



Toward a brighter future

2011 Annual Report





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The mission of Alberta Beef Producers is to strengthen the sustainability and competitiveness of the beef industry for the benefit beef producers of Alberta.

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CHUCK MACLEAN
ABP Chair

ABP CHAIR REPORT

It has been an honour and privilege to serve as the Chair of ABP. The directors on the ABP Board have been able to stay focused on the issues and always be respectful of others, while exploring and debating the issues so as to arrive at decisions that are appropriate and deliver positive results.

ABP is the largest beef producer organization in the country and the envy of most other provinces. In the past year, I have met and worked with producers from most provinces in Canada and our Alberta industry is overwhelming for some of these folks when they have an opportunity to see it first hand. We need to be aware of this because at those times when we are looking for federal support, we will need producers from these areas to understand how it also affects all producers.

Although ABP may not always be able to make all producers happy all of the time, we strive to do the right things for most producers all of the time. This past year has been a good one with its own challenges, disappointments and rewards. The weather, over which we have little control, and issues such as the legislation and varying bills that make up the Land-use Framework, were among the challenges and disappointments. The rising prices for our cattle, along with more markets opening to our products, brought us some of the rewards.

ABP delegates, directors, and staff, through our standing committees

and three councils, have many files open at the same time, achieving varying degrees of success depending on the timelines. Some of these files are traceability and mandatory age verification, along with the consolidation of the Beef Information Centre, Canada Beef Export Federation, and the National Check-off Agency that led to the birth of Canada Beef Inc. on July 26, 2011.

ABP directors and staff have ongoing discussions with Alberta Livestock and Meat Agency (ALMA) on various files, including the further branding of Alberta Beef. We are also talking about how the industry proceeds, with the help of the provincial government, to lessen policies and regulations that affect the industry's competitiveness. As we look to expand our access to Asian markets, we are working with ALMA and the Canadian Cattlemen's Association (CCA) to consider strategies for dealing with issues such as moving Japan from accepting beef only from cattle under 21 months of age to accepting beef from cattle under 30 months of age.

ABP has stayed in contact with many other industry producer organizations and keeps the communication channels open with the representatives of the Alberta Cattle Feeders' Association and Western Stock Growers' Association, along with what I consider to be positive lines of communication with the minister and his staff at Alberta Agriculture and Rural Development.

The past year has included quite a bit of travel in Canada and some in the U.S.. The ABP Executive travelled to Denver for the National Cattlemen's Beef Association annual convention. There were visits to the B.C., Saskatchewan, and Manitoba cattle producer meetings. ABP had representatives go to Ottawa for fly-ins organized by CCA where our MPs were able to

hear messages on a variety of issues directly from producers.

Through this year, we have been working on all of the above issues and many others such as animal welfare, including transportation of cattle, the shortage of labour and the challenge agriculture faces in attracting people to work in our industry. We need harmonization with U.S. drug and production protocols, while the packing industry needs help to get a resolution to Canada's policy for enhanced SRM removal that costs \$27 per head on over-30-month cattle, a cost that comes out of producers' pockets. We have the ongoing challenges of identifying and supporting needed research in the many areas that define our industry, including crop production, product safety and product development.

The need for producers' support of ABP through their check off dollars and just as importantly, producers' willingness to serve as delegates and directors has never been greater and in my opinion, will only get more intense. The value of your check off cannot be overstated and as I step down from this position, I can say with great pride and enthusiasm that the folks in the succession line are every bit as motivated as I am.

The challenges will always be there and if it was easy, everyone would be in the business.

The opportunities and rewards for the next generation of educated and motivated producers have never been greater and it is incumbent on our current leaders to encourage and help those who will continue and grow the industry.

Always promote the brand, Alberta Beef. I look forward to seeing you down the road. ▼

Sincerely,

Chuck MacLean, Chair



RICH SMITH
Executive Director

EXECUTIVE DIRECTOR REPORT

As many Alberta cattle producers moved into the tenth year of very challenging financial and weather conditions, we started to see signs that the industry finally may be moving toward a brighter future. Still, producers have faced a roller coaster ride of price swings and weather conditions this year. This summer has brought generally better weather conditions across the province after a terrible spring. Cattle inventories remain low, but the decline in cattle numbers is slowing. There are still concerns about the slow recovery of the U.S. economy, but prices have been generally higher than last year and again there is cautious optimism that these prices could continue through the fall and for some time.

A short period of good prices will not solve all the financial problems facing cattle producers, but better prices always make people happier. While there is a lot of volatility in the markets, the levels of supply and demand for cattle and beef should help to keep prices strong. We have made progress on expanding our export market access and global demand for beef is growing. We truly hope that the producers who have weathered the storms of the past decade are moving toward a brighter future and will enjoy greater prosperity in the coming years.

At Alberta Beef Producers (ABP), we have spent the first nine months of this year working to build on the

progress and successes of last year. With the reinstatement of a non-refundable national levy for marketing, promotion and research activities, we are trying to ensure that producers receive the best possible value from this investment and we are pushing for the collection of a levy on imported beef. We have seen great improvements in our relationships with elected government officials and we are continuing to work effectively with the senior bureaucrats. Our communications with grassroots producers are getting better and we are focusing on further improvements. We have arranged more of the zone town hall meetings that were started last year and we have been pleased by the support we are receiving from most producers through the first three rounds of check-off refunds.

Despite the hope for a brighter future, there are still many challenges facing cattle producers and ABP. Five pieces of provincial legislation (Bill 50, Bill 19, Bill 36, Bill 24, Bill 10) have created an uproar across rural Alberta as landowners have expressed strong concerns about the potential for these bills to adversely affect the use and value of their property. ABP has been actively working on behalf of cattle producers by taking forward their concerns and seeking improvements to the legislation and the Land-use Framework. With the election of a new leader for the governing Progressive Conservative party and a provincial election almost certainly coming in much less than a year, there will be more opportunities for landowners and ABP to be heard on these issues.

We think it is vital for the future of the industry that the national levy remains non-refundable beyond the possible expiry date of March, 2013. ABP thinks the restructuring of the Beef Information Centre, Canada Beef Export Federation, and the National Check-off Agency into a single new organization, Canada Beef Inc., will be a key factor in

retaining a non-refundable national levy. As Canada Beef Inc. takes shape, we can see the industry moving closer to the goal of building a strong and effective national organization to carry out domestic and international marketing and promotion of Canadian beef and beef products.

On the regulatory front, the federal government has set the end of this year as the target date for the implementation of a national mandatory traceability framework. While the cattle industry recognizes the importance of traceability for food safety, animal health, and export market access, we need to make sure that this framework does not hurt the competitiveness of our industry, impede commerce, or place undue regulatory burden on producers. ABP and the Canadian Cattlemen's Association (CCA) participated in the recent National Cattle Traceability Summit where we used the Guiding Principles for Beef Cattle Traceability, a document signed by ABP, CCA, Canadian Cattle Identification Agency, Alberta Agriculture and Rural Development, ALMA and other cattle organizations, to form the basis for our position on a national traceability framework.

At the ABP Semi-Annual General Meeting in June, the delegates reviewed and approved the strategic objectives in the ABP Plan for the coming year to ensure that our priorities match the needs of producers across the province. In this Annual Report, you can read about the results of the work that was done on your behalf by ABP staff and delegates under the direction of our Board, councils and committees. This group of strong producers and dedicated staff are committed to being an effective organization that provides you with a strong return on your check-off investment as we move together toward a brighter future. ▼

Sincerely,

Rich Smith, Executive Director



TRAVIS TOEWS
CCA President

CCA REPORT

The Canadian Cattlemen's Association (CCA) attended the National Cattlemen's Beef Association (NCBA) summer meeting in Florida in early August. Among the various committee issues discussed was the NCBA's position with respect to Country of Origin Labelling (COOL). The NCBA had taken notice that the World Trade Organization (WTO) had delivered its final decision to the U.S., Canadian and Mexican governments. While the CCA is bound by a confidentiality agreement not to disclose the content of the ruling (which remains confidential until it is translated and circulated to the WTO membership this fall) apparently the NCBA had learned enough from media reports to take a position on the case. The CCA was at the NCBA International Markets Committee meeting on August 3, when the following directive was passed:

"NCBA staff should urge the U.S. Trade Representative to forego an appeal of the WTO ruling on US COOL and work with Congress and/or regulatory agencies to implement a program that is WTO compliant and consistent with current NCBA policy."

The CCA has worked with the NCBA, its state affiliates and lawmakers in Washington, D.C. for several months in anticipation of the ruling to encourage the U.S. to waive any appeal and to move directly to resolve the dispute. We have been clearly communicating our position that we are not seeking the outright repeal of COOL but could be content with a surgical amendment that would retain provisions to provide consumers with more information about the origin of their food while eliminating the

negative discrimination that some of the COOL provisions have created for livestock imported to the U.S.

Our advocacy work in Washington around COOL continues on a number of fronts along with discussions around possible remedies and solutions.

There have been a number of positive developments for the Canadian cattle industry in 2011. In the last few months alone we've seen Vietnam reopened to live breeding cattle, the Canada-Colombia Free Trade Agreement (FTA) come into effect, and Canada reach a science-based technical agreement with South Korea as a step toward restoring market access for Canadian under-30-month (UTM) beef. Under the agreement, Korea agreed to commence UTM shipments by end of 2011. With that work progressing, the CCA is focussed on finalizing a FTA with Korea. However we continue to monitor Korea's market restoration progress.

At the 2011 CCA Semi-Annual in Calgary a resolution was passed stating: 'That if Korea does not resume UTM beef imports within the agreed timeline, CCA would seek the resumption of the WTO dispute panel, and be guided by our existing policy on support for free trade agreements.'

Of course the full restoration of access for beef products from cattle of all ages to top priority markets is crucial. Work continues on getting over-30-month cattle into Asian markets and improving access in other key markets. Another trade-related resolution passed at the CCA Semi-Annual stated: 'That CCA pursue escalating trade policy mechanisms by the Government of Canada to resolve the remaining BSE-related trade restrictions in the high priority markets of Japan, Mexico and Taiwan.'

The Board of Directors also resolved that the 'CCA encourage the government of Canada to commence free trade negotiations with Japan aimed at establishing duty free access for Canadian beef to that market.'

Our international trade efforts continue at a time when domestic price fundamentals for cattle remain strong. The same supply situation propping up prices is squeezing packing plants leaving many to take steps to control operating costs or close altogether, as we saw earlier this year with XL in Calgary.

The CCA's Beef InfoXchange System (BIXS) launched Phase 2 to cow/calf producers across Canada, slightly ahead of schedule. This is the second of three launch stages and involves 100 beef producers. The first phase of the launch took place in June and July and involved a limited number of cow/calf producers. A nationwide launch of BIXS to all cow/calf producers remains on target for the fall calf run. In time, BIXS will enable production enhancing decisions that will leave the industry more competitive.

The CCA is gearing up to host town hall meetings across Canada. These meetings provide the opportunity to meet and talk with producers about local issues of national importance and to inform them of the many important initiatives the CCA is involved in on their behalf and the progress we are making on improving industry competitiveness for the long term. The first meeting is scheduled for October 3 in Prince George, B.C., with dates in Manitoba and Ontario to follow. Thanks to Farm Credit Canada for helping to sponsor the CCA Town Hall Meetings.

Even with all the positive news in the industry, significant challenges to our competitiveness remain. Extreme weather dominated the year, with unprecedented flooding in many parts of Manitoba devastating many producers. Many were forced to evacuate and the conditions prevented them from seeding and harvesting crops needed to feed their animals through the fall and winter.

These unfortunate events have reinforced the importance of working proactively with governments to, whenever possible, use a scientific approach to determine when real disaster assistance is required. The

AgriRecovery program should be implemented only when extreme events such as the flooding around Lake Manitoba have left the industry unable to cope. Otherwise, government assistance offsetting normal business risk events will distort market forces, lead to more government intrusion in our industry, and negatively affect our image with the public. It will also mean less available funding for research.

Research and innovation is one of the CCA's key priorities at the Growing Forward consultations. Significant investment is needed to renew and reinvigorate agriculture research to a more meaningful level with investments focusing on research outcomes that address industry's priorities and also on developing critical research capacity.

One of the many pieces of policy discussed at the CCA Semi-Annual meeting was the Growing Forward (GF) suite of programs. This five-year Federal/Provincial/Territorial agreement is due to expire in March 2013. Although that date is a year and a half away, the beginning of GF was stalled for a year due to the complexities of negotiating agreements between each province and the federal government. To avoid that happening again, consultations began early with a goal of negotiations taking place next summer. Detailed program discussions have yet to take place. Leading up to those discussions the document CCA GF II Position August 2011 will help to inform all governments and stakeholders how CCA believes this policy suite should develop. The document is posted on our website at www.cattle.ca.

The gist of our position is this: in 2010 cattle and calf cash receipts totalled over \$6 billion while beef production contributed \$24.6 billion to Canada's economy. Looking back at spending directed at agriculture sectors it is important to remind policy-makers of this industry's contribution to the economy. Modest growth of this sector can contribute greater amounts to more producers than seemingly larger

growth in most of the other sectors of Canadian agriculture. Government investment needs to recognize this reality. A prime example is the Science Cluster Initiatives. The Oilseeds and Pork Clusters both received more AAFC investment than the cattle industry despite cash receipts of cattle and calves outpacing those industries. The Organic Cluster received \$6.5 million compared to the \$8.65 million for beef. Organic may be growing, but it remains minuscule compared to the amount of producers, land managed and revenue generated in the beef cattle business.

Another priority is improving our regulatory environment. Regulations need to be designed and implemented in a way that puts the competitiveness of the Canadian agriculture sector on equal footing with our global competitors. Due to the highly integrated nature of the Canadian and U.S. cattle and beef industries, the Canadian beef industry must have access to the most effective and efficient production tools and practices in order to remain competitive. Canada is also a relatively small market so to attract new technologies and products we must have a favourable regulatory system that supports innovation.

Specific emphasis continues to be placed upon harmonizing the Canadian approval process for veterinary drugs with the U.S. Improved access to new veterinary drugs and livestock production products will enhance productivity and animal health and enable Canadian cattle producers to be positioned more competitively relative to our global competitors.

Harmonization is needed around specified risk materials (SRM). The higher costs of collecting and disposing SRM in Canada compared with the U.S. has created a competitive disadvantage for Canadian packers and producers that reduces profitability and encourages live cattle exports to the U.S. As well, we continue to ask that Canada remove the prohibition on using SRM

meat and bone meal as fertilizer as a way to restore value for the SRMs.

We continue to focus on the impact of North American biofuels policies on our industry. Concern remains that significant growth in Canada's grains-based biofuels industry has the potential to undermine the long-term competitiveness of the cattle feeding sector.

The concern is that federal and provincial governments are attempting to encourage artificial growth of the biofuels industry with blending credits, mandates for use and duties on imported ethanol. While some feeding operations may benefit from a nearby biofuels processor, the competitiveness of the feeding industry as a whole is reduced. To the extent that growth in the biofuels industry is dependent on subsidies and mandates, the long-term viability of the replacement industry is questionable.

Last year we made recommendations on behalf of the beef cattle industry as it relates to the next steps of implementation of the Federal/Provincial/Territorial agenda to have a mandatory comprehensive national system for livestock traceability in place in 2011.

Work continues on traceability, and it is important that we move forward carefully. The traceability system we establish must benefit the industry and be sustainable in the long term without an over-reliance on government funds. The CCA remains committed to improving and enhancing our traceability system to ensure it is implemented in a cost-effective manner.

On behalf of Canadian cattle producers, we will continue to press for improvements to our competitiveness on the trade front and at home in our regulatory and business environment. ▼

Sincerely,

Travis Toews, President

CANADA BEEF REPORT

On July 1, 2011 the Beef Information Centre (BIC) and the Canada Beef Export Federation (CBEF) joined the Canadian Beef, Cattle Research, Market Development and Promotion Agency – also known as the National Check-Off Agency (NCOA) – to form a single marketing organization known as Canada Beef Inc. The following information includes the final reporting for both BIC and CBEF and the plans for the first six months for Canada Beef Inc.



JUDY NELSON
BIC Committee Chair

FINAL BIC REPORT TO ABP

The role of the Beef Information Centre was to work with key partners and stakeholders to develop effective marketing strategies and programs that would contribute to a strong, viable Canadian beef industry. In cooperation with industry and government funders, BIC focused resources on building awareness for the Canadian beef brand; achieving growth in the domestic and U.S. markets; and maximizing value through carcass optimization. The following is the final report on BIC business ending June 30, 2011- prior to the merger and creation of Canada Beef Inc.

Build awareness of the Canadian Beef Advantage

In Canada and the U.S. market outcomes achieved included increasing or maintaining trade awareness and comprehension of the specific attributes of the Canadian Beef Advantage (CBA) by establishing industry's ability to value attributes, systems and processes unique to Canada and positively affecting our customers' purchase decisions.

