's financial statements commencing April 1, 2008.

##### (a) Financial Instruments

The CICA has issued Section 3862 "Financial Instruments – Disclosures", and Section 3863 "Financial Instruments – Presentation". Management does not expect that these changes in standards will have a significant effect on ABP's financial statements.

##### (b) Inventories

The CICA has issued Section 3031, "Inventories", which replaces Section 3030, "Inventories". The new standard requires the measurement of inventories at the lower of cost and net realizable value and includes guidance on the determination of cost, including allocation of overheads and other costs to inventory. The new standard applies to fiscal years beginning on or after January 1, 2008. ABP will adopt this new standard in fiscal 2009 and does not expect that this change in standards will have a significant effect on its financial statements.

##### (c) Capital Disclosures

The CICA has issued Section 1535, "Capital Disclosures", which applies to all entities regardless of whether they have financial instruments and are subject to external capital requirements. The new section requires disclosure of information about an entity's objectives, policies and processes for managing capital, as well as quantitative data about capital and whether the entity has complied with any capital requirements. The new standard applies to fiscal years beginning on or after October 1, 2007. Management is currently assessing the effects, if any, that this new standard will have on ABP's financial statements.



## Notes to the Financial Statements

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### ALBERTA BEEF PRODUCERS

March 31, 2008

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#### **Note 4**

#### Internally Restricted Net Assets

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During 2005, the Board of Directors passed a motion to establish a reserve fund of \$1,500,000 for the purpose of future trade advocacy and defence projects and accordingly \$1,500,000 had been restricted to the reserve fund. During 2007, ABP contributed an additional \$500,000 and during 2008, contributed an additional \$1,500,000 to the fund, for a total reserve of \$3,500,000. During the year, ABP internally restricted funds in the amount of \$69,050 for the purpose of supporting long-term projects. These funds are reported in a separate category of net assets.

#### **Note 5**

#### Change in Accounting Policy

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Effective April 1, 2007, ABP adopted CICA Handbook Section 3855, "Financial Instruments – Recognition and Measurement", Section 3861, "Financial Instruments – Disclosure and Presentation" and the related changes to certain CICA Handbook sections. Under the new standards, policies followed for periods prior to the effective date generally were not reversed and therefore, the comparative figures are not restated.

Investments, which consist of a balanced portfolio of federal and provincial government bonds, are recorded at market value and are held primarily for trading purposes. The investment portfolio is managed by a third party investment manager and is subject to an investment policy set by management and which has as its main objective the growth and preservation of capital. The bonds are capable of prompt liquidation.

Previously ABP measured all of its investments, consisting of government bonds at cost. All other financial assets and financial liabilities were measured at cost.

Upon adoption of the new standards, ABP adjusted the carrying value of the opening balance of investments by \$31,267 with a corresponding increase in net assets. The effect of the new accounting policy on the current year's statement of operations is an increase in investment income of \$63,140.

# ABP Financial Statements

## Notes to the Financial Statements

### ALBERTA BEEF PRODUCERS

March 31, 2008

#### Note 6 Investments

	2008 Cost	2008 Fair Value	2007 Cost	2007 Fair Value
Bonds:				
Federal government, bearing yield rates ranging from 1.65% to 3.01%, due between May 2008 and September 2008	\$ 1,749,017	\$ 1,749,989	\$ 992,379	\$ 1,007,332
Provincial government, bearing yield rates ranging from 3.26% to 4.61%, due between December 2008 and June 2011	1,891,948	1,985,379	1,094,225	1,110,536
	<u>\$ 3,640,965</u>	<u>\$ 3,735,368</u>	<u>\$ 2,086,604</u>	<u>\$ 2,117,868</u>

Interest and other income is comprised of the following:

	2008	2007
Interest on investments	\$ 80,958	\$ 58,399
Change in unrealized gain on investments held at year end	63,140	-
	144,098	58,399
Interest on bank balance	173,676	132,364
	<u>\$ 317,774</u>	<u>\$ 190,763</u>

# ABP Financial Statements

## Notes to the Financial Statements

### ALBERTA BEEF PRODUCERS

March 31, 2008

#### Note 7

#### Furniture and Equipment

			2008	2007
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and fixtures	\$ 292,368	\$ 104,993	\$ 187,375	\$ 214,266
Computer equipment	47,043	23,765	23,278	27,105
Audio-visual equipment	39,523	34,150	5,373	13,288
	<u>\$ 378,934</u>	<u>\$ 162,908</u>	<u>\$ 216,026</u>	<u>\$ 254,659</u>

Amortization provided for in the current year totaled \$55,796; (2007 - \$52,420).

#### Note 8

#### Deferred Revenue

	2008	2007
Deferred revenue is summarized as follows:		
Livestock Health Investigator:		
Balance, beginning of year	\$ 33,048	\$ 49,291
Recognition of deferred revenue	(11,606)	(16,243)
Balance, end of year	21,442	33,048
Other	13,346	2,846
	<u>\$ 34,788</u>	<u>\$ 35,894</u>

# ABP Financial Statements

## Notes to the Financial Statements

### ALBERTA BEEF PRODUCERS

March 31, 2008

#### Note 9 Grants

	2008	2007
Cattle Price Insurance Program - During the year, ABP received funding from the Federal Agricultural Policy Framework for phase 2 of a project studying the feasibility of cattle price insurance.	\$ 238,694	\$ 133,359
Tune into Program - During the year, ABP received funding from the Alberta Livestock Industry Development Fund (ALIDF) for the development of a five part DVD/TV program to speak to the beef consumers about the important role Alberta's beef producers play in the economic well-being of Alberta.	41,205	-
Classroom Agricultural Program (CAP) - During the year, ABP received funding from the Agricultural Initiatives Program for the development of multi-commodity educational resources role used in Alberta classroom presentation.	40,000	-
Captive Supply Project	-	25,000
	<u>\$ 319,899</u>	<u>\$ 158,359</u>

## Notes to the Financial Statements

### ALBERTA BEEF PRODUCERS

March 31, 2008

#### Note 10 Related Party Transactions

(a) National organizations

The Alberta Beef Producers Plan provides for ABP to be the provincial member of, and to contribute funds to national organizations. During the year ABP provided funding to the Canadian Beef Cattle Research, Market Development and Promotion Agency and the Canadian Cattlemen's Association ("CCA"). As a contributing organization, ABP is entitled to representation as follows:

- (i) Canadian Beef Cattle Research, Market Development and Promotion Agency:
  - (a) A number of seats on the Board of Directors of the Canadian Beef Cattle Research, Market Development and Promotion Agency. For the year ended March 31, 2008 ABP was entitled to three of the sixteen seats.
  - (b) A number of representatives to the Beef Information Centre committee based on its proportionate share of total funding. For the year ended March 31, 2008 ABP was entitled to six of the twelve seats.
  - (c) A representative on the Executive Committee of Canada Beef Export Federation, as a non-government organization annually contributing \$500,000 or more. For the year ended March 31, 2008 ABP was entitled to one seat on the ten member executive.
  - (d) A number of representatives to the Beef Cattle Research Council based on its proportionate share of total funding. For the year ended March 31, 2008 ABP was entitled to four of the eleven seats.
- (ii) Canadian Cattlemen's Association (CCA)
 

The number of seats on the Board of Directors of the CCA is based upon provincial marketings. For the year ended March 31, 2008, ABP was entitled to eight of the twenty-eight seats.

