

RISKS AND REWARDS

2017 Annual Report



ALBERTABEEF.ORG

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BOB LOWE
ABP Chair

ABP CHAIR REPORT

As I near the end of my term as Alberta Beef Producers (ABP) Chair, I am struck by the fact that through my whole time in cattle industry organizations, there always seems to be something new and unusual for producers and ABP to deal with. Last year ended with horrible harvest weather across much of the province that left more than a million acres unharvested and the discovery of bovine tuberculosis (bTB) that shook the lives of producers in southeastern Alberta. There were sharp declines in cattle prices from the record highs of 2014 and 2015 that certainly reduced enthusiasm for expansion of our cow herd. The result of the U.S. presidential election created tremendous uncertainty for all countries trading with the U.S. and led to the U.S. withdrawal from the Trans-Pacific Partnership and a commitment to renegotiate North American Free Trade Agreement.

Most of the province had good moisture this spring, but many areas in central and southern Alberta had an extremely hot and dry summer that left grass, crops, and water supplies parched. Our hearts have gone out to our friends and colleagues in B.C. who have been battling horrific wild fires all summer. Late in the summer, producers in Alberta also faced severe risks from fires near Waterton Lakes National Park and grass fires in the southeastern part of the province. We still don't know the full impact of the fires on cattle, fences, buildings, and feed supplies, but Alberta

producers are ready to help our neighbours when we can understand the extent of their needs.

After a slow start and some early communication challenges, the bTB investigation has nearly completed the testing of trace-out herds, leaving only the testing of low risk trace-in herds for this fall and winter. Many herds have been released from quarantine, the cleaning and disinfection on the infected and presumed infected premises has proceeded well and many producers have started restocking. ABP was able to play a strong role in liaison between the Canadian Food Inspection Agency and producers, while both the federal and provincial governments provided relatively prompt and reasonable financial support to the affected producers.

At ABP, a primary purpose of our fall meetings is to hear from grassroots producers and last fall we demonstrated that commitment by spending the beginning of each meeting listening to the producers in attendance. We asked producers about the issues that worried them the most and the actions ABP should take to address these issues. The top three issues of concern for producers last year were financial viability and succession, government policies and regulations, and consumer perceptions and trends. The top recommendations for action were increased work on government relations and increased communication with consumers. What we heard from producers last fall was the basis for the strategic objectives we established for this year.

Other articles in this Annual Report will address our work on building consumer confidence, addressing the competitiveness issues that affect the financial viability of farms and ranches, and supporting activities that encourage young producers to join the industry. I will discuss some of our government relations efforts. For several years, we have placed a high priority on

improving our government relations position and we are starting to reap the benefits of this increased focus. We see our government relations work as an important strategy for ensuring that government policies and regulations enhance the competitive position of producers and our industry.

With the help of our staff member in Edmonton, we are building strong and effective relationships with elected officials, their senior staff members, and the senior bureaucrats in the Alberta government. We have been able to provide clear direction to the government on issues such as the Castle Park and Castle Wildland Park Management Plan, the Alberta Climate Leadership Plan, the grazing lease rental rate framework, and payment for ecosystem services. These relationships do not make our industry immune to impacts from all government legislative and policy decisions, but we have found the government officials generally willing to listen to our points and consider our industry in their actions.

This is a time of risks and rewards for the cattle and beef industry, but I also see it as a time of challenges and opportunities for ABP. We face challenges with respect to some government legislation and policies, and we certainly would like to have more young people expanding our cow herd. In the face of these challenges, ABP is in a position to generate significant benefits for producers through the opportunities created by our improved government relations and positive industry funding developments. It has been an honour and a privilege for me to serve the cattle and beef producers of Alberta as the Chair of ABP and I am confident that cattle producers and our organization will be able to mitigate the risks and enjoy the rewards we see ahead. ▼

Sincerely,

Bob Lowe, Chair



RICH SMITH
Executive Director

EXECUTIVE DIRECTOR REPORT

As we prepare for our Annual Report, fall producer meetings, and Annual General Meeting, we take time to reflect on the state of our industry. As the theme of this Annual Report suggests, we see this as a time of risks and rewards for the cattle and beef industry in Alberta. Our role at ABP is to take steps to alleviate the risks for the industry and help create conditions where producers can take advantage of the rewards. One producer at a fall meeting last year said that if we would fix the weather, fix the prices, and fix the government, we would be doing our job perfectly. Of course, none of these matters are in our control, but we make every effort to improve situations where we can have a positive influence.

Many of the risks are easy to see. Last fall, producers at our meetings identified financial viability and succession, government policies and regulations, and consumer perceptions and trends as the issues of greatest concern. We have also seen a year of harsh weather and face tremendous uncertainty in the relationship with our largest trading partner. In Alberta, we are facing significant changes to areas of our labour legislation and our industry has the added costs of a carbon levy without a clear idea of how investments of revenue from this levy will benefit agriculture.

It will take investments of time, effort, and industry funding to reap the rewards that are available to our

sector. After years of talking about the need for increased industry funding and receiving clear direction from producers to pursue more funding, we have moved forward on the issue this year. We have approved the regulatory amendments that will increase the national check-off from \$1 to \$2.50 per marketing, effective April 1, 2018. This increase will support the national research, market development, and issues management activities of the Beef Cattle Research Council and Canada Beef, helping us to reach the ambitious objectives of our National Beef Strategy.

Provincially, we are excited by the possibility of creating the Alberta Beef Industry Development Fund (ABIDF), a fund that would support research, market development, and industry collaboration activities in Alberta. The money for the ABIDF would come from the additional revenue available to the industry with a non-refundable provincial service charge. A council with representatives from key Alberta producer organizations would allocate the funding from the ABIDF.

The Alberta Beef Industry Development Fund represents a tremendous opportunity for our industry to come together and invest in initiatives that will make it stronger and more profitable. We hope that the enormous potential of the ABIDF will encourage our partner organizations and producers across the province to support a non-refundable service charge.

At ABP, we are trying to make our operations more effective and efficient by streamlining our council and committee structure. We have eliminated a number of standing committees and established smaller and more focused working groups that are able to work quickly to create recommendations for ABP policies and actions to address specific issues, and then disband.

In response to the Alberta government's aggressive moves on workplace and labour legislation,

ABP was a founding member of the AgCoalition. The coalition has been extremely valuable for the agriculture sector as we have worked to understand and guide the development of the regulations and standards that will be implemented under Bill 6, *the Enhanced Protection for Farm and Ranch Workers Act*. While this work was happening, the government introduced Bill 17, *the Fair and Family-friendly Workplaces Act*, that brought significant changes to labour relations and employment standards in Alberta. Most recently, the government has announced a review of the occupational health and safety system in Alberta with a goal of making this system a leader in worker illness and injury prevention.

Even though not all of these initiatives are directed at the agriculture industry, farmers and ranchers face substantial challenges in dealing with this wave of new legislation and policies. ABP's participation in the AgCoalition has provided our sector with significant benefits from the combined resources of the coalition and the united voice it represents for the agriculture industry. The AgCoalition has also guided the formation of the AG Safe Alberta Society, an industry-led farm and ranch safety association that will coordinate education, awareness, and training activities that will do far more than any legislation and regulations to make all farm and ranch workers safer.

In this Annual Report and at our fall meetings, producers will hear about many other initiatives designed to deal with the risks and rewards facing the industry, including the Canadian Beef Sustainability Acceleration pilot and a proposal for modernizing public land grazing framework. ▼

Sincerely,

Rich Smith, Executive Director



DAN DARLING
CCA President

CCA REPORT

I am pleased to report to you as President of the Canadian Cattlemen's Association (CCA).

The CCA continues to attend the North American Free Trade Agreement (NAFTA) trade talks to ensure the industry's key objectives are heard. The talks commenced in August in Washington, D.C. and several more rounds are planned, as the U.S. wishes to have the talks concluded by year's end, well ahead of Mexico's presidential vote in 2018 and U.S. midterm elections. CCA advocacy is essential to supplement information Foreign Affairs Minister Chrystia Freeland receives through her advisory council.

The CCA and its U.S. and Mexican beef cattle producer organization counterparts are united in their support that the terms of trade remain unchanged in the NAFTA renegotiations. In a letter to Prime Minister Justin Trudeau, U.S. President Donald Trump, and President Enrique Pena Nieto of Mexico, CCA, NCBA and CNOG noted the unlimited duty-free beef trade that NAFTA enables between our countries reflects the true integrated nature of the North American beef cattle industry.

In addition to maintaining NAFTA's terms of trade for beef, the CCA seeks to improve the flow of trade for beef and cattle through greater regulatory alignment.

In July, the CCA submitted information in response to the Canada Gazette notice on consultations on the renegotiation of NAFTA. The U.S. Trade Representative (USTR) also released

its negotiating objectives to revise NAFTA. There is alignment in several areas between the CCA's objectives and USTR's. At the top of the list, CCA places a high objective on ensuring that any effort by the U.S. to re-instate a discriminatory Country of Origin Labelling (COOL) program is rejected. The USTR document contains no mention of COOL.

Furthermore, both documents are aligned on the principle that the NAFTA should maintain existing reciprocal duty-free market access. Language in the USTR document regarding Sanitary and Phytosanitary measures, Customs, Trade Facilitation, Rules of Origin and Regulatory Practices all could be consistent with CCA's list of objectives in these areas, but the USTR statements are general in nature while we stated some very specific proposals related to cattle and beef trade. There is scope in the USTR objectives for many of the CCA positions and we will continue to advise Canada's negotiators through the process to seek the achievement of our specific proposals.

Japan's recent action to increase the tariff on frozen beef to 50 percent from 38.5 percent for countries with which it does not have a free trade agreement, like Canada, underscores the acute need for government to move swiftly to secure a trade agreement with this important trading nation. Canadian beef is now at an increasingly competitive disadvantage with Australia, Mexico and Chile, who have trade agreements with Japan and thus are not impacted by the tariff increase.

A similar increase applying to fresh chilled beef could follow in the next quarter. Unfortunately, these tariff increases are within Japan's World Trade Organization rights. They send a strong message that if Canada wishes to avoid these duties we should place a high priority on resurrecting the Trans-Pacific Partnership (TPP), as Japan has indicated it prefers a TPP redo over bilateral agreements.

If Canada and Japan were to proceed to implement the TPP, Canadian beef would immediately have the same tariff as Australian beef and a much higher safeguard trigger volume. If Canada and Japan were to complete a bilateral free trade agreement, the CCA would press for at least the same or better access as Australia.

The Canada-European Union Comprehensive Economic and Trade Agreement (CETA) came into provisional effect on September 21, 2017. The CCA continues to work with government to address technical issues that need to be resolved for the CETA to deliver on its potential for beef exports. In a recent visit with Minister MacAulay, I told him we will soon be seeking his support for the red-meat industry implementation plan being developed with department officials and the CFIA.

The CCA has new resources including videos to help cattle producers understand the requirements of the Canadian Program for Certifying Freedom from Growth Enhancing Products for Export of Beef to the EU. Enrolment is necessary for cattle to be eligible for the EU market.

The CCA is urging the government to step up efforts with China, after the U.S. in June gained access to China for boneless beef, bone-in beef, chilled beef, and a list of offal products. Canada's staged access agreement with China, announced in 2009, has been slow to progress and the beef industry needs at least equivalent access for Canadian beef in China as granted to the U.S., under conditions that are commercially viable for the entire industry value chain.

This includes: 1) getting the certification documents approved to enable access for Canadian bone-in beef, despite an announcement last October indicating that access was immediate; 2) achieving access for chilled beef and offal; and 3) confirmation of full systems approval, as granted under the U.S.-China beef access agreement.

The CCA believes that China should deliver the full commitment to provide access for all beef for cattle of all ages, and all beef offal.

The proposed changes to the taxation of private corporations announced by the Government of Canada will have a significant negative impact on cattle producers and farm families.

The CCA is working to ensure lawmakers in Ottawa are aware of cattle producers' concerns about the proposed tax changes and stand ready to work with Government to examine whether changes are needed and offer solutions. The CCA would like to think these unfair consequences for farm families are an unintended outcome of the proposed tax changes; The Barton Report, a set of recommendations from the Government of Canada's Advisory Council on Economic Growth, highlighted agriculture as a primary industry for growth and exports for Canada, with an objective to increase agricultural exports to at least \$75 billion annually by 2025.

CCA is part of the Coalition for Small Business Tax Fairness which recommends that the Government of Canada take the proposed changes off the table and launch meaningful consultations with the business community to address any shortcomings in tax policy without unfairly targeting independent businesses.

In September, the unprecedented wildfire situation in B.C. continued and despite some containment on some fires, the situation was far from under control. Indeed, the fires may not be truly out until next spring or summer. Most of the land lost to fire is what B.C. cattle producers depend on for grazing and raising their herds.

The Governments of Canada and British Columbia are to be commended for providing up to \$20 million in AgriRecovery assistance, as announced in September. This assistance will help affected producers make the necessary management decisions and go a long

way in alleviating the huge emotional and mental toll on them.

In July, CCA raised the urgency around the need for more fire-fighting resources with Ottawa and again with Federal, Provincial and Territorial agriculture ministers at the Canadian Federation of Agriculture Roundtable in St. John's, NL.

AgriRecovery does not cover income losses, however, and there will be a huge impact in loss of growth as well as ability for affected B.C. producers to market their animals per usual. The CCA continues to work closely with B.C. Cattlemen's Association on this situation.

We have also raised the drought in the western prairies with Minister MacAulay's staff and have had discussions on the impact it will have on feed and earlier movement of cattle.

In August, CCA attended the Pacific Northwest Economic Region summit in Portland, Oregon, to ensure the perspectives of the Canadian beef industry are heard on regulatory and trade issues impacting the cross-border livestock trade. Discussions included the 'born after March 1999' requirement and the removal of the U.S. CAN brand requirement as the required presence of a Canadian Cattle Identification Agency ear tag is sufficient. For trade in purebred breeding cattle there would be significant benefit of ensuring that all states harmonize with the USDA-APHIS regulation that provides an option of permanent identification in the form of either a CAN brand or ear tattoo.

However, USDA is not prepared to eliminate the CAN brand requirement until Canada's BSE risk status changes from controlled to negligible, in line with the U.S.'s current status. We will continue to explore options.

In July, Federal, Provincial and Territorial (FPT) Agriculture Ministers announced the Canadian Agriculture Partnership (CAP). Replacing Growing Forward 2 on April 1, 2018, the CAP is a five-year, \$3 billion-dollar investment

designed to bolster competitiveness, growth and innovation in the Canadian agriculture and agri-food sector.

Changes to the Business Risk Management (BRM) Suite under CAP include capping the AgriStability reference margin limit to make the program more equitable to producers with lower cost-structures. A late participation mechanism will also be added to AgriStability to allow producers to access the program after the enrollment deadline in times of large income decline. Further details on programming specifics will be released between now and April 1, 2018.