The work done throughout the 2010-11 year to make these achievements possible includes:

- 116 signed licensees (signed a legal agreement to use beef brand mark on their product offering) across all trade sectors including McDonald's, Boston Pizza, Sobeys, Safeway and XL Meats
- Upgraded e-learn tool (online staff pasture-to-plate training program) to be more interactive and customizable; 10 companies have enrolled in the initial launch
- CBA website provides marketing information and industry specific material and resources
- Seven national trade shows attended and 17 company specific shows; strong industry partnerships, newsletters, articles and advertisements supporting this work – approximately 1,240,000 impressions

Achieve growth in traditional, existing, new and emerging markets for Canadian beef

A broad range of programs and campaigns have been used to create growth. Consumer-focused campaigns included seasonal cross promotions such as the Make it Beef booklets, e-newsletters and in-store promotions with partners such as Safeway and Sobeys, Green Giant, Dairy Farmers of Canada and HP Sauce. Culinary resource development supported these efforts with recipes, product expertise and cooking lesson videos on the website. The total reach of these campaigns for the year equals 5.24 million consumers with a resulting estimated 2.07 million lbs of additional beef sales.

Additionally, public relations campaigns used radio, print and television interviews to share recipes, demonstrate cooking techniques and promote beef. In total, over 30 million Canadian consumers were reached through these channels as well as through new media such as Facebook, Twitter, the Beef Blog and the website (which saw unique 265,138 visitors).

Nutrition communications efforts focused on the role beef plays in a

healthy diet and worked to mitigate negative perceptions. Partnerships included the Dietitians of Canada and work on Nutrition Month messaging which included strong, positive beef messages.

The trade team conducted informative research and development sessions with corporate chefs, purchasers and marketing reps from such companies as the Keg, Kelsey's, Centennial Foodservice and Sysco. A two-year effort resulted in Arby's committing to 100 per cent Canadian beef on their menu. A partnership with XL Lakeside has moved forward the efforts to improve AAA grading. In the U.S. branded beef programs such as High River Angus have seen significant returns- volumes sold have exceeded 10,121,426 lbs and the ethnic markets have sold volumes over 15,834,413 lbs.

Due to a slow recovery of the economy in North America and smaller beef production in Canada, particularly in the first half of 2011, beef sales have been lower than the market specific goals set.

- Domestic: maximize demand for 750,000 tonnes- actual volume is 739,450 tonnes
- Commercial Beef: maximize demand for 115,000 tonnes- actual is 78,525 tonnes
- U.S.: maximize demand for 350,000 tonnes – an improvement was seen here- actual tonnes are 377,494.

Maximizing value through optimization of carcass values

BIC worked with companies such as Sysco, Montana's and Lonestar to increase the sale and utilization of priority products in Canada and the United States. A public relations campaign used radio, print and TV interviews including Canada AM nationally, to promote source ground beef and reached approximately 7,445,752 Canadians.

Work towards domestic market specific goals such as increasing the demand and value of Canadian AAA middle meats and reducing the price discounts of heavy vs. light carcasses is ongoing, while BIC achieved the goal

of increasing demand and value of thin meats (flap, tri tip, outside skirt and ball tip).

The commercial market specific goal for 2012 of optimizing the value of priority whole muscle Canadian commercial beef products through 170 tonnes of new products has been achieved, while increasing the kg market share of source ground beef at retail by five per cent and premium grinds total burgers at foodservice by eight per cent, both by 2012. These efforts are still ongoing and continuing to deliver positive results.

In the U.S. market, specific goals set have been achieved – maximizing uptake of priority products in key markets and enhancing the ability to align priority products, key markets, market segments and targeted customer base with Canadian supply.

Mitigate the impact of COOL legislation through greater diversification within the market

BIC continued its work with specific U.S. clients in foodservice and saw success in most cases despite a challenging economic climate. This year's volume was 1.3 million lbs of beef through foodservice. BIC also completed a third U.S. consumer meat case study reaffirming previous results that Canadian branding has positive impact and the overall positioning of the CBA has helped to mitigate the impact of COOL and opened additional opportunities to product of Canada.

In conclusion

An environmental scan of check-off programs in Canada and competing jurisdictions, conducted by Dr. John Cranfield at the University of Guelph, evaluated how Canada compares globally to other commodities' check-off investment and addressed key questions around producer return on investment, impact on industry competitiveness and demand for Canadian beef. The study found on average from 2005 to 2008, that every check-off dollar invested in research and marketing activities earned \$9 for Canadian beef producers. This is higher than the check-off return for

either Australia (5:1) or the United States (5.5:1). BIC marketing activities specifically delivered an average return of \$7.55 in producer benefits for every check-off dollar invested.

In 2010/11, over half of BIC's revenue was derived from non check-off sources. BIC's domestic programs were funded solely from producer check-off dollars, while commercial beef and U.S. programs are leveraged 3:1 against federal and Alberta legacy funds. BIC can often bring further value to producers by leveraging producer and legacy funds against private industry partner contributions for an overall benefit of 9:1 on partner programs.

The final year for BIC has been a successful one with significant and growing media and stakeholder connections in all sectors – consumers, producers, trade partners and industry. In 2010/11 the BIC investment of \$864,297 combined with partner program activity resulted in a total of a \$4,875,364 spend; a 6.6:1 ratio.

Thirty years ago, BIC had a \$60,000 budget, staff of one and a mandate to advertise beef. Today this team has expanded to a group of approximately 30 people developing and implementing a multi-faceted approach to promotion and marketing. The implementation of the Canada Beef Advantage sets a strong foundation for the new Canada Beef Inc. to build an exciting new global marketing company, focused entirely on the high quality, highly desirable beef product we all have a role in producing. This is a timely and bold new adventure for the beef industry with wonderful opportunities to continue to build on the previous work that has been accomplished and pursue new opportunities that will drive demand and ensure that Canada Beef is the product of choice both at home and globally. Congratulations to everyone involved that has brought us to this point. ▼

Respectfully submitted,

Judy Nelson, Committee Chair



GIB DRURY
CBEF Board Chair

FINAL CBEF REPORT TO ABP

The value of international programs

The results of CBEF's work in 2010 demonstrate that the opportunities for Canadian beef and veal to prosper in the international marketplace continue to grow. Exports to key markets in Asia and Mexico increased 12 per cent over 2009, reaching a total of 97,000 tonnes (product weight) for a value of \$425 million.

The export results indicate Canada is shipping a higher-valued mix of products and achieving premiums on its exports in these key markets. Commercially viable access to key international markets has the ability to add \$85 per head in added value for beef derived from under-30-months (UTM) cattle.

Canadian beef and veal exports to Russia in 2010 also soared, up 58 per cent in volume and 144 per cent in value for a total 10,000 tonnes (\$25 million). Not only are volumes increasing, but the proportion of high value beef and veal cuts is increasing rapidly.

Achieving these results in a global climate of economic turmoil and a rising Canadian dollar serves to significantly underscore the effectiveness of these programs and the value of international marketing in building export opportunities for the Canadian cattle and beef industry.

The export market development priority

The Federation delivered over 500 individual market development activities in its 2010/11 fiscal year ending March 31, 2011. The Partner Market Development Program, which shares the cost of entry into international markets, was highly utilized with over 60 individual export development and export readiness

FINAL CBEF REPORT TO ABP continued

activities completed by CBEF export members – underlining the high importance of these markets to a viable and successful industry.

The Federation believes that by re-establishing trade with South Korea and China, and expanding access to Japan, Taiwan, Mexico and Russia, the industry has the ability to improve our fortunes. Normalizing trade to these markets is more important to the industry than the normalization of trade in all other markets outside of the United States. Normalizing trade to these markets has the ability to help move the industry to a renewed focus on expansion and prosperity.

Potential trade gains through market access normalization

The challenge with projecting potential trade gains from market access normalization (UTM bone-in) is that historically (pre-BSE) these markets were just developing as compared to a more mature market where the demand level is known. As markets mature, consumer preferences change as well as the product mix imported, therefore it is important to consider the per unit value exported historically compared to the per unit value being exported into markets where Canada now has limited access. Historic data had large variations in the 1999-2002 years. It can be expected that any projection based on historical data will be conservative as these markets have matured in their demand for grain-fed beef.

Over the next three to five years exports will be constrained by smaller production. Expansion of the national herd in the near future means increased heifer retention which will reduce fed beef production in the short run. Therefore, while there are opportunities in these export markets, with smaller global cattle inventories we must take into consideration what Canada can supply. The estimated trade gains are:

Next Incremental Access	Incremental Value	Total Value
1. Mainland China (U30M)	\$20 million	\$110 million
2. Japan (U30M)	\$47 million	\$125 million
3. Korea (U30M)	\$65 million	\$65 million
4. Mexico (O30M)	\$15 million	\$200 million
5. Russia (B-I/Offal O30M & Est. Approval)	\$12.5 million	\$37.5 million
6. Taiwan (B-I U30M)	\$8.4 million	\$15 million
Total for all Selected Export Markets: Export value in 2010 is used as the base.		\$167.9 million incremental increase

Canada adding its own volume to the existing EU-U.S. Hormone Compensation Quota is not expected to result in any additional Canadian beef/veal sales to the EU in the foreseeable future. As there are no further short term technical market access goals associated with the EU, that market is not listed above.

Additional trade volumes are expected as part of the Canada-EU Comprehensive Economic and Trade Agreement negotiations, should the final agreement include preferential access conditions for Canadian beef and veal.

The Japan, Korea and Taiwan estimates are very conservative and would likely be substantially higher. The trade to Japan would be significantly higher again if Canada were to achieve U30M access at least six months before the U.S. (as was the case with Canada's advantageous access in Hong Kong/Macau).

These international export markets hold great potential for Canadian beef and veal. As the Canadian industry looks to these markets to help build its prosperity, Canada Beef Inc. will continue to build on the strong foundation built by CBEF. ▼

Sincerely,

Gib Drury, Board Chair

CANADA BEEF INC.

On January 6, 2011 the Canada Beef Working Group (CBWG) presented the results of its investigation and its recommendation – to create a single independent national beef cattle marketing, promotion and research organization by merging and integrating the assets, operations,

liabilities and funding of the CBEF, the BIC and the NCOA.

This single organization was created by restructuring the Canadian Beef Cattle Research, Market Development and Promotion Agency (commonly known as the National Check-off Agency) which then assumed the responsibilities, programs and core functions of all three organizations. Research responsibilities continue to be assigned to the Beef Cattle Research Council.

Canada Beef Inc. Board of Directors

The Board of Directors for Canada Beef Inc. is comprised of provincial representatives and funders. Candidates for the inaugural Board of Directors were recruited by a Canada Beef Implementation Team Governance Committee through collaboration with the provincial cattle associations and industry stakeholders. With the approval of the Farm Products Council of Canada, the inaugural Board will hold office from July 1, 2011 until the first Annual Forum and Board elections, anticipated for June, 2012.

Brad Wildeman was elected as Chair of the inaugural Canada Beef Inc. Board of Directors at their first meeting on June 26-27, 2011. A feedlot operator from Lanigan, Saskatchewan, Wildeman is past President of the Canadian Cattlemen's Association and a Co-Chair of the Canada Beef Implementation Team tasked with getting the new consolidated organization up and running.

Ten provincial association members have been selected as inaugural board members: Brad Wildeman (Chair), SK; Dane Guignon (Vice Chair), MB; Grant Huffman, BC;

Chuck MacLean, AB; Jeff Warrack, AB; Paul Sharpe, ON; Gib Drury, QC; Jennifer MacDonald, NB Jim Bremner, NS; John MacDonald, PEI.

Industry representation covers all sectors along the beef value chain: Dwight Greer, Eastern Meat Solutions, Beef Processing and Distribution; Brian Read, XL Foods; Francis Labrecque, Levinoff Meat Products; Mike Kennedy, Cargill; Arthur Batista, Ecolait; and Scott Ellerton, Sysco Canada. The first board meeting was held July 26, 2011 at which time Brad Wildeman was named Chair and Dane Guignon was named Vice Chair.

Within the Board, four committees have been formed to oversee specific areas of business. Committees assume an active role in governing Canada Beef. Members are accountable to the Board for fulfilling the mandates determined by the Board and actively performing their assigned duties related to the committee's business on behalf of the Board.

- Finance/ Audit and Program Performance Management – Scott Ellerton
- Planning and Priorities – Brian Read
- Governance – Chuck MacLean
- International Beef Trade Access Policy Advisory – Mike Kennedy

Canada Beef Executive

Robert Meijer, former director of corporate affairs for Cargill Limited, was appointed President of Canada Beef Inc. effective August 1, 2011. Meijer brings 14 years of policy, regulatory, legislative, political and communications experience to Canada Beef Inc.

The executive team also includes the following:

- John Baker – VP North America Market Development/ Technical Services
- Cam Daniels – VP International Market Development/ Technical Services
- Ron Glaser – VP Corporate Affairs & Operations
- Herb McLane – VP Trade & Regulatory Services
- Michael Shittu – VP Finance

A six-month transitional plan has been put in place to allow the continuation of business while completing the tasks associated with bringing three separate organizations together under one roof. The priorities set out in this plan will enable work to move forward smoothly:

1. Build awareness for a Canadian beef identity/brand built on benefits defined by a strong and clear value proposition
2. Achieve growth in traditional, existing, new and emerging markets for Canadian beef or Canadian genetics products
3. Maximize the total value realized by the Canadian beef and cattle genetics industry through optimization of carcass values or genetics and live cattle values

During the six-month transition period, the **domestic** marketing programs for Canada Beef are aligned to maintain positive attitudes towards Canadian beef as nutritious and lean; improve the ease of selection and preparation of Canadian beef for consumers; and maintain consumer and customer confidence in Canadian beef. To optimize the value of the beef carcass, specific focus is given to heavy middle meats and thin meats through development of value added products with processors, retail and foodservice initiatives with key partners, and consumer programs creating awareness and demand for priority cuts.

The **commercial beef** marketing programs focus on increasing the penetration of source grinds at retail and premium burgers at foodservice. To maintain or improve consumer positive attitudes towards beef, consumers, health professionals and partners will be reached with messaging that beef plays an important role in a healthy diet.

The marketing programs in international markets facilitate a strong awareness and understanding of Canada Beef Advantage attributes to positively affect foodservice, retail and distributor partners purchasing decisions around Canadian beef. In

the **United States** priority products including chuck primal and thin meats will be marketed through various packer and partner programs to leverage additional volume and value around these products. Ethnic markets, representing 16 per cent of the U.S. population and primarily heavy beef consumers, will be targeted.

Marketing programs in **other international** markets are designed to expand the client base for under 21 month (U21M) beef in Japan and facilitate the growth of trade of under 30 month (UTM) beef in Taiwan, Hong Kong and Macau and Mexico and explore market opportunities in Russia and the EU. Programs also provide for the establishment of product from over 20 month cattle in Japan, over 30 month product in Mexico, Taiwan and Russia, UTM product in Mainland China, and commercially-viable access in South Korea. The transition plan maintains the core international infrastructure, expertise and fundamental promotional programs including operating five international offices in Japan, South Korea, Taiwan, Hong Kong/Macau/China, and Mexico.

There are Canada Beef Inc. offices worldwide including two Canadian offices; in Calgary and Mississauga. Two Chinese offices are located in Hong Kong and Shanghai as well as an office in Tokyo, Japan; Garza Garcia N.L., Mexico; Seoul, South Korea and Taipei, Taiwan.

Canada Beef Inc. is an independent national organization representing the research, marketing and promotion of the Canadian cattle and beef industry worldwide. It's efforts to maximize demand for Canadian beef and optimize the value of Canadian beef products is funded by cattle producers through the national beef check-off, which in turn makes it possible to access beef industry market development funds provided by the Government of Canada and the Government of Alberta. ▼

Canada Beef Inc.



CHARLIE CHRISTIE
BCRC Chair

BCRC REPORT

The Beef Cattle Research Council (BCRC) was established by the Canadian Cattlemen's Association in 1997 to determine research and development priorities for the beef cattle industry, and to administer the research funding allocation of the National Check-Off (NCO). Since 1997, the BCRC has contributed funding to more than 60 different initiatives. For every \$1 the BCRC contributes to research, \$5 in other federal and provincial funds has been leveraged.

Current Activities

The Beef Science Cluster is now fully underway, adding an additional 32 projects to the BCRC research portfolio. The Beef Science Cluster is a partnership between Canada's beef industry and Agriculture and Agri-Food Canada (AAFC) to strategically leverage industry research funds and allocate them to industry priorities.

The BCRC's financial position has strengthened over the past 12 months. The Alberta government's decision to return the NCO dollar to non-refundable status has greatly improved the predictability and stability of national beef research funding. Alberta Beef Producers decision to increase the research allocation of the NCO dollar from 10 to 20 cents was accompanied by similar decisions in Saskatchewan, B.C. and Nova Scotia. Finally, some BCRC funds that had been earmarked for Phase 2 of Canada's Beef Science Cluster were unexpectedly freed up when AAFC approved less funding than industry had originally requested.