	2008	2007
CCA Monthly Assessments	\$ 1,214,505	\$ 764,916
CCA Special Assessments		
US trade defense and advocacy lobbying	\$ 196,822	\$ 549,318
Federal lobbying and advocacy efforts	72,713	480,315
	\$ 269,535	\$ 1,029,633

# ABP Financial Statements

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## Notes to the Financial Statements

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### ALBERTA BEEF PRODUCERS

March 31, 2008

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#### Note 10

Related Party  
Transactions  
(continued...)

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ABP made additional payments to the foregoing parties for contracted services and for special beef marketing opportunities as follows:

	2008	2007
Payments to Beef Information Centre:		
BSE recovery programs	\$ 525,000	\$ 1,300,000
Payments to Canfax, a division of CCA:		
Producer liaison	57,863	63,600
Payment to CCA:		
Cattle industry council	-	4,500
	<hr/> \$ 582,863	<hr/> \$ 1,368,100

# ABP Financial Statements

## Notes to the Financial Statements

### ALBERTA BEEF PRODUCERS

March 31, 2008

#### Note 11

##### Director and Delegate Expenses

Director and delegate honoraria and expenses are included with the costs of the national organization and committee expenses. The amounts included in each of the categories are as follows:

	2008	2007
Promotion	\$ 113,970	\$ 117,473
Canadian Cattlemen's Association	71,247	53,812
Public affairs	41,479	47,604
Government affairs	34,304	46,015
Cattle feeder council	31,714	31,878
Technical	27,866	42,474
Producer liaison	21,376	14,830
Cattle industry council	2,143	2,331
	<u>\$ 344,099</u>	<u>\$ 356,417</u>

#### Note 12

##### 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:

2009	\$ 158,636
2010	137,884
2011	144,484
2012	147,444
2013	153,364
Thereafter	104,216
	<u>\$ 846,028</u>

Funding of research projects:

Funding of research projects is contingent upon researchers meeting certain criteria prior to payments being advanced. The obligations for payments are only recorded in the financial statements when such criteria have been met. If the researchers meet such criteria for all projects outstanding March 31, 2008 the additional charges will be \$459,357 (2007- \$390,307).

## Notes to the Financial Statements

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### ALBERTA BEEF PRODUCERS

March 31, 2008

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#### Note 13

##### Financial Instruments

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###### *Fair value*

ABP's carrying values of accounts receivable and accounts payable and accrued liabilities approximate their fair values due to the immediate or short term maturity of these instruments. Cash, internally restricted cash, and investments are measured at their fair value.

###### *Interest rate risk*

ABP is subject to interest rate risk relating to the income earned on its interest bearing investments as these investments have a fixed interest rate for a specified period of time as well as its operating bank account which bears interest at prime less 2% per annum.

###### *Credit risk*

Financial instruments that potentially subject ABP to concentrations of credit risk consist primarily of accounts receivable. In the normal course of business, ABP evaluates the financial condition of its customers on a continuing basis. Management assesses the need for allowances for potential credit losses by considering the credit risk of specific customers, historical trends, and other information.

###### *Currency risk*

Currency risk is the risk to ABP's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. ABP is exposed to foreign currency exchange risk on cash, accounts receivable, and accounts payable held in U.S. dollars to an immaterial level. ABP does not use derivative instruments to reduce its exposure to foreign currency risk.

#### Note 14

##### Comparative Figures

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Certain 2007 comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.



# ABP Operations Budget

ALBERTA BEEF PRODUCERS Operations Budget for 2009/2010	Proposed Budget 2009/2010	Dollars per head	Notes	Current Budget 2008/2009	Actual 2007/2008
<b>Marketings</b>	<b>4,000,000</b>			<b>4,000,000</b>	<b>4,466,665</b>
Revenue:					
ABP Service Charge and Federal Levy	12,000,000	3.0000	A	12,000,000	13,399,995
Less Allowance for net interprovincial sales	200,000	0.0500		200,000	170,574
Less Dealers' Rebates	200,000	0.0500		200,000	223,333
	11,600,000	2.9000		11,600,000	13,006,088
Investment and other income	200,000	0.0500		75,000	317,774
Grants and recognition of deferred revenue					331,505
<b>Total Revenue</b>	<b>11,800,000</b>	<b>2.9500</b>		<b>11,675,000</b>	<b>13,655,367</b>
Expenses:					
<b>Canadian Beef Cattle Research, Market Development and Promotion Agency:</b>			<b>B</b>		
Beef Information Centre	2,560,000	0.6400		2,636,600	2,971,005
Canada Beef Export Federation	1,010,800	0.2527		1,087,400	1,225,317
Beef Cattle Research Council	349,200	0.0873		196,000	220,859
National Check-off Agency	80,000	0.0200		80,000	90,147
<b>Federal Trade and Market Assess Programs:</b>					
U.S. and International Trade Management	100,000	0.0250		200,000	68,739
National Governance and Oversight	126,000	0.0315		103,000	104,801
Enhanced Federal Lobbying	75,000	0.0188		100,000	32,628
Commercial Beef Utilization	-			-	525,000
ABP - U.S. Legal	-			150,000	-
Canadian Cattlemen's Association	1,600,000	0.4000	C	1,500,000	1,267,718
CCA - International Legal Contingency	200,000	0.0500		350,000	196,822
<b>Board and Delegate Expenses, ABP Governance and Provincial Initiatives:</b>			<b>D</b>		
Annual General Meeting	175,000	0.0438		175,000	140,469
Fall meetings, resolutions, new delegate orientation	115,000	0.0288		100,000	104,328
Zone activities	108,000	0.0270		108,000	68,857
Semi Annual Meeting	100,000	0.0250		100,000	107,028
Board meetings	100,000	0.0250		100,000	182,822
Board appointed representatives	100,000	0.0250		98,500	1,341
Executive	75,000	0.0188		100,000	64,008
Board sponsorships	50,000	0.0125		54,500	30,987
<b>Provincial Initiatives:</b>					
Feed Grain Research Project	300,000	0.0750	E	250,000	-
Partnership projects	140,000	0.0350		141,000	142,971
Other board actions	100,000	0.0250		-	-
Annual Report	100,000	0.0250		77,000	73,524
Canfax membership	60,000	0.0150		53,400	53,400
Provincial government advocacy	40,000	0.0100		-	-
<b>ABP Governance:</b>					
Governance Committee	25,000	0.0063		-	-
Audit Committee	15,000	0.0038		-	-
<b>Council, Committee and Project Expenses:</b>					
Communications					
ABP Image campaign					
ABP Promotion materials					
Education programs					
Community relations					
Technical Committee projects					
ABP Research funding					
Environment					
Animal welfare					
Government Affairs projects					
Committee and working group expenses					
Cattle Feeder Council					
Association Council (formerly Cattle Industry Council)					
Cow Calf Council					
<b>Total Council, Committee and Project Expenses:</b>	<b>1,505,000</b>	<b>0.3763</b>	<b>F</b>	<b>2,134,400</b>	<b>1,369,693</b>
<b>Management, operations and administration:</b>			<b>G</b>		
Salaries and benefits	1,160,000	0.2900		1,115,000	935,776
Office supplies and equipment	640,000	0.1600		592,000	427,605
Legal, audit and consulting, ABP plan review	240,000	0.0600		300,000	247,057
Grants, deferred revenue and research commitments from the reserve					551,145
<b>Total expenses</b>	<b>11,249,000</b>	<b>2.8123</b>		<b>11,901,800</b>	<b>11,204,047</b>
Excess of revenue over expenses	551,000	0.13775		(226,800)	2,451,320
Trade Advocacy Reserve Allocation	(500,000)	(0.1250)			(1,500,000)
<b>Net excess of revenue over expenses</b>	<b>51,000</b>	<b>0.01275</b>		<b>(226,800)</b>	<b>951,320</b>
<b>Capital Budget</b>	<b>35,000</b>	<b>0.00875</b>		<b>35,000</b>	<b>35,000</b>

