

2016

Annual Report

Alberta Cattle Feeders' Association



The Voice of Cattle Feeders Since 1973





A handwritten signature in black ink that reads "Martin Zuidhof". The signature is fluid and cursive, matching the man's name in the portrait above.

The 2016 year was marked by terrific challenges for Alberta's cattle feeders. Not only did the price for fed cattle plunge from the record highs of 2015, but a host of new challenges have arisen on the public policy landscape. These challenges involve governments at all levels, municipal, provincial, and federal.

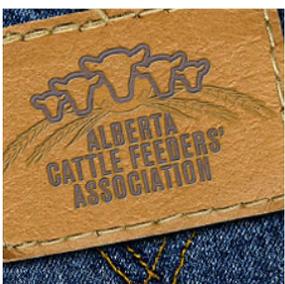
The scope, the size, and the seriousness of the issues confronting cattle feeders today demonstrates once again the vital importance of a dynamic organization like the Alberta Cattle Feeders' Association (ACFA).

On the municipal front, cattle feeders in the County of Lethbridge are confronted with a new livestock "head tax" that clearly threatens the ongoing profitability and viability of cattle feeding in Alberta. The impact on the competitiveness of our industry cannot be understated. The ACFA Board of Directors and our staff have been very active on this complex file and we are pressing hard for a workable provincial solution that will meet the needs of municipalities while also ensuring the competitiveness of the cattle feeding sector.

ACFA has commissioned a study with tax economists at the University of Calgary and the University of Alberta, which will measure the impact of the tax and explore how other jurisdictions deal with the taxation of confined feeding operations. Through our partnership with IMPACT Consulting, additional depth is being brought to our research and advocacy efforts. For example, a meeting with the Ministers of Municipal Affairs and Agriculture and Forestry in September has resulted in the creation of a new provincial Working Group to find a resolution to the issue.

Provincially, cattle feeders remain concerned about the impacts of Bill 6 and the high level of uncertainty surrounding implementation of a new carbon tax that is set to come into play in January 2017. Former ACFA Board Chair Page Stuart is co-chairing the new Alberta Agriculture Farm and Ranch Safety Coalition (Ag-Coalition) on Bill 6. A number of our directors have also been appointed and are actively engaged on the government's consultation roundtables. ACFA is working with our partners in the Intensive Livestock Working Group (ILWG) to commission a study on the impact of a carbon tax on livestock production, and what steps must be taken to maintain our competitiveness and ensure that agriculture's role in sequestering carbon is both affirmed and validated.

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Federally, ACFA contributed \$80,000 to the National Cattle Feeders' Association (NCFA) to complete a competitiveness study on our sector. The study reveals that cattle feeders across Canada would see industry revenues grow by \$500 million if certain regulations were reformed. Our national association is also pressing hard to make the case for increased federal investment in rural infrastructure. Recently, Ottawa announced a new \$2 billion investment.

ACFA's goal has always been to provide value for our members by giving voice to their concerns, and ensuring that this voice is heard loud and clear by elected and appointed government decision-makers. By working together and supporting ACFA, we strengthen and optimize the position of our industry. As the Chair of ACFA, I assure you that your association has been hard at work for you, and I thank our Board of Directors, our Management Team, and our Staff whose dedication to the task across 2016 has been nothing less than phenomenal.

The activities of the Alberta Cattle Feeders' Association (ACFA) reached an unprecedented level in 2016 as we worked to refresh our provincial government relations and advocacy program, completed several important industry development initiatives such as the Feedlot Animal Care Assessment Tool and Feedlot Emergency Preparedness Plan, and then began work on a new ACFA Feedlot Farm Safety Program for our members.

All of these activities were punctuated by the emergence of several large and important issues. Bovine TB is affecting Alberta ranchers and cattle feeders alike. ACFA is participating on twice weekly calls with the CFIA to help manage the situation. The new livestock "head tax" in the County of Lethbridge, Bill 6, and the coming imposition of the province's new carbon tax are also impacting cattle feeders.

Clearly, much of the world that we used to know is rapidly changing, whether that is new governments and the new policy directions that often come alongside, or the shifting demands and preferences of beef consumers. Either way, it is essential that ACFA capitalize on the opportunities that come in the wake of these changes to ensure both the growth and sustainability of our industry and the ongoing relevance of our industry association.

To that end, the ACFA Board conducted a comprehensive governance and human resources review in 2016. As part of the recommendations from that review, a new Governance, Finance, and Audit Committee has been struck to work with management on budgets and oversee the audit process. The Board also decided to make a new part-time hire, and we welcome Ernie Kimak to the ACFA team as our new Fieldman.

As reported in previous Annual Reports, we have accomplished many of our goals under the existing Strategic Plan. As a result, the Board decided to begin developing a new Strategic Plan for ACFA that can serve as a roadmap through this period of change—identifying and defining our objectives and providing us with a clear line of sight to achieving those objectives. A new Strategic Plan, coupled with the talent around our Board table and our energetic staff team, will ensure ACFA maintains a sharp and determined focus on the issues that matter and continues to provide exceptional value for our members.