Some of these funds will be reserved and used to leverage government funds in the next version of the Beef

Science Cluster under Growing Forward 2. The remainder will be invested in new research projects based on a call for proposals announced in July. This will follow the same two core research objectives of the Beef Science Cluster (reduced production costs; and improved beef demand, quality and value), and is intended to fill in some gaps identified in the current Beef Science Cluster program areas (feed efficiency, forage and grassland productivity, animal health and welfare, beef quality and food safety).

Summaries of all completed and ongoing BCRC projects are available on the BCRC website. Efforts continue to ensure that research results are distributed to a wider audience, through the cooperation of provincial beef organization newsletters, breed magazines, and the broader agricultural media.

Moving Forward

Extension and technology transfer activities have gradually but significantly declined across Canada over the past 15 years. As a result, the BCRC has engaged Framework Partners to identify the most effective mechanisms to transfer relevant research results to leading producers in the target seedstock, cow/calf, feedlot, and packing sectors. Based on this work the BCRC is developing a strategy focused specifically on technology transfer and knowledge dissemination. Initial efforts will likely focus on research funded by BCRC, but it is expected that this will expand to incorporate research findings gathered from other funders and beef-producing nations.

Efforts are also underway to make economic analysis an integral part of BCRC research. CanFax Research Services will be working with BCRC to develop an economic assessment tool that will aid in assessing the economic returns to beef research in Canada, developing BCRC research priorities, and tracking the economic benefit of BCRC-funded research over the long term.

The BCRC will continue to be involved in planning around Growing Forward 2 research programs. This will involve priority setting for the beef research program to succeed or continue the Beef Cluster, beef research program planning involving both federal and provincial research funding agencies, and aggressive lobbying to ensure that Growing Forward research programs are delivered in a timely manner, with appropriate levels of funding, and improved administrative efficiencies.

Verified Beef Production

The Verified Beef Production (VBP) program is also under the auspices of the BCRC. This supports the industry's vision to have high quality Canadian beef products recognized as the most outstanding by Canadian and world customers.

VBP reports continued growth in the last year, with the number of beef cattle operations attending workshops now totalling nearly 14,400. This represents an estimated 35-45 per cent of beef cattle production in Canada. Growth in the past year has largely been a result of interest from feedlot operations. In addition there are now nearly 500 cattle operations which have participated in the optional validation audit to become registered with the VBP program. For further information about Verified Beef Production, please visit the national website at www.verifiedbeef.org the provincial VBP website at www.beefsafety.ab.ca.

Information about all ongoing and completed BCRC-funded research projects is available at <http://www.cattle.ca/projects-in-progress> and <http://www.cattle.ca/research-project-factsheets>. ▼

Respectfully submitted,

Charlie Christie, BCRC Chair



HOWARD BEKKERING
CFC Chair

CFC REPORT

This past year, the Cattle Feeder Council (CFC) has addressed a number of issues relevant to our cattle feeding sector. There has been some optimism in the industry but still many challenges remaining. The wet spring in the south this year was catastrophic for many feedyards, some of which haven't yet recovered. The Council has had some very busy and full agendas this year and following is a brief summary of its areas of interest and activities.

Beef Grading

This past year CFC has been in consultation with the Canada Beef Grading Agency to advise on the use of the E plus V grading camera. At the moment, one processor in Alberta has applied to use the camera grading system as their primary instrument to settle payment. The Council believes this grading system will be much more consistent than current practices. In July, two CFC members toured a processing plant and observed the grading camera in use, concluding that this method while being more consistent, does not affect the plant's efficiency. CFC will continue to promote more efficient and consistent methods of grading beef.

Manure Management

This past year has been an enormous challenge for cattle feeders in the areas of manure management and drainage. With heavy snow and runoff, the damage to infrastructure was disastrous for some feeders. CFC was in discussions this spring with the NRCB regarding the impacts of confined feeding operations on surface and ground water quality. The Council believes, supported by the NRCB, that the current system under AOPA (the Agricultural Operation Practices Act) of managing risks to water quality is appropriate.

Dark Cutter Research

The Council has seen the results of a research study by Dr. Heather Bruce from the University of Alberta. The study indicated a variety of factors that could cause a dark cutter, but there could be some methods to detect a possible dark cutter before slaughter.

NFACC - Beef Cattle Code of Practice

The CFC participated in the last revision of the Code of Practice for the Care and Handling of Beef Cattle. Now, the National Farm Animal Care Council (NFACC) is in the process of updating the codes of practice for all livestock and poultry species. The Canadian Cattlemen's Association has been working closely with the NFACC on updating the beef code of practice and the CFC will continue to provide advice on the cattle feeding aspect of the code.

Land-use Framework

The development of the Land-use Framework (LUF) has been monitored by ABP since the framework's inception. The CFC has been active in investigating the impact of the LUF and the move to cumulative effects management on AOPA permits. The Council believes AOPA permits should not be affected by regional plans under the LUF and any new regulations must be science-based and reasonable.

Incidental OTMs

As a result of producers facing stiff penalties for cattle that had incorrect birth dates and became incidental OTM (over-30-month) animals at the processing plant, the CFC has been in consultation with the Canadian Cattle Identification Agency (CCIA) to improve the procedure of age verification and develop methods to effectively correct any errors in data entry. With improvements to the CCIA database, it is the Council's hope that these costly incidental OTM cattle will be eliminated.

Corn Heat Unit Insurance

One of the resolutions from the fall producer meeting directed ABP to investigate the procedure by which corn heat unit insurance was

evaluated. CFC took on this task and was in consultation with AFSC. The Council was concerned about the lack of weather stations in the south that left some producers experiencing a killing frost on their corn before the temperature decreased to the level that triggered payment.

Feed Grain Research

ABP has been committed to feed grain research for many years and demonstrated this commitment by providing funding of \$1.5 million over five years. Dr. Jim Helm at the Lacombe Research Station is in the third year of the five-year project. In August, the CFC held its regular meeting in Lacombe and afterward toured Dr. Helm's facility. The Council as a group was impressed with the size and scope of the project. Dr. Helm's research focuses almost entirely on feed barley. With this research, the Council is encouraged that the development of more efficient and high-quality varieties of feed barley will be achieved.

Occupational Health and Safety

After two years of consultation on occupational health and safety on farms and ranches, the Alberta government announced the formation of a new Farm Safety Advisory Council last spring. This council will work on ways to reduce injuries on farms and ranches and advise the government on enhancing farm safety education and training. The CFC has been actively engaged in this process and welcomed the creation of the new farm safety council, seeing this as the best approach to improve health and safety practices. ▼

Sincerely,

Howard Bekkering, Chair

Chuck MacLean, Zone 1 at large
John Schooten, Zone 2
Don Evans, Zone 3
Bryan Thiessen, Zone 3 at large
Craig Ference, Zone 4
Charlie Christie, Zone 5
Dave Solverson, Zone 6
Chad Meunier, Zone 7
Sheldon Hauca, Zone 8
Pat Eaton, Zone 9



LARRY DELVER
CIC Chair

CIC REPORT

The Cattle Industry Council (CIC) continued its review of regulatory costs to the industry. A major effort by the Council has been a continuing review of cattle traceability. Last year, a study of the projected costs of traceability to the beef sector was done. The next level of assessment was a cost-benefit study that could determine the financial returns to individual sectors of the beef sector including cow-calf, feedlot and packer-processors. Fred Hays, ABP policy analyst, is staff support to the Council.

A research proposal was prepared in consultation with the Alberta Livestock and Meat Agency for funding. The Canadian Cattlemen's Association became interested in the project in a broader context. At present, a proposal has been prepared by CCA that would cover the original direction of the Cattle Industry Council's mandate. It is presently being reviewed by the researcher.

During the year an interim Traceability Subcommittee was formed by Larry Delver (CIC Chair), John Perlich (Perlich Auction), Rod MacLean (Bow Slope Auction), Jim Able (Stettler Auction Mart) and Brent Carey (ABP Director). This group assessed the findings of a study prepared for Alberta Agriculture and Rural Development (ARD) dealing with traceability systems for auction marts. The meetings were done through the Cattle Industry Council to support the auction mart sector as a means to inform ARD that the industry, including the auction marts, were not generally supportive of the study's findings.

The study results indicated that the auction mart sector had been behind the use of a system to monitor

livestock traceability using "move-in" and "move-out" dynamics. The general premise was that the auction mart system could work at the speed of commerce; and that this was more or less accepted by industry. This was not the case. A general assessment of the study had been reviewed by ABP; this was presented on the ABP website on May 6, 2011.

In mid-August CIC held a mini-conference dealing with livestock traceability. This included presentations dealing with animal disease traceability and the need for an efficient and accurate animal disease traceability system. This type of system would help reduce the number of animals involved in an investigation, reduce the time needed to respond, and reduce the cost of an outbreak to producers and the government.

The present RFID tags used are classified as low-frequency (LF) technology presently being used by the Canadian Cattle Identification Agency (CCIA). The downside of this technology is a relatively short read range and slower reading response compared with the Ultra High Frequency (UHF) systems, and the relatively higher tag costs.

UHF systems are presently being tested by SAIT Polytechnic in Calgary. The Prairie Agricultural Machinery Institute in Saskatchewan is also interested in testing the technological changes coming through SAIT.

One drawback to UHF systems is a limited ability to read tags on objects or livestock surrounded by high humidity or metal. There are three types of UHF RFID interference: tag interference, multiple reader-to-tag interference, and reader-to-reader interference.

Tag interference occurs when more than one tag is energized by a reader and their respective signals are reflected back to it. This could occur with more than one animal in the reader range; the reader could not differentiate tag numbers. Having a smaller type of UHF tag with a better

reading range would be an improvement. Tag costs may also be reduced.

Geospatial-temporal biomedical disease surveillance networks (3D graphics): Animal movement in the province and throughout western Canada and the U.S. creates substantial amounts of traffic data. Most of this livestock data is recorded by the CCIA and Livestock Identification Services Ltd. (LIS) databases. A computer program can use the records of cattle movement collected by LIS and turn this into simple visual maps or 3D graphics. In the event of a disease outbreak, all animal movement in and out of affected premises or regions can be clearly and easily seen as a picture. Once implemented, this technology could help decrease the time response to locate infected locations compared with present systems.

eManifest: Another tool being tested by LIS is the electronic manifest (eManifest). eManifests are being used in other industries to enhance transportation systems by facilitating the movement of goods from one point to another. If used in the livestock sector this could be a way to reduce paper documents by helping to streamline business flow using technology. eManifests work through a computer or cell phone such as a BlackBerry. As the technology is developed this could be used for recording animal movement through the province or region.

Work by the Cattle Industry Council will continue to assess regulatory costs to the cattle industry and determine benefits to various industry sectors. ▼

Respectfully submitted,

Larry Delver (WSGA), Chair

Shawn Freimark - FAA
Bob Ruckman - AB.VMA
Craig Dorin - WCABP
Dan Rosehill - AAMA
Lorrie Jespersion - AB Milk
James MacLean - ALDOBA
Brian Edge - ABP
David Moss - LIS
Vern Lonsberry - NWCBCP



TED FORD
CCC Chair

CCC REPORT

Wildlife Subcommittee: Rick McKnight (Chair), Dan Gray and John Buckley are on this subcommittee. McKnight also sits on the Alberta Game Management Advisory Group and the Endangered Species Conservation Committee. Other organizations are beginning to appreciate the issues that affect the cattle sector such as expenses incurred by producers from wildlife damage; wildlife damage to vehicles; highway safety; spreading disease from wildlife to domestic species; contamination of deer feces in grain; swath grazing problems; and the need to have ethical hunters reporting on unethical hunters.

Safety Net Subcommittee: Members are Chris Simpson (Chair), Ted Ford and Adam Moseson. In the recent past the Subcommittee assessed and reviewed two resolutions that had been given to the CCC dealing with the Advanced Payment Program participation for beef producers requiring enrolment in AgriStability and AFSC front-loaded loans.

Alberta Forage Industry Network (AFIN): Lyndon Mansell (Chair) presented the new draft document 'The Value of Alberta's Forage Industry' developed by the Agricultural Research and Extension Council of Alberta, for AFIN. This included parts dealing with carbon sequestration, forage land and erosion.

Cow Calf Council Resolutions

1. Corn heat units: "that ABP lobby Agriculture Financial Services Corporation to review the corn heat unit trigger to ensure our competitiveness in the feeding industry." Moved to Cattle Feeder Council.

2. RFID tags for renderer: "that ABP lobby the Canadian Food Inspection Agency to remove the requirement of newborn calves to have an RFID tag for a rendering truck or for a deadstock removal program." All deadstock presently require an RFID tag to be removed from premise. This issue affects dairy farmers more than beef producers but if we start making exceptions for this issue it will eventually compromise the system.

3. Chase cattle control: "that all cattle producers must be able to chase or transport cattle to land in control of the producer without Canadian Cattle Identification tags." Cattle over 10 months of age require RFID tags; otherwise, if on property controlled solely by producer they are not required.

4. AgriStability for APP: "that cow calf producers need an option other than AgriStability to prove current inventories in order to qualify for the \$100,000 interest free loan through the Advanced Payment Program administered by Feeder Associations of Alberta." This will be moved forward to the Board to recommend to the Canadian Cattlemen's Association (CCA) for their support.

AgriStability and Business Risk Management: Dr. Brandon Schaufele, University of Western Ontario, spoke to the CCC about AgriStability and business risk management (BRM). The program does provide insurance coverage to large beef producers but not to smaller producers because of economies of scale. The majority of BRM payments are capitalized, which in turn increases land values. Countries that invest in research and development have increased their market share while those that invest in business risk management programs lose market share.

Growing Forward 2: Andre Tremblay from ARD presented the plan for Growing Forward 2 for implementation in 2013. Some modifications from a prior meeting in January were presented in the new plan.

Drought Advisory Committee: Ted Ford is the ABP member. AgriRecovery was requested from the provincial and federal governments for the Peace Region. The program was approved in February 2011. It provided assistance to affected producers to cover some of the costs of transporting feed to their breeding herds, or for transporting their breeding herds to better feed areas. The freight assistance coverage under AgriRecovery was not recommended by the Committee but assistance was appreciated for the areas affected by drought.

Cow Calf Series: The seminars were developed by ABP, the Agricultural Research and Extension Council of Alberta, AFSC, and the Government of Canada through Growing Forward, and Alberta Agriculture and Rural Development. ABP helped facilitate the presentations and some zone delegates also attended some of the seminars.

Agro-Climatic conditions in Alberta: Dr. Daniel Itnefisu, ARD, discussed the Alberta agro-meteorological network and current weather conditions. There is a need for quality weather data. They use Alberta historical weather data and improved current weather data for weather projections.

Beef Forage R&D update: Reynold Bergen, Canadian Cattlemen's Association, reported on beef forage R&D. Twenty per cent of Beef Science Cluster funding is going towards forage. In the last two years ABP has increased funding for forage research through the Agricultural Research and Extension Council of Alberta. ▼

Ted Ford, Chair

James Hargrave, Zone 1
Bob Lowe, Zone 2
Tom Lynch-Staunton, Zone 2
John Buckley, Zone 3
Dan Gray, Zone 4
Rose Wymenga, Zone 5
Chris Simpson, Zone 6
Greg Bowie, Zone 6
Adam Moseson, Zone 6
Rick McKnight, Zone 7
Lyndon Mansell, Zone 8
Lori Kinnee, Zone 9



BRENT CAREY
Communications
Chair

COMMUNICATIONS REPORT

The Communications Committee has had a productive year. We have adjusted well to our new budgets and managed to finish up the last financial year in a good position. At a committee meeting at the beginning of the year we outlined where our focus needed to be this year and where our dollars will be most beneficial to producers.

The Committee saw a huge benefit in last year's Carl Lewring scholarship contest and decided to run the same type of program again this year but rebranded it the 'Young Guns' contest. The Committee settled on prize amounts of \$1,000, \$500 and \$250 and kept the theme of what Alberta Beef Producers means to the contestants. Entries ranged from essays to composed songs and videos, blog posts and posters. This year's first place winner was Amy Mayner, Bluffton, AB, followed by Dakota Wilson, Bashaw, AB, in second place and Raymond Gallelli, Crossfield, AB, took third place.

At the Semi-Annual meeting in June, the Committee decided to put together a survey for delegates to ask producers in their area about ABP's communications tools. Survey responses were received but not analyzed at the time of writing this article. The Committee will review the results and determine what action needs to be taken at their next meeting.