See next page for notes to the proposed operations budget

# Notes to the ABP proposed operations budget for 2009/2010

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- A. Marketings. The budget is based upon an estimated 4,000,000 marketings at \$3.00 per head.
- B. The Canadian Beef Cattle Research, Market Development and Promotion Agency. This agency is part of the National Global Beef Marketing Strategy which is an industry-wide initiative designed to maximize the effectiveness of the limited funding available for market development programs in domestic and international arenas.
- C. Canadian Cattlemen's Association Membership. Alberta Beef Producers' commitment to the national organization continues to ensure that CCA has resources available to continue to effectively execute its trade and market access programs.
- D. Board and Delegate Expenses, ABP Governance and Provincial Initiatives. The budget presentation is formatted to reflect ABP plan and structure changes currently being considered. This category of expenses reflects the costs involved in running a democratic organization and specifically addresses the monies required to provide remuneration to delegates and to directors; to hold meetings; and to ensure that ABP is represented at all industry events having the power to impact Alberta's cattle producers. This budget area reflects costs previously associated with a committee or with a project assignment. The number of committees and their responsibilities is under review with the intention of streamlining operations.
- E. Feed Grain Research Project. Concerns over the competitiveness of our feed grain production were addressed by the Informa Competitiveness Study. As a result, the Board of Directors has made a five year commitment to funding a Cattle Feed Grain Research initiative. The Board anticipates that this funding will be increased by contributions from other commodities and government agencies, thereby creating strong momentum for cattle feed grain research in this province.
- F. Council, Committee and Project Expenses. Once the ABP delegate body approves the ABP Plan changes there will be a reflective change in ABP's structure. Business will be conducted through one of three councils, through the Board of Directors or through working committees depending upon specific needs and/or the issues of the day. This budget area reflects funds allocated to ongoing endeavours such as stewardship, animal health, promotion, research and communications. Within these areas, ABP will continue to work for market access; to provide leadership on research initiatives and environmental policy; and to promote the Alberta beef industry's image. ABP's new structure will enable the Board of Directors and delegates to respond quickly and effectively to emerging issues, thereby ensuring the competitiveness and long-term sustainability for our industry for the benefit of Alberta beef producers.
- G. Management, Operations and Administration. This budget item represents the costs associated with employing staff; running an office; auditing the financial statements; and hiring legal counsel and consultants as required.

# CCA Financial Statements

## CANADIAN CATTLEMEN'S ASSOCIATION

Schedule of Revenue, Expenditure and Net Assets (Unaudited)

Year ended June 30, 2008, with comparative figures for 2007

	2008		2007	
Revenue				
Assessments				
Alberta	\$1,346,920	45.6%	\$817,260	33.3%
Saskatchewan	487,540	16.5%	312,591	12.8%
Ontario	396,577	13.4%	210,080	8.6%
Manitoba	214,909	7.3%	89,865	3.7%
British Columbia	102,301	3.4%	42,998	1.7%
Nova Scotia	10,823	0.4%	5,505	0.2%
New Brunswick	9,019	0.3%	4,910	0.2%
Prince Edward Island	8,761	0.3%	4,612	0.2%
	2,576,850	87.2%	1,487,821	60.7%
Special assessment	298,806	10.1%	264,707	10.8%
Other	36,520	1.2%	21,614	0.9%
Memberships	35,250	1.2%	43,500	1.8%
Interest	8,447	0.3%	8,790	0.3%
Provincial services agreement	-	0.0%	624,011	25.5%
<b>Total revenue</b>	<b>2,955,873</b>	<b>100.0%</b>	<b>2,450,443</b>	<b>100.0%</b>
Expenses:				
Advocate services	881,509	31.0%	624,011	24.5%
Calgary office	680,131	23.9%	551,702	21.6%
Ottawa office	306,813	10.8%	270,642	10.6%
Contingency	298,806	10.5%	208,269	8.2%
CCA division services	224,255	7.9%	203,307	8.0%
Executive and finance committee	102,670	3.6%	139,485	5.5%
Annual meeting	73,471	2.6%	59,272	2.3%
Semi annual meeting	60,532	2.1%	38,613	1.5%
Foreign trade committee	55,438	2.0%	147,413	5.8%
Animal health and meat inspection	51,121	1.8%	76,238	3.1%
Communications	34,477	1.2%	31,071	1.2%
Animal Care Committee	18,718	0.7%	-	-
Environment	16,956	0.6%	151,612	5.9%
Convention	14,583	0.5%	(573)	-
Domestic agriculture policy	13,431	0.5%	16,736	0.6%
Five country	6,695	0.2%	31,391	1.2%
Value Creation & Competitiveness	3,775	0.1%	993	-
Export Council	582	0.0%	-	-
<b>Total expenses</b>	<b>2,843,963</b>	<b>100.0%</b>	<b>2,550,182</b>	<b>100.0%</b>
Excess (deficiency) of revenue over expenses	111,910		(99,739)	
Net assets, beginning of year	162,674		262,413	
<b>Net assets, end of year</b>	<b>\$274,584</b>		<b>\$162,674</b>	

# BIC Financial Statements

## BEEF INFORMATION CENTRE

Schedule of Revenue, Expenditure and Net Assets (Unaudited)  
Year ended June 30, 2008, with comparative figures for 2007

	2008		2007	
Revenue				
Assessments				
Alberta	\$2,519,142	27.5%	\$2,706,793	27.7%
Saskatchewan	855,905	9.3%	764,059	7.8%
Ontario	537,208	5.8%	583,857	6.0%
Manitoba	345,576	3.8%	378,568	3.9%
British Columbia	217,014	2.4%	188,802	1.9%
Prince Edward Island	6,000	0.1%	6,000	0.1%
Nova Scotia	4,000	0.0%	4,000	0.1%
New Brunswick	81	0.0%	4,846	0.1%
	4,485,026	48.9%	4,636,925	47.6%
CBCMDF US	1,817,823	19.8%	1,577,477	16.2%
CBCMDF Commercial Beef	1,588,750	17.3%	2,008,045	20.6%
ABP Recovery Strategy	525,000	5.7%	925,000	9.5%
National Check Off US	298,398	3.2%	318,266	3.3%
Interest	251,767	2.7%	231,466	2.3%
ALIDF	220,000	2.4%	-	0.0%
Grants, Government Funding, other	-	0.0%	50,000	0.5%
Total revenue	9,186,764	100.0%	9,747,179	100.0%
Expenses:				
U.S. market development	2,423,764	25.4%	2,103,303	19.7%
Commercial beef	2,118,334	22.1%	2,008,045	18.8%
Retail marketing	678,101	7.1%	782,759	7.3%
Brand management and research	604,239	6.3%	727,988	6.8%
Consumer culinary services	516,893	5.4%	545,097	5.1%
Nutrition and food safety	513,826	5.4%	1,199,311	11.2%
Customer service centre	504,543	5.3%	667,283	6.2%
Foodservice marketing	485,001	5.1%	631,746	5.9%
Consumer communications	349,026	3.6%	443,948	4.2%
Processing development	267,228	2.8%	278,368	2.6%
Stakeholder communications	242,823	2.5%	243,070	2.3%
Trade communications	222,954	2.3%	296,883	2.8%
BIC Corporate planning	168,669	1.8%	205,564	1.9%
Mississauga office	167,319	1.7%	226,033	2.1%
Calgary office	101,515	1.1%	115,162	1.1%
Funding and evaluation	99,502	1.0%	133,708	1.2%
BSE Recovery marketing contingency	56,674	0.6%	18,326	0.2%
BIC Committee	45,975	0.5%	59,305	0.6%
Total expenses	9,566,386	100.0%	10,685,899	100.0%
Excess (deficiency) of revenue over expenses	(379,622)		(938,720)	
Net assets, beginning of year	4,770,057		5,708,777	
Net assets, end of year	\$4,390,435		\$4,770,057	