The CCA looks forward to participating in the BRM programming review agreed to by FPT Ministers and will work to ensure that the risk management needs of cattle producers are addressed in this process.

CCA has to-date presented, submitted comments and concerns with the proposed principles and recommendations for transportation of animals, climate change, Canada's Food Guide, Food Policy for Canada, CFIA's Food Labelling Modernization Initiative and other proposed regulatory changes with a potential impact to industry.

Over 700 attendees registered for the second annual Canadian Beef Industry Conference in Calgary this summer. The national conference, focused on Sharing Common Ground, provided an inclusive meeting place for the Canadian beef industry to enhance connectivity both within the industry and with the outside world.

The 2017 conference was a joint collaboration by the Beef Cattle Research Council, Canada Beef, the Canadian Beef Breeds Council and the Canadian Cattlemen's Association under the National Beef Strategy. We look forward to another exceptional conference next year in London, Ontario. ▼

Sincerely,

Dan Darling, President

CANADA BEEF REPORT

As a division of the Canadian Beef Cattle Research, Market Development and Promotion Agency, Canada Beef is the cattle producer-funded and run organization responsible for domestic and international beef and veal market development. It has 32 staff in offices in Canada, Mexico, Japan, China, and Taiwan.

In addition to National Check-Off and import levy funding, Canada Beef leverages producer dollars with private market partner investments and government funding such as Growing Forward 2 and Western Economic Diversification to maximize the benefits of check-off investment.

In May, Canada Beef welcomed Francis Andres as the new Executive Vice President. Working with the Board of Directors, Andres will lead all aspects of Canada Beef's domestic and international market development and promotion efforts, including: strategic business planning, program development, performance measurement and reporting, and human resource management.

Canada Beef works to enable and sustain consumer and customer loyalty to the Canadian beef brand and build strong relationships with trade customers and partners around the world. These efforts increase demand for Canadian beef and the value producers receive for their cattle. Canada Beef delivers its three year business strategy through three core functions:

1. Brand Development
2. Consumer Marketing
3. Business Development

With limited overall Canadian beef supply leading to limited product availability and higher prices, Canada Beef's role in ensuring consumers understand the value of Canadian beef is critical. As prices remain strong, ensuring that consumers

continue to perceive value for Canadian beef is critical to providing a return on producer investment.

A return on investment is created by ensuring retail and foodservice partners focus on Canadian beef rather than competing proteins, and when the consumer has trust and confidence in how it was produced. By refining and communicating the Canadian beef brand, producers, industry and brand partners will be more aligned with the value that Canada Beef brings and will more closely align towards mutual goals.

In terms of refining and communicating the Canadian beef brand, the Canadian Beef Centre of Excellence (CBCE) was a pivotal piece in Canada Beef's abilities to connect and collaborate with clients in a meaningful way. The CBCE ensures the industry can connect the technical attributes of the product with the emotional components such as taste and enjoyment, the trust in Canada's cattle producers, social license and more. Building both understanding and opportunity with both domestic clients looking for solution based approaches to beef category challenges, as well the opportunity to introduce new customers from key export markets to the Canadian beef value chain in a comprehensive pasture to plate format is a unique and powerful competitive tool to build loyal and an informed customer base.

To date, the Centre has directly engaged 226 domestic and 242 foreign companies in business development programming; has hosted 46 international missions and 42 domestic missions; and helped generate over \$380 million in new Canadian beef business. This opportunity to effectively position the Canadian beef brand, and connect with companies to highlight specific Canadian beef attributes important to these companies "sets the stage" for commercial success.

The Centre has also worked with packers, further processors and foodservice clients to consult and focus on new cut concepts and

product development and creating more value for the beef carcass. The Centre also hosted cattle industry events with groups such as provincial cattle producer associations, breed associations, etc. As well, the Centre hosted engagements with federal and provincial government partners including a portion of the federal/provincial agriculture ministers' meeting.

North America is not only Canada's largest and most important market – it is home. Canada forms the foundation for Canada Beef to reach further corners of the globe. Canada Beef continued to invest domestically to ensure Canadian beef remains a staple of Canadian diets. By focusing on brand partners with large volumes and influence (such as Sobeys, Costco, Loblaw, Walmart, Federated Co-op, Tim Hortons, Swiss Chalet, Montana's, Subway, Sysco), Canada Beef is able to ensure that these partners are well-versed in Canadian beef, and understand and leverage the value of the Canadian Beef Brand.

Recently two large national entities have made the decision to advocate and promote 100% Canadian Beef: Walmart and Harvey's. A commitment to only Canadian sourced beef makes a significant impact on ensuring our packers harvest more cattle for Canadian farmers and ranchers. Harvey's has worked closely with the Canadian Beef industry to secure and commit to exclusively sourcing 100% of their beef from Canada.

Partnerships like these continued to be a priority, focusing on Canadian beef messaging and branding alignment. Canada Beef continued to host the gate-to-plate "Canadian Beef Experiences" for industry partners, and find alignments with strong national brands. To further leverage its influence, Canada Beef had a large presence at the Restaurants Canada and Canadian Federation of Independent Grocers trade shows which included keynote seminars and presentations.

The marketing team continues to build brand identity, trust, loyalty and

affinity through outreach tools, platforms and marketing campaigns.

Launched in 2014, The Roundup App was marketed as an online beef buying and cooking resource. Since then, additional content as well as French and Spanish language versions have been added. Subscribers to the App in the past year increased 40% to 14,000 users. This tool is key in providing accessible beef purchase and cooking information. We are excited to announce that Canada Beef (and BTI Brand Innovations Inc.) was a winner in the 2017 Summit Creative Awards. With more than 5,000 submissions from 24 countries, the Roundup App creative scored among the best and won a Gold medal.

The Make It Beef Club is Canada Beef's data-base and e-blast outreach platform of over 40,000 consumers. As recent insight surveys indicate, this group of loyal beef fans is interested in engaging in conversation across social channels and a number of the subscribers are influential advocates. The Make It Beef Club continued to leverage ongoing domestic and international initiatives to grow the database of subscribers – increased by 5,000 this past year. Growing the number of subscribers increases the number of beef-friendly consumers that Canada Beef has direct access to call to action quickly.

Canada Beef continues to be a leader in social media. The digital footprint has grown to include a variety of social media platforms, each reaching target audiences in informative and engaging ways. The Canadian Beef Facebook page current has just under 17,500 followers – an increase of 3,000 this past year. Canada Beef's producer-focused Facebook page has over 4,800 followers. The consumer Twitter account has just under 10,700 followers and the producer account has just over 12,800 followers.

The Import Levy continued to provide funding for beef-positive messaging across Canada. With consumers' diminishing food skills as well as health and wellness remaining an important social license issue for the

beef industry, Canada Beef developed targeted initiatives to positively influence consumer preference for unbranded, generic beef over other proteins. Activities in this area included print advertising, social media (i.e. blogs), television and radio interviews with subject experts, generated over 24 million consumer impressions. Readers are encouraged to visit thinkbeef.ca for access to marketing resources generated from import levy funding.

To celebrate and leverage Canada's 150 birthday in 2017, Canada Beef has begun a yearlong campaign that ties the national celebration into the Canadian beef brand. Initiatives under this campaign completed in this fiscal included an initiative with the Fairmont hotel chain featuring a celebration of Canadian beef, wine and celebrity chefs. As well, a 30 second Canadian beef brand video was featured prior to movies at Cineplex Theatres in March. The Canada 150 campaign will carry on into the next fiscal year.

Canada Beef's work in export markets is creating opportunities for the Canadian beef industry to realize greater value for the carcass than what could be realized in the domestic market alone. Besides offering competitive bids on middle meats, the export markets can deliver better returns for end meats, credit/thin meats and offal than here at home. Canfax Research Services estimates that \$690/head in value is added to the carcass by export markets (five year average).

In export markets, Canada Beef strategically positioned the Canada Beef brand as premium grain-fed beef through marketing activities including the Canadian Beef Branding Series. Key marketing activities focused on strategic alignment with selected partners to communicate the Canadian beef brand to end users and consumers in order to strengthen their confidence and interest in Canadian beef and ensure local market penetration. This approach brings together the brand (emotional

elements) and the Canadian Beef Advantage (technical elements) to create brand loyalty.

The Latin America market hub continued to support various marketing and promotional programs as well as social media marketing in collaboration with leading export partners JBS and Cargill and with retail and foodservice distributors in Mexico and Latin America. With successful programs such as the Canadian Beef Culinary Series, promotions featuring high-profile celebrity chefs, and business development outreach through trade shows and trade missions, Canada Beef is creating brand awareness and positioning the product in the minds of consumers and key influencers.

Asian market hubs also continued to use the Canadian Beef Branding Series to drive education, understanding and loyalty to the Canadian Beef Brand. Canada Beef also continued to position the Canadian beef brand through a series of educational cooking classes and professional chef seminars; integrated marketing programs linking online and live events; culinary seminars or competitions; Canadian Beef community building in social media platforms and brand media campaigns. The marketing initiatives successfully brought the Canadian Beef Advantage to end users as a real experience through cutting/cooking demonstrations and beef tasting - giving them an emotional connection to the brand and creating the conversations with end users.

Canada Beef continues to work towards building brand loyalty, and increasing the value that producers receive for their check-off investment and for their cattle in the marketplace. By continuing to leverage the strong Canadian story, consumers, brand partners, trade partners and industry members will increasingly demand the qualities that set Canadian beef apart, and above. ▼



BRYAN THIESSEN
BCRC Chair

BCRC REPORT

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

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

Investments in beef research have several benefits, including an improved ability to meet increasing global food demand and supporting responsible production efficiencies and profitability of Canadian beef cattle producers. Advancements in the industry also positively impact the nation's economy.

The first Beef Cattle Industry Science Cluster directed \$10.5 million to 32 research projects between April 1, 2009 and March 31, 2013. Joint industry and government commitments to the second Cluster (April 1, 2013 – March 31, 2018) totaled \$20 million, including \$14 million in funding from AAFC, \$1 million in provincial government

investments, and \$5 million in funding from the research allocation of the Canadian Beef Cattle Check-Off and provincial beef industry groups. Funding was directed to 26 research projects. A summary of every Cluster-funded project can be found on BeefResearch.ca.

The first and second Clusters have proven to be a very successful step towards improving coordination of beef research funding in Canada including AAFC, BCRC, provincial governments, provincial cattle associations, and other industry funders. The Clusters motivated a growth of industry investment in research and technology transfer. Funding has been focused on a comprehensive outcome-based research program directly aligned with industry's vision and priorities, including capacity development in critical areas. As a result, Cluster investments are generating meaningful, applicable knowledge and technologies for the industry, as well as extension tools to increase adoption of the innovations.

The BCRC is working to renew this program under AAFC's next agricultural policy framework and planning for the third Beef Cattle Industry Science Cluster covering the period April 1, 2018 to March 31, 2023. AAFC's funding commitments for the third Cluster are expected to be announced in 2017. The BCRC will then allocate available funding to research projects aligned with the outcomes in the Canadian Beef Research and Technology Transfer Strategy that have the greatest potential to advance the industry.

Following a collaborative development process with input from industry stakeholders, grassroots producers, researchers, research institutions, and beef research funding agencies through various means including direct consultation, an online survey, and two workshops, the Canadian Beef Research and Technology Transfer Strategy was released in December 2016. The new Strategy builds upon the success of the

2012-2018 National Beef Research Strategy developed by the BCRC and the national Beef Value Chain Roundtable (BVCRT).

Like the first Strategy, the 2018-2023 Strategy is intended to ensure all of industry's research priorities are adequately addressed, strengthen future funding requests from industry to federal and provincial governments, and maximize the value of all investments in research within the Canadian beef cattle industry.

Having developed specific outcomes under industry-identified priority areas, the Strategy will support the industry's core research objectives of enhancing industry sustainability and improving production efficiencies, improving consumer confidence and beef demand, and improving public confidence in Canadian beef. The new Strategy's research objectives are to be captured by 2023.

The Strategy will guide the industry to achieve high priority beef research objectives that support increasing productivity while remaining environmentally, socially and economically sustainable. It will better enable Canada to seize the opportunity to play a leading role in meeting rising global food demand responsibly and contribute to the industry's ability to remain globally competitive from a production, regulatory, and trade perspective through investments in agriculture research across a variety of disciplines.

The full Strategy and a six-page overview can be found on BeefResearch.ca. The Strategy is a dynamic document intended to continue to evolve based on stakeholder feedback and ongoing review as research outcomes are achieved and new outcomes arise. Feedback on the Strategy and its outcomes is welcome and encouraged.

The BCRC will play an integral role in achieving several of the industry goals established through strategic investments in research and

extension. Consequently, the BCRC has developed a long-term funding plan to identify the necessary funding requirements to achieve these goals.

The proposed increase in Canadian Beef Cattle Check-Off will be integral to maintaining existing BCRC research programming. Additional funding would enable an expansion of research programming into high priority areas, such as strategic investment in research capacity in meat science and forage utilization, and the expansion of research surveillance networks to monitor antimicrobial resistance, production limiting diseases and other animal health information.

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

Three researchers were selected for the 2017-18 term:

- Mentee: Dr. Mika Asai Coakwell, Assistant Professor of Animal Genetics at the University of Saskatchewan
Mentors: Lance Leachman, Ryan Beierbach, and Michael Latimer
- Mentee: Dr. Robert Gruninger, Research Biologist at the Agriculture and Agri-Food Canada Lethbridge Research and Development Centre
Mentors: Larry and Justin Helland, and Darryl Gibb
- Mentee: Dr. Stacy Singer, Research Scientist (forage biotechnologist) with Agriculture & Agri-Food Canada's Lethbridge Research and Development Centre
Mentors: Graeme Finn and Gord Card

The knowledge, connections and experiences gained through the program better enable these scientists to develop effective, industry-focused research and extension programs.

The Canadian Beef Industry Award for Outstanding Research and Innovation was established by the BCRC in 2015. It will be presented annually at the Canadian Beef Industry Conference (CBIC) to recognize a researcher or scientist whose work has contributed to advancements in the competitiveness and sustainability of the Canadian beef industry. Following an industry nomination and committee selection process, the 2017 award recognized Dr. Karen Schwartzkopf-Genswein, nationally and internationally respected scientist for her work on early disease detection, feeding behavior, stress assessment, and acidosis, and she has been instrumental in advancing the knowledge and practices related to beef cattle transportation, lameness and pain mitigation.

The BCRC continues to advance the implementation of its Knowledge Dissemination and Technology Transfer Strategy, which is focused on converting applied research into effective tools that drive industry competitiveness.