The auction mart monitors are up and running with content being updated every week. ABP, Canadian

Cattlemen's Association (CCA) and CanFax supply information for the monitors and each auction mart's monthly sales calendars are posted as well. All nine Alberta monitors were upgraded throughout September to eliminate any technological glitches. CCA is in the process of launching the monitor program nationally.

The April/May and July/August issues of the Grass Routes newsletter have gone out so far this year and the next issue will be out in early January. ABP participated in Alberta Beef Magazines 20th Anniversary edition with a back cover ad placement in July. The Committee also sponsored a beef dinner for the Alberta Farm Writers' Association's annual tour and meeting again this year and participated in the Cattlewomen for the Cure golf tournament.

Cattle Country with Jim Fisher is running across Alberta radio stations every Wednesday with up-to-date, relevant information for producers. We have incorporated ABP Loyalty Program messaging throughout all of our communication tools as part of an arrangement made with the promotions department to help inform producers of the benefits they can receive from their loyalty cards. Offers and partner information can now be found in our Grass Routes newsletter, weekly updates, auction mart monitors, Cattle Country and the ABP website.

ABP board and delegate media training will take place after the annual general meeting once the new representatives are all in place. Joanne Lemke delivered an informative session to the delegates on tips for dealing with the media at the Semi-Annual meeting. The media tour ABP hosts every year with Alberta Milk and now Canada Beef took place at the end of September. This year's tour was focused around product marketing and took place in central Alberta.

The Committee is excited for the remainder of the year with a full plate of projects and is constantly thinking of ways to improve our communications programs or new ideas that would benefit producers. We are always interested in hearing your feedback, thoughts and ideas. ▼

Regards,

Brent Carey, Chair

- Rick Friesen, Zone 1
- Cecilie Fleming, Zone 2
- Brian Edge, Zone 3
- Ross Skori, Zone 4
- Arny Tateson, Zone 5
- Tim Sekura, Zone 6
- Gene Brown, Zone 7
- Danny Hozack, Zone 8
- Roland Cailliau, Zone 9



MARK FRANCIS
Promotion Chair

PROMOTION REPORT

With the continued success of our traditional trade show, merchandise and community relations programs, parade projects, educational initiatives, and CAP work □ the Promotion Committee believes 2011 has been a good, solid year for promoting "Alberta Beef". That's not to say, however, there haven't been challenges. Without doubt, the most significant one has been the amount of background work required to fund a mass media marketing campaign. In this report, I'd like to summarize the kind of program needed to revitalize our brand and, ultimately, drive beef sales in this country.

As you may know, 2010 was focused on conducting consumer and retail trade research in order to build an effective marketing strategy. With that research clearly showing Alberta Beef is considered amongst the best tasting protein food available, the Committee began the year developing what was now a third application for funding. If approved, those dollars would be used to drive our "taste message" home where it mattered most: at point of sale. Committee members had reason to believe their funding bid might be successful as two previous applications in 2010 had increased their operational budget by nearly \$252,000.

Thus, in the first quarter of 2011, the Committee tackled two major tasks: one, writing an innovative tactics menu to deliver the "Alberta Beef Promise" to its target audience and two, working with ALMA's Industry

Development team to fine-tune our strategy before formally applying. After many meetings crafting this first draft and a roundtable discussion including ABP, AdFarm, Street Smart and ALMA □ the ALMA team concluded that they liked our suggested "taste platform" and although they believed promoting product at point of sale was an excellent strategy, there was still a missing element. After several more application revamps and both formal and informal meetings, ALMA suggested what the missing element might be: a broader target market. In short, they felt we could do better work for our producers if we were to take this message not only to Albertans, but to other Canadians, as well.

Given doing so would mean a change in ABP boundaries policy, this suggestion had to be seriously considered. What would happen, for example, if the proposed campaign overlapped the work done by industry partners? After much discussion, it was decided all partners are basically in the same game and that game is selling beef. Period. Therefore, if the term "Alberta Beef" had any power to drive sales outside the province, it would be wise to harness that capability for the good of the whole industry. The offset of redundancies, it was decided, could be handled with a good communications and effective resource management program. ALMA, in fact, later supported this idea and made it a condition of approval.

The next step in the application process involved the creation of an executive summary now proposing a campaign having national scope. After reviewing the executive summary, ALMA said, overall, they now liked our newer, more ambitious plan. One thing we all agreed upon, though, was that for our campaign to be taken across Canada, we would need meat packers' and retailers' help to make Alberta Beef an identifiable product in national retail outlets.

At the time of writing this report, we are waiting until ALMA sets up meetings with their contacts in the packing industry to see if we can achieve this vital goal in our " Alberta Beef: Savour the Flavour" campaign. If we can, we'll be well on our way to achieving funding. If we can't, it's back to the drawing board. That would be an unfortunate outcome, but in today's financial world, it's simply the name of the game.

In the meantime, we're trying to be patient and are asking you to do the same thing. For some folks that's an easy job. For others, it's not. I can only say, as Chair of the Promotion Committee, I have sometimes felt like the guy on the hallway side of the washroom door during this process, but nevertheless I am learning to wait. Because when it comes right down to it, if we have even a small chance of leveraging producer dollars at the rate of 3 to 1, we really have no option. Our job, after all is not only to promote Alberta Beef, but to do it in the most cost-effective way possible. And that's what we're attempting to do.

In closing, I'd like to thank the Promotion Committee and staff for keeping a positive attitude in the midst of constantly changing demands, for bringing renewed energy to the table even when faced with setbacks, and for allowing me to chair this smart, highly energetic group. It's been a wonderful learning experience and I look forward to another year working with them all. ▼

Regards,

Mark Francis, Chair

- Judy Nelson, Zone 2
- Chuck Groeneveld, Zone 3
- John Bland, Zone 3
- Judy Fenton, Zone 4
- Cathy Sharp, Zone 5
- Don Mosciki, Zone 6
- Gene Brown, Zone 7
- Ed Doktor, Zone 8
- Linda Messner, Zone 9



GREG BOWIE
Environment Chair

ENVIRONMENT REPORT

The Environment Committee has had a busy year. The committee has been very involved in Alberta's Land-use Framework process, watershed work across the province and ABP's own Environmental Stewardship Award.

At a meeting earlier this year, Andre Tremblay, Alberta government director of policy, strategy, and intergovernmental affairs, spoke to the committee about the South Saskatchewan plan advice and Lower Athabasca regional plan. This gave the committee great opportunity for input into the process and an update on the feedback previously provided.

The Land Use Subcommittee met afterwards to put together ABP's response to the draft Lower Athabasca regional plan, which is now out, and met again in early September to keep on top of discussions and the progress made. The subcommittee is planning to meet later this year to do the same for the advice to the South Saskatchewan regional plan. The recent Progressive Conservative leadership change could have a significant impact on the future of land use legislation and land use decisions in the province.

ABP and the Environment Committee have been involved in the consultation process for Growing Forward 2. Some staff and delegates attended the public engagement sessions held by the government. The committee also met with Alberta Agriculture staff and provided input that has been addressed in their policy directions at a provincial level. This process is still

ongoing and needs federal approval. Growing Forward 2 must be ready for implementation on April 1, 2013.

The committee funded a few different watershed projects this past year. The Red Deer River Watershed Alliance is developing their Integrated Watershed Management Plan that focuses on addressing water and ecological issues identified in their State of the Watershed Report. The Environment Committee is the lead sponsor for the Oldman Watershed Council's Holding the Reins seminar. This event provides an opportunity for producers to learn about current land and water issues and how to deal with them. The North Saskatchewan Watershed Alliance is in the final stages of their management planning and has just completed consultation on the draft plan. The committee submitted a response to the draft management plan along with a copy of the workbook.

ABP's Environmental Stewardship Award had another successful year. Bob, Larry and Ron Kidd (2010 award winners) are excellent examples of producers going the extra mile for the environment. They work closely with their community to spread the message of environmental sustainability and are passionate about our industry. The judging team toured the nominees for the upcoming year in late August. Range management, riparian areas and water management, animal welfare and community involvement are a few of the areas taken into consideration during evaluation process. Every year the decision is a hard one for the

judging team with the consistently strong nominees and this year was no different. The winner of the 2012 Environmental Stewardship Award will be announced at ABP's AGM this December in Calgary.

The Environment Committee continues to support Cows and Fish. We see great value in the work they do and the programs they run. ABP supports the society financially and in-kind through staff support, office space and program promotion. Their women's grazing school and livestock lessons are coming up over the next few months around the province and if you are interested go to www.cowsandfish.org.

The committee is excited to work together this year and keep producers informed along the way. This should be a very interesting year and we look forward to the work we do to represent Alberta's beef industry. The environment is a very important topic for agriculture and ABP needs to be involved on any front that could potentially impact our industry. ▼

Regards,

Greg Bowie, Chair

- Lance Cavan, Zone 1
- Tom Lynch-Staunton, Zone 2
- Gordy Cunningham, Zone 3
- Walt Suintjens, Zone 4
- Heidi Lee, Zone 5
- Kelly Olson, Zone 7
- Gordon Graves, Zone 8
- Bruce Jack, Zone 9



BRIAN CHOMLAK
Animal Health and Welfare Chair

AH&W REPORT

The Animal Health & Welfare Working Group (AH&W) works on issues related to the health and welfare of livestock such as humane handling and care, infectious disease, and related laws and regulations. AH&W works closely with Alberta Farm Animal Care Association (AFAC) and strongly encourages the continued financial support of the organization.

AFAC's Livestock Care Conference was another success this year. The conference had excellent presentations on codes of practice, consumer influence on animal welfare, benefits of social media, and issue management. The conference was well attended and AFAC received good feedback on the speakers and sessions. If you're interested in taking a look at some featured articles from the conference or speakers' presentations you can do so at www.afac.ab.ca/lcc/. AFAC is always working hard to bring awareness to livestock care concerns through their ALERT line program. It is a confidential line to report care concerns and have them dealt with through the resource team of producers and veterinarians across Alberta. The ALERT line number is 1-800-506-2273.

Progress on the diseased bison in Wood Buffalo National Park is being made. Some committee members sat down with government and industry representatives to put together a Growing Forward grant proposal to fund work on this issue. Fact sheets and information posters are being circulated to inform producers on who to contact if they

do see bison in restricted areas. More testing needs to be completed before decisions can be made on the best possible solution to dealing with the infected herds. Along with funding for surveillance, the grant will be applied to developing tools that promote awareness and messaging based around the national voluntary standards developed by the Canadian Cattlemen's Association (CCA).

AH&W worked with the Alberta Veterinary Medicine Association and CCA to develop a biosecurity pamphlet for producers. The pamphlet covers what biosecurity is, risks that should be managed and effective practices. The pamphlets are available at the ABP office or from zone delegates.

The University of Calgary's Faculty of Veterinary Medicine held their first annual Beef Cattle Conference last month and a few delegates from the working group attended. The two-day event had a variety of speakers focusing on cattle health research. The conference was focused on issues like animal welfare, disease detection, pain assessment and the environment.

Over the years, ABP has carried numerous resolutions regarding the lack of diagnostic services in Alberta. The working group sent a letter to the government expressing our support of increasing these services. We are pleased to hear that the Food Safety and Animal Health Division of Alberta Agriculture and Rural Development is applying to ALMA for funding for a three-year project to launch and refine the ongoing provision of diagnostic services to the Alberta livestock industry.

AH&W is working hard to support Alberta's beef producers and ensure your check-off dollars are spent wisely. We hope to have some very positive outcomes to report on the projects we are involved in and new ones that will arise. ▼

Regards,

Brian Chomlak, Chair

- Brad Calvert, Zone 1
- John Buckley, Zone 3
- Pat Rutledge, Zone 4
- Heidi Lee, Zone 5
- Adam Moseson, Zone 6
- Rick McKnight, Zone 7
- Maartin Braat, Zone 9

LIVESTOCK CARE

ALERT

Help Line & Resource Team

To report livestock care concerns

CALL

1-800-506-2273

afac.ab.ca Supported by Alberta's Livestock Industry



CHARLIE CHRISTIE
Research Chair

RESEARCH REPORT

The Alberta Beef Producers Research Committee primary goal remains focused on funding research that will improve the competitiveness and sustainability of Alberta's beef industry. We are working towards a quick return of results and the dissemination of practical, usable information to our producers. Our budget this year remains at \$20,000, which emphasizes the critical importance of leveraging every ABP research dollar with funds from non-industry sources such as the Alberta Livestock and Meat Agency and the Canadian Agricultural Adaptation Program. If a major research commitment is warranted, the committee would approach the Board of Directors for additional money from the reserve funds.

In early summer, the Research Committee circulated a targeted call for research letters of intent. This call was focused on five specific priorities:

1. Economically improving the productivity of forage and pasture land

Beef production relies heavily on forage availability, but high grain prices increase the temptation to convert pasture land to crop production. Increasing forage production per acre and finding innovative ways to use crop residues are worth investigating.

2. Characterization of dark cutter carcasses

Dark cutters are an ongoing cost to the industry, but can have

several different causes. Identifying the relative importance of these different potential causes could help to develop strategies to reduce the risk of dark cutters.

3. Nutritional strategies to improve carcass value

Preliminary trials suggest that slight modifications to ration formulation and feeding management may impact carcass quality grade, but these have not been validated in commercial trials.

4. Management strategies to minimizing the economic impact of lameness in the feedlot

Lame cattle do not eat well, do not grow well, and are more likely to suffer in transit. However, the causes of lameness and potential ways to avoid lameness are not as well understood.

5. Improving the health of weaned calves

Keeping newly weaned calves healthier in the feedlot could improve animal welfare and reduce the need for preventative antibiotic use.

In all, 23 letters of intent were submitted to the Research Committee. The committee has reviewed these letters of intent, and has asked for additional detail on four of them. These four full proposals are due to be submitted this fall, and funding decisions are expected before the ABP annual meeting in December.

The Research Committee also works closely with the national Beef Cattle Research Council. Through this coordination, the results of several ABP-funded research projects have been featured in national communication efforts through the CCA's Action News, a number of provincial beef newsletters, and Canadian Cattlemen magazine.

We as a committee, and ABP as a whole, are pleased to be involved with leading-edge research and researchers of this calibre. While we are not a primary funder, our contribution of producer dollars continues to be a cornerstone of present and future initiatives. This enables us to play an integral role in the direction and evolution of our industry.

Previous research projects, both completed and ongoing, can be viewed on the ABP website at www.albertabeef.org/producers/research-and-development/.

Charlie Christie, Chair

Brian Edge, ABP Director
Larry Delver, CIC
Howard Bekkering, CFC
Tom Lynch-Staunton, CCC



GOVERNANCE REPORT

Corporate Governance is defined 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. Key elements of good corporate governance principles include honesty, trust and integrity, openness, performance orientation, responsibility and accountability, mutual respect, and commitment to the organization.

The ABP Governance Committee is appointed by the Board of Directors and consists of five members. Four members are respectively appointed from the ABP Board, Cattle Feeder Council, Cow Calf Council, and Cattle Industry Council. The fifth person is an outside member recommended by the Governance Committee.

The Governance Committee had its inaugural meeting in the spring of 2010 where the committee's Terms of Reference were developed. Since this first meeting, the committee has held a number of conference calls and meetings for the purpose of reviewing ABP policies and procedures and presenting recommendations to the Board of Directors for approval or comment. To date, the Committee has reviewed the roles and responsibilities of Delegates and Directors, discussed dealing with confidentiality issues, and is now working on the Zone Committee roles and responsibilities. The Committee met during the semi-annual meeting and discussed the responsibilities of the Executive Director and the development of board policy.

The Committee thanks ABP staff for the timely and competent support. The members of the Governance Committee are committed to the beef industry in Alberta and to the process of strengthening ABP

through good governance practices in the face of changing expectations. ▼

Sincerely,

John Kolk, Chair, Independent

Don Evans, CFC
Doug Sawyer, ABP Directors
Larry Delver, CIC
Lyndon Mansell, CCC

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 ABP 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 ABP 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;
- One member appointed by the

- Cattle Industry Council; and
- One non-delegate member appointed by the members of the Audit Committee.

The Audit Committee held its inaugural meeting April, 2010. At this time the Committee defined the Terms of Reference. The committee makes use of a working agenda for the year which specifies timelines and identifies milestones to be achieved. The committee uses these documents to guide their activities throughout the year.

The Committee held a number of conference calls including a conference call with ABP's external auditor. The Audit Committee also reviewed and considered ABP's internal control and risk management procedures as well as the financial reporting and disclosure procedures.

The Audit Committee met with the auditors to review the final audited financial statements. The auditor informed the Audit Committee that the financial affairs of ABP were in good order, the controls were excellent and they informed the Committee that they were extremely pleased.