# BCRC and CBCRMPA Financial Statements

## BEEF CATTLE RESEARCH COUNCIL

Schedule of Revenue, Expenditures and Net Assets (Unaudited)  
Year ended June 30, 2008, with comparative figures for 2007

	2008		2007	
Revenue:				
Vitamins Class Action Funds	\$765,115	37.3%	\$338,724	33.3%
On Farm Implementation	718,373	35.0%	84,905	8.3%
National Check Off	468,186	22.8%	-	-
Miscellaneous Revenue	51,417	2.5%	44,519	4.4%
On Farm Food Safety	49,285	2.4%	79,471	7.8%
BCRC Division Services	-	0.0%	469,612	46.2%
<b>Total revenue</b>	<b>2,052,376</b>	<b>100.0%</b>	<b>1,017,231</b>	<b>100.0%</b>
Expenses:				
On Farm Implementation	718,373	41.6%	84,905	10.7%
Projects	536,923	31.1%	496,828	62.6%
Quality Starts Here	311,394	18.0%	40,748	5.1%
BCRC division services	111,802	6.5%	108,368	13.6%
On Farm Food Safety	49,285	2.8%	63,260	8.0%
<b>Total expenses</b>	<b>1,727,777</b>	<b>100.0%</b>	<b>794,109</b>	<b>100.0%</b>
Excess of revenue over expenses	324,599		223,122	
Net assets, beginning of year	1,243,177		1,020,055	
<b>Net assets, end of year</b>	<b>\$1,567,776</b>		<b>\$1,243,177</b>	

## CANADIAN BEEF CATTLE RESEARCH, MARKET DEVELOPMENT & PROMOTION AGENCY

Schedule of Revenue, Expenses and Net Assets (Unaudited)  
Year Ending June 30, 2008 with comparative figures for 2007

	2008		2007	
Revenue:				
Alberta	\$4,131,027	51.0%	\$4,438,748	53.2%
Ontario	1,167,046	14.4%	1,268,151	15.2%
Saskatchewan	1,746,744	21.5%	1,559,305	18.7%
Manitoba	679,317	8.4%	744,172	8.9%
British Columbia	355,871	4.5%	309,608	3.7%
New Brunswick	83	0.0%	4,945	0.1%
Nova Scotia	74	0.0%	-	0.0%
Interest Earned	19,606	0.2%	18,189	0.2%
<b>Total Revenue</b>	<b>8,099,768</b>	<b>100.0%</b>	<b>8,343,118</b>	<b>100.0%</b>
Expenses:				
Administration	160,121	2.0%	123,466	1.5%
Beef Information Centre	4,475,025	55.4%	4,626,925	55.9%
Canada Beef Export Federation	2,333,611	28.9%	2,370,064	28.6%
Beef Cattle Research Council	468,185	5.8%	469,612	5.7%
Beef Information Centre - US Market Development	298,398	3.7%	318,266	3.8%
Miscellaneous	343,340	4.2%	373,564	4.5%
<b>Total Expenses</b>	<b>8,078,680</b>	<b>100.0%</b>	<b>8,281,897</b>	<b>100.0%</b>
Excess of revenue over expenses	21,088		61,221	
Surplus, beginning of Year	271,684		210,463	
<b>Surplus, end of Year</b>	<b>\$292,772</b>		<b>\$271,684</b>	

# CBEF Financial Statements

## CANADA BEEF EXPORT FEDERATION

Schedule of Revenue, Expenditure and Members' Surplus (Unaudited)

Year ended March 31, 2008 with comparative figures for 2007

	2008		2007	
<b>Revenue:</b>				
Cdn Beef & Cattle Mking Development Fund	\$2,392,191	36.0%	\$2,123,632	33.4%
Agriculture and Agri-Food Canada	1,066,684	16.1%	1,163,522	18.3%
International, Intergovernmental and Aboriginal Relations (formerly AED)	500,000	7.5%	500,000	7.9%
Memberships	111,000	1.7%	115,292	1.8%
Partner (Export Members) contributions	87,721	1.3%	93,731	1.5%
Other	75,359	1.1%	(47,330)	(0.8)%
Saskatchewan Agriculture and Food	10,000	0.1%	10,000	0.2%
National Beef Industry Development Fund	-	0.0%	74,000	1.2%
National check off:				
Alberta	1,202,548	18.2%	1,192,748	18.8%
Saskatchewan	667,122	10.0%	619,125	9.7%
Ontario	247,163	3.7%	245,594	3.9%
Manitoba	183,729	2.8%	181,684	2.8%
British Columbia	96,749	1.5%	84,163	1.3%
<b>Total revenue</b>	<b>6,640,266</b>	<b>100.0%</b>	<b>6,356,161</b>	<b>100.0%</b>
<b>Expenses:</b>				
Market development:				
Japan market development program	1,374,046	22.1%	1,484,682	23.3%
Mexico market development program	1,202,554	19.4%	1,080,446	17.0%
Korea market development program	522,998	8.4%	597,489	9.4%
China market development program	793,180	12.8%	856,869	13.5%
Taiwan market development program	444,621	7.2%	330,820	5.2%
Canada market development program	325,162	5.2%	412,769	6.5%
Partner market development program	350,885	5.7%	374,925	5.9%
Operations	1,189,605	19.2%	1,220,374	19.2%
<b>Total expenses</b>	<b>6,203,051</b>	<b>100.0%</b>	<b>6,358,374</b>	<b>100.0%</b>
Excess (deficiency) of revenue over expenses	437,215		(2,213)	
Members' surplus, beginning of year	4,338,562		4,340,775	
<b>Members' surplus, end of year</b>	<b>\$4,775,777</b>		<b>\$4,338,562</b>	

## Sitting Delegates



**John De Groot**  
Vauxhall  
403-725-2143



**Gerald Maser**  
Manyberries  
403-868-2423



**Bruce Niznik**  
Brooks  
403-362-3868



**Max Tateson \***  
Tilley  
403-377-2007



**Howard Bekkering**  
Vauxhall  
403-654-2903

**ZONE 1 INCLUDES:** Vulcan County; County of Newell No.4; County of Forty Mile; Cypress County; M.D. of Taber; Special Area No.2 South of the Red Deer River

## Elected by Acclamation

**Brad Calvert** and family run a mixed farm and commercial cow operation near **Bow City**. They primarily raise cattle and hay but also background their calves. Brad just completed his wipeout year and is looking forward to returning to ABP as a zone delegate.