Bov-Innovation sessions were introduced at the 2016 CBIC. The sessions featured researcher presentations on particular concepts, followed by producers who explained how they made the innovation work in their situation. The six short, exciting and interactive sessions focused on improving productivity and profitability in cow calf and cattle feeding operations through advancements in animal health and welfare, forage productivity and genomics. Three new Bov-Innovation sessions were presented at the 2017 CBIC, focusing on feed testing for mycotoxins and ration balancing, economic and reproductive factors of replacement heifer development, and how producers can leverage genomic technology on their cattle operations.

The BCRC website, beefresearch.ca, provides access to general information on research topics, summaries of in-progress and completed research projects, and information that helps producers make informed decisions on implementing innovation into their production practices. The website delivers various BCRC-produced and other valuable extension resources including articles, videos, webinars, and calculators.

Communications from the BCRC can also be found through various cattle organizations' publications, and through a regular research column that appears in Canadian Cattlemen magazine.

In addition to sponsoring research and technology development, the BCRC oversees and supports the beef industry's on-farm food safety program, Verified Beef Production Plus (VBP+).

VBP+ has worked with industry stakeholders to develop additional modules for animal care, biosecurity and environmental stewardship that are now available to producers. These modules are an opportunity for producers to secure further recognition for credible production practices. The program is now working with Canada's Roundtable for Sustainable Beef (CRSB) in a process to determine equivalency of VBP+ and ProAction (dairy equivalent) with the CRSB's sustainability indicators.

A new VBP+ website, verifiedbeefproductionplus.ca, launched in March 2017. It houses a wealth of information for consumers and retailers and is a great resource for Canadian beef cattle producers. It also includes a Feeder Cattle Listing for those VBP+ Registered operations signed onto the AgriClear platform.

To learn more about BCRC initiatives and take advantage of our extension resources, visit our website at beefresearch.ca and join our email list at beefresearch.ca/blog/subscribe. ▼

Sincerely,

Bryan Thiessen, Chair



BRYAN THIESSEN
CFC Chair

CFC REPORT

The Cattle Feeder Council (CFC) was created to provide a forum for discussion and recommendations on issues of particular importance to the cattle feeding sector of our industry. The mandate of the Cattle Feeder Council is to provide recommendations to the ABP Board of Directors on policy and strategic direction related to the sector. There are membership organizations that may be seen as providing representation for specific sectors of the industry. However, the CFC members believe that the council is a vital part of ABP that provides effective representation for the cattle feeding sector, particularly for those cattle feeders who do not belong to one of the membership organizations. The council members see that the CFC makes ABP a more fully representative organization.

The past two years have certainly shown why feeding cattle is not a business for the faint of heart. After a good year from the last half of 2014 through the first half of 2015, many cattle feeders faced huge, sometimes unprecedented, losses through the 2016 year. This year has seen profit margins rise again with higher prices for fed cattle, but we still expect volatility and risk in the market. A high tolerance for risk and prudent risk management strategies are essential for feeders operating in these markets.

One of the major challenges facing the cattle feeding industry over the past two years is municipal taxation and levies. The Government of Alberta completed its review of the Municipal Government Act without addressing the issue of assessment

of farm land and livestock facilities. There were no changes in the process of assessing farm land, farm buildings, and farm residences or the outdated regulated rate formula for assessing farm land. The government also did not deal with the issue of infrastructure levies.

For a variety of reasons, including changes in funding from the provincial government, many Alberta rural municipalities are facing severe infrastructure (roads and bridges) challenges. Lethbridge County responded to this challenge by imposing a business tax, often called a head tax, on confined feeding operations and a special tax on farm land in 2016. A court challenge to these levies by a group of cattle feeders was not successful in removing the business tax, although the special tax was declared ultra vires. The litigants are proceeding with an appeal of this court decision.

The Lethbridge County business tax has a significant impact on the competitiveness of feeding operations in the county and there are grave fears that this type of taxation will spread to other municipalities in Alberta. ABP has joined the Alberta Cattle Feeders' Association in opposing the Lethbridge business tax and encouraging the provincial government to find a more reasonable provincial solution to the issue of infrastructure deficits. We also helped to fund a study of municipal taxation by the School of Public Policy at the University of Calgary, as well as engaging Canfax Research Services to review options for appropriate taxation of confined feeding operations.

Another issue that the CFC has addressed is the proposed amendments to the Health of Animals Regulations (Humane Transportation) that will modify cattle transport regulations. ABP and CCA submitted detailed responses to the publication of the proposed amendments in Canada Gazette Part 1 and the CFIA received over 12,000

submissions. We are waiting for further consultation on this issue and ABP will be convening a working group to identify any further issues we have with the regulatory amendments.

The CFC has concerns with the direction of labour legislation in Alberta with Bill 6, *the Enhanced Protection for Farm and Ranch Workers Act*, followed by Bill 17, *the Fair and Family-friendly Workplaces Act*, that brings significant changes to labour relations and employment standards in Alberta. Now with a review of the occupational health and safety system, the CFC believes that ABP must make our positions known to the government in addition to our participation in the AgCoalition.

Price discovery has become a significant challenge for our industry with reductions in cash trade for cattle. The CFC participated in the CCA Price Discovery Task Force and supported the Fed Cattle Price Reporting Alternatives Survey. Now there has been a request to Statistics Canada to use Section 13 to make price reporting mandatory for packers, including provincial abattoirs, contingent upon keeping regional price reporting.

Other issues that the CFC has addressed this year include winter manure management for feedlots, the Alberta carbon levy, VBP+ and the NCFCA Feedlot Animal Care Assessment, and changes to pharmaceutical regulations. ▼

Sincerely,

Bryan Thiessen, Chair

Howard Bekkering, Zone 1
Jimmy Nelson, Zone 2
Cecil Andersen, Zone 6
Ken Stanley, Zone 7
George L'Heureux, Zone 8
John MacArthur, Zone 9
Garth Porteous, Zone 1 at large
Cam McLerie, Zone 5 at large
Jeff Havens, Zone 3 at large
Tim Sekura, Board of Directors representative



PENNY PATTON
CCC Chair

CCC REPORT

Last December the Cow Calf Council began pursuing work to deal with Ecological Services (ES) as a way for producers to be compensated when participating in ecological or environmental programs. In April, an ES Program-Policies and Principles was drawn up for the Board or Directors. The policy was to encourage governments and others to develop programs supporting payments for ecological services. The ES working group was formed to carry this work forward and includes Heinz Lemmer, Tim Smith, Assar Grinde and Walter Suntjens.

The working group has been developing a paid ES pilot project working with Tracy Scott from Ducks Unlimited, Brian Ilnicki from Land Stewardship Centre, Tom Goddard with Environmental Strategy and Research, Alberta Agriculture, Ken Lewis from Red Deer County, and Carrie Selin and Tom Habib with Ecosystems Assessment, Alberta Biodiversity Monitoring Institute. There was also a meeting with Anna Roberts and Geoff Park of Natural Decisions from Australia to discuss ecosystem planning and implementation.

Last December, the ABP Board gave direction to conclude the work of the environment and wildlife committees and responsibilities were moved to the Cow Calf Council. The Environmental Stewardship Award (ESA) will continue under the direction of the ESA Chair, Chris Israelson, in collaboration with the ABP Communications Manager.

The Council has been concerned about member participation and commitment. A recommendation that members who cannot attend meetings

or conference calls must advise the chair. In the instance that the chair is unable to attend a meeting, a vice chair was elected.

Council representation on various committees and advisory groups for the year included: Drought and Excess Moisture Advisory Group – Dick Wymenga and Linda Messner, alternate; Endangered Species Conservation Committee – Gordon Graves and Walter Suntjens, alternate; Alberta Game Policy Advisory Committee – Kevin Stopanski and Walter Suntjens, alternate; Wildlife Predator and Shot Livestock Committee – Dick Wymenga; Cows and Fish Board – Peggy Strankman was the ABP representative and chair and will continue for the following year. Garth Johnson and Devon Sengaus are also ABP representatives on the Cows and Fish board. Heinz Lemmer represented ABP on the Alberta Forages Industry Network, and Greg Bowie was on the Agri-Environmental Partnership Water Working Group.

Safety-net Subcommittee members are re-appointed each year. The subcommittee deals with Growing Forward developments that also include AgriStability, business risk management insurance programs and AgriRecovery. Tim Smith, Assar Grinde, Gordon Graves, and Kevin Stopanski were recommended as members. The subcommittee held two conferences calls to deal with a producer request for mortality insurance, a type of production insurance. Discussions with AFSC indicated that normal production losses are not covered by their mandate for insurance as they insure abnormal risk beyond day-to-day management losses. This may be further assessed.

Speakers at a meeting in March included Ken Handford, AFSC, who discussed a change made in 2017 calculating the perennial variable price benefit and swath, bale and corn grazing on the wildlife compensation program. He also reviewed the Feed Need Model concept and Whole Farm Insurance. This product would allow

producers to insure for forage feed they need during the year to fulfill their feed obligation, compared with insuring for certain levels of forage and pasture production. The Recycling Council of Alberta, Alberta Plastics Recycling Association and CleanFARMS spoke to the council about ways to recycle agriculture plastics.

A meeting in June dealt with several issues. Ed Shaw from the Canadian Forage and Grasslands Association spoke about GMO alfalfa exportation and their carbon-sequestration project. Dr. Ellen Goddard from the University of Alberta presented material about greenhouse gas production in the beef herd and economic implications for the industry. Alberta Agriculture and Forestry asked for direction from the council on areas to pursue for CowCalfenomics. This included off-farm incomes and lifestyles, record keeping systems and alternative succession planning. The meeting in October dealt with a fireguard proposal, water-crop-beef results and Alberta's beef Industry, possible AFSC changes to pasture programs, and direction for an agriculture plastics working group.

The Council's budget for the past year was \$53,000, which covered member expenses at \$25,000, CowCalfenomics for \$3,000 to support registration fees for students and young producers under 25 years of age, the ES project for \$4,000, and the remaining \$21,000 for environment and wildlife projects. ▼

Sincerely,

Penny Patton, Chair

- Tim Smith, Vice Chair
- Kevin Stopanski, Zone 1
- Tyler Sawley, Zone 2
- Kevin Krebs, Zone 3
- Walter Suntjens, Zone 4
- Dick Wymenga, Zone 5
- Assar Grinde, Zone 6
- Lyndon Mansell, Zone 8
- Linda Messner, Zone 9
- Heinz Lemmer, Zone 3 at large
- Brad Osadczuk, Board representative



HOWARD BEKKERING
Governance Chair

GOVERNANCE REPORT

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

The Governance Committee is established by the ABP Board of Directors and currently consists of four members supported by the Executive Director. Three of the members are appointed by the ABP Board, Cow Calf Council, and Cattle Feeder Council, respectively. The fourth member is appointed by the committee and is an independent person from outside the organization, not directly involved as a delegate with ABP. This year, the committee appointed Cecilie Fleming as the non-delegate member and the ABP Board approved the committee's recommendation to make Howard Bekkering the Chair.

Over the past seven years, the Governance Committee has completed a thorough review of ABP governance policies and practices, as well as developing a number of important and useful governance documents. The committee has

prepared documents describing delegate, director, and zone committee responsibilities. The committee prepared the Code of Conduct and Conflict of Interest Policy that each director signs every year, as well as a Concerns and Complaints Procedure that the Board approved in 2012. The committee put a significant amount of effort into the development of the ABP Governance Manual that was approved at the Annual General Meeting in December, 2013. In 2014, the committee reviewed its charter with Maryann Urbanowski, of Marketing Council.

The role of the Governance Committee has evolved as the ABP Board of Directors has placed more focus and attention on governance. The Board has started including a session on governance and policy on the agenda of every board meeting. The first governance and policy session last year was facilitated by John Buckley and had the Board complete an evaluation of the Executive Director's performance. The Board has worked extensively on the Means policies in the ABP Policy Manual that direct board governance, board-management delegation, and executive limitations. On this governance journey, the Board has strived to ensure that there is appropriate separation between the high level strategic direction that is the responsibility of the directors and the ABP operations that are the responsibility of the Executive Director and the staff.

The Governance Committee has several key tasks for this year. The committee needs to complete an analysis of the Means policies in the ABP Policy Manual to ensure that there are no gaps in these policies. The committee will also need to guide the activities of the working group the ABP Board has established to review and expand the Ends policies that define the organizational direction that ABP takes in key subject areas and on specific issues. The Means policies outline how the organization operates, while the Ends policies address the results we are trying to

achieve with our operations. The final result of the End policies review is intended to be a concise policy manual, similar to the manual published annually by CCA, that details our positions on a wide range of pertinent industry issues.

The committee completed a thorough review of the ABP Governance Manual and has submitted it to the Board of Directors for approval. The committee will also be making recommendations on the roles and responsibilities of ABP representatives on working groups, committees, councils, and boards outside of our organization. The committee has reviewed ABP policies and practices regarding meeting minutes, succession planning, and delegate orientation. The committee has recommended the development of a harassment policy to ensure that staff members and delegates are treated with respect.

It is important to ensure that any changes underway are consistent with corporate governance practices that satisfy the Governance Committee. We also need to ensure that there is consistency among the ABP regulations and by-laws, the ABP Policy Manual, and the ABP Governance Manual. Reviewing these documents and ensuring governance consistency is clearly the type of oversight for which the Governance Committee was established.

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

Regards,

Howard Bekkering, Chair

Lyndon Mansell, Cow Calf Council
Garth Porteous, Cattle Feeder Council
Cecilie Fleming, non-delegate representative



CECILIE FLEMING
Audit Chair

AUDIT REPORT

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

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

The Audit Committee is comprised of:

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

The Audit Committee has reviewed and considered ABP's internal control and risk management procedures as well as the financial reporting and disclosure procedures. The committee met with the auditors to review the final audited financial statements just prior to the commencement of the ABP Semi-Annual Meeting.

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

Regards,

Cecilie Fleming, Chair

Chris Israelson, Board of Directors
Dick Wymenga, Cow Calf Council
Jimmy Nelson, Cattle Feeder Council

GOVERNMENT RELATIONS REPORT

ABP has continued to put substantial efforts in building relationships with our elected provincial government members, opposition party MLAs, and government staff. Building a strong and respectful working relationship continues to be our focus so the beef industry and our government can work together to find opportunities for industry growth, while addressing and mitigating challenges we face as beef producers in Alberta. In building trust, we are able to express our appreciation for government initiatives, as well as have respectful and constructive dialogue when we don't agree on policies or direction.