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

Sincerely,

Lori Kinnee, Chair

Dave Solverson, ABP Director
Chad Meunier, CFC
Lorrie Jespersen, CIC
John Kolk, Independent

DRAFT OPERATIONS BUDGET FOR 2012-2013

ALBERTA BEEF PRODUCERS

Draft Operations Budget for 2012/2013

	Proposed 2012 - 2013 Budget	Notes	Final 2011 - 2012 Budget	Actual Expenses 2010 - 2011
National Policy and Trade Advocacy Programs.				
Canadian Cattlemen's Association	\$ 1,500,000		\$ 1,500,000	\$ 1,509,061
Enhanced Federal Lobbying	50,000		50,000	32,973
National Governance and Oversight	50,000		50,000	31,080
U.S. and International Trade Management	50,000		50,000	38,998
Board and Delegate Expenses, ABP Governance and Provincial Initiatives:				
Board of Directors	145,000		145,000	147,441
Annual general meeting	140,000		140,000	118,986
Partnerships projects	120,000		120,000	111,500
Fall producer meetings, resolutions and policy development	115,000		115,000	83,935
Zone Committees	108,000		108,000	69,891
Semi-annual meeting	95,000		95,000	81,772
Executive Committee	85,000		85,000	77,649
Annual Report	71,600		71,600	55,635
Canfax membership and services	53,400		53,400	53,400
Provincial advocacy	50,000		50,000	24,424
Audit Committee	5,000		5,000	1,700
Governance Committee	5,000		5,000	3,817
Council, Committee, Staff and Project Expenses in Priority Areas:				
Cattle Feeder Council				18,085
Cattle Industry Council				2,580
Cow-Calf Council				22,892
Animal Health and Welfare Working Group				18,892
Communications Committee				219,657
Environment Committee				70,259
Promotion Committee				124,189
Research Committee				32,986
Project fund	740,000		1,075,000	
Salaries and benefits - related to programs	577,500		577,500	446,081
Office, legal and financial administration.				
Salaries and benefits	372,500		372,500	247,012
Rent, office supplies and equipment	460,000		460,000	343,743
Legal, audit, plan review and consulting	160,000		160,000	63,619
Amortization of capital assets	40,000		40,000	38,003
Capital Budget	7,000		7,000	3,448
	4,993,000		5,328,000	4,090,070
	7,000		7,000	3,448
	\$ 5,000,000		\$ 5,335,000	\$ 4,093,518

NOTES TO OPERATIONS BUDGET FOR 2012-2013

1. Budgeting Process

In accordance with the 2009 Board of Director recommendation in the budgeting process the net revenue remaining from the amounts 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 will enable ABP to budget effectively and ensure there are funds available for core operations.

A \$5,000,000 draft budget is presented in the Annual Report and to producers during the fall meetings. The budget is finalized by the Board of Directors once the total amount available to be spent is known.

2. Payments to the Canadian Beef Cattle Research, Market Development and Promotion Agency (The National Agency)

Pursuant to the Agency Agreement and the Services Agreement with the National Agency, ABP collected and remitted to the National Agency \$1 out of every \$3 service charge collected and retained on Alberta cattle marketed in Alberta, referred to as intra-provincials trade. Effective November 30, 2010, ABP now collects a \$2 Alberta Service Charge and a \$1 non-refundable National Levy. The National Levy is forwarded to the National Agency. The National Agency distributes the National Levy to Canada Beef Inc. and the Beef Cattle Research Council based on an allocation determined annually by the ABP Board of Directors. ABP collects a \$3 Federal Levy on cattle sold in inter-provincial trade in Alberta, cattle from out of Alberta. The Federal Levy collected on the interprovincial sale of cattle continues to be non-refundable.

3. National Policy and Trade Advocacy Programs

Alberta Beef Producers' is committed to the notion that the national organization, CCA, must have resources available to continue to effectively execute policy, trade and market access programs.

4. Board and Delegate Expenses, ABP Governance and Provincial Initiatives

This category of expenses reflects the costs involved in running a democratic organization and specifically addresses the monies required to provide remuneration to delegates and to directors; to hold meetings; and to ensure that ABP is represented at all industry events having the power to impact Alberta's cattle producers.

5. Council, Committee, Staff and Project Expenses in Priority Areas

ABP business is conducted under the direction of the Board of Directors, the three councils, and working committees depending on specific needs and issues of the day. This budget area reflects funds allocated to ongoing endeavours in the priority areas of policy, communications, marketing, animal production, research and environmental stewardship. Within these areas, ABP will continue to work for increased market access; provide leadership on research initiatives, animal health and welfare issues, and environmental policy; and promote the Alberta beef industry's image and the Alberta Beef brand. ABP's structure will enable the Board of Directors and delegates to respond quickly and effectively to emerging issues, thereby ensuring the competitiveness and long-term sustainability for our industry for the benefit of all Alberta beef producers. The amount budgeted also includes the costs associated with having staff in these program areas.

6. Office, Legal and Financial Administration

This budget item represents the costs associated with employing staff; running an office; auditing the financial statements; and hiring legal counsel and consultants as required.

ABP STATEMENT OF OPERATIONS

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of **DFK**



Independent Auditor's Report

June 6, 2011
Edmonton, Alberta

To the Directors and Delegates of Alberta Beef Producers

We have audited the accompanying statements of Alberta Beef Producers, which comprise the statement of financial position as at March 31, 2011, and the statements of loss, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information. These financial statements are the responsibility of ABP's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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 aspects, the financial position of Alberta Beef Producers as at March 31, 2011, and the results of its operations and its cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Kingston Ross Pasnak LLP

Kingston Ross Pasnak LLP
Chartered Accountants

Statement of Loss

ALBERTA BEEF PRODUCERS

Year ended March 31, 2011

	2011	2010
REVENUE		
Alberta service charge revenue (Note 2)	\$ 10,125,407	\$ 12,837,808
Less dealer rebate	(195,990)	(213,974)
	9,929,417	12,623,834
Less Alberta service charge refunded (Note 3)	(2,587,807)	-
	7,341,610	12,623,834
Interprovincial marketings (Note 2)	269,825	318,498
	7,611,435	12,942,332
Canadian Beef Cattle Research, Market Development and Promotion Agency (Note 10):		
Beef Information Centre	(1,963,574)	(2,737,956)
Canada Beef Export Federation	(763,397)	(1,080,507)
Beef Cattle Research Council	(309,883)	(375,446)
National Check-off Agency	(61,977)	(85,590)
	(3,098,831)	(4,279,499)
	4,512,604	8,662,833
OTHER REVENUE		
Interest and other income (Note 5)	253,617	93,553
Recognition of deferred revenue (Note 8)	-	13,886
Grants (Note 9)	243,135	345,727
Producer Loyalty Partnership Program	15,005	-
	511,757	453,166
OTHER EXPENSES		
Recognition of deferred revenue (Note 8)	-	13,886
Grant funds expended (Note 9)	243,135	345,727
CCA legal assessment (Note 10)	161,321	215,014
Producer Loyalty Partnership Program	38,795	-
Research commitments, prior year	715,469	377,626
Youth bursaries, Estate of Carl Lewring	-	2,846
	1,158,720	955,099
EXCESS OF REVENUE OVER EXPENSES BEFORE OPERATING EXPENSES	3,865,641	8,160,900
OPERATING EXPENSES		
Operating expenses (Schedule 1)	4,052,067	5,339,128
Amortization of furniture and equipment (Note 7)	38,003	41,500
	4,090,070	5,380,628
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	\$ (224,429)	\$ 2,780,272

Statement of Changes in Net Assets

ALBERTA BEEF PRODUCERS

Year ended March 31, 2011

	Trade Advocacy reserve (Note 4)	Operating reserve 2010-2011 (Note 4)	Operating reserve 2011-2012 (Note 4)	Operating reserve 2012-2013 (Note 4)	Long-term projects (Note 4)	Invested in furniture and equipment	2011 Total	2010 Total
Balance, beginning of year	\$4,500,000	\$5,635,000	\$1,000,000	\$-	\$1,977,374	\$150,108	\$14,443,774	\$11,663,502
Transfers	161,321	(5,635,000)	4,335,000	1,000,000	(715,488)	-	854,148	-
(Deficiency) excess of revenues over expenditures	(161,321)	-	-	-	34,000	(38,003)	(59,105)	(224,429)
Invested in furniture and equipment	-	-	-	-	-	3,448	(3,448)	-
Balance, end of year	\$4,500,000	\$-	\$5,335,000	\$1,000,000	\$1,295,906	\$115,553	\$14,219,345	\$14,443,774

Statement of Financial Position

ALBERTA BEEF PRODUCERS

March 31, 2011

ASSETS

CURRENT ASSETS

	2011	2010
Cash and restricted cash	\$ 2,704,195	\$ 1,482,118
Investments (Note 5)	6,860,834	5,432,549
Service charge receivable	1,158,603	1,369,045
Interest and other receivables	191,978	324,059
Inventory (Note 6)	9,273	11,658
Prepaid expenses	59,616	19,763

10,984,499 8,639,192

OPERATING RESERVE FUND 2010-2011 (Note 4)

OPERATING RESERVE FUND 2011-2012 (Note 4)

OPERATING RESERVE FUND 2012-2013 (Note 4)

FURNITURE AND EQUIPMENT (Note 7)

\$ 17,435,052 \$ 15,424,300

LIABILITIES

CURRENT LIABILITIES

Accounts payable and accrued liabilities	\$ 1,425,440	\$ 682,208
Alberta marketings held in trust	1,630,684	-
Deferred revenue (Note 6)	159,583	298,318

3,215,707 980,526

COMMITMENTS (Note 11)

TRADE ADVOCACY RESERVE FUND (Note 4)

OPERATING RESERVE FUND 2010-2011 (Note 4)

OPERATING RESERVE FUND 2011-2012 (Note 4)

OPERATING RESERVE FUND 2012-2013 (Note 4)

LONG-TERM PROJECTS (Note 4)

INVESTED IN FURNITURE AND EQUIPMENT

UNRESTRICTED

14,219,345 14,443,774

\$ 17,435,052 \$ 15,424,300

 Director

 Director

Statement of Cash Flow

ALBERTA BEEF PRODUCERS

Year ended March 31, 2011

	2011	2010
CASH FLOW FROM OPERATING ACTIVITIES		
(Deficiency) excess of revenues over expenses	\$ (224,429)	\$ 2,780,272
Add items not involving cash:		
Amortization of furniture and equipment	38,003	41,500
Obsolete furniture and equipment written off	-	55
Change in unrealized gain on investments held at year end	(28,149)	32,462
	(214,575)	2,854,289
Changes in non-cash working capital accounts:		
Service charge receivable	210,442	(159,545)
Interest and other receivables	132,081	(148,445)
Inventory	2,385	26,792
Prepaid expenses	(39,853)	24,505
Accounts payable and accrued liabilities	743,233	(70,368)
Alberta marketings held in trust	1,630,684	-
Deferred revenue	(138,734)	235,641
	2,325,663	2,762,869
CASH FLOW USED IN INVESTING ACTIVITIES		
Purchase of investments	(4,476,893)	(3,841,964)
Proceeds from sale of investments	3,076,755	3,756,199
Purchase of furniture and equipment	(3,448)	(8,132)
Proceeds on sale of furniture and equipment	-	250
	(1,403,586)	(93,647)
NET INCREASE IN CASH AND RESTRICTED CASH	922,077	2,669,222
CASH AND RESTRICTED CASH, BEGINNING OF YEAR	8,117,118	5,447,896
CASH AND RESTRICTED CASH, END OF YEAR	\$ 9,039,195	\$ 8,117,118
CASH AND RESTRICTED CASH CONSIST OF:		
Cash and restricted cash	\$ 2,704,195	\$ 1,482,118
Operating reserve fund 2010-2011	-	5,635,000
Operating reserve fund 2011-2012	-	1,000,000
Operating reserve fund 2011-2012	5,335,000	-
Operating reserve fund 2012-2013	1,000,000	-
	\$ 9,039,195	\$ 8,117,118

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

Notes to the Financial Statements

ALBERTA BEEF PRODUCERS

Year ended March 31, 2011

Note 1

Description of Business

Alberta Beef Producers ("ABP") was incorporated under the Marketing of Agricultural Products Act ("the 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. Prior to March 31, 2010, ABP was authorized under its Plan Regulation and Commission Regulation to collect a non-refundable \$3.00 service charge. Effective April 1, 2010 until November 29, 2010, ABP was authorized to collect a refundable \$3.00 service charge. Since November 30, 2010, ABP has been authorized to collect a refundable \$2.00 service charge and a \$1.00 non-refundable levy from producers who sell or who are in the business of feeding and slaughtering their own cattle ("Alberta Service Charge").

Since April 1, 2000, \$1.00 (the "National Dollar") of the per head service charge collected has been paid to the Canadian Beef Cattle Research, Market Development and Promotion Agency ("the Agency"). The national dollar 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. The Agency retains \$0.02 of every \$1.00 for administration expenses and then pays the balance of the funds to the Beef Information Centre, Canada Beef Export Federation, Beef Cattle Research Council in accordance with the allocation determined annually by the ABP Board of Directors.

For the period of April 1, 2010 until November 29, 2010, the national dollar was refundable. Further legislation changes made the national dollar a non-refundable levy effective November 30, 2011. This \$1.00 non-refundable levy is paid to the Agency. After 20 years of negotiations and considerable effort, Quebec and PEI have signed the National Check-off Agency Agreement. Effective November 30, 2010, with all the provinces having signed the National Check-off Agency Agreement, the National Agency is now in a position to charge an import levy on all beef and cattle.

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

Note 2

Significant Accounting Policies

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. These financial statements have, in management's opinion, been properly prepared with reasonable limits of materiality and within the framework of the accounting policies summarized below.

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.

Notes to the Financial Statements

ALBERTA BEEF PRODUCERS

Year ended March 31, 2011

Note 2

Significant Accounting
Policies Continued...

Revenue recognition

Revenue from service charges was previously recognized at the time of sale, at which time collection was reasonably assured. Effective April 1, 2010, as a result of the Alberta service charge becoming refundable, the service charge 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 refund cheques are issued, and the national dollar on the Alberta marketings retained is forwarded to the Agency. The ABP reviews cattle sales volumes on a regular basis as it applies to the collection and recognition of the per head service charges (Note 1). The revenues reported represent fees collected net of the refundable portion. Due to the inherent uncertainties in the industry reporting, there may be adjustments in future periods and such adjustments may be material to the financial position of the ABP.

ABP pays a dealer rebate of \$0.05 per head to those who collect and remit the service charge collected on behalf of ABP.

The 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 amount to be received can be reasonably estimated and collection is reasonably assured.

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

Budgeting process

The net revenue remaining from the service charge and federal 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 will enable 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.

Notes to the Financial Statements

ALBERTA BEEF PRODUCERS

Year ended March 31, 2011

Refunds

The service charge is payable by producers who sell cattle and by producers who feed and slaughter their own cattle. Any service charge paid by or on behalf of a producer is refundable to that producer on request of that producer. For the period April 1, 2010 until November 29, 2010 a producer could request a refund of all or a portion of the \$3.00 service charge paid, and thereafter, a producer could request a refund of all or a portion of the \$2.00 Alberta Service Charge. 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 \$2.00 ABP Service Charge and \$1.00 non-refundable levy. The \$3.00 Federal Levy is collected by ABP on behalf of the National Agency. Payments of the Federal Levy are forwarded to the National Agency for national beef cattle research, marketing and promotion projects for the benefit of Canadian producers. The National 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.

Investments

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

Notes to the Financial Statements

ALBERTA BEEF PRODUCERS

Year ended March 31, 2011

Note 2

Significant Accounting Policies Continued...

Furniture and equipment

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

	Rate
Furniture and fixtures	10 years
Computer equipment	3-4 years
Audio-visual equipment	5 years

Leases

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

Statement of Cash Flow

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

Measurement uncertainty

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

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 Council, Committee Staff and Project expenses in Priority Areas and to Office, legal and financial administration.

Notes to the Financial Statements

ALBERTA BEEF PRODUCERS

Year ended March 31, 2011

Note 2

Significant Accounting Policies Continued...

Financial instruments

Financial instruments are classified into one of five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments are measured in the Statement of Financial Position at fair value except for loans and receivables, held-to maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification. Held-for-trading financial assets are measured at fair value and changes in fair value are recognized in excess of revenues over expenses. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in the statement of changes in net assets until the instrument is derecognized or impaired.

ABP has made the following classifications:

- Cash and internally restricted cash, and investments are classified as held-for-trading and are measured at fair value. The investments which consist of Provincial government bonds are capable of prompt liquidation.
- Service charges receivable, and interest and other receivables are classified as loans and receivables and are measured at amortized cost using the effective interest method.
- Accounts payable and accrued liabilities and ABP Service charges held in trust are classified as other liabilities and are measured at amortized cost using the effective interest method.

ABP has chosen to continue to apply Section 3861, Financial Instruments – Disclosure and Presentation, instead of adopting Section 3862, Financial Instruments – Disclosure and Section 3863, Financial Instruments, Presentation.