**Gerry Fowlie** and family operate a cow/calf operation near **Bindloss**. Problems, big and small, will always arise for the cattle industry.

"We need to take a positive, proactive approach to solving the problems and promoting the beef industry."

**Mark Francis** is a fourth generation rancher and operates a cow/calf operation with his brother near **Taber**. Mark volunteered on the Board of the Ken McDonalds Sports Field Society, Taber and District Soccer Association as vice president and then president, and on various church boards. Mark is returning for his second term and is very interested in continuing to serving as a delegate so he can assist his fellow cattle producers to help ensure the future of the cattle industry in Alberta.

\* **Max Tateson** has been appointed by the Zone Committee of delegates and approved for a one-year term by the Board of Directors commencing November 17, 2008.

## Cattle Feeder Council Delegate:

**Chuck MacLean** and his wife live in **Medicine Hat**. Chuck is returning for his third term as a CFC delegate. Chuck has served as the CFC representative to the Board of Directors and is currently ABP's representative to CBEF. Chuck has worked in most segments of the industry; from ranching, auction markets and stockyards, intensive livestock, as a livestock dealer and exporter.

At present he is a shareholder of Porter & MacLean Livestock Management Inc. This company, located in Medicine Hat, specializes in helping with risk management livestock procurement for feedlots and packing plants. They are also exporters of all classes of feeder cattle and post BSE had some of the first cattle, by way of Cargill Foods, shipped to Japan. Their company supports age verification and sees the need and benefits helping producers free of charge to get their cattle in the system since 2004. The feeding arm of the business is located at Bow Island. It is one of the area's major feeders and supports and promotes the use of the technology for today and the future.

"The industry is facing many challenges which are not new. In my opinion, ABP has worked hard to represent all aspects of the industry. We on the committees and councils will continue to represent producers and be leaders and spokesmen for the industry. My one hope for the future is that, whether you are critical or a supporter of ABP, you get involved with your time and knowledge, become informed and listen before you react."

## Sitting Delegates



**Rick Burton**  
Claresholm  
403-625-2234



**Judy Nelson**  
Lundbreck  
403-628-2381



**Bob Lowe**  
Nanton  
403-646-0051



**Anne Stevick**  
Pincher Creek  
403-627-4733



**Joe Groenenboom**  
Coalhurst  
403-320-6948



**ZONE 2 INCLUDES:** County of Warner No. 5; County of Lethbridge No.26; Cardston County; M.D. of Pincher Creek; M.D. of Willow Creek; M.D. of Ranchlands; Improvement District No. 4 (Waterton); Kananaskis Improvement District

## Elected by Acclamation

**Brent Carey** and his family run a cow/calf operation west of **Stavely**. This will be Brent's third term as an ABP delegate. His has been the zone 2 director on the Board of Directors for the past three years.

"It is my pleasure to serve the beef producers of Alberta. I will continue to stress active communication at all levels. I hope to see as many producers as possible at the fall meetings to discuss current issues facing the cattle industry at this time."

**Cecilie Fleming** "All my life I have lived the ups and downs of the cattle industry."

For the first 20 years, Cecilie was raised on a cow/calf operation east of Taber and for the past 30 years just west of **Granum** in the MD of Willow Creek. Cecilie and her husband Duncan, and children Cooper and Ricki, run a purebred Angus herd as well as a commercial cow/calf operation along with a mixed grain farm. Cecilie has always been and will continue to be a dedicated volunteer and board member on a local, provincial and national level. Cecilie is returning for her second term.

"I value all producers and sectors of the livestock industry. Like it nor not, we are linked together. We are in times of change and we must adapt to these changes or become extinct. We must strive to be innovative, try new concepts, stay informed and continue to be life long learners. I have a common sense approach; I value hard work, honesty and respect. I have always been an advocate for the livestock and industry and I welcome your support at the fall meetings."

**Tom Toney** runs a cow/calf operation of approximately 200 cows in the foothills near **Pincher Creek**. Typical of most ranchers, Tom has had to deal with circumstances such as BSE, weather issues and

rising costs of production which are difficult and beyond the producer's control. Tom also recognizes numerous concerns within the cattle industry which need to be addressed. So rather than sit back and simply complain, Tom hopes that his contributions will help to move ABP in a direction for change.

### Cattle Feeder Council Delegate:

**John Schooten** and his wife Patty live, and have raised, their four sons near **Monarch** and have been in the feedlot business for over thirty years. They custom feed, background and finish Alberta beef. Sons Shane, who is married to Kristen, and Cody manage "Schooten & Sons Custom Feedyards Ltd," north of Diamond City when John is away for either ABP or CCA business. Shane and Cody also run a custom silage business and with their great staff they run a yearling grass program as well farm irrigated barley and corn silage. Michael and Tiffany and granddaughter Georgia live in Lethbridge where Mike works in the family business. Justin, the youngest son, is in his third year of Business Management majoring in accounting. John is ABP's representative on CCA's executive as well he chairs the Value Creation and Competitiveness Committee and works on the Animal Care and Foreign Trade committees. John is also CCA's representative to CBGA and ILC.

John's commitment to CFC is to listen to Zone 2 producers' concerns and objectives: to be their voice at CFC meetings, while gaining knowledge for staff and the council to make informed decisions which will impact our industry today as well as secure a vibrant future cattle industry for our families and the next generation.

**Vacant**



## Sitting Delegates



**Brian Edge**  
Cochrane  
403-932-3763



**Joanne Fenton**  
Cremona  
403-637-2127



**Larry Gano**  
Cremona  
403-637-2125



**Chuck Groeneveld**  
High River  
403-938-7843



**Stuart Thiessen**  
Strathmore  
403-934-6122

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

## Election Candidates

**Sara Arthurs** was born and raised on a beef farm southwest of **Didsbury** and now resides two miles northwest of there. Sara and her dad run a herd of 100 purebred Red Angus cattle. Sara is involved with the Canadian Reds Bull Sale and Test since 1982 and has been an active member and volunteer of the West Didsbury 4-H Club for 20-plus years.

Sara has served as a delegate for two years on the Producer Liaison and Promotion committees. She has been on the website and image campaign sub-committees.

"The beef industry is my love and passion. As a producer I look forward to having the chance of representing the producer at delegate level and, in doing so, helping to strengthen and promote the competitiveness of the Alberta beef industry."

Sara is looking forward to continuing to serve producers.

**Rosemary Brocklebank** was raised on a farm near Okotoks and operates a mixed farm west of **High River** with her husband Bart. For 30-plus years they have had a 100 head cow/calf and feed grains operation. Since selling their cows in 2007, they have turned more land into grazing crops and run approximately 1,400 head of yearlings using intensive rotational grazing methods.

Rosemary has always felt fortunate they were able to raise their daughters in this area and enjoyed having them learn the rich history that is Alberta's past. Having always felt she should give back to community, Rosemary has been a volunteer in many areas. She used her fundraising skills with major projects for organizations such as the East Longview Community Hall Board and the High River United Church. At present, she is a board member of the Friends of the Bar U National Historic Site.