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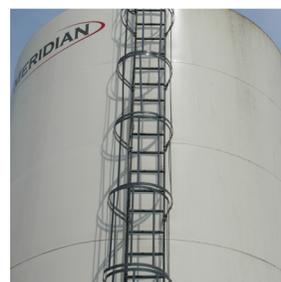
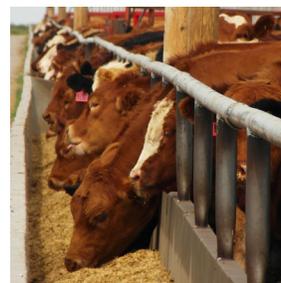
Key to ACFA's ongoing success will be to merge our new Strategic Plan with a renewed set of budget priorities and realities that reflect continual changes in our external operating environment. Such changes include the recent decision of the Government of Alberta to fold the Alberta Livestock and Meat Agency (ALMA)—a strong supporter and funder of many past ACFA projects and initiatives—into the department of Agriculture and Forestry.

I am sure that 2017 will prove to be yet another busy and challenging year for your association. With our dedicated Board and our talented and committed staff, we are up to the challenge. All of us truly consider it a privilege to serve Alberta's cattle feeders—an innovative group of agricultural entrepreneurs who are true leaders of Canada's beef industry.

I thank all of our loyal members for their ongoing commitment and support. Your association is healthy and strong, with a dedicated Board supported by a professional staff team. I express my sincere gratitude to all for the contribution they make to ACFA.



A handwritten signature in black ink that reads "Bryan Walton".





At an MLA reception held at the Alberta Legislature, ACFA Vice Chair Ryan Kasko (right) discusses issues with the Hon. Shannon Phillips (centre), Minister of Environment and Parks and Minister Responsible for the Climate Change Office.

Government Relations

In 2016 we refreshed our government relations program.

- Directors and Staff met regularly with the new provincial ministers, their deputy and assistant deputy ministers, chiefs of staff, and policy advisors on issues of concern to cattle feeders. ACFA is partnering with IMPACT Consulting to bring depth to our ongoing efforts with government.
- In May 2016 ACFA and ABP joined in sponsoring a reception at the Legislature for all MLAs. In November ACFA hosted a very successful MLA dinner for the government caucus at the Matrix Hotel in Edmonton.
- A detailed and thought-provoking submission on the policies needed to grow and diversify agriculture was presented by ACFA to the Legislature's Standing Committee on Alberta's Economic Future.
- ACFA is actively engaged with Calgary Economic Development (CED), providing advice on agricultural issues. In 2016 ACFA and CED held meetings with the Minister of Economic Development and Trade on growing and sustaining the province's agriculture and agri-food industry.
- ACFA Director and former ACFA Chair Page Stuart is serving as the co-chair of the new Ag-Coalition on Bill 6. Directors Stuart and John Lawton were both appointed by the Minister to serve on two of the consultation roundtables tasked with developing regulations around Bill 6.

Industry Relations

Partnering with important stakeholders levers our advocacy efforts and strengthens the beef industry.

- Throughout 2016 ACFA actively engaged with beef industry stakeholder organizations and other agricultural commodity associations to advance our advocacy efforts by building critical mass and enhancing credibility with decision-makers.
- Provincial partnerships include representation on the Ag-Coalition, Intensive Livestock Working Group (ILWG), Agriculture Industry Labour Council of Alberta (AILCA), NRCB Policy Advisory Group (PAG), Agri-Environmental Partnership of Alberta (AEPA), Livestock Identification Services (LIS), Alberta Farm Animal Care (AFAC), Alberta Beef Quality Starts Here (ABQSH), and the Agriculture Industry Working Group.
- Through ACFA, cattle feeders are also represented on national organizations such as Canada Beef Inc. (CBI), the Canadian Cattle Identification Agency (CCIA), the Canadian Roundtable for Sustainable Beef (CRSB), and the Canadian Agri-Food Trade Alliance (CAFTA).
- ACFA continued to advance the idea of developing one plan for the future governance and funding of Alberta's beef industry. Choice and accountability with check-off dollars remains an important priority. This has been communicated to the Minister of Agriculture and Forestry. Ongoing conversations with ABP continue in order to agree on a sound plan that will strengthen and better position the industry for the future.



Communications

Outreach is a growing and ever more important activity for ACFA and our membership.

- In 2016 ACFA began implementation of an ambitious communications and digital media strategy designed to heighten awareness of our industry and strengthen our social license to operate. To ensure the success of our efforts, ACFA has partnered with Communicatto and its team of digital marketing and social media experts.
- This new Awareness Campaign weaves together many elements including daily social media posts on Twitter, LinkedIn, and Facebook, as well as weekly blog articles on the ACFA website. Our tracking indicates that ACFA has surpassed the goal of engaging with our target audience and increasing traffic to the ACFA website.
- An important element of the Awareness Campaign involves sponsoring tours of cattle feeding operations throughout the province. In 2016 tours were held with CFIA officials, the Minister of Agriculture and Forestry, a group of MPs, and teachers and students from the Golden Hills and Barrhead-Neerlandia school divisions. ACFA is also working with Alberta Education to include cattle feeding in the revamped K-12 curriculum.
- ACFA’s ability to reach out to our members, the broader industry, government decision-makers, and the media has taken a quantum leap. The ACFA website and our blog page are credible and recognized sources of “go-to” information on issues impacting the beef industry, the cattle feeding sector, and agriculture in general.



Dr. Aman Bath of the CFIA