This past year we held three MLA receptions and one MP meeting which have provided opportunity to better acquaint our directors with the MLAs and government staff, and for the government to learn about the beef industry from active producers. We've taken advantage of our proximity to the Canadian Beef Centre of Excellence and partnered with Canada Beef to host our elected officials and government staff. These events give us the opportunity to showcase exceptional Canadian beef and the value of the centre as a meeting and educational resource for the industry or for government as they host international diplomats and businesses. These receptions sparked great discussion on several beef industry issues, as well as opened the door to other meetings with our MLAs, including a meeting with our Minister of Labour, the Honourable Christina Gray, an invitation to attend the Speech from the Throne, by Speaker Bob Wanner, and discussions with Brian Jean, Leader of the former Wildrose Party, and Greg Clark, Leader of the Alberta Party.

The latest MLA reception was the Alberta Beef Second Annual All-Party MLA reception held in Edmonton at the Federal Building in the Legislature grounds, hosted by ABP, ACFA, and Alberta Agriculture. We had over 40 MLAs attend this reception and were pleased with the discussions and interactions.

This spring we also saw Alberta Environment and Parks release draft Castle Park and Castle Wildland Park plans, which led to several consultations with local grazing disposition holders, the Rocky Mountain Forest Range association, and other stakeholders to address concerns about the lack of details with respect to grazing in the Castle parks. ABP wrote several letters supporting our ranchers in the area to express the importance of grazing on public lands and security of tenure to Minister Phillips. We believe the consultations and our letters helped result in an amended draft plan where most, if not all, of our concerns were addressed. Our last letter to the Minister expressed our appreciation for the government's recognition of cattle grazing as complementary to the park's conservation objectives and the willingness to work with the industry in developing long term grazing plans for Castle Park, and perhaps other public lands or parks in Alberta. This letter was tabled in the Legislature by Minister Phillips. We believe the government knows our commitment to environmental stewardship and the great things we do to preserve our land and water resources for the benefit of all Albertans.

In addition, we were asked to present alongside Alberta Cattle Feeders' Association (ACFA) and Alberta Grazing Leaseholders Association to the Standing Committee on Alberta's Economic Future addressing how to grow and diversify Alberta's agriculture industry. This was another opportunity to express our views and provide input into exploring opportunities for the beef industry.

We continued to meet with Alberta Agriculture and Forestry Minister Oneil Carlier, and his staff, to show our support for Bill 9, *Marketing of Agricultural Products Amendment Act 2017*, which allows producers to make the decision to return to a non-refundable service charge through a plebiscite. This is a positive step in addressing industry funding and we are currently consulting with ACFA on a collaborative model that could be supported by all producers. Bill 9 has been passed and proclaimed in the legislature.

Other highlights include ABP's continued involvement with the AgCoalition which is providing consultation on employment and labour standards, as well as Occupational Health and Safety for farms and ranches. ABP supported efforts by the cattle feeders in Lethbridge County to address the feedlot head tax and present the government with new solutions for fair municipal taxation. Lastly, we continue to work with AGLA, Northern Alberta Grazing Leaseholders, and Alberta Environment and Parks staff to address and update the grazing lease rental rates.

As we move into 2018, we will continue to provide input on labour, environment, agricultural programs and research funding, the climate leadership plan and carbon levies, and other government policy and regulation that impact our industry.

We will continue to strengthen our relationships with MLAs. We know that we won't always agree on policy, but believe there are many instances where we can work together to accomplish our mutual goals, while remaining true to our values. Both ABP and the government want the best for Albertans and we will continue to work with our elected officials and government staff for the benefit of Alberta and our beef industry. ▼

MARKETING & EDUCATION REPORT

Over the course of this past summer, the Marketing and Education department embarked on an aggressive campaign using video assets to promote Alberta Beef in a positive and professional manner. Along with our marketing agency, WS, a new campaign slogan was developed called “All for the Beef”. To support the new message, we developed videos that would be shown at venues with large audiences to promote the consumption of Alberta Beef.

The first of the two 30-second videos was launched at the Edmonton Eskimos and Calgary Stampeders home games last spring and continued to play at home games for the remainder of the season. It was shown at half time and the response to date has been positive and encouraging.

ABP also engaged with country music festival Country Thunder for its second year, held in Calgary. Over three days, nearly 60,000 fans took in the festival where our sponsor video would run between performances to the captured audience. There too, the Alberta Beef video was positively received.

Calgary Stampede kicked off the All for the Beef marketing campaign this summer with customized 15-second videos that were created to target the audience in attendance. The videos played on eight jumbotrons throughout the park several times per day. We were also involved with the UFA Cattle Trail where we worked with Canada Beef and Cargill in the food section to promote the Canada Beef Roundup App and communicate the benefits of eating beef to those coming through. Cargill had a full display cooler on site to give attendees a visual representation of

different beef cuts, and ABP created a video that played within the UFA Cattle Trail highlighting each area (food, efficiency and innovation, animal health and welfare, natural resources, people and community) and bringing them together.

Lastly, ABP will have a major presence from mid-July thru to the end of November at the Northlands Park in Edmonton. A 30-second video was played at the K-Days rodeo and will be at the Canadian Finals Rodeo and the Ranch Rodeo. Fifteen-second videos will play at the Northlands Expo Centre for the length of our contract and a six-second video is on the Northlands Communicator at 118 Avenue and Wayne Gretzky Drive. Through this relationship, ABP will sponsor the Keynote Speaker at BeefTech and participate in the conference held at the beginning of Farmfair. Alberta Beef banners will be displayed during Farmfair in Halls C and D, and floor decals will be in the Northlands Expo Centre Gallery area.

The decision to kick off the “All for the Beef” campaign in Calgary and Edmonton was based on the number of consumers we could reach in our first year. We are aware that we need to build our presence in other cities around Alberta including Grand Prairie, Fort McMurray, Medicine Hat, Lethbridge and Red Deer. We will be focused on expanding in these areas as much as possible to create a truly Alberta-wide campaign.

Our new campaign video can be viewed on our new consumer-focused sub-site at AllfortheBeef.ca.

ABP’s Beef in the Classroom will be demonstrating in high school classrooms again. The program reaches grades eight through 12 and is a great way to extend positive insights on beef nutrition in the classroom. They are guided by a dietary technician in preparing a beef meal, and then get to enjoy what they have prepared.

This program is administered by Beth Castle under the direction of ABP’s Marketing and Education department, and focuses mostly on Calgary and surrounding communities. We would like to see this program expand across the province and will be exploring how to do so in 2018.

We want to congratulate Rocky Mountain Smokers on an extremely successful BBQ season in 2017. Our partnership with this competitive team has been exciting and rewarding to watch as they promote Alberta Beef with fantastic results. Rocky Mountain Smokers travels across Canada to compete in BBQ competitions using beef, poultry and pork.

ABP partnered with Dr. Sangita Sharma, a professor at the University of Alberta, and Cargill to provide to beef meal to Edmonton’s most vulnerable at Hope Mission and Boyle Street drop-in community service centres. In September, ABP partnered with Cargill and Elanco to sponsor a beef meal at the Calgary Drop-In & Rehab Centre. Elanco heard about the program in Edmonton and wanted to get involved with sponsorship funding and volunteers. Thank you to both Cargill and Elanco for coming on board to help some of the most vulnerable members of our community.



Follow our Alberta Beef social media accounts to stay up-to-date with our exciting marketing and education initiatives.

Twitter: AlbertaBeef
Facebook: ABBeefProducers
Instagram: alberta.beef 🐮

COMMUNICATIONS REPORT

Alberta Beef Producers communications are focused on our strategic objective to enhance dialogue and build trust by working closely with the marketing department to strengthen the connection between consumers and producers. Better collaboration in our communications and marketing efforts will lead to stronger messaging to the public. A joint roundtable discussion was held at the Semi-Annual Meeting to receive delegate input on our communications and marketing going forward.

The Young Guns Contest was held again this year for youth ages eight to 21 involved in Alberta's beef industry. Participants were asked to celebrate their story by sharing what connects them to the beef industry, through some form of communication tool. A panel of ABP delegates judged multiple strong submissions but three stood out and were awarded \$1,000 for first prize, \$500 for second and \$250 for third.

First place went to Jenna Olson from Rimbey. The judges were moved by the touching and well-written story she shared that was a reflection of the deep ties between family and the beef industry. Second place went to Landon Porteous from Bow Island. Landon entertained the judges with his 'Beef it up' video submission in which he discussed the great taste of Alberta Beef and how it starts with the work he does on his family operation. Third place went to sisters Lauren and Carmen White from Claresholm. They submitted a joint presentation that showed the judges their favourite ranching moments from calving to 4-H, and the work they do as advocates on behalf of the industry. The judging panel was impressed by the quality of submissions received this year and want to thank all of the applicants for their time and effort.

Our website has been monitored over the last few months and the communications and marketing team will work with our marketing agency on recommendations to update and improve the site. The look and feel will be streamlined to complement our new marketing campaign sub-site AllfortheBeef.ca, to ensure cohesive branding throughout our communications and marketing tools. Our social media strategy is aimed at producers, consumers and the public to provide a cross-section of information. The new addition of a Communications and Marketing Assistant has played a large role in our increased social media efforts to maximize our online presence.

ABP participated in the first Canadian Agriculture Day on February 16, 2017. The day saw agriculture producers across Canada to come together to showcase our industry and build connections through conversations in person and online. Activities took place on social media, through Twitter, Facebook live ranch tours, and a celebration in Ottawa with live-streamed panel discussions. The inaugural Meet in the Middle dinner took place in the evening bringing together 150 participants – half connected to agriculture, and half not – to talk about food and food production over a locally-sourced five course meal.

The second Canadian Beef Industry Conference (CBIC) took place August 15-17 in Calgary. Over 700 registrants attended the national conference, focused on Sharing Common Ground, which provided an inclusive meeting place for the Canadian beef industry to enhance connectivity both within the industry and with the outside world. ABP hosted a pre-conference tour that visited a cow calf operation, a feedlot, the Canadian Beef Centre of Excellence, and the University of Calgary Veterinary Medicine skills campus. ABP provides a significant amount of support to the CBIC Promotions Committee, specifically focused on social media and media relations.

The 2017 Environmental Stewardship Award recipient was announced in December at the ABP Annual General Meeting. Tom Thompson at Winding Creek Ranch near Mayerthorpe, AB was this year's winner. Each year, ABP recognizes an operation that demonstrates leadership in environmental stewardship – one that contributes to the land while improving productivity and profitability. You can learn more about Winding Creek Ranch and the award on our website at albertabeef.org/page/esa. Judging for the 2018 award has taken place and filming has been completed at the recipient's ranch to produce the video highlighting the operation's environmental initiatives. We look forward to presenting the 2018 award at our Annual General Meeting.

Our Grass Routes newsletter went out in January, April and August, and you can find them on our website: albertabeef.org/page/newsletter.

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

Tune into Cattle Country with Jim Fisher every Wednesday on radio stations all over the province. You can read our monthly industry news advertorials in Alberta Beef Magazine or Alberta Farmer Express, and our next Grass Routes newsletter will be out in the New Year. ▼



DARREN BEVANS
Research Chair

RESEARCH REPORT

This year, we partnered with Saskatchewan Cattlemen's Association (SCA) to deliver a \$150,000 targeted call focusing on two specific priorities:

- Investigate cost effective and practical technologies or management practices to mitigate the adverse animal health and welfare effects of mycotoxin infected feed.
- Quantify the economic and agronomic benefits of integrated annual crop, forage and beef production systems, including mixtures of conventional and non-conventional annual forages.

These priorities were agreed upon by both ABP and SCA's respective research committees, and derived from the recently renewed Canadian Beef Research and Technology Transfer Strategy, while taking into account the projects that are likely to form the next Beef Industry Science Cluster. Full proposals are currently undergoing peer review and final funding decisions will be made later this year.

The Alberta Beef, Forage and Grazing Centre co-hosted a very successful field day with Livestock Gentec and the Grey Wooded Forage Association with almost 200 attendees featuring Agriculture and Agri-Food Canada and Alberta Agriculture and Forestry exhibits, as well as a legume tour. The Management and Industry Advisory Committees for the Centre also met at this time to provide further direction for the Centre. The Centre's extension Rancher-Research

Pilot project aims to connect a few pilot producers directly with researchers to assess areas for new technology or management practice adoption, explore why certain technologies or practices aren't being adopted, and determine economic benefits of adopting new technologies. The project should be underway shortly, and further updates will be forthcoming.

We are currently funding 19 ongoing or recently completed projects, not including the projects we are involved with through our contributions to BCRC and the Second Beef Industry Science Cluster. All of these projects (except two that are still being written) have initial project summaries posted on our website at albertabeef.org/page/research. All of the cluster project summaries can be found on beefresearch.ca.

We continue to work closely with other funding agencies and research organizations to coordinate priorities and funding opportunities in order to improve collaboration and decrease duplication, and provide support to the feed grains breeding program at the Field Crop Development Centre in Lacombe.

Alberta Agriculture and Forestry is undergoing an internal research and extension review and we have been providing extensive input. While the outcome of this review remains unclear at this point, it is likely due to the province's fiscal situation that could see provincial research funding dollars diminished to some extent. In addition, the restructuring of four Alberta Innovates organizations into one organization makes it unclear how much funding may be available for the Bio Solutions division's priorities of sustainable production, bio-industrial innovation, food innovation, ecosystem services and biodiversity, biological greenhouse gases management and the Alberta Prion Research Institute, as compared to the other three divisions (Health Solutions, Energy and Environment Solutions and Technology Futures), or what the final

consolidation structure will look like. It also seems likely the Alberta Crop Industry Development Fund will cease to exist as of March 31, 2018.

The bottom line in all of this uncertainty is that more livestock and crops organizations and researchers will be competing for the same funding dollars. This is also evident on the federal side, where the pool of available funds for the Science Cluster program was not increased, but we do expect an increase in the number of applicants when the program is announced under the Canadian Agricultural Partnership (the next version of Growing Forward 2).

Going forward, this funding environment will make industry contributions even more important to the success of ensuring fully funded research projects. Without industry support, government funding organizations have a clear avenue to decline projects by deeming them unimportant to industry should they so choose, which underscores the importance of producer check-off dollars being allocated to support research activities. ▼

Respectfully submitted,

Darren Bevans, Chair

- Howard Bekkering, CFC
- Kevin Stopanski, CCC
- Rick Friesen, Zone 1
- Fred Lozeman, Zone 2
- Heinz Lemmer, Zone 3
- Stuart Somerville, Zone 5
- Dick Wymenga, Zone 5
- Ralph Buhler, Zone 6
- Danny Hozack, Zone 8

ANIMAL HEALTH & WELFARE REPORT

In September 2016, the discovery of a Canadian cow that tested positive for bovine tuberculosis (bTB) at a slaughter plant in the United States prompted a disease investigation by the Canadian Food Inspection Agency (CFIA). For the producers in southeastern Alberta and southwest Saskatchewan affected by the investigation, this news was devastating and had serious impacts on their operations. Fortunately, this case did not impact Canada's bTB free status, or the overall cattle markets. Currently, there are six confirmed cases all from the same herd, and all six cases are the same strain of bTB.