The hard work contributed by past ABP members is commendable and Rosemary would like to offer her time as a delegate.

"The outlook is brighter for the beef industry but we need to continue working within existing reputable organizations such as ABP and CCA. Arrows slung from splinter groups do not strengthen our reputation with provincial and federal governments or with consumers."

**Gordy Cunningham** has been ranching southwest of **Sundre** since the early 70's. At present he is in partnership with his brother running 500 commercial cows, backgrounding a percentage of their own calves that are not sold off the cows. He has been a delegate for the past four years and finds the involvement very challenging with the difficulties facing the cattle industry and still very rewarding working alongside very committed, enthusiastic, quality people. Recently, Gordy was appointed to the new Cow/Calf Council and as an ABP representative

on the Cows and Fish board. Gordy hopes, with your support, to continue with these commitments for another term as a delegate for ABP.

**Ryan Hodgson** was born and raised in the Foothills of Southern Alberta where he lives and works on the family cow/calf ranch located southwest of **Okotoks**. He is a full time college student working towards his Environmental Stewardship Diploma, and then plans to further his education by obtaining a degree in agriculture.

Ryan has participated in many Junior and Jackpot livestock shows growing up. He was an active member of 4-H for 12 years, and in 2009 was named the Premier's Award Recipient and 4-H Ambassador. He has a passion for agriculture and enjoys promoting the industry whenever the chance comes about. Ryan is a member of the Calgary Exhibition & Stampede's Agriculture Education Committee, as well as the Royal Agriculture Society of the Commonwealth (RASC) – Next Generation.

"With agriculture being one of Canada's leading industries it is important to keep our youth active and interested in agriculture. I believe I could bring a youth perspective to Alberta Beef Producers and be an excellent ambassador for this zone."

**David W. Lowe** is a fourth generation rancher currently operating a cow/calf – feeder operation in the **Cochrane** district. As a producer who, along with his wife Trina & three daughters, derives their living solely from beef production. David is concerned with the direction our industry is going. Increased regulations and government intervention does not necessarily mean a stronger bottom line.

David would like to volunteer his time wherever it is needed to help insure a future for the next generations.

### **Cattle Feeder Council Delegate (Elected by acclamation):**

**Don Evans** has been involved in all aspects of the cattle industry (cow/calf, backgrounding and feedlot) all his life; mostly in the Balzac area until his move this year to south of **Madden**. He has also been an order buyer for 25 years. Don has been very involved in 4-H programs, the Feeders association and as a Calgary Stampede volunteer.

Don and his wife Trudy now run 225 cow/calf pairs and finish cattle in various local feedlots. They have three grown children living in the area, all with part-time agricultural interests. Don feels we need much better communication between the industry sectors to compete in the North American and global markets.

## Sitting Delegates



**Margaret Kvigstad**  
Metiskow  
780-753-6769



**Frank Murphy**  
Altario  
403-552-2191



**Walter Suntjens**  
Hanna  
403-779-2212



**Carol Wilson**  
Killam  
780-385-3060



**ZONE 4 INCLUDES:** County of Paintearth; Flagstaff County; M.D. of Acadia; M.D. of Provost; M.D. of Wainwright No. 61; Special Area No.2 North of the Red Deer River; Special Area No. 3; Special Area No. 4

## Elected by Acclamation

**Henry Fenton** has been involved in the cattle industry throughout his entire life. He runs a commercial cow/calf operation in the **Irma** area. He has experience in the purebred sector as well as running yearlings, taking them through to finish. He is involved in the local grazing association and has spearheaded development of a dozen different watering sites within the lease to better utilize the range and protect riparian areas. Henry believes that we need a strong voice, to maintain a strong organization to develop policy for our industry.

**Brad Pierson** runs a backgrounder, grass yearling operation with his wife and daughter near **Wardlaw**. Brad has completed two terms as an ABP delegate and is currently serving on the Promotion Committee. This past year, the committee has made some big strides by launching a new marketing campaign. There will be opportunities to expand on this venture to promote our image and sell more beef.

“My mindset is to continually measure the progress of this project to make sure we are spending our money wisely.”

Brad is looking forward to serving for another term.

**Pat Rutledge** runs a cow/calf/yearling operation along with his wife, daughter and son-in-law near **Kirriemuir**. As their yearlings reach 900 lbs they place them in commercial feedlots and retain ownership through to the meat counter. This has given them a perspective of the pasture to plate concept. Pat has spent time at the meat counter talking to customers as well as meat managers. Pat

has completed one term as a delegate and sits on the Technical Committee as well as the Verified Beef Committee.

### Cattle Feeder Council Delegate:

**Craig Ference** and family operate Double F Farms, which includes a feedlot and farm at **Kirriemuir** and a property at Biggar, SK. Craig and his father run a 1,700 head cow/calf and a 2,500 head backgrounding/finishing lot. Craig was a part of 4-H beef while in grade school and active in numerous clubs and organizations at University. Craig hopes to provide a younger persons perspective of the cattle business and the challenges it presents. Craig looks forward to being involved in ABP and the future of the Alberta cattle industry.



## Sitting Delegates



**Warren Beck**  
Delburne  
403-749-2953



**Doug Sawyer**  
Pine Lake  
403-886-2525



**Rob Somerville**  
Endiang  
403-579-2406



**Rose Wymenga**  
Leslieville  
403-729-2360

**ZONE 5 INCLUDES:** County of Stettler; Lacombe County; Red Deer County; Starland County; Kneehill County; Clearwater County

## Elected by Acclamation

**Charlotte Johnson**, her husband Alvin, and children Peyton, aged six, and Kaden, aged four, operate a mixed cattle ranch east of **Olds**. They currently run 150 cow/calf pairs with plans to increase to 200 head in the next few years. They have a predominant herd of Gelbvieh cows with a mix of Simmental and Red Angus. Alvin and Charlotte had the opportunity to attend the Ranching for Profit (RFP) School in Edmonton last November. The week they spent at RFP gave them a clear picture of their program and the future of their ranch. They have started with changes to their calving season, breeding season, plus they are selling machinery that isn't being used. They are looking forward to 2009.

Charlotte grew up in the Leslieville area and had the opportunity to work on several cattle ranches. From there, she attended Olds College and has a diploma in Agriculture Production with a major in Beef Management. Charlotte has been employed at various feedlots from High River to Lacombe and feels that she has a very diverse knowledge of the beef industry in Alberta.

In 2004, their daughter was diagnosed with Cystic Fibrosis and shortly after Charlotte became a member of the Central Alberta Chapter of the Canadian Cystic Fibrosis Foundation. She has been the chairperson of the Great Strides Walk for the past two years and is the current Treasurer until her replacement takes over. Charlotte left this role to pursue other interests in her life, one of them being a delegate for the Alberta Beef Producers. Peyton has started Grade One in Trochu and is a very healthy, active farm girl. Kaden will start kindergarten next year and Charlotte is looking forward to having a bit more time to focus on the ranch.

Charlotte is looking forward to serving as a delegate for her area and is eager to learn as much as she can about the beef industry in Alberta.