Changes in accounting policies

The Canadian Institute of Chartered Accountants has announced amendments to Handbook Section 1000 "Financial Statement Concepts" and the definition of an asset. The amendments disallow the recognition of assets and liabilities solely based on the principle of matching revenues and expenses. This change in accounting policy has been applied retrospectively. There was no impact to the financial statements of ABP as a result of this change in policy.

Notes to the Financial Statements

ALBERTA BEEF PRODUCERS

Year ended March 31, 2011

Note 3

Impact of Refundable Check-off

Reduced funding to ABP as a result of a refundable check-off has had a serious impact on the cattle industry in Alberta and across Canada. ABP maintains they have always been careful and responsible in the investment of producer funds and that these investments have contributed to a stronger, more competitive, industry for beef producers in Alberta. The loss of funds will have great impact to our industry. As a result of reduced funding, ABP has been forced to eliminate a number of the programs and activities. These communications, policy, advocacy, marketing and research programs would have provided substantial benefits for cattle producers. Also, fewer producer dollars mean fewer dollars available for marketing and research leveraging, and representing the industry to all levels of government, which will greatly reduce benefits and successes for the industry.

ABP is committed to maintaining the investment in the national policy and advocacy activities of CCA. However, with reduced funding CCA may have to consider how to operate with potentially less funding. The Canadian beef cattle industry has incurred legal costs in recent years dealing with Rule 2 in the U.S., and for participation in the WTO challenges to the U.S. COOL rule and Korea. Advocacy for the beef industry in Ottawa and Washington is paramount to the industry's success in trade access and competitiveness. National advocacy in areas of animal health and welfare, environment and all federal regulations are all vital to the industry's future.

In addition to the loss of funding ABP also faces additional expenses as a result of the refund process. The five cent per head dealer rebate that ABP pays to remitters to compensate them for the collection and remittance the service charge is also eligible for a refund. ABP must also bear the cost to administer a refundable check-off.

Notes to the Financial Statements

ALBERTA BEEF PRODUCERS

Year ended March 31, 2011

Note 4

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 defence projects. Countervail trade actions are almost always accompanied by an anti-dumping investigation. While the government can and will defend their programs from countervail action, the responsibility for a defence against an anti-dumping action rests almost entirely with industry and industry organizations such as ABP. By their nature, anti-dumping investigations are very costly. The last anti-dumping investigation in which the Canadian cattle industry was involved cost approximately \$5 million of which ABP contributed over half of the funding. A more recent anti-dumping investigation involving the Canadian pork industry cost \$10 million. Based upon this history, the ABP board of directors has set a target amount of \$5 million for the Trade Advocacy Reserve Fund.

Contributions to the reserve fund are as follows:

March 31, 2005	\$ 1,500,000
March 31, 2007	500,000
March 31, 2008	1,500,000
March 31, 2009	1,500,000
March 31, 2010	500,000
March 31, 2010 Transfer to operating reserve fund	(1,000,000)
March 31, 2011 Payment of CCA legal assessment	(161,321)
March 31, 2011 Motion to transfer funding into this fund	161,321
	<u>\$ 4,500,000</u>

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. This action was taken as a result of the Government of Alberta introducing legislation that would change the check off to being refundable.

	2011	2010
March 31, opening balance	\$ 5,635,000	\$ 3,000,000
Transferred to fund, for operations in the 2010/2011 budget year	(5,635,000)	-
Transferred from Trade Advocacy Reserve Fund	-	1,000,000
Allocation from the 2010 operating surplus, to the 2010/2011 budget year	-	1,635,000
Allocation from the 2011 operating surplus, to the 2011/2012 budget year	5,335,000	-
Operating reserve fund for the operating 2010-2011 year	<u>\$ 5,335,000</u>	<u>\$ 5,635,000</u>
Allocation from the 2010 operating surplus, to future years	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>

Notes to the Financial Statements

ALBERTA BEEF PRODUCERS

Year ended March 31, 2011

Note 4

Internally Restricted Net Assets Continued...

Long Term Projects

In 2007, the Board of Directors passed a motion to establish a reserve fund for the purpose of segregating all multi year commitments. The Council or Committee making this commitment will have the current years budget reduced by the amount of the commitment. Cash required to meet these current and long term obligations is disclosed separately on the financial statements.

	2011	2010
Balance, beginning of year	\$ 1,977,374	\$ 2,152,900
Current year obligations expended	(715,469)	(377,626)
Current year commitments	34,000	202,100
Balance, end of year	<u>\$ 1,295,905</u>	<u>\$ 1,977,374</u>

As of March 2009 the Board of directors had allocated \$1,500,000 to a five year project aimed at improving the yield and quality of feed grains and forage. Two payments have been made to date.

As of March 2009 the Board of directors had allocated \$500,000 to a four year project with the Beef Cattle Research Council to support national research projects. Two payments have been made to date.

Notes to the Financial Statements

ALBERTA BEEF PRODUCERS

Year ended March 31, 2011

Note 5

Investments

	2011 Cost	2011 Fair Value	2010 Cost	2010 Fair Value
Bonds:				
Provincial government, bearing yield rates ranging from 3.26% to 4.61%, due between June 2011 and February 2013	\$ 6,851,990	\$ 6,860,834	\$ 5,279,947	\$ 5,432,549

Interest and other income is comprised of the following:

	2011	2010
Interest on investments	\$ 119,540	\$ 105,900
Change in unrealized gain (loss) on investments held at year end	28,149	(32,462)
Interest on bank balance	147,689	73,438
Other income	79,928	17,105
	26,000	3,010
	<u>\$ 253,617</u>	<u>\$ 93,553</u>

Note 6

Inventory

	2011	2010
Inventory consists of the following:		
Promotional items	\$ 9,273	\$ 11,658

During the year ended March 31, 2011 ABP expensed \$19,470 (2010 - \$41,569) of its inventory in the regular course of operations and had no inventory write-downs.

Notes to the Financial Statements

ALBERTA BEEF PRODUCERS

Year ended March 31, 2011

Note 7 Furniture and Equipment

	2011		2010	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and fixtures	\$ 280,323	\$ 180,052	\$ 100,271	\$ 128,350
Computer equipment	18,636	9,360	9,276	13,178
Audio-visual equipment	49,533	43,527	6,006	8,580
	<u>\$ 348,492</u>	<u>\$ 232,939</u>	<u>\$ 115,553</u>	<u>\$ 150,108</u>

Amortization provided for in the current year totaled \$38,003; (2010 - \$41,500).

Note 8 Deferred Revenue

	Opening	Additions	Recognition of Revenue	2011	2010
AHI Investigation summary and producer education information program	\$ 3,276	\$ -	\$ -	\$ 3,276	\$ 3,276
Consumer and Trade Research Grant	-	97,500	(97,500)	-	-
Auction Market Grant	84,076	-	(14,356)	69,720	84,076
Transition to Refundable Check-off Grant	200,966	-	(131,279)	69,687	200,966
Other	10,000	6,900	-	16,900	10,000
	<u>\$ 298,318</u>	<u>\$ 104,400</u>	<u>\$ (243,135)</u>	<u>\$ 159,583</u>	<u>\$ 298,318</u>

Notes to the Financial Statements

ALBERTA BEEF PRODUCERS

Year ended March 31, 2011

Note 9 Grants

	2011	2010
Transition to Refundable Check-off Grant (Note 9(a))	\$ 131,280	\$ 51,034
Consumer and Trade Research Grant (Note 9(b))	97,500	-
Auction Market Grant (Note 9(c))	14,355	103,524
Beef Education Ag Initiatives Grant	-	37,419
ABP Raised Right Campaign Grant	-	153,750
	<u>\$ 243,135</u>	<u>\$ 345,727</u>

(a) In 2011, ABP recognized \$131,280 of deferred revenue relating to a grant received in 2010 from Alberta Agriculture and Rural Development to assist with costs related to the transition to a refundable check-off system.

(b) In 2011, Alberta Livestock and Meat Agency ("ALMA") provided ABP with a grant in the amount of \$97,500 for the purpose of conducting consumer and trade marketing research. The entire amount was recognized as revenue in 2011, which agreed to eligible expenses incurred.

(c) In 2011, ABP recognized \$14,355 of deferred revenue relating to a grant received in 2010 from ALMA to assist with communicating current industry events to producers.

Notes to the Financial Statements

ALBERTA BEEF PRODUCERS

Year ended March 31, 2011

Note 10 Related Party Transactions

National organizations:

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

- (A) Canadian Cattlemen's Association (CCA)
- (i) The number of seats on the Board of Directors of the CCA is based upon the proportionate share of the CCA annual assessment. For the year ended March 31, 2011, ABP was entitled to eight of the twenty-eight seats.
- (B) Canadian Beef Cattle Research, Market Development and Promotion Agency (the "National Agency"). As a contributing organization, ABP is entitled to representation as follows:
- (i) A number of seats on the Board of Directors of the Canadian Beef Cattle Research, Market Development and Promotion Agency. For the year ended March 31, 2011, ABP was entitled to three of the sixteen seats
- (ii) A number of representatives to the Beef Information Centre committee based on its proportionate share of total funding. For the year ended March 31, 2011 ABP was entitled to six of the twelve seats.
- (iii) Subject to Article 49, an Affiliate Member contributing more than \$100,000 in beef producer check off funds to the Canada Beef Export Federation (CBEF) during the immediate preceding fiscal year, or such other amounts as may be approved by Special Resolution of the Board, may appoint a representative to the Board of Directors. ABP resigned as a member of CBEF and removed its director at the CBEF special general meeting in February 2011.
- (iv) A number of representatives to the Beef Cattle Research Council based on its proportionate share of total funding. For the year ending March 31, 2011 ABP was entitled to four of the eleven seats.

(C) Payments	2011	2010
CCA Monthly Assessments	\$ 1,509,061	\$ 1,503,012
	<u>2011</u>	<u>2010</u>
CCA, Other		
CCA Legal Assessment for Trade Advocacy	\$ 161,321	\$ 215,014
Research project funding	125,000	200,674
	<u>\$ 286,321</u>	<u>\$ 415,688</u>

Notes to the Financial Statements

ALBERTA BEEF PRODUCERS

Year ended March 31, 2011

Note 10 Related Party Transactions (Continued...)

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

	2011	2010
Payments to Canfax, a division of CCA:		
Membership and services	\$ 63,600	\$ 63,600

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

Note 11 Commitments

Operating leases:

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

2012	\$ 164,361
2013	170,281
2014	116,904
	<u>\$ 451,546</u>

The office lease expires November 2013 and the Xerox lease expires December 2013. The office lease and the Xerox lease will be replaced when the current leases expire.

Funding of research projects:

Funding of research projects is contingent upon researchers meeting certain criteria prior to payments being advanced. The obligations for payments are only recorded in the financial statements when such criteria have been met. If the researchers meet such criteria for all projects outstanding March 31, 2011 the additional charges will be \$1,295,905 (2010-\$1,977,374).

Notes to the Financial Statements

ALBERTA BEEF PRODUCERS

Year ended March 31, 2011

Note 12

Director and 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:

	2011	2010
Board of Directors and Board Representatives	\$ 115,820	\$ 118,787
Annual General Meeting	68,558	90,188
Executive Committee	86,776	65,956
Semi-annual Meeting	50,692	61,323
Promotion Committee	27,331	34,301
Enhanced Federal Lobbying	24,857	32,458
Zone Committees	24,779	27,378
Cow Calf Council	19,375	29,642
Canadian Cattlemen's Association	18,378	20,717
Animal Health and Welfare	18,275	11,544
Environment Committee	17,222	34,202
U.S. and International Trade Management	16,997	33,209
Cattle Feeder Council	14,251	15,255
Beef Information Centre	7,490	11,045
Fall producer meetings and Resolution		
Policy Development	6,713	23,460
Communications Committee	5,890	12,656
Audit and Governance Committees	4,806	-
Research Committee	2,793	7,410
Beef Cattle Research Council	2,709	2,039
Cattle Industry Council	2,340	6,552
Board Sponsorships	1,771	3,868
National Check-off Agency	1,535	2,951
Canada Beef Export Federation	(530)	4,816
Competitiveness Value Creation	-	2,610
	<u>\$ 538,828</u>	<u>\$ 652,367</u>

Notes to the Financial Statements

ALBERTA BEEF PRODUCERS

Year ended March 31, 2011

Note 13

Financial Instruments

Fair value

Investments in government bonds are recorded at fair value on a settlement date basis. The government bonds represent the year-end quoted market bid prices.

The fair value of ABP's cash, accounts receivable, and accounts payable and accrued liabilities are measured at amortized cost, and do not differ significantly from their carrying values.

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, 2011 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. The Company has a significant number of customers which minimizes concentration of credit risk.

Note 14

Capital Disclosures

ABP's objectives in managing capital are to ensure sufficient liquidity to meet monthly operating requirements and undertake selective expansion initiatives while at the same time taking a conservative approach towards management of financial risk.

ABP's capital comprises net assets. As at March 31, 2011 ABP's net assets totaled \$14,219,345 (2010 - \$13,443,774). The ABP's primary use of capital is to finance capital expenditures for leasehold and information technology system improvements and to fund programs to stimulate, increase, and improve the production and marketing of cattle producers. The organization currently funds these requirements through service charges, federal levies, government grants and internally generated cash flows.

Notes to the Financial Statements

ALBERTA BEEF PRODUCERS

Year ended March 31, 2011

Note 15 Comparative Figures

Certain 2010 comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

Note 16 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.

	Council, Committee Staff and Project Expenses in Priority Areas		Office, legal, and financial administration	
	2011	2010	2011	2010
Executive Director	40%	40%	60%	60%
Controller	30%	30%	70%	70%

Note 17 Subsequent Event

With the approval of the Board of Directors, ABP has agreed to loan up to \$200,000 to the National Agency to support the work of the Canada Beef Implementation Team (CBIT). The first payment of \$50,000 has been forwarded to the agency as at the time. There is interest payable on the loan at the Bank of Canada prime rate from the CBIT Completion Date to the first anniversary of this date. Interest is payable at the Bank of Canada prime rate plus 1/2% commencing on the first anniversary of the Completion Date. Repayment of the loan will be through consecutive monthly instalments \$10,000, commencing April 1, 2012 and continuing until the balance owing, plus interest, is paid in full.

Notes to the Financial Statements

ALBERTA BEEF PRODUCERS

Year ended March 31, 2011

Note 18 Future Accounting Standards

Developments in Not-for-Profit Accounting Standards

In December 2010, the Accounting Standards Board (AcSB) released Part III of the CICA Handbook "Accounting Standards for Not-for-Profit Organizations." The new accounting standards were based closely on previous standards for not-for-profit organizations. The new standards carry forward the 4400 series of sections from previous stands and relevant material relating specifically to not-for-profit organizations in other sections of the Handbook, including Sections 1000, 1100, 1400 and 3031, largely without change. Not-for-profit organizations may select to adopt International Financial Reporting Standards (IFRS) or the proposed new set of accounting standards is currently reviewing the entire set of accounting standards for not-for-profit organizations. The proposed strategy for changes to these standards with application required to fiscal years beginning on or after January 1, 2012 with the option to early adopt. Management has decided to apply the proposed new set of accounting standards for the fiscal year end beginning January 1, 2012. There is not expected to be a material impact to the financial statements of ABP as a result of this change.