The investigation is proceeding as expected with the vast majority of the trace-out herds (animals that left the original index herd) tested and released. In addition, many premises that were depopulated have completed cleaning and disinfection procedures, have observed the necessary fallow period, and are free to restock. Those premises that do restock will be subject to restocking testing, which is in the process of being scheduled for those operations.

The owners of trace-in herds (animals that were brought into the original index herd) have been contacted and the bulk of the epidemiological questionnaires for those operations have also been completed. CFIA is working with the trace-in herds to determine testing dates that work best for each producer's production cycle with the bulk of testing expected to occur prior to Christmas. While it was originally estimated that up to 200 operations may be involved in the trace-in testing, that number has been reduced substantially through the epidemiological questionnaires to approximately 70 operations.

As trace-in herds are the lowest risk category, animals that react to the caudal fold test will also be tested with an ancillary test, and only those animals that react to both tests will need to be slaughtered and undergo enhanced post-mortems, histopathology and culture. This means that for most operations quarantine times will be around a month, and quarantines will not start until testing begins on their operations. Operations with reactors that need to go for further laboratory testing will be eligible for early release upon negative histopathology results.

Although no evidence of bTB was discovered during the 2016-17 hunting season in Alberta, the province and CFIA are actively discussing and collaborating on a strategy for bTB wildlife surveillance moving forward. At this point in time, source is still an outstanding question that may remain unknown.

Karin Schmid, ABP Beef Production Specialist, continues to be an active presence in the Emergency Operations Centre working with CFIA as the investigation proceeds.

As events like the bTB investigation and the wildfire situation in B.C. have demonstrated, emergency preparedness can play a critical role in helping to mitigate the impact of unexpected events. While ABP does have both an emergency management and crisis communication plan, we are working with the Canadian Animal Health Coalition to strengthen these documents and also provide more direction for producers in this area.

In late July, the Plant and Animal Health Strategy for Canada was endorsed by federal, provincial and territorial agriculture ministers. It was created to outline a path towards collectively addressing evolving risks to plant and animal health focusing efforts on prevention and increased partner collaboration and coordination. The strategy covers four areas for action: prevention, collection, analysis and sharing of

information, coordination through partnerships, and enabling desired behaviours. It also has ties to the desired outcomes of the Emergency Management Framework for Agriculture in Canada of enhanced prevention and mitigation, collaborative action, and building sector resilience.

We were involved in the latter stages of drafting parts of the strategy, and stressed the importance of working with existing groups such as the National Farmed Animal Health and Welfare Council instead of forging something new. As the strategy has just been endorsed, it is unclear what the practical implementation will be at this point. More information is available at inspection.gc.ca/about-the-cfia/accountability/consultations-and-engagement/pahs/eng/1490917160508/1490917161242.

We continue to closely monitor a potential policy change that would see all medically-important antimicrobials (MIAs) become prescription only. This is a complex issue that involves both federal and provincial regulations. We expect further consultation on this issue with both the provincial and federal governments. As more information becomes available we will endeavor to communicate about the potential ramifications.

A project examining the welfare of cattle arriving at auction markets and packing plants, partially funded by ABP and led by Alberta Farm Animal Care is close to completing the data collection phase and will be analyzing the results over the next few months with a final report expected in the spring. This project will help to quantify anecdotal reports of compromised and/or unfit animals arriving at these locations and help us target our communications appropriately. ▼

ABP OPERATIONS BUDGET FOR 2017-18

Alberta Beef Producers

Operations Budget for the year ending March 31, 2018

With comparisons to the actual expenses for the year ending March 31, 2017

	Budget March 31, 2018	Actual March 31, 2017
National Policy and Trade Advocacy Programs:		
Canadian Cattlemen's Association	\$ 1,541,140	\$ 1,482,302
Enhanced Federal Lobbying	35,000	34,903
National Governance and Oversight	30,000	19,247
U.S. and International Trade Management	30,000	26,160
Organizational Expenses:		
Board of Directors and board appointed representatives	133,000	121,731
Annual General Meeting	120,000	116,796
Fall producer meetings & resolutions policy development	100,000	84,407
Semi-annual Meeting	75,000	69,301
Zone Committees	70,000	56,057
Executive Committee	60,000	57,519
Annual Report	55,000	50,178
Audit Committee	2,000	2,240
Governance Committee	2,000	640
Operational Expenses:		
Salaries and benefits, related to priority areas	580,000	458,089
Marketing and Education	297,500	110,801
Communications	275,500	236,600
Industry Partnerships	190,000	186,239
Projects Reserve Fund/VBP+ Enhancement Fund	186,000	97,500
Research Committee	100,500	23,924
BCRC Science Cluster	100,000	100,000
Feed Grain Research Project	100,000	100,000
Service Charge Campaign	100,000	-
Canfax Membership and Services	53,400	53,400
Cow Calf Council	53,000	16,110
Sponsorships	40,000	1,000
Cattle Feeder Council	30,000	21,712
Provincial Advocacy	30,000	62,885
ESA (Formerly Environment Committee)	22,000	44,585
Animal Health and Welfare	15,500	22,787
Industry Collaborations	10,000	5,388
Wildlife Committee	-	11,974
Administrative Expenses:		
Rent, office supplies and equipment	400,000	374,242
Salaries and benefits	330,000	302,548
Legal, audit, and consulting	40,000	23,775
	<u>5,206,540</u>	<u>4,375,040</u>
Non Cash expense		
Amortization of furniture and equipment	<u>20,000</u>	<u>14,634</u>
Total operational budget	5,226,540	<u>\$ 4,389,674</u>
Capital asset budget	10,000	
	<u>\$ 5,236,540</u>	

ABP REFUND REPORT

Refund Period Ending	Number of refund requests	Number of marketings refunded	Net Amount Refunded	Refunded to Cow Calf # requests	Amount Refunded to Cow Calf	Refunded to Feedlots # requests	Amount Refunded to Feedlots
Dec-16	429	683,069	\$ 1,343,890	272	\$ 136,203	157	\$ 1,207,687
Jun-16	401	597,675	\$ 1,132,472	241	\$ 156,617	160	\$ 975,854
Dec-15	429	633,765	\$ 1,239,464	294	\$ 152,483	135	\$ 1,086,981
Jun-15	388	564,365	\$ 1,113,233	241	\$ 134,012	147	\$ 979,221
Dec-14	489	662,967	\$ 1,294,845	321	\$ 153,305	168	\$ 1,141,540
Jun-14	442	639,849	\$ 1,246,736	278	\$ 169,031	164	\$ 1,077,704
Dec-13	491	624,396	\$ 1,217,511	333	\$ 170,579	158	\$ 1,046,932
Jun-13	432	615,941	\$ 1,204,360	261	\$ 154,713	171	\$ 1,049,647
Dec-12	532	547,308	\$ 1,061,740	365	\$ 152,581	167	\$ 909,159
Jun-12	407	569,901	\$ 1,109,397	241	\$ 114,327	166	\$ 995,070
Dec-11	572	599,038	\$ 1,173,105	381	\$ 157,468	191	\$ 1,015,637
Jun-11	414	516,204	\$ 1,008,705	242	\$ 113,333	172	\$ 895,372
Dec-10	647	584,075	\$ 1,586,156	473	\$ 304,054	174	\$ 1,282,102
Jun-10	396	364,789	\$ 1,042,110	244	\$ 169,126	152	\$ 872,984
	6,469	8,203,342	\$16,773,723	4,187	\$ 2,237,833	2,282	\$14,535,890
	Percentage of refunds allocated				13%	87%	

Note: While there have been a total of 6,469 refund requests since the refund process was implemented, these requests have come from approximately 2,206 producers as many producers have made refund requests in more than one refund period. 1667 Cow Calf and 539 Feedlots

Refund Rates

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



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June 12, 2017

INDEPENDENT AUDITOR'S REPORT Edmonton, Alberta

To the Directors and Delegates of Alberta Beef Producers

We have audited the accompanying financial statements of Alberta Beef Producers, which comprise the statement of financial position as at March 31, 2017 and the statements of operations, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Alberta Beef Producers as at March 31, 2017 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Kingston Ross Pask LLP

Chartered Professional Accountants

ABP FINANCIAL STATEMENTS

Statement of Operations

For the Year Ended March 31, 2017

	2017	2016
REVENUE		
Alberta service charge and levy revenue (Note 2)	\$ 10,351,614	\$ 10,381,433
Less dealer rebate	(174,401)	(171,620)
Less Alberta service charge refunded	(2,476,362)	(2,352,697)
Interprovincial marketings (Note 2)	83,716	97,403
	7,784,567	7,954,519
Canadian Beef Cattle Research, Market Development and Promotion Agency (Note 9)		
Canada Beef	2,790,414	2,745,917
Beef Cattle Research Council	697,604	686,479
	3,488,018	3,432,396
<u>Excess of revenue over expenses before the undernoted</u>	<u>4,296,549</u>	<u>4,522,123</u>
OTHER REVENUE		
Grants (Note 7 and 8)	2,024,370	646,206
Interest and other income (Note 4)	156,616	160,630
Producer Loyalty Partnership Program	12,500	12,500
	2,193,486	819,336
OTHER EXPENSES		
Grants (Note 8)	2,026,644	646,206
ABP matching funds for Marketing Campaign	168,157	212,327
CCA legal assessment (Note 9)	137,483	281,029
Research commitments, conditionally restricted fund	25,000	52,500
Producer Loyalty Partnership Program	2,804	2,021
Economic Impact of Wildlife Study	-	7,990
	2,360,088	1,202,073
EXCESS OF REVENUE OVER EXPENSES BEFORE OPERATING EXPENSES	4,129,947	4,139,386
OTHER EXPENSES		
Operating Expenses (Schedule 1)	4,375,040	4,173,784
Amortization of furniture and equipment (Note 6)	14,634	17,025
	4,389,674	4,190,809
DEFICIENCY OF REVENUE OVER EXPENSES	\$ (259,727)	\$ (51,423)

ABP STATEMENT OF OPERATIONS

Statement of Changes in Net Assets Year Ended March 31, 2017

	Trade Advocacy Reserve (Note 3)	Operating Reserve Following year (Note 3)	Operating Reserve Future years (Note 3)	Project Reserve Fund (Note 3)	Invested in Furniture and Equipment (Note 6)	Un- restricted	2017 Total	2016 Total
NET ASSETS - BEGINNING OF YEAR	\$ 4,218,971	\$ 4,900,000	\$ 1,500,000	\$ 230,625	\$ 54,083	\$ 2,344,716	\$ 13,248,395	13,299,818
Transferred to current year operations	-	(4,979,700)	-	-	-	4,979,700	-	-
Internally restricted for following year operations	-	4,376,249	-	-	-	(4,376,249)	-	-
Internally restricted transfers	281,092	-	-	260,000	-	(541,092)	-	-
Deficiency of revenue over expenses	(137,483)	-	-	(213,125)	(14,634)	105,515	(259,727)	(51,423)
Invested in furniture and equipment	-	-	-	-	5,925	(5,925)	-	-
NET ASSETS - END OF YEAR	\$ 4,362,580	\$ 4,296,549	\$ 1,500,000	\$ 277,500	\$ 45,374	\$ 2,506,665	\$ 12,988,668	13,248,395

ABP FINANCIAL STATEMENTS

Statement of Financial Position

March 31, 2017

	2017	2016
ASSETS		
CURRENT Cash	\$ 2,100,550	\$ 3,251,264
Restricted cash (Note 3)	277,500	230,625
Operating Reserve Fund, Following year (Note 3)	4,296,549	4,900,000
Investments (Note 4)	7,481,448	7,406,621
Service charge receivable	1,354,115	920,458
Interest and other receivables	770,009	117,850
Prepaid expenses	17,023	68,366
Inventory (Note 5)	17,124	21,145
	16,314,318	16,916,329
OPERATING RESERVE FUND, Future years (Note 3)	1,500,000	1,500,000
FURNITURE AND EQUIPMENT (Note 6)	45,374	54,083
	\$ 17,859,692	\$ 18,470,412
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 2,171,361	\$ 1,544,081
Goods and Services Tax payable	28,429	8,551
Alberta marketings held in trust	1,657,218	1,543,956
Deferred revenue (Note 7)	1,014,016	2,125,429
	4,871,024	5,222,017
COMMITMENTS (Note 10)		
Trade Advocacy Reserve Fund (Note 3)	4,362,580	4,218,971
Operating Reserve Fund, Following year (Note 3)	4,296,549	4,900,000
Operating Reserve Fund, Future years (Note 3)	1,500,000	1,500,000
Project Reserve Fund (Note 3)	277,500	230,625
Invested in Furniture and Equipment	45,374	54,083
Unrestricted	2,506,665	2,344,716
	12,988,668	13,248,395
	\$ 17,859,692	\$ 18,470,412

ON BEHALF OF THE BOARD

 Director
 Director

ABP FINANCIAL STATEMENTS

Statement of Cash Flow Year Ended March 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ (259,727)	\$ (51,423)
Items not affecting cash:		
Amortization of furniture and equipment	14,634	17,025
Loss on disposal of furniture and equipment	-	301
Change in unrealized gain on investments held at year end	32,098	114,653
	(212,995)	80,556
Changes in non-cash working capital: Service charge receivable	(433,657)	74,418
Interest and other receivables	(652,159)	98,255
Prepaid expenses	51,343	130
Inventory	4,021	(14,328)
Goods and Services Tax payable	19,878	25,183
Accounts payable and accrued liabilities	627,281	(326,165)
Alberta marketings held in trust	113,262	(84,590)
Deferred revenue	(1,111,413)	2,041,024
	(1,381,444)	1,813,927
Cash flow (used by) from operating activities	(1,594,439)	1,894,483
INVESTING ACTIVITIES		
Purchase of investments	(2,047,250)	(3,765,058)
Proceeds from sale of investments	1,940,324	3,599,867
Purchase of furniture and equipment	(5,925)	(9,379)
Cash flow used by investing activities	(112,851)	(174,570)
INCREASE (DECREASE) IN CASH	(1,707,290)	1,719,913
CASH - BEGINNING OF YEAR	<u>9,881,889</u>	<u>8,161,976</u>
CASH - END OF YEAR	<u>\$ 8,174,599</u>	<u>\$ 9,881,889</u>
CASH CONSISTS OF: Cash		
Restricted cash (Note 3)	\$ 2,100,550	\$ 3,251,264
Operating reserve fund, following year (Note 3)	277,500	230,625
Operating reserve fund, following year (Note 3)	4,296,549	4,900,000
Operating reserve fund, future years (Note 3)	1,500,000	1,500,000
	\$ 8,174,599	\$ 9,881,889

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

ABP FINANCIAL STATEMENTS

Notes to Financial Statements

Year Ended March 31, 2017

1. DESCRIPTION OF BUSINESS

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Cash, cash equivalents and restricted cash

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

Financial statement presentation

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

(continues)

ABP FINANCIAL STATEMENTS

Notes to Financial Statements Year Ended March 31, 2017

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

Revenue recognition

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

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

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

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

Budgeting process

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

Refunds

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

Interprovincial marketings

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

(*continues*)

ABP FINANCIAL STATEMENTS

Notes to Financial Statements

Year Ended March 31, 2017

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

Investments

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

Inventory

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

Furniture and equipment

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

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

Financial instruments

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

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for Notfor-Profit Organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. These estimates included the useful lives of the furniture and equipment, collection of Alberta Service Charge, collectability of accounts receivable and inventory obsolescence.