**Cathy Sharp** and her family own and operate a purebred and commercial cow/calf operation east of **Lacombe**. Cathy has been a delegate for four years and has served on the Promotion Committee as well as Zone Coordinator. Cathy was elected to represent ABP on the Beef Information Centre for three years and Classroom Agriculture Program (CAP) for one year. I was a 4-H member and assistant leader as well as judged grooming, showmanship and oral reasons. I was secretary of the Haynes playschool association. With the many industry issues up for debate we need a strong voice provincially and nationally. We need to support ABP as the voice of the beef producers of this province.

**Arny Tateson** was born and raised in the Brooks area and now ranches together with his wife Donna and his son Matt at **Endiang**. Arny takes an active role in community events most especially in local hockey either coaching or reffing. Anything, he says, that allows all kids to become involved in organized sports. Arny is looking forward to having a more active role in the beef industry that can be provided through the Beef Producers.

### Cattle Feeder Council Delegate:

**Charlie Christie** has sat as a CFC delegate for the past two years. The learning curve has been steep to say the least.

"Charlie is looking forward to the next two year term with some experience that will allow him to contribute even more."

Charlie, along with his father and brother, runs a 200 cow/calf commercial herd and a 2,000 head capacity feedlot west of **Trochu**. They crop 5,000 acres of grain and 400 acres of tame hay. They are, as always, facing challenging times in the beef industry and Charles feels he can contribute to the dedicated and passionate group at ABP.

## Sitting Delegates



**Kevin Boon**  
Tomahawk  
780-339-2283



**Shelley Grundberg**  
Camrose  
780-672-6477



**Adam Moseson**  
Ferintosh  
780-361-7470



**Don Mosicki \***  
Warburg  
780-848-7778



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

## Elected by Acclamation

**Greg Bowie** has a purebred and commercial cow/calf operation near **Ponoka**. He also has a livestock consulting business which focuses on a wide range of operations covering all segments of the cattle industry. Greg has competed four years as an ABP delegate, this past year as the zone 6 representative to the Board of directors. Greg is serving on the Public Affairs Committee and is the chairman of the Environmental Stewardship Award program. Greg believes we need to work together to build stability, profit and pride back into the beef business.

**Roy Eckert** is a cow/calf producer from **New Sarepta**. He believes that the beef industry needs to be represented by beef producers more than ever.

"With recent changes to the Alberta government position on the red meat industry, it is imperative that we provide the leadership and input direction to this important shift. We as beef producers must stay united and active in lobbying the government and industry on our concerns and positions on the beef industry."

**Diane Panrucker** began farming about 20 years ago west of **Hoadley** on approximately 1,000 acres with around 150 head. Later, her son and his family joined this predominantly purebred operation.

Diane is returning for a third term. As an ABP delegate, Diane has had a great opportunity to learn how all sectors of the industry function. Diane served as director in 2007, as well as chair of the Technical Committee. Diane has a background in science

and since joining ABP has been a member of the Technical Committee as this is the area most relevant to her previous experience. Diane also has other industry experience serving as the past president of a national breed association as well as director with the Canadian Beef Breeds Council. Despite the fact that many current issues facing the livestock industry are beyond our control, such as rising fuel and the high dollar, Diane would like to work toward solutions that would see all sector compensated fairly in order to maintain a healthy and safe industry.

\* **Don Mosicki** has been appointed by the Zone Committee of delegates and approved for a one-year term by the Board of Directors commencing September 17, 2008.

### Cattle Feeder Council Delegate:

**Dave Solverson** and family operate **Woodwind Ranch** southwest of **Camrose**. It is a cow/calf to finish outfit, marketing about 1,000 head per year. Dave has served as ACC and ABP delegate for nine years in a number of positions, most recently as the CFC delegate and the CFC representative to the Board of Directors. He is currently a CCA director on the Foreign Trade and Animal Health committees.

"I am proud of Alberta Beef Producers and intend to work to keep our producers competitive."

## Sitting Delegates



**Harvey Hagman**  
Mayerthorpe  
780-786-4409



**Peter Lazowski**  
Newbrook  
780-576-2251



**Chad Meunier**  
Barrhead  
780-674-2299



**Ben Schrader**  
Jarvie  
780-954-2119

**ZONE 7 INCLUDES:** County of Thorhild No. 7; County of Barrhead; County of Athabasca; Lac Ste. Anne County; Woodlands County; M.D. of Opportunity No. 17; Sturgeon County; Westlock County; Yellowhead County; M.D. of Lesser Slave River; Improvement District No. 12; Municipality of Jasper

## Elected by Acclamation

**Ted Ford** and his wife Kaye have a cow/calf and backgrounder operation at **Fawcett**. They moved there a year ago from Red Deer. The cow herd is a three breed rotational cross and are calved in May and June. The calves are usually sold as heavy feeders off grass in August and September. Ted and Kaye intend to increase the cow herd over the next few years.

Ted has a Bachelor of Science in Agriculture from the University of Alberta. He has served his professional association, the Alberta Institute of Agrologists, at the branch level and five years at the Provincial board level including the position of President. He has served on his churches Board of Managers for several years. Ted was employed by Alberta Agriculture for 20 years and ATB Financial for nine years before ranching full time.

Ted is concerned that the cattle industry continues to be industry driven and that the elected delegates have a strong voice in the development of the industry.

“Our industry is export dependant and we need a co-operative environment to open export opportunities and to create a level playing field nationally and internationally.”

**Murray Kerik** and his family run a commercial cow/calf/purebred Angus operation near **Flatbush**. Their children took part in the 4-H program and the experience has proved invaluable now that they are out in the work force. Murray has completed two six-year terms and is looking forward to returning as a delegate. Murray is committed to seeing the beef industry survive. Murray is a member of the

French Creek Beef Club, a local volunteer on the Fire Department for 22 years, is on the Ag Service Board the local Hall Board and Chair of the Local Recreation Board.

**Kelly Olson** and his family operate Ole Farms in the **Athabasca** area. Ole Farms is a cow/calf and purebred red and black Angus operation. Kelly has sat as a delegate on ABP for the past four years and on the Board as a director for three years serving as Finance Chair the last two years. Kelly looks forward to continuing to work towards the improvement of the Alberta cattle industry.

### Cattle Feeder Council Delegate:

**Vacant**



# Election Backgrounder

## Sitting Delegates



**Brian Chomlak**  
Beauvallon  
780-366-2180



**Edward Doktor**  
Vilna  
780-636-2201



**Bill Fox**  
Elk Point  
780-724-3952



**Darcy Eddleston**  
McLaughlin  
780-845-2370



**ZONE 8 INCLUDES:** Smoky Lake County; County of St. Paul; County of Two Hills No. 21; County of Vermilion River No. 24; County of Minburn No. 27; Lamont County; Lakeland County; M.D. of Bonnyville; Regional Municipality of Wood Buffalo; Improvement District No. 24

## Elected by Acclamation

**Stephen Jarema** has been involved with the Alberta Beef Producers for the past two years and has found the experience informing and rewarding. Stephen continues to farm in partnership with his brother, Dan, west of **Smoky Lake**. Due to BSE their cattle focus has changed from pure bred Maine Anjou to a commercial Angus cross herd. It has been a puzzle to meet the agricultural demands for the farming sector in the 2000's. When Stephen escapes from the farm, he enjoys time with his wife Bev and their four children and can quite often be found at various hockey games or his daughter's piano recitals.