ABP FINANCIAL STATEMENTS

Operating expenses (Schedule 1)

ALBERTA BEEF PRODUCERS

Year ended March 31, 2011

	2011	2010
National Policy and Trade Advocacy Programs:		
Canadian Cattlemen's Association (Note 10)	\$ 1,509,061	\$ 1,503,012
U.S. and International Trade Management	38,998	58,847
Enhanced Federal Lobbying	32,973	34,080
National Governance and Oversight	31,080	44,694
Board and Delegates Expenses, ABP Governance and Provincial Initiatives:		
Board Meetings and Board appointed representatives	147,441	179,344
Annual General Meeting	118,986	139,146
Partnership Projects	111,500	120,000
Fall producer meetings and Resolution Policy Development	83,935	101,971
Semi-annual Meeting	81,772	98,678
Executive Committee	77,649	68,312
Zone Committees	69,891	68,310
Annual Report	55,635	75,007
Canfax Membership and Services (Note 10)	53,400	53,400
Provincial Initiatives	-	71,230
Governance Committee	3,817	-
Audit Committee	1,700	-
Provincial Advocacy	24,424	12,875
Council, Committee Staff and Project expenses in Priority Areas (Note 12):		
Salaries and benefits - relating to programs	446,081	515,592
Communications Committee	219,657	406,210
Promotion Committee	124,189	398,932
Environment Committee	70,259	73,145
Research Committee	32,986	196,493
Cow Calf Council	22,692	34,208
Animal Health and Welfare Working Group	18,892	22,787
Cattle Feeder Council	18,085	3,095
Cattle Industry Council	2,590	(10,754)
Feed Grain Research Project (Note 4)	-	300,000
Competitiveness Value Creating Working Group	-	4,000
Office, legal and financial administration:		
Rent, office supplies and equipment	343,743	340,717
Salaries and benefits	247,012	323,029
Legal, audit, plan review, and consulting	63,619	102,768
	\$ 4,052,067	\$ 5,339,128

CCA FINANCIAL STATEMENTS

CANADIAN CATTLEMEN'S ASSOCIATION

Schedule of Revenue, Expenditure and Net Assets (Unaudited)

Year ended June 30, 2011, with comparative figures for 2010

	2011		2010	
Revenue:				
Assessments				
Alberta	\$1,504,559	47.6%	\$1,522,566	42.1%
Saskatchewan	582,083	18.4%	555,888	15.4%
Ontario	337,568	10.7%	404,432	11.2%
Manitoba	247,342	7.8%	225,670	6.2%
British Columbia	95,332	3.0%	92,498	2.6%
Nova Scotia	11,751	0.4%	11,896	0.3%
New Brunswick	9,793	0.3%	9,914	0.3%
Prince Edward Island	9,513	0.3%	9,630	0.3%
	2,797,941	88.5%	2,832,494	78.4%
Legal assessments	261,760	8.3%	737,354	20.4%
Young Leaders Development Program	48,571	1.6%	-	0.0%
Other	22,813	0.7%	23,214	0.6%
Memberships	21,500	0.7%	20,500	0.6%
Interest	6,248	0.2%	564	0.0%
Total Revenue	3,158,833	100.0%	3,614,126	100.0%
Expenses:				
Calgary Office	828,784	25.1%	761,656	24.0%
Advocate Services	658,319	20.0%	538,451	17.0%
Legal Reserve	567,849	17.2%	737,354	23.2%
Ottawa Office	344,477	10.4%	324,097	10.2%
CCA Division Services	248,212	7.5%	202,399	6.4%
Executive and Finance Committee	179,065	5.4%	188,838	5.9%
Animal Health and Meat Inspection	102,111	3.1%	66,925	2.1%
Annual Meeting	79,075	2.4%	92,897	3.0%
Semi-Annual Meeting	56,458	1.7%	49,435	1.6%
Young Leaders Development Program	48,571	1.5%	-	0.0%
Foreign Trade Committee	43,128	1.3%	36,348	1.2%
Communications	34,129	1.0%	70,331	2.2%
Environment	32,090	1.0%	34,800	1.1%
Animal Care Committee	23,138	0.7%	16,585	0.5%
Domestic Agriculture Policy	17,728	0.5%	15,449	0.5%
Five Country	13,741	0.4%	26,168	0.8%
Convention	23,228	0.7%	6,810	0.2%
Value Creation & Competitiveness	3,726	0.1%	3,938	0.1%
Total Expenses	3,303,829	100.0%	3,172,481	100.0%
Excess (deficiency) of revenue over expenses	(144,996)		441,645	
Net assets, beginning of year	648,104		206,459	
Net assets, end of year	\$503,108		\$648,104	

BIC FINANCIAL STATEMENTS

BEEF INFORMATION CENTRE

Schedule of Revenue, Expenditure and Net Assets (Unaudited)
Year ended June 30, 2011, with comparative figures for 2010

	2011		2010	
Revenue				
Assessments				
Alberta	\$2,517,173	30.2%	\$2,125,810	21.9%
Saskatchewan	846,031	10.2%	763,281	7.9%
Ontario	516,425	6.2%	540,424	5.6%
Manitoba	365,796	4.4%	348,623	3.6%
British Columbia	182,598	2.2%	161,158	1.7%
New Brunswick	417	0.0%	1,338	0.0%
Prince Edward Island	-	0.0%	6,000	0.0%
Nova Scotia	-	0.0%	4,000	0.0%
	4,428,440	53.2%	3,950,634	40.7%
CBCMDF Commercial Beef	2,190,743	26.3%	3,250,508	33.5%
CBCMDF US	1,668,015	20.1%	2,361,179	24.3%
Interest	25,538	0.3%	8,539	0.1%
Canadian Agricultural Adaptation Program	11,408	0.1%	-	0.0%
ALIDF	-	0.0%	100,000	1.0%
CCMDC Live Cattle Strategy	-	0.0%	36,118	0.4%
Total Revenue	8,324,144	100.0%	9,706,978	100.0%
Expenses				
Commercial beef	2,920,991	38.2%	4,334,010	43.2%
U.S. Market development	2,224,020	29.1%	2,689,283	26.8%
Retail marketing	297,770	3.9%	387,268	3.9%
Foodservice marketing	282,510	3.7%	389,102	3.9%
Nutrition	274,155	3.6%	274,929	2.8%
Consumer culinary services	260,081	3.4%	378,724	3.8%
Consumer communications	221,521	2.9%	251,407	2.5%
Customer service centre	179,159	2.3%	204,078	2.0%
Stakeholder communications	154,309	2.0%	197,416	2.0%
Special initiative	140,216	1.8%	-	0.0%
Brand management and research	138,824	1.8%	363,209	3.6%
BIC Corporate planning	121,825	1.6%	96,514	1.0%
Mississauga office	104,410	1.4%	103,371	1.0%
Calgary office	81,275	1.1%	74,773	0.7%
Trade communications	56,589	0.7%	82,321	0.8%
Processing development	52,909	0.7%	17,895	0.2%
Food safety program	48,717	0.6%	70,900	0.7%
Value added initiative	42,099	0.6%	-	0.0%
Live cattle strategy	25,999	0.3%	87,473	0.8%
BIC Committee	27,115	0.3%	27,146	0.3%
Total Expenses	7,654,494	100.0%	10,029,819	100.0%
Excess (deficiency) of revenue over expenses	669,650		(322,841)	
Net assets, beginning of year	3,060,085		3,382,926	
Net assets, end of year	\$3,729,735		\$3,060,085	

CBEF FINANCIAL STATEMENTS

CANADA BEEF EXPORT FEDERATION

Schedule of Revenue, Expenditure and Members' Surplus (Unaudited)
Year ended March 31, 2011 with comparative figures for 2010

	2011		2010	
Revenue:				
Canadian Beef & Cattle Mking Development Fund	\$4,810,323	69.1%	\$4,460,290	62.5%
Partner contributions, in-kind	244,735	3.5%	159,648	2.2%
Memberships	109,490	1.6%	104,250	1.5%
Other	45,964	0.7%	20,864	0.3%
Saskatchewan Agriculture and Food	10,000	0.1%	10,000	0.1%
International, Intergovernmental and Aboriginal Relations	-	0.0%	250,000	3.5%
National check off:				
Alberta	694,975	10.0%	1,063,595	14.9%
Saskatchewan	560,673	8.1%	621,183	8.7%
Ontario	222,645	3.2%	212,571	3.0%
Manitoba	181,772	2.6%	173,131	2.4%
British Columbia	74,881	1.1%	66,069	0.9%
Total revenue	6,955,458	100.0%	7,141,601	100.0%
Expenses:				
Market development:				
Japan market development programs	1,544,879	20.3%	1,597,237	21.7%
Mexico market development programs	1,055,585	13.9%	1,262,122	17.2%
Hong Kong market development programs	702,065	9.2%	-	0.0%
Taiwan market development programs	501,062	6.6%	529,308	7.2%
Partner market development program	489,470	6.4%	638,592	8.7%
China market development programs	362,929	4.8%	965,664	13.1%
Korea market development programs	287,716	3.8%	312,654	4.3%
Canada market development programs	229,163	3.0%	405,554	5.5%
Russian market development programs	183,459	2.4%	190,097	2.6%
Other markets	95,151	1.3%	137,212	1.9%
	5,451,479	71.7%	6,038,440	82.2%
Operations	2,146,797	28.3%	1,313,047	17.8%
Total expenses	7,598,276	100.0%	7,351,487	100.0%
Deficiency of revenue over expenses	(642,818)		(209,886)	
Members' surplus, beginning of year	4,919,965		5,129,851	
Members' surplus, end of year	\$4,277,147		\$4,919,965	

BCRC FINANCIAL STATEMENTS

BEEF CATTLE RESEARCH COUNCIL

Schedule of Revenue, Expenditures and Net Assets (Unaudited)
Year ended June 30, 2011, with comparative figures for 2010

	2011		2010	
Revenue				
National Check Off	\$651,199	67.7%	\$571,538	50.0%
ABP Beef Science Cluster	259,707	26.9%	125,000	10.9%
On Farm Food Safety	35,321	3.7%	52,939	4.6%
Miscellaneous Revenue	16,207	1.7%	3,994	0.4%
On Farm Implementation	-	00.0%	389,118	34.1%
Total Revenue	962,434	100.0%	1,142,589	100.0%
Expenses				
Cluster Projects	295,450	50.4%	-	00.0%
On Farm Implementation	-	00.0%	389,118	53.9%
Projects	80,750	13.8%	154,084	21.4%
Quality Starts Here	80,407	13.7%	79,466	11.0%
BCRC division services	98,686	16.9%	71,935	10.0%
On Farm Food Safety	30,495	5.2%	27,019	3.7%
Total Expenses	585,788	100.0%	721,622	100.0%
Excess of revenue over expenses	376,646		420,967	
Net assets, beginning of year	1,991,211		1,570,244	
Net assets, end of year	\$2,367,857		\$1,991,211	

CBCRMPA FINANCIAL STATEMENTS

CANADIAN BEEF CATTLE RESEARCH, MARKET DEVELOPMENT & PROMOTION AGENCY

Schedule of Revenue, Expenses and Net Assets (Unaudited)
Year Ending June 30, 2011 with comparative figures for 2010

	2011		2010	
Revenue:				
Alberta	\$3,972,498	47.8%	\$3,354,864	48.8%
Saskatchewan	1,726,594	20.8%	1,557,717	22.7%
Ontario	1,037,677	12.5%	1,085,787	15.8%
Manitoba	655,493	7.9%	624,828	9.1%
Quebec	632,849	7.6%	-	0.0%
British Columbia	277,020	3.4%	244,493	3.6%
Nova Scotia	2,004	0.0%	1,382	0.0%
New Brunswick	2,852	0.0%	1,365	0.0%
P.E.I.	3,302	0.0%	-	0.0%
Interest Earned	4,460	0.0%	1,095	0.0%
Total Revenue	8,314,749	100.0%	6,871,531	100.0%
Expenses:				
Administration	212,937	2.5%	196,122	2.8%
Beef Information Centre	4,428,440	51.9%	3,940,633	57.0%
Canada Beef Export Federation	2,126,679	24.9%	1,900,796	27.4%
Beef Cattle Research Council	651,199	7.6%	571,538	8.2%
FPB Quebec	620,192	7.3%	-	0.0%
Other	317,573	3.7%	320,060	4.6%
Canada Beef Implementation Team	177,561	2.1%	-	0.0%
Total Expenses	8,534,581	100.0%	6,929,149	100.0%
Deficiency of revenue over expenses	(219,832)		(57,618)	
Surplus, beginning of year	201,288		258,906	
(Deficit) Surplus, end of year	\$(18,544)		\$201,288	

ELECTION BACKGROUNDER



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

Sitting Delegates



Brad Calvert
Brooks
403-362-3587



Mark Francis
Taber
403-223-4807



Howard Bekkering
Vauxhall
403.654.2903

Zone 1 Candidate:

Elected by Acclamation

Rick Friesen, along with wife Kathy and two brothers, farms northeast of **Vauxhall**. They maintain a commercial cow herd and a feedlot.

"I have just completed my first two-year term as a Zone 1 delegate and I would like to continue representing the producers in this zone. It has been a very interesting, learning experience. There is no shortage of issues that challenge everyone involved in the cattle industry. I encourage producers to get out to the fall meetings and to express any concerns they may have. We need to continue working together and promote our industry."

James Hargrave operates a cow/calf, backgrounding and yearling operation north of **Walsh** on mainly mixed grass prairie. James has been a director with AGLA and WSGA and has just completed his first two-year term as a zone delegate where he served as a Zone 1 representative on the Cow Calf Council.

"I believe that I can add value to ABP. I have been very involved in the land use strategy and the decisions in dealing with the direction the province will take. With your support, I look forward to continuing to work in this area on behalf of the Zone 1 producers."

Zone 1 can appoint up to one Zone Delegate for the 2011-2013 term.

Cattle Feeder Council Delegate:

Elected by Acclamation

Howard Bekkering is the yard manager at Bow River Feeders near **Vauxhall**. His operation is mostly a backgrounding feedlot with 230 head of cow/calf pairs. Howard and wife Kathy have four daughters. Howard is just completing his second two-year term as a Cattle Feeder Council zone delegate where he served as the Cattle Feeder Council representative to the Board of Directors for the past two years.

"I am looking forward to continuing to learn and contribute to the beef industry in Alberta."

Sitting Delegates



John Schooten
Diamond City
403-381-3883



Brent Carey
Stavely
403-549-2478



Cecilie Fleming
Granum
403-687-2288



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

Zone 2 Candidates:

Darren Bevans of **Raymond** manages Deseret Ranches of Alberta.

"I am fortunate to participate in multiple segments of the industry

including cow/calf, backgrounding, stockers, and finishing cattle. I am very optimistic about the next five years and want to be part of the process that moves our entire industry forward. It starts with communications. I am committed to

gaining an understanding of the Zone 2 producer concerns and zone priorities, and then, driving these concerns and priorities to ABP to achieve real and measurable results with our check-off dollars."

ELECTION BACKGROUNDER

Zone 2 Candidates continued:

Bob Lowe is involved in a cow/calf, backgrounding and feedlot operation based near **Nanton**. Bob has been a delegate for the past four years where he has been a member of the Cow Calf Council and the Zone 2 representative to the Board of Directors for the past two years. Bob was also elected to represent ABP on the Canadian Cattlemen's Association Board of Directors.

"The cattle industry continues to evolve and adjust. I would like to continue as a delegate serving producers in this zone."

Jakeb Meyer grew up on a large cow/calf operation in southern Montana.

"I have made it a priority to step into the cattle industry at some point. I

am young, ambitious, and chasing after a lifestyle for my family that comes with ranching. My wife and I operate a small, but growing, cow/calf operation as well as custom feeding, calving, and backgrounding in the **Welling** area. I hope my past experience and energy will be an asset to ABP and I look forward to working with others who share my passion."

Allan Minchau was born and raised on the prairies and spent most of his life in the parkland.

"In 2007, wife Jean and I were fortunate to buy a ranch south of **Spring Coulee** on the Milk River Ridge. We have deep roots in the cattle industry. Both Jean and I were raised on a ranch and our daughters

are sixth generation Albertans. I have served six years as an ABP delegate in Zone 6 and now wish to get back into the cowboy politics. I have always believed if you are going to be involved in something, get really involved. I have served on numerous boards and organizations from 4-H to church, to agricultural societies, and purebred cattle associations. The beef business is our business and we treat it like a business. I am not afraid of change; in fact, believe it is necessary. There are industry issues to be addressed such as government intervention and over regulation. I also believe each sector needs each of the other sectors; we have to work out our differences and speak with a common voice. With your support, I will try to make a difference."

Sitting Delegates



Brian Edge
Cochrane
403.932.3763



Gordy Cunningham
Sundre
403-638-4170



Bryan Thiessen
Strathmore
403.934.6122



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

Zone 3 Candidates:

John S. Bland, along with wife Bernice and other family members, run a 350 cow/calf and backgrounding operation in the **Strathmore** area. As well, they produce hay and grain and have a custom farming operation. John has been very involved with ABP for many years and is just completing his first two-year term as a zone delegate. The first year John represented Zone 3 on the Board of Directors and was the Promotion Committee Chair. In his second year John continued as a member of the Promotion

Committee and was elected as an ABP representative to the Beef Information Centre.

"It has been quite an experience and I look forward to another term as your delegate."

John Buckley is a third generation rancher. John and his partners operate Quarter Circle X Ranch, a cow/calf and backgrounding operation in the Jumping Pound District southwest of **Cochrane**. Over the past two years as a delegate John has represented producers from Zone 3 on the Animal Health and Welfare

Working Group and the Cow Calf Council. Along with issues that are addressed under these committees John has also been interested in the areas of research and land use.

"I believe it is crucial that the industry presents a strong unified voice in the formulation and amending of policy that affects our livelihood and that ABP is most able to be that voice."

John Copithorne operates a cow/calf operation and farms 1,000 acres in the **Cochrane** area. John was a director with the Calgary Stampede

ELECTION BACKGROUNDER

Zone 3 Candidates continued:

from 1997-2010 where he chaired the Strategic Agriculture Committee for the Calgary Stampede for three years, was the Director Liaison for all beef cattle committees at Calgary Stampede, was the Representative Liaison for Calgary Stampede for the International Livestock Congress, and sat on the ILC for three years. As well, John is an auctioneer for purebred beef and dairy cattle.