Disclosure of allocated expenses

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

ABP FINANCIAL STATEMENTS

Notes to Financial Statements Year Ended March 31, 2017

3. INTERNALLY RESTRICTED NET ASSETS

Trade Advocacy Reserve Fund

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

In 2017, the transactions in the fund consisted of expenses of \$137,483 were incurred (2016 \$281,029) and a transfer from the Unrestricted Fund in the amount of \$281,092 (2016 - \$nil).

	Withdrawal	Transfer	2017	2016
Balance, beginning of year	\$ -	\$ -	\$ 4,218,971	\$ 4,500,000
Payment of CCA legal assessment	(137,483)	-	(137,483)	(281,029)
Motion to transfer funds into fund	-	281,092	281,092	-
	\$ (137,483)	\$ 281,092	\$ 4,362,580	\$ 4,218,971

Operating Reserve Fund

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

	2017	2016
Balance, beginning of year	\$ 4,900,000	\$ 4,925,000
Transferred from the fund for operations in current year	(4,979,700)	(4,925,000)
Allocation from the current year to the following year's operation budget	4,376,249	4,900,000
	\$ 4,296,549	\$ 4,900,000

Operating Reserve Fund, future years

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

	2017	2016
Balance, beginning of year	\$ 1,500,000	\$ 1,500,000
Balance, end of year	\$ 1,500,000	\$ 1,500,000

(continues)

ABP FINANCIAL STATEMENTS

Notes to Financial Statements

Year Ended March 31, 2017

3. INTERNALLY RESTRICTED NET ASSETS *(continued)*

Project Reserve Fund

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

	2017	2016
Balance, beginning of year	\$ 230,625	\$ 290,000
Current year research obligations expensed	(213,125)	(247,500)
Current year marketing campaign obligations expensed	260,000	188,125
	\$ 277,500	\$ 230,625
Consists of:		
Current commitments	\$ 227,500	
Long term commitments	50,000	
	\$ 277,500	

Comprised of:

Research projects

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

Balance, beginning of year	\$ 42,500
Addition 2017	75,000
Recognized in 2017	(25,000)
	\$ 92,500

Marketing Campaign

Balance, beginning of year	\$ 188,125
Recognized in 2017	(188,125)
Addition in 2017	185,000
	\$ 185,000

ABP FINANCIAL STATEMENTS

Notes to Financial Statements

Year Ended March 31, 2017

4. INVESTMENTS	2017	2017	2016	2016
	Cost	Fair Value	Cost	Fair Value
Bonds:				
Provincial government, bearing yield rates ranging from 1.35% to 2.1%, due between July 2017 and December 2019	\$ 7,407,464	\$ 7,481,448	\$ 7,300,539	\$ 7,406,621

Although some of the bonds have maturity dates beyond one year, all have been classified as current assets.

Interest and other income is comprised of the following:

	2017	2016
Interest on investments	\$ 122,143	\$ 167,208
Change in unrealized gain in investments held at year end	(32,098)	(114,652)
	90,045	52,556
Interest on bank balance	64,346	67,144
Other income	2,225	40,930
	\$ 156,616	\$ 160,630

5. INVENTORY	2017	2016
Inventory consists of the following:		
Promotional items	\$ 17,124	\$ 21,145

During the year ended March 31, 2017, ABP expensed \$25,040 (2016 - \$25,217) of its inventory in the regular course of operations and had no inventory write-downs.

6. FURNITURE AND EQUIPMENT	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Furniture and fixtures	\$ 105,474	\$ 75,957	\$ 29,517	\$ 35,319
Computer equipment	25,731	13,191	12,540	13,236
Audio-visual equipment	11,055	7,738	3,317	5,528
	\$ 142,260	\$ 96,886	\$ 45,374	\$ 54,083

ABP FINANCIAL STATEMENTS

Notes to Financial Statements Year Ended March 31, 2017

7. DEFERRED REVENUE

	Opening	Additions	Recognition of Revenue	2017	2016
Targeted Antimicrobial Use Resistance Research Call	1,282,500	142,500	(1,030,001)	394,999	1,282,500
Targeted Forage Research Call	634,270	-	(251,871)	382,399	634,270
Climate Change Extension Initiative	-	112,000	-	112,000	-
Cow Calf Sector Sustainability Extension Initiative	-	96,000	-	96,000	-
Environment Grant	17,258	-	8,084	25,342	17,258
AHI Investigation Summary and Producer Education Information Program (1)	3,276	-	-	3,276	3,276
Alberta Beef: Marketing Campaign	188,125	-	(188,125)	-	188,125
Cross Border Animal Care Grant	-	5,000	(5,000)	-	-
Farm Feedlot Sampling Grant	-	2,200	(2,200)	-	-
Satellite Derived Forage Insurance Grant	-	402,240	(402,240)	-	-
Provincial Research and Development Grant	-	12,900	(12,900)	-	-
Wood Buffalo Biosecurity Grant	-	140,117	(140,117)	-	-
	\$ 2,125,429	\$ 912,957	\$(2,024,370)	\$ 1,014,016	\$ 2,125,429

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

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

ABP FINANCIAL STATEMENTS

Notes to Financial Statements Year Ended March 31, 2017

8. GRANTS

	2017	2016
Targeted Antimicrobial Use Resistance Research Call	\$ 1,030,001	\$ -
Satellite Derived Forage Insurance Grant	402,240	-
Targeted Forage Research Call	251,871	315,730
Alberta Beef: Marketing Campaign	188,125	188,125
Wood Buffalo Biosecurity Grant	140,117	16,477
Provincial Research & Development Grant	15,174	-
Cross Border Animal Care Grant	5,000	-
Farm Feedlot Sampling Grant	2,200	-
AMR Diagnostic Panel Grant	-	61,552
Body Condition Scoring Grant Expenses	-	47,044
Environment Grant	(8,084)	17,278
	\$ 2,026,644	\$ 646,206

Targeted Antimicrobial Use Resistance Research Call

In 2016, Alberta Livestock and Meat Agency (ALMA) provided ABP with a grant in the amount of \$1,425,000 to administer and deliver a call for research proposals in the area of antimicrobial use and resistance (AMU/AMR). With the dissolution of ALMA, this grant agreement has continued between ABP and Alberta Agriculture and Forestry. A balance of \$1,030,001 was recognized as revenue and eligible expenses in 2017.

Satellite Derived Forage Insurance Grant

ABP has received funding from the Agriculture and Agri-Food Canada AgriRisk Initiatives Program for a project entitled, Assessing the Feasibility and Development of an Innovative Forage Insurance Plan using Satellite-Derived Biophysical Parameters with a focus on Alberta. It is a two-year project that was suggested to ABP by the Agriculture Financial Services Corporation in Alberta. Our industry has been looking for better forage and pasture insurance programs for some time and we hope this project will contribute to the development of more effective programs. ABP has engaged the University of Manitoba as the lead researcher on the project and AgReSoft Enterprises Ltd. as a consultant on the project. ABP will provide in-kind project management services, but will not be contributing cash to the project. In 2017, a balance of \$402,240 was recognized as revenue which agrees to to the eligible expenses incurred.

Targeted Forage Research Call

In 2016, ALMA provided ABP with a \$950,000 grant to execute a call for research in the area of forage projects. A balance of \$251,871 (2016 - \$315,730) was recognized as revenue and eligible expenses in 2017.

Alberta Beef: Marketing Campaign

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

Wood Buffalo Biosecurity Grant

In 2012, Growing Forward provided ABP with an initial grant to assist with costs related to a study on tuberculosis and brucellosis present in bison outside Wood Buffalo National Park. In 2014, Growing Forward 2 provided ABP with a second grant of \$425,450 to continue work on this project. In 2017, a balance of \$140,117 (2016 - \$16,477) was recognized as revenue which agrees to the eligible expenses incurred.

ABP FINANCIAL STATEMENTS

Notes to Financial Statements Year Ended March 31, 2017

8. GRANTS (*continued*)

Provincial Research & Development Grant

In 2017, ABP received a grant from ALMA. A balance of \$12,900 was recognized as revenue and \$15,174 of eligible expenses for 2017.

Cross Border Animal Care Grant

In 2017, ABP received a grant from ALMA. A balance of \$5,000 was recognized as revenue and eligible expenses in 2017.

Farm Feedlot Sampling Grant

In 2015, the Public Health Agency of Canada entered into an agreement with ABP to assist with onfarm feedlot sampling for the Canadian Integrated Program for Antimicrobial Resistance Surveillance (CIPARS) and FoodNet Canada. The total value of the contract is \$12,600. A balance of \$2,200 was recognized as revenue and eligible expenses in 2017.

Environment Grant

In 2012 ABP received a grant from Alberta Agriculture and Rural Development (ARD) for an Overwintering Sites project. A balance of \$8,084 was recognized as an expenses in 2017 (2016 \$17,278 recognized as revenue and eligible expense).

ABP FINANCIAL STATEMENTS

Notes to Financial Statements

Year Ended March 31, 2017

9. RELATED PARTY TRANSACTIONS

National Organizations:

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

1. Canadian Cattlemen's Association (CCA)

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

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

a) The Agency

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

b) Beef Cattle Research Council

A number of representatives to the Beef Cattle Research Council based on its proportionate share of total funding. For the year ending March 31, 2017 ABP was entitled to four of the eleven seats.

3. Payments

	2017	2016
CCA Monthly Assessments Payments	\$ 1,482,302	\$ 1,451,088
CCA, Other		
CCA Legal Assessment	\$ 137,483	\$ 281,029
Research project funding, BCRC	125,000	152,500
VBP + Enhanced Tools Project	50,000	-
Canadian Round Table for Sustainable Beef Project	10,000	-
Young Cattlemen's Council, membership	3,500	-
Sponsorship of Young Cattlemen's Council	-	1,000
Canadian Round Table for Sustainable Beef Membership	-	2,000
	\$ 325,983	\$ 436,529

(continues)

ABP FINANCIAL STATEMENTS

Notes to Financial Statements

Year Ended March 31, 2017

9. RELATED PARTY TRANSACTIONS *(continued)*

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

	2017	2016
<hr/>		
Payments to Canfax, a division of CCA:		
Membership and services	\$ 53,400	\$ 53,400
Communications	10,200	10,200
Research projects	10,210	10,210
	<hr/>	<hr/>
	\$ 73,810	\$ 73,810
	<hr/>	<hr/>

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

Amounts payable at March 31, 2017 to the following:

Canadian Beef Cattle Research, Market Development and Promotion Agency	\$ 1,534,613	\$ 1,301,733
Canadian Cattlemen's Association - Funding for research project	25,000	-
Canadian Cattlemen's Association - Operations	5,667	3,995
	<hr/>	<hr/>
	\$ 1,538,608	\$ 1,305,728
	<hr/>	<hr/>

Amounts receivable at March 31, 2017 from the following:

Canadian Beef Cattle Research, Market Development and Promotion Agency	\$ 16,821	\$ 42,532
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Amounts receivable and payable at year-end are in the normal course of operations. The amount owing to and from Canadian Beef Cattle Research, Market Development and Promotion Agency includes the monthly collection of the National Levy and the province of origin amounts.

ABP FINANCIAL STATEMENTS

Notes to Financial Statements Year Ended March 31, 2017

10. COMMITMENTS

Operating leases:

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

2018	155,607
2019	145,076
2020	145,076
2021	151,724
2022	153,053
Thereafter	341,082
	<hr/>
	<u>\$ 1,091,618</u>

Funding of research projects:

Funding of research projects is contingent upon researchers meeting certain criteria prior to payments being advanced. The obligations for payments are only recorded in the financial statements when such criteria have been met. If the researchers meet such criteria for all projects outstanding as at March 31, 2017 the additional charges will be \$277,500 (2016 - \$230,625), which has been set aside in the Project Reserve Fund (Note 3).

In 2013, a \$500,000 funding agreement has been signed payable to BCRC to continue the Beef Science Cluster Projects and will be funded out of retained funds over five years commencing in 2014. In 2017, one payment was made for \$100,000 and a balance of \$100,000 remains and will be financed out of future retained funds (2016 - 200,000).

In 2013, a \$200,000 agreement was signed with BCRC to fund various research projects over four years. A balance of \$25,000 was expensed in 2017 (2016 - \$52,500). The balance of the funding (\$17,500) for this project to be paid (Note 3) upon final report being approved.

The balance of these research commitments to Beef Science Cluster Projects and BCRC is \$117,500 (2016 - \$242,500).

ABP FINANCIAL STATEMENTS

Notes to Financial Statements Year Ended March 31, 2017

11. DIRECTOR, DELEGATE AND NON-DELEGATE EXPENSES

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

	2017	2016
Board of Directors and Board Representatives	\$ 98,425	\$ 99,797
Annual General Meeting	55,777	63,482
Executive Committee	55,212	57,818
Semi-annual Meeting	35,361	36,465
Enhanced Federal Lobbying	29,523	14,914
Animal Health and Welfare	16,800	8,767
Fall producer meetings and Resolution Policy Development	15,238	17,262
Environment Committee	14,592	23,020
U.S. and International Trade Management	14,038	18,752
Canadian Cattlemen's Association	13,580	14,329
Cow Calf Council	11,202	10,579
Provincial Advocacy	9,675	3,061
Wildlife Committee	9,000	11,995
Cattle Feeder Council	8,708	6,101
Research Committee	7,057	8,651
Zone Committees	7,002	8,995
Industry Partnerships	4,815	3,613
Marketing and Education	3,073	7,205
Canadian Beef Cattle Research, Market Development and Promotion Agency	2,287	6,724
Audit and Governance Committees	2,179	573
Beef Cattle Research Council	855	335
Communications	-	1,378
	\$ 414,399	\$ 423,816

ABP FINANCIAL STATEMENTS

Notes to Financial Statements Year Ended March 31, 2017

12. FINANCIAL INSTRUMENTS

ABP is exposed to various risks through its financial instruments. The following analysis provides information about the ABP's risk exposure and concentration as of March 31, 2017. Unless otherwise noted, ABP's risk exposure has not changed from the prior year.