"I do not have all of the answers to the farming challenges but I feel that when we have an organization such as ABP working for the farmers there is an advantage to all of us as we work together."

**Lyndon Mansell** runs a cow/calf – backgrounder operation near **Innisfree**. Lyndon served as the delegate for the Cattle Feeder Council and now hopes to once again represent the producers in Zone 8 as a delegate. The ALMS announcement seems to be a step back for democracy, and without guaranteed improvements in the price of our calves, the increased regulatory burden only increases our costs. Lyndon does believe in food safety and ID for traceability.

**Soren Odegard** is a cow/calf producer from the **Willingdon** area. He believes that the beef industry more than ever needs to be represented by beef producers.

"With recent changes to the Alberta government position on the red meat industry, it is imperative that we provide the leadership and input direction to this important shift. We as beef producers must stay united and active in lobbying the government and industry, our concerns and positions on the beef industry."

### Cattle Feeder Council Delegate:

**Vacant**



## Sitting Delegates



**Janys Boyte**  
Elmworth  
780-354-8120



**Pat Eaton**  
Valleyview  
780-524-2332



**Bruce Jack \*\***  
Spirit River  
780-864-2297



**Garth Shaw \***  
Fairview  
780-835-4581

**ZONE 9 INCLUDES:** M.D. of MacKenzie No. 23; M.D. of Northern Lights; North of Chinook Valley Road; M.D. of Clear Hills; Northern Sunrise County; M.D. of Peace; M.D. of Fairview; Birch Hills County; Saddle Hills County; M.D. of Smoky River; M.D. of Spirit River; County of Grande Prairie; M.D. of Greenview; M.D. Big Lakes Zone; Improvement District No. 25

## Elected by Acclamation

**Roland Cailliau** and his wife run a cow/calf operation and a cattle hauling business near **Valleyview** where they have lived and worked since 1980. They have four wonderful children and two granddaughters. A past chairman of the former Valleyview & District Forage Association, Roland has also been a member of other industry organizations.

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

**Lori Kinnee** was raised on a mixed farming operation in Central Alberta. She and her husband and children now ranch in the Peace Country near **Brownvale**. They run a cow/calf backgrounding operation. They are active in the local Ag Society and Forage Associations. Lori has recently returned to the ranch full time and looks forward to where the industry is headed not only for herself, but for the next generation of beef producers.

**Glen Leitch** and his wife Lori have a mixed farm along with their three kids in the **Brownvale** area. Glen runs a cow/calf and backgrounding and sometime finishing at custom lots. Glen has previously been involved in the forage association as a director, currently he is a director of the Whitemud Grazing Reserve, Peace Valley Stockman Association as well as the Peace Country Premium Beef.

\* **Garth Shaw** has been appointed by the Zone Committee of delegates and approved for a one-year term by the Board of Directors commencing November 17, 2008.

\*\* The following motion was passed in each of the Zone 9 sub-zones at the 2007 producer meetings and was approved by the delegate body at the 2007 Annual General Meeting.

“It is hereby resolved the ABP Board of Directors take the necessary steps to remove the requirements for sub-zones in Zone 9 as soon as reasonably possible in order for the amendment to take effect in the fall of 2008.”

The Alberta Beef Producers Plan Regulation has been amended removing the sub-zones and the sub-zone delegates.

2008 is a transition year for these changes. The Zone Committee for Zone 9 has agreed to extend **Bruce Jack's** appointment for one further year.

### Cattle Feeder Council Delegate:

**Vacant**

# 2008 Fall meeting and election schedule

<b>Zone 1</b>	<b>All Meetings 7:00 pm start</b>	<b>Zone 6</b>	<b>All Meetings 7:00 pm start</b>
Oct 28	Milo, Community Hall Erik Butters, ABP Chairman	Oct 28	Camrose, Regional Exhibition John Masswohl, CCA Director Government & International Relations & Richard Stadwieser, Manager, AB Livestock & Meat Agency
Oct 30	Medicine Hat, Ralph's Bar and Grill CCIA Representative	Oct 30	Ponoka, Legion John Knapp, Deputy Minister of Agriculture and Rural Development
Nov 4	Vauxhall, Legion Reynold Bergen, ABP Animal Health & Welfare Manager	Nov 3	David Andrews, Canadian Cattlemen's Market Development Chairman Breton, Community Hall Brad Wildeman, CCA President & Dr. Sandra Honour, Agri-Food System Branch, Agriculture and Rural Development
<b>Zone 2</b>	<b>Meetings 6:30 pm start Free Supper 5:30 pm</b>	<b>Zone 7</b>	<b>All Meetings 7:00 pm start Free supper at 6:00 pm except *</b>
Oct 30	Lethbridge, Perlich Brothers Auction Market Rob Leslie, CANFAX Manager/Senior Analyst	Oct 27	Hattonford, Beaver Meadows Community Hall Rob Leslie, CANFAX Manager/Senior Analyst
Nov 3	Fort MacLeod, Auction Market Ryder Lee, CCA Manager of Provincial Relations	Oct 30	Newbrook, Community Hall Speaker TBA
<b>Zone 3</b>	<b>All Meetings 7:00 pm start</b>	Nov 3	Mayerthorpe, Legion Hall Darcy Davis, CAFTA & International Trade Discussions
Oct 27	Cochrane, Ranch House John Masswohl, CCA Director Government & International Relations	Nov 5	Westlock, Memorial Hall * Supper at 5:30 Brian Nilsson, Beef Industry Discussions
Oct 28	Sundre, West Country Centre John Knapp, Deputy Minister of Agriculture and Rural Development	<b>Zone 8</b>	<b>All Meetings 7:00 pm start except *</b>
Nov 3	Longview, Community Hall Andrea Brocklebank, CCA Research Manager	Nov 12	Flat Lake, Community Hall Speaker TBA
Nov 4	Strathmore, Golf and Country Club Dr. Sandra Honour, Agri-Food System Branch, Agriculture and Rural Development	Nov 13	Marwayne, Community Hall Speaker TBA
<b>Zone 4</b>	<b>All Meetings 7:00 pm start</b>	Nov 14	Hairy Hill, Community Hall * 6:00 PM free supper Speaker TBA
Oct 27	Metiskow Hall Dr. Sandra Honour, Agri-Food System Branch, Agriculture and Rural Development	<b>Zone 9</b>	<b>All Meetings 6:30 pm start Free Supper at 6:00 pm</b>
Oct 29	Veteran, Community Hall John Masswohl, CCA Director Government & International Relations	Oct 27	Manning, Battle River Agricultural Hall Speaker TBA
Nov 3	Bigstone, Community Hall Jake Kotowich, Livestock Product Quality Branch Agriculture and Rural Development	Oct 28	Fairview, Dunvegan Inn Speaker TBA
Nov 5	Killam, Legion Hall Ryder Lee, CCA Manager of Provincial Relations	Oct 30	Grande Prairie, Stonebridge Hotel John Masswohl, CCA Director Government & International Relations
<b>Zone 5</b>	<b>All Meetings 7:00 pm start Free Supper at 6:00 pm</b>	Nov 4	Valleyview, Memorial Hall Speaker TBA
Oct 27	Big Valley, Community Hall		
Oct 29	Leslieville, Community Hall		
Nov 4	Spruce View, Community Hall Ryder Lee, CCA Manager of Provincial Relations		

Alberta Beef Producers  
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