“My goal is to help the beef producers of Alberta get a bigger market share in the meat industry through Canada and the world.”

Chuck Groeneveld of High River has been involved in the cattle industry since buying his first calf in 1944. He was a 4-H leader for 26 years and has volunteered extensively with the Calgary Stampede for 40 years. Chuck has sat on both the Alberta and Canadian Simmental Association boards. He also served eight years on the Beef Information Centre and has

been an ABP delegate for 18 years.

“I am a true promoter of agriculture and Alberta beef,” says Chuck. “I feel I can contribute both knowledge and experience to ABP. My main goals are to help ensure the future of ABP and to ensure the cattle industry remains strong for the youth in our industry.”

Sascha-Kate Marskell was born and raised on a 5,000-acre mixed farming operation in Australia that encompassed beef cattle, fat lambs, Merino weathers for wool market and cropping. Sascha-Kate moved to southern Alberta in July 2007 and resides in the foothills west of **High River**. Being involved with the family property and business gave way for Sascha-Kate to build, secure, and maintain relationships with clients, cattle buyers, feedlots, transportation companies, and key industry personnel. Sascha-Kate has a dedicated passion for the cattle industry. She works for a local agricultural software company and, outside of work hours, manages a

ranch that comprises 180 cow/calf pairs that are now predominately black baldies. “It took time and patience to remove the Limousin infusion!”

Sascha-Kate lives by the famous Groucho Marx quote: “I could dance with you until the cows come home. On second thought, I’d rather dance with the cows until you come home.”

Cattle Feeder Council Delegate: Elected by Acclamation

Bryan Thiessen and family own and operate a feedlot and farming operation southeast of **Strathmore**. Both his father and brother have been very active over the years working with ABP.

“I believe that it is my duty as well to volunteer my time to help ABP achieve its goals. It is important that the industry as a whole has a strong voice when dealing with both the provincial and federal governments. I believe that ABP is currently the only organization that has this ability.”

Sitting Delegates



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



Dan Gray
Big Stone
403.566.2255



Pat Rutledge
Monitor
403-577-2382



Craig Ference
Kirriemuir
403.552.3755

Zone 4 Candidates:

John Beasley from the **Youngstown** area says “I am 36 years old and have been involved with livestock my entire life. I started 4-H at age six and participated until I was 18. I am a fourth generation rancher and have worked in Alberta with our family operation, in the feedlot sector, and with irrigation. As well, I have

managed a commercial cow/calf and yearling operation for seven years in Manitoba. Currently we are involved with the purebred Angus herd situated north of Bigstone, Alberta. I see a need for direction of the commercial cattle industry. If we as producers are not actively involved in guiding the legislation of our livelihood, we lose control of where our industry goes. There also

appears to be a lack of public knowledge and a poor perception of the environmental services that can be provided by raising or running cattle on a land base. Education is a key element of the prosperity of our ranching communities. I hope to be involved in the innovation and evolution of Alberta’s cattlemen and women.”

ELECTION BACKGROUNDER

Zone 4 Candidates continued:

Judy Fenton along with husband Henry ranch in the **Irma** area. Judy has spent her entire life involved in the beef industry. She has served as an ABP delegate on the Board of Directors, the Environment Committee, the Land Use Framework Working Group, and as the Promotion Committee Chair for three years. Throughout her involvement she has focused on the betterment of the entire industry.

Judy believes that “We must have a strong voice and be active in moving our industry forward through a democratic producer driven organization. I offer a strong commitment to the beef industry and believe my experiences enable me to listen to producer concerns and help make decisions based on factual information.”



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

Zone 5 Candidates:

Nanita Blomquist was raised on a cow/calf and grain farm northeast of **Big Valley**.

Nanita says “We have a commercial cow/calf operation and background our own calves. I have been involved in the industry through our family farm and have worked professionally in the industry since graduating from the University of Alberta with a Bachelor of Science in Agriculture. Most recently, I was involved with the CCA’s Cattlemen’s Young Leaders

Ross Skori along with wife Laurie and son Colton ranch in the **Kinsella** area. They run around 300 commercial beef cows and background a small number of their calves. As well, they run about 40 head of American Quarter Horse Association horses and annually hold a horse sale in July. They are very active on several boards within the community. Ross has just completed his first two-year term as an ABP zone delegate where he served on both the Cow Calf Council and the Communications Committee.

Ross is prepared to help address the many issues facing our industry and will work towards strengthening the industry through communications with producers and with representation of their interests at ABP.

Tim Smith, from the **Coronation** area, believes that the direction and leadership in his Nose Hills area ranch promotes a positive future for the Alberta beef herd.

“Quality beef production in a competitive yet sustainable format must allow for the legacy of the land to be placed into succession. For many years I have been part of a custom silaging unit that is pulling individuals together to provide equipment and labour which allows the economy of scale to prevail. Many feedlots and ranches have benefited from our cooperated efforts. As your zone delegate, I will be approachable to address weaknesses and will strive to build upon the strengths of our industry.”

Sitting Delegates



Cathy Sharp
Lacombe
403.885.5428



Arny Tateson
Endiang
403-579-2107



Charlie Christie
Trochu
403.442.2470

Development Program and was one of the first six who participated in the pilot program. With your support, I look forward to representing Zone 5 producers.”

Doug Sawyer, along with wife Carole and children Braden and Brittany, operate a mixed cattle operation near **Pine Lake**. Doug has served six years as a Zone 5 delegate, five of which he has served on the Board of Directors. Doug is just completing his second year as Vice Chair. He was the Finance Chair for one year and prior to that was Chair of the Public

Affairs Committee for two years. Doug has represented ABP as Chair of Alberta Farm Animal Care Association (AFAC), as a Director on the Red Deer River Watershed Alliance and Alberta Water Council, and as a Director on the Alberta Stewardship Network. Other related interests include being a Director on the Red Deer Feeders Association and a representative on the Industry Development Review Committee for ALMA.

“These are challenging times for ABP and the cow/calf producers. So with

ELECTION BACKGROUNDER

Zone 5 Candidates continued:

your support I am committed to working hard to represent Alberta cattle producers."

Rob Somerville and family operate a cow/calf, feedlot and grain operation at **Endiang**. Rob has previously served five two-year terms as an ABP delegate including one year as ABP director and Chair of the Value Creation and Competitiveness Committee. Rob says he enjoyed his wipeout year so much he took another one but now, after a two-year absence, he is looking forward to becoming a Zone 5 delegate again. Rob has served as ABP representative on the Canadian Cattlemen's Association Board of Directors for the last four years and is presently Chair of the Domestic Ag Policy and Regulation Committee. His educational background includes a Masters of Business Administration from the University of Guelph and training in ISO 9000 quality auditing.

"The challenges and the need to work to improve the competitiveness

of the cattle sector are ongoing, both provincially and nationally. I am committed to continue working hard for the betterment of our industry."

Rose Wymenga and husband Dick own and operate a commercial cow/calf and backgrounding operation in the **Leslieville** area. Rose is a graduate of the business administration program from Red Deer College and has been a 4-H beef club leader for 10 years and is currently treasurer for the local community hall society.

Rose has been a delegate for the past six years serving on the Communications and the Promotion Committees and is currently the Zone 5 representative on the Cow Calf Council. Rose was also elected to be an ABP representative on the Beef Information Centre for the past two years.

"I look forward to continued participation on the Cow Calf Council."

Sitting Delegates



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



Greg Bowie
Ponoka
403-783-8753



Chris Simpson
Bentley
403.843.2269



Dave Solverson
Camrose
780.672.7141

Zone 6 Candidates:

Elected by Acclamation

Shauna Harakal and husband run a cow/calf operation by **Warburg**; as well, they run an extensive grain operation, plus Shauna's husband contracts in the oilfield.

"The cattle industry is very important

in Alberta and I will help in any way I can. My belief is that we have to promote beef consumption among the young for its nutritional value as a high protein food which will help control obesity and good nutrition helps keep health costs down. We are a resource based province and should make alliances with other resources from our province for its

Cattle Feeder Council Delegate: Elected by Acclamation

Charlie Christie and wife Rochelle run a mixed grain and cattle operation, with 2,000 acres of grain and tame hay, 250 cow/calf pairs, and a 2,000 head background and finishing lot in the **Trochu** area.

"I am running for my third two-year term as a Cattle Feeder Council delegate. I have been the Zone 5 Director on the board for the past two years, chairing the Research Committee for both of those years. I am also a Cattle Feeder Council and ABP representative on the Beef Cattle Research Council (BCRC) for the past four years. I have chaired the BCRC for the last year and was re-elected as chair this spring. I look forward to continuing to work with and for our industry as we move into a bright and prosperous future. Thank you for your past and present support."

sale on the international market."

Adam Moseson, and family, farm near **Ferintosh**. They run a cow/calf operation and background their calves. Adams has been an ABP delegate for four years and currently sits on the Cow Calf Council.

"The past years have had challenges as we all know. With your support, I

ELECTION BACKGROUNDER

Zone 6 Candidates continued:

hope to continue to represent you for another two-year term."

Tim Sekura and family operate a cow/calf and backgrounding operation north of **Rocky Rapids**.

"After serving two years as an ABP delegate, and sitting on the Communications Committee, 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."

Zone 7 Candidates:

Elected by Acclamation

Gene Brown and wife Jeannette run a cow/calf southeast of **Sanguo**.

"I am seeking election for a second term as a delegate for Zone 7. I am concerned that government legislation and policy does not always favour agriculture and, particularly, the beef sector. I strongly believe that the grassroots producer needs to be vocal in bringing our concerns forward. I encourage all producers to attend the fall meetings to give the delegate body direction on industry issues."



Sitting Delegates



Ted Ford
Westlock
780-954-3788



Kelly Olson
Athabasca
780-675-4664

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

Colin Campbell manages a purebred herd of Cajun Angus in the **Bon Accord** area. Colin has volunteered as a 4-H leader and for Farm Fair International. He has served as a Director for the Provincial Angus Association and, most recently, was the Chair of the International Market Development Committee.

"Due to the issue of growing government regulatory and traceability burdens and the costs associated with these issues, I am interested in running as a delegate. My goal is to work towards the reduction and balancing of these burdens for the betterment of the cattle industry as a whole."

Rick McKnight and family run a mixed operation including cow/calf

and background feedlot at **Jarvie**. He is a lifelong farmer/rancher with his primary interest being beef cattle. Rick has served as a Director of the Westlock Feeders Association for the last 12 years. He is also a long-time member of the French Creek Beef Club and was previously a Director of the local Agricultural Service Board for seven years.

Rick says, "I am interested in continuing as a member of the Alberta Beef Producers as I hope to contribute in the best interests of all producers in Alberta."

Cattle Feeder Council Delegate:
Zone 7 can appoint up to one Cattle Feeder Council Zone Delegate for the 2011-2013 term.

Sitting Delegates



Lyndon Mansell
Innisfree
780-592-2262



Edward Doktor
Vilna
780.636.2201



Sheldon Hauca
Vegreville
780.367.2404



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

ELECTION BACKGROUNDER

Zone 8 Candidates:

Brian Chomlak along with his wife and brother run a cow/calf operation in **Beauvallon**.

"I have been an ABP delegate for 10 of the past 11 years and Zone Director for the last three years. I am just completing my second year as Chair of the Animal Health and Welfare Working Group. I have represented ABP at the Animal Farm Animal Care Association (AFAC) for five years and am currently serving as the Finance Chair. I am an active member of the Myrnam Agriculture Society and Bull Sale Committee. I believe that commitment, dedication, and a strong voice are very important for any organization. I am willing to work hard on your behalf. I look forward to seeing you at the fall meetings."

Bill Fox owns and operates a mixed farming operation in the **Elk Point** area and, as well, does land restoration work on provincial grazing reserves. Bill has been an

ABP delegate for nine years. Bill has been the ABP representative on the North Saskatchewan Watershed Alliance (NSWA) for the past 10 years. Bill has also worked with the Beaver River Watershed in Zone 8 and with the Alberta Conservation Tillage Society (ACTS) in Alberta. Over the years, Bill has worked at numerous trade shows and exhibitions, NSWA and ACTS events representing ABP, and has also made numerous Classroom Agriculture Program presentations to grades three and four children.

"With producer support, I will continue to work on these projects with the goal of promoting knowledge and awareness of ABP and their value to industry and the public."

Gordon Graves has a mixed cow/calf and grain operation in the **Iron River** area.

"I am an active community member, including the volunteer fire department, watershed, and conservation tillage. Our agriculture

industry, as a whole, is facing an exciting, yet challenging future. I believe that I have strived to make positive change within a democratic structure. If elected, this effort will not stop. This organization provides a voice for all sectors of beef producers. With strong voices and desire to act, we can move ahead."

Danny Hozak, along with his family, farm in the **Streamstown** area. Danny has just completed a two-year term as a zone delegate having returned after enjoying one mandatory and, several additional wipeout years.

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

Sitting Delegates



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



Roland Cailliau
Valleyview
780-524-4402



Lori Kinnee
Brownvale
780-597-2296

Zone 9 Candidates:

Elected by Acclamation

Bruce Jack and wife operate a mixed farm west of **Spirit River**. They have a cow/calf operation and background their calves, selling them off the farm. Bruce has served 10 years as an ABP delegate and is seeking

re-election. Since raising cattle is his business, Bruce enjoys helping the cattle industry any way he can.

Maartin Braat and his wife Mia run a cow/calf operation in the **Fort Vermilion** area.

"I have my cow calves and Mia has her sheep. After having operated as a commercial cow/calf producer, I am

now semi-retired. We have about 30 head of cows and calves and calf four times a year."

Zone 9 can appoint up to one Zone Delegate for the 2011-2013 term.

Cattle Feeder Council Delegate:

Zone 9 can appoint up to one Cattle Feeder Council Zone Delegate for the 2011-2013 term.

2011 FALL MEETING & ELECTION SCHEDULE

ZONE 1 (ALL MEETINGS 7 p.m. START)

- OCT 26** **BROOKS, HERITAGE INN**
John Masswohl, CCA
- OCT 28** **MEDICINE HAT, STAMPEDE GROUND**
Speaker TBA
- NOV 1** **LOMOND, CURLING RINK**
Speaker TBA

ZONE 2 (MEETING 7 p.m. START WITH FREE SUPPER AT 5:30 p.m.)

- NOV 1** **FORT MACLEOD, AUCTION MARKET**
Ryder Lee, CCA

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

- OCT 25** **COCHRANE, RANCHEHOUSE**
Brian Perillat, CanFax
- OCT 26** **SUNDRE, SENIORS CENTRE**
7:30 p.m. START
Chuck MacLean, ABP Chair
- OCT 27** **STRATHMORE, GOLF AND COUNTRY CLUB**
John Masswohl, CCA

ZONE 4 (ALL MEETINGS 7 p.m. START)

- OCT 24** **CZAR, COMMUNITY HALL**
Doug Sawyer, ABP Vice-Chair
- OCT 26** **VETERAN, COMMUNITY HALL**
Rich Smith, ABP Exec. Director
- NOV 2** **BIG STONE, COMMUNITY HALL**
Chuck MacLean, ABP Chair

ZONE 5 (ALL MEETINGS 7 p.m. START WITH FREE BEEF ON A BUN SUPPER AT 6 p.m.)

- OCT 25** **SPRUCE VIEW, COMMUNITY HALL**
- OCT 26** **BIG VALLEY, COMMUNITY HALL**
- NOV 2** **LESLIEVILLE, COMMUNITY HALL**

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

- OCT 24** **CAMROSE, REGIONAL EXHIBITION**
Chuck MacLean, ABP Chair
- OCT 26** **BRETON, COMMUNITY CENTRE**
Brian Perillat, CanFax
- NOV 2** **PONOKA, LEGION**
Ryder Lee, CCA

ZONE 7 (ALL MEETINGS 7 p.m. START W/ FREE SUPPER AT 5:30 p.m.)

- NOV 1** **MAYERTHORPE, LEGION HALL**
- NOV 3** **WESTLOCK, MEMORIAL HALL**

ZONE 8 (ALL MEETINGS 7 p.m. START)

- NOV 1** **KITSCOTY, WHEATFIELD INN**
- NOV 2** **FLAT LAKE, FLAT LAKE HALL**
- NOV 3** **WARWICK, WARWICK HALL**

ZONE 9 (ALL MEETINGS 7 p.m. START WITH FREE BEEF ON A BUN SUPPER AT 6 p.m.)

- OCT 26** **FAIRVIEW, DUNVEGAN MOTOR INN**
Speaker TBA
- OCT 27** **MANNING, BATTLE RIVER AG SOCIETY**, Speaker TBA
- NOV 2** **HIGH PRAIRIE, LEGION HALL**
Travis Toews, CCA President
- NOV 3** **GRANDE PRAIRIE, STONEBRIDGE HOTEL**, Ryder Lee, CCA



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