Credit, liquidity and price risk

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

Changes in interest rates and credit ratings are the main cause of changes in the fair value of government bonds resulting in a favourable or unfavourable variance compared to book value. Credit risk is mitigated by investing in securities with a rating of BBB or better and diversifying the securities. Interest rate risk is mitigated by managing maturity dates and payment frequency. ABP is also exposed to interest rate fluctuations on its cash balances. A sensitivity analysis for interest rate risk has not been performed for the year ending March 31, 2017 as the effect of a change in interest rates would have been minimal as the interest on the existing cash on hand is not a material amount. ABP limits credit risk associated with accounts receivable by dealing with counterparties that it believes are creditworthy. ABP has a significant number of customers which minimizes concentration of credit risk.

13. ALLOCATION OF EXPENSES

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

	Operational Expenses		Administrative Expenses	
	2017	2016	2017	2016
Executive Director	40%	40%	60%	60%
Controller	30%	30%	70%	70%

ABP FINANCIAL STATEMENTS

Operating Expenses

(Schedule 1)

Year Ended March 31, 2017

	2017	2016
National Policy and Trade Advocacy Programs:		
Canadian Cattlemen's Association (Note 9)	\$ 1,482,302	\$ 1,451,088
Enhanced Federal Lobbying	34,903	17,783
U.S. and International Trade Management	26,160	27,654
National Governance and Oversight	19,247	26,415
Organizational Expenses:		
Board meetings and Board appointed representatives	121,731	118,029
Annual General Meeting	116,796	119,609
Fall producer meetings and resolution policy development	84,407	96,034
Semi-annual Meeting	69,301	74,368
Executive Committee	57,519	58,921
Zone Committees	56,057	62,970
Annual Report	50,178	50,205
Audit Committee	2,240	676
Governance Committee	640	-
Operational Expenses: (Note 13)		
Salaries and benefits related to programs	458,089	471,878
Communications	236,600	246,717
Industry Partnerships	186,239	157,859
Marketing and Education	110,801	86,111
Feed Grain Research Project	100,000	-
BCRC Science Cluster	100,000	100,000
Project reserve fund	97,500	10,210
Provincial Advocacy	62,885	34,070
Canfax Membership and Services (Note 9)	53,400	53,400
Environment Committee	44,585	47,732
Research Committee	23,924	75,114
Animal Health and Welfare	22,787	18,957
Cattle Feeder Council	21,712	35,340
Cow Calf Council	16,110	14,769
Wildlife Committee	11,974	18,358
Industry Collaborations	5,388	6,200
Sponsorships	1,000	571
Cattle Industry Council	-	124
Administrative Expenses: (Note 13)		
Rent, office supplies and equipment	374,242	356,929
Salaries and benefits	302,548	294,054
Legal, audit and consulting	23,775	41,639
	\$ 4,375,040	\$ 4,173,784

CCA FINANCIAL STATEMENTS

CANADIAN CATTLEMEN'S ASSOCIATION

Schedule of Revenue, Expenditure and Net Assets (Unaudited)

Year ended June 30, 2017, with comparative figures for 2016

	2017		2016	
Revenue:				
Assessments				
Alberta	\$1,490,492	34.1%	\$1,457,734	34.2%
Saskatchewan	555,163	12.7%	603,438	14.2%
Ontario	402,292	9.2%	420,970	9.9%
Manitoba	266,949	6.1%	237,640	5.6%
British Columbia	126,722	2.9%	121,837	2.9%
Nova Scotia	12,069	0.3%	12,069	0.3%
New Brunswick	10,057	0.2%	10,057	0.2%
Prince Edward Island	9,770	0.2%	9,770	0.2%
Quebec	-	0.0%	-	0.0%
	2,873,514	65.7%	2,873,515	67.5
Legal assessments	142,212	3.3%	\$630,112	14.8%
CYL Second Step	114,640	2.6%	73,131	1.7%
Young Leaders Development Program	4,528	0.1%	52,339	1.2%
Other	30,301	0.7%	45,779	1.1%
Sustainable Beef	597,961	13.7%	461,851	10.8%
Town Halls	8,360	0.2%	7,110	0.2%
Young Cattlemen's Council	28,480	0.7%	11,467	0.3%
National Beef Strategy	557,458	12.7%	82,880	1.9%
Sponsorship	10,000	0.2%	15,000	0.4%
Interest	4,811	0.1%	4,924	0.1%
Total Revenue	4,372,265	100.0%	4,258,108	100.0%
Expenses:				
Calgary Office	\$1,201,658	27.2%	\$1,237,676	29.6%
Sustainable Beef	597,961	13.5%	461,851	11.1%
National Beef Strategy	557,458	12.7%	82,880	2.0%
Advocate Services	435,407	9.9%	318,194	7.6%
CCA Division Services	359,450	8.2%	339,894	8.2%
Ottawa Office	320,572	7.3%	330,310	7.9%
Executive & Finance	159,954	3.6%	146,676	3.5%
Legal Reserve	142,212	3.2%	630,112	15.1%
CYL Second Step	114,640	2.6%	73,131	1.8%
Annual Meeting	94,856	2.2%	93,260	2.2%
Animal Health & Meat	93,206	2.1%	90,584	2.2%
Foreign Trade Committee	65,899	1.5%	72,421	1.7%
Semi Annual Meeting	52,743	1.2%	61,451	1.5%
International Beef Alliance	51,848	1.2%	35,038	0.8%
Communications	43,123	1.0%	50,532	1.2%
Environment	29,595	0.7%	41,080	1.0%
Young Cattlemen's Council	28,480	0.6%	11,467	0.3%
Animal Care Committee	18,700	0.4%	16,782	0.4%
Convention	15,552	0.4%	10,753	0.3%
Domestic Ag Policy	8,389	0.2%	4,904	0.1%
Town Halls	8,360	0.2%	7,110	0.2%
Young Leaders Develop	4,528	0.1%	52,339	1.3%
Value Creation & Competitiveness	856	0.0%	872	0.0%
Canadian Cattlemen's Foundation	96	0.0%	304	0.0%
Total Expenses	4,405,543	100.0%	4,169,621	100.0%
Net (loss) revenue	(33,278)		88,487	
Net assets, beginning of year	825,653		737,166	
Net assets, end of year	\$792,375		\$825,653	

AGENCY FINANCIAL STATEMENTS

Canadian Beef Cattle Research, Market Development and Promotion Agency, Operating as Canadian Beef Check Off Agency

Schedule of Revenue, Expenditures and Net Assets (Unaudited)

For the year ended March 31, 2017, with comparative figures for March 31, 2016

	2017		2016 Note	
Revenue				
Canadian Beef Check Off				
Alberta	\$3,830,942	29.6%	\$3,692,553	27.8%
Saskatchewan	993,854	7.7%	1,009,479	7.6%
Ontario	896,805	6.9%	864,127	6.5%
Quebec	887,729	6.9%	459,566	3.5%
Manitoba	457,087	3.5%	453,141	3.4%
British Columbia	235,721	1.8%	249,264	1.9%
New Brunswick	17,223	0.1%	29,643	0.2%
P.E.I.	14,965	0.1%	18,433	0.1%
Nova Scotia	8,225	0.1%	27,259	0.2%
	7,342,551	56.7%	6,803,465	51.2%
Import Levies	937,469	7.3%	918,401	6.9%
Interest and miscellaneous	75,505	0.6%	82,891	0.6%
	8,355,525	64.6%	7,804,757	58.7%
Government of Canada-Growing Forward II	1,977,994	15.3%	1,090,146	8.2%
Canadian Cattlemen Market Development Council	1,395,000	10.8%	3,488,495	26.3%
Western Economic Diversification	1,197,431	9.3%	902,463	6.8%
Total Revenue	12,925,950	100.0%	13,285,861	100.0%
Expenses				
Canadian Beef Check off Agency				
Board of Directors	234,260	1.8%	303,520	2.4%
Operations	346,915	2.6%	148,843	1.2%
	581,175	4.4%	452,363	3.6%
Programs:				
Marketing (Canada Beef):				
Market Development:				
North America Canada Market Development	1,465,387	11.1%	1,477,818	11.8%
Global Markets	3,825,472	29.1%	3,508,009	28.0%
Operations, Canadian	3,337,167	25.4%	3,593,710	28.7%
Operations, Foreign	1,165,740	8.9%	1,250,888	10.0%
	9,793,766	74.5%	9,830,425	78.5%
Research (Beef Cattle Research Council)	1,288,478	9.8%	1,261,143	10.1%
Issues Management (CCA)	95,239	0.7%	-	0.0%
National Check Off Allocated to Provincial Programs:				
Federation des Producteurs de Bovins du Quebec	876,974	6.7%	459,716	3.7%
Beef Farmers of Ontario	437,394	3.3%	422,054	3.3%
Manitoba Cattle Producer's Association	37,099	0.3%	35,365	0.3%
New Brunswick Cattle Producers	19,143	0.1%	31,632	0.3%
Prince Edward Island Cattle Producers	17,230	0.1%	19,891	0.1%
Nova Scotia Cattlemen's Association	8,960	0.1%	25,813	0.1%
	1,369,800	10.6%	994,471	7.8%
Total Expenses	13,155,458	100.0%	12,538,402	100.0%
(Deficiency) excess of expenses over revenue	(229,508)		747,459	
Net assets, beginning of year	8,744,060		7,996,601	
Net assets, end of year *	\$8,514,552		\$8,744,060	

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

Note, Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.

BCRC FINANCIAL STATEMENTS

BEEF CATTLE RESEARCH COUNCIL

Schedule of Revenue, Expenditures and Net Assets (Unaudited)
Year ended June 30, 2017, with comparative figures for 2016

	2017		2016	
Revenue				
National Check Off	\$1,263,767	42.01%	\$1,237,951	43.29%
Enhanced VBP Plus	807,314	26.84%	407,173	14.24%
Other Project Funds	699,561	23.25%	879,538	30.76%
Enhanced VBP Plus	132,342	4.40%	151,599	5.30%
ABP Beef Science Cluster	75,000	2.49%	152,500	5.33%
Interest Revenue	30,348	1.01%	31,059	1.09%
Total Revenue	3,008,332	100.0%	2,859,820	100.0%
Expenses				
Cluster Projects	1,109,530	32.70%	1,088,166	37.09%
Enhance VBP Plus	807,314	23.79%	407,173	13.88%
Projects	751,112	22.13%	844,532	28.79%
Expenses	466,144	13.74%	347,414	11.84%
Quality Starts Here	136,449	4.02%	108,998	3.72%
On Farm Food Safety	122,986	3.62%	137,486	4.69%
Total Expenses	3,393,535	100.0%	2,933,769	100.0%
Excess of expenses over revenue	(385,203)		(73,949)	
Net assets, beginning of year	3,556,374		3,630,323	
Net assets, end of year *	\$3,171,171		\$3,556,374	

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

ELECTION BACKGROUNDER



ZONE 1 INCLUDES: Vulcan County, Newell County No. 4, Forty Mile County No. 8, Cypress County, Taber, Special Area No. 2 (south of the Red Deer River).

Zone 1 Candidates: Acclaimed

Brad Osadczuk is a third generation rancher from the **Jenner** area in southeast Alberta. With his wife Elaine and three daughters, they ranch along with his parents, Don and Terry. Brad is currently an ABP delegate and sits on the Board of Directors. He is also an Advisory Councillor for Special Area 2, a director for Bow Slope Shipping Association and involved at the board level with two community pastures in his area.

“I believe that being involved in our industry is important to the future of our beef industry.”

Kevin Stopanski along with his wife Carmen and three boys farm and ranch a 160 cow calf operation near **Jenner**. Kevin is involved as a director in both the Suffield Grazing Co-op and the Tide Lake Grazing Co-op.

“My wife and I have enjoyed being involved as leaders and as parents in our local 4-H for the last 15 years. I have enjoyed being an ABP delegate for the last two years. I have learned a lot about our industry and would like to continue to represent my zone and my industry.”

Kody Traxel is located west of **Seven Persons** where he runs the K Lazy T Angus, raising purebred and commercial Angus cattle. Kody was a big influence in the transition to purebred operations. He enjoys networking and promoting our beef image at shows in southern Alberta and Saskatchewan.

“I am an influential member of the Southern Alberta Purebred Beef Breeders Association, Southern Alberta Angus Club, and the Medicine Hat Penshow Committee. I consider myself an advocate of the beef industry with great interest in the success of our future. Being closer to the millennial generation I have a strong understanding of how things were done in the past and how to adjust to accommodate future consumers. I look forward to my involvement with Alberta Beef Producers and the beef industry.”

Cattle Feeder Council Delegate: Acclaimed

Wade Munsch lives on a cow calf operation near **Irvine** with his wife Kristy and their three children. Wade also backgrounds a few calves over the winter which are either marketed in the spring or the fall off the grass. He is currently a director on the board of the local feeder co-op, and has been for the last seven years. He is also an assistant leader in the Irvine 4-H Beef Club where his children are members. Wade works as a Livestock Inspector for the Livestock Identification Services and has so for the past 10 years.

“I enjoy being in the cattle industry as it has always been a way of life for me. I think it is important to stay involved in this business as there is lots to learn and hopefully I can help with the way the industry is heading. It's important to have communication between the producer and ABP so that in critical times we all have each others' backs. No matter what the future is there will always be cattle.”



Brodie Haugan
Orion
403.580.9534



Garth Porteous
Bow Island
403.952.1569

ELECTION BACKGROUNDER



ZONE 2 INCLUDES: Warner County No. 5, Lethbridge County, Cardston County, Pincher Creek No. 9, Willow Creek No. 26, Ranchlands No. 66, Crowsnest Pass, Kananaskis.



Fred Lozeman
Claresholm
403.625.6391



Jimmy Nelson
Stirling
403.635.7075

Zone 2 Candidates: Acclaimed

Sheila Hillmer is married to a third generation mixed farm operator. She along with her husband and sons farm and ranch near **Del Bonita**. Sheila has worked in agriculture most of her career and is passionate about the beef industry. She is thankful both of her boys want to come back and take over the operation.

“I work in the beef industry and primarily in the feedlot sector. I have experienced the volatility of the beef and farm industry firsthand. Our family farms are getting fewer and corporate farms and ranches are becoming larger. There is room for both and I am so inspired by our youth and their willingness to adapt to a changing landscape and to step up and step with agriculture. Family ranching is a great way of life. I want to support this industry and work to enable succession of the family farms.”

Tyler Sawley is a cow calf producer in the **Nanton** area. Tyler is returning for his third term as a delegate representing Zone 2 producers.

Kayla Weston lives in **Fort Macleod** where she and her husband own and operate a livestock equipment manufacturing business. Kayla is still involved in her family's cow calf operation and has also been a part of the beef industry in many different ways. In spring 2016, she finished her schooling in large animal science and went directly to managing two vet clinics.

“Although my passion is in the animal health industry, I have recently refocused my efforts to helping with the family business. I would love to be a part of ABP because as a young producer, I believe it is important to be involved, as we are the future of this fast-evolving industry. Being a part of ABP would allow me to share and learn from other producers while being a positive voice for the industry.”



ZONE 3 INCLUDES: Wheatland County, Mountain View County, Bighorn No. 8, Foothills No. 31, Rocky View County, I.D. No. 9 - Banff, Calgary.



Heinz Lemmer
Calgary
403.650.6910



Kevin Krebs
Didsbury
403.335.9116

Zone 3 Candidates: Acclaimed

Jeff Havens runs a mixed farm operation with his family in the **Madden** area and is returning for a second term.

Chris Israelson along with his wife Stacey, young family and father own a cow calf and backgrounding operation in the **Didsbury** area. Chris has incorporated an ag service business into their operation serving a large demographic of livestock producers both in the beef and dairy industries.

Like many rural youth, Chris has been involved in the 4-H program, raising and showing cattle. He still supports the youth programs by judging many achievement days locally. He is also involved in the local Agricultural Society where he currently sits as a director, along with being a director of a local roping association. Chris has been an ABP delegate for four years and director of Zone 3 for two years.

“I am like so many producers of my generation working to find a balance between raising livestock profitably, family life and sometimes off-farm jobs to keep the family farm intact. My involvement with ABP allows me to continue my goal of creating a secure predictable future for all producers while limiting government regulation and involvement in our grassroots industry.”

Zone 3 can appoint up to one Zone Delegate for the 2017-19 term.

Cattle Feeder Council

Zone 3 can appoint up to one CFC Zone Delegate for the 2017-19 term.

ELECTION BACKGROUNDER



ZONE 4 INCLUDES: Paintearth County No. 18, Flagstaff County, Provost No. 52, Wainwright No. 61, Special Area No. 2 (north of the Red Deer River), Special Area No. 3, Special Area No. 4.



Walt Suntjens
Hanna
403.779.2212



Garth Johnson
Killam
780.336.1999

Zone 4 Candidates: Acclaimed

Tim Smith operates a mid-sized cow calf ranch near **Coronation**. He strives for continual improvement in low stress cattle handling and increasing carcass valuation in the value chain. He believes producers need to have fair compensation and market signals to reward pursuit of improving best management practices and carcass quality improvements that add value. He understands the challenges that huge market fluctuations and weather are imposing. Pursuit of prosperity needs to drive the industry and its successors forward.

Nicole Viste is a recent graduate of the Canadian Cattlemen's Association Cattlemen's Young Leaders mentorship program who is committed to ensuring growth and continued success within the beef industry. She hails from a commercial cow calf and backgrounding operation located near **Hanna** where she is the fourth and fifth generation to be involved in agriculture in the area. Along with ranching, Nicole holds a position as a Rangeland Agrologist for the Special Areas Board. This career allows her to combine her passions of environmental stewardship with the beef industry.

Jesse Williams is a commercial cow calf producer ranching south of **Hanna** with her husband where they sell red Simmental cross replacement heifers. As a fifth generation rancher, she is committed to representing the industry that has supported her cattle passion. Jesse holds a Bachelor of Science and works as an Agricultural Fieldman to support her ranch.

As an ABP delegate Jess would like to reinforce the long-term sustainability and competitiveness of the Alberta beef industry internationally.

Cattle Feeder Council

Zone 4 can appoint up to one CFC Zone Delegate for the 2017-18 term.



ZONE 5 INCLUDES: Stettler County No. 6, Lacombe County, Red Deer County, Starland County, Kneehill County, Clearwater County.



Kelly Fraser
Red Deer County
403.598.4323



Devon Sengaus
Rumsey
403.368.2480

Zone 5 Candidates

Charlie Christie and his wife operate a cow calf background and finishing operation, as well as cropping mixed grains and tame hay west of **Trochu**.

"I have past experience as an ABP delegate sitting on the Cattle Feeder Council, Research Committee, and Beef Cattle Research Council, and four years as a director on the Board of Directors with one year as the Finance Chair. I'm a director on the Revan Feeder Association Board and have served on the Kneehill Ag Service Board."

Cathy Sharp and her family own and operate a purebred cow calf operation east of **Lacombe**. Cathy is a returning delegate having previously served five terms. Cathy has continued as an elected non-delegate representative to the Canadian Cattlemen's 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."

Stuart Somerville farms with his parents and family on their mixed cattle and grain operation near **Endiang**. They calve 300 cows and finish the calves themselves. Stuart has been a delegate with ABP since 2015 and in that time has been part of the Environment Committee, Research Committee and Wildlife Compensation Working Group.

"I think one of the best things I can do for my family and community is work on their behalf at ABP. I hope I can have the opportunity to work for you at Alberta Beef Producers for a second term."

Dick Wymenga and his wife Rose operate a mixed grain and cattle operation with 200 cow calf pairs in the **Leslieville** area. Dick is currently taking an active role

Zone 5 continued on page 48

ELECTION BACKGROUNDER

Zone 5 continued

with ABP and sits on the Cow Calf Council and Research Committee. He is also a delegate for the Alberta Barley Commission.

“I support building the environmental, social and economic sustainability of our cattle industry and increasing demand for our beef products. With your support, I would like to continue my work with ABP.”

Cattle Feeder Council: Acclaimed Cam McLerie along with his wife and two kids run about 300 head of Simmental/Angus cross cows near **Red Deer**. Their cow herd has been built through an aggressive A.I. program allowing them to utilize some unique and elite genetics. Cam’s first term was as a zone delegate where this past year he was elected as a Cattle Feeder Council (CFC) member at large. For Cam’s second term he has put his name forward as the Zone 5 CFC delegate.

“It’s great to be part of a team in an industry that I am very passionate about. I look forward to helping grow and constantly improve the sustainability in our cattle industry as well as all of agriculture.”



ZONE 6 INCLUDES: Ponoka County, Beaver County, Wetaskiwin County No. 10, Strathcona County, Camrose County, Leduc County, Parkland County, Brazeau County, Edmonton.



Assar Grinde
Bluffton
403.704.0494



Raymon Boeve
Gwynne
780.387.6375



Cecil Andersen
Drayton Valley
780.542.2787

Zone 6 Candidates: Acclaimed

Ralph Buhler runs an operation in the **Armena** area and is returning for a second term.

Kolton Kasur was raised near **Bashaw** on a purebred black Angus ranch and has settled back in the area where he runs a herd of purebred black Angus and black Simmental.

“I have enjoyed being a delegate for the past two years and look forward to the opportunity to serve for another two years.”

Tim Sekura along with his wife operates a cow calf and backgrounding operation north of **Rocky Rapids**.

“With your support, I look forward to serving another term. Being involved with knowledgeable, committed people for the betterment of our industry is very rewarding and I hope to continue to do my part and support ABP as the voice of the beef producer.”

ELECTION BACKGROUNDER



ZONE 7 INCLUDES: Thorhild County No. 7, Barrhead County No. 11, Athabasca County, Lac Ste. Anne County, Woodlands County, Opportunity No. 17, Sturgeon County, Westlock County, Yellowhead County, Lesser Slave River No. 124, I.D. No. 12 - Jasper Park.



Buck Eden
Barrhead
780.674.1759



Lorrie Jespersen
Barrhead
780.305.1758

Zone 7 Candidates: Acclaimed

Colin Campbell manages a purebred herd of Cajun Angus in the **Bon Accord** area. Colin has volunteered as a 4-H leader and for Farmfair International. He has served as a director for the Provincial Angus Association and as chair of the International Market Development Committee.

Zone 7 can appoint up to two Zone Delegates for the 2017-19 term.

Cattle Feeder Council: Acclaimed

Ken Stanley "I have been in the beef industry most of my life. For the past 37 years I have been a partner in Jubilee Farms Ltd. This is a 6,000 head feedlot located northwest of **Westlock**. Along with the feedlot, we have a 1,500 cow calf operation and a mixed farm where we seed about 4,000 acres. I am an order buyer buying cattle for customers throughout Alberta. I enjoy being a delegate for the ABP. Beef producers are great people!"



ZONE 8 INCLUDES: Smoky Lake County, St. Paul County No. 19, Two Hills County No. 21, Vermilion River County, Minburn County No. 27, Lamont County, Lakeland County, Lac La Biche County, Bonnyville No. 87, Wood Buffalo, I.D. No. 24 - Jasper Park.

Zone 8 Candidates

Blair Anderson ranches in the **Minburn** area. After completing university, Blair returned to his family farm in 2006. Together with his family, they operate a mixed grain and commercial cow calf operation.

"If elected, I look forward to the opportunity to represent the interests of producers in our area."

Gordon Graves has worked to better the industry over the past 14 years as a delegate. Together with his wife, kids and occasionally his grandchildren, Gordon runs a cow calf and grain operation near **Iron River**. His family is very active in the community including the school and the fire department, of which he is a 28-year veteran.

"With the support of Alberta's producers, let's make our industry stronger. I believe if you put the hat on you need to do your best to represent it."

Lyndon Mansell runs a cow calf, backgrounder operation near **Innisfree**. Lyndon hopes to continue to represent the producers as a Zone 8 delegate.

"It is important to continue to improve the profitability of cow calf operations, which will attract some new producers and encourage succeeding generations to help build the industry. The beef value chain depends on guys like us caring for and calving cows to produce calves for the rest of the industry to make money on. We must keep pace using technology and research to raise the most efficient and healthiest beef in the world."

Melanie Wowk together husband Miles and two grown children run a 275 commercial cow calf operation near **Beauvallon**. Melanie is running for a second term in Zone 8. During her first term, she sat on the Board of Directors for one year and on Beef Cattle Research Council for one year.

"I enjoy being a part of ABP and am passionate about the future of the beef industry both as a producer and a veterinarian."

Zone 8 can appoint up to one Zone Delegate for the 2017-18 term.



Danny Hozack
Streamstown
780.808.0271



George L'Heureux
Lac La Biche
780.689.8036

ELECTION BACKGROUNDER



ZONE 9 INCLUDES: Mackenzie County, Northern Lights County, Clear Hills, East Peace No. 131, Northern Sunrise County, Peace No. 135, Fairview No. 136, Birch Hills County, Saddle Hills County, Smoky River No. 130, Spirit River No. 133, Grande Prairie County No. 1, Greenview No. 16, Big Lakes.

Zone 9 Candidates

Lorrie Beck has been involved in the livestock industry for more than 30 years. Currently she and her husband Corey and three children operate a cow calf operation in **Teepee Creek** in the County of Grande Prairie. Her family were purebred producers for 15 years and most currently commercial producers. Their herd is smaller now at about 50 cows but they were running 220 cows and backgrounding feeders as recent as three years ago.

"I look forward for the opportunity to work with other producers to educate where food comes from and the importance of agriculture. I have been a long time 4-H volunteer and anytime I have been involved in an organization I have not been afraid to jump in with both feet and provide valuable contributions."

Garry Gurtler of North Star runs a 170 cow calf, backgrounding, crossbreeding and purebred cattle operation with his son and wife. After 45 years in the ranching business he is slowly giving the reins over to his son Ethan.

"I will never quit ranching as I love the lifestyle too much. My priorities are family first, then a successful family ranch and a strong and profitable beef industry. All my time, energy and experience will be used to make this happen. Happy Trails, I will see you at the fall producer meetings."



Roland Cailliau
Valleyview
780.524.8676



Nico Van Der Giessen
Bezanson
780-832-7399

Linda Messner along with her husband Morley have a cow calf operation in the beautiful Peace Country near **Berwyn**. They were both raised in the area and have been involved in various community organizations.

"I strongly believe that those of us involved in agriculture need to tell our story better. Urban people need to be made aware of how we care for the environment as well as the importance of agriculture to the economy of our province and our nation. ABP needs to play a major role in educating the public."

Mike Nadeau and his wife Hillary along with their two children have a joint venture operation with his wife's parents in the **Beaverlodge** area. They are primarily a cow calf operation where they also background their own calves in a small feedlot.

"I am very passionate about agriculture and believe it is very important that we as producers give back in some way to our industry. For myself, I believe serving as an ABP delegate will enable me to represent the needs and concerns of producers from our region."

Cattle Feeder Council: Acclaimed

John MacArthur has a feeding operation near **Fairview** and he is returning for his fourth term. He served on the Board of Directors for the past year.

Vision

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

Mission

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

2017 FALL MEETING & ELECTION SCHEDULE

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

OCT 25 **MEDICINE HAT, FEEDING COMPANY**
OCT 26 **BROOKS, BOW SLOPE SHIPPING**

ZONE 2 MEETING 7 p.m. START
FREE SUPPER AT 6 p.m.

OCT 23 **FORT MACLEOD, SOUTHERN
ALBERTA LIVESTOCK EXCHANGE**
Virgil Lowe, VBP+

OCT 30 **PICTURE BUTTE, COMMUNITY
SENIORS CENTRE**
Virgil Lowe, VBP+

ZONE 3 ALL MEETINGS 7 p.m. START

OCT 24 **CROSSFIELD, COMMUNITY CENTRE**
OCT 25 **STRATHMORE, GOLF CLUB**
OCT 26 **COCHRANE, RANCHEHOUSE**

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

OCT 24 **CASTOR, LEGION**
OCT 26 **HARDISTY, COMMUNITY HALL**
OCT 29 **POLLOCKVILLE, COMMUNITY HALL**

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

OCT 23 **LESLIEVILLE, COMMUNITY HALL**
OCT 24 **BIG VALLEY, COMMUNITY HALL**
OCT 25 **INNISFAIL, LEGION**

ZONE 6 ALL MEETINGS 7 p.m. START
FREE SUPPER AT 6 p.m.

OCT 24 **CAMROSE, REGIONAL EXHIBITION**
OCT 26 **BRETON, COMMUNITY HALL**
OCT 30 **PONOKA, LEGION**

ZONE 7 ALL MEETINGS 7 p.m. START
DOORS AT 5:30 p.m.
FREE SUPPER AT 6 p.m.

OCT 25 **HAZEL BLUFF, COMMUNITY HALL**
OCT 26 **ANSELMO, COMMUNITY HALL**

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

OCT 30 **KITSCOTY, COMMUNITY HALL**
NOV 1 **LAC LA BICHE, KINSMAN HALL**
NOV 3 **LA COREY, COMMUNITY HALL**
NOV 6 **WARWICK, COMMUNITY HALL**

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

OCT 24 **GRANDE PRAIRIE, POMEROY INN**
OCT 26 **MANNING, LEGION**
NOV 1 **HIGH PRAIRIE, TRIANGLE HALL**

**ELECTIONS ARE BEING HELD
IN ZONES 5, 8 AND 9.**



www.albertabeef.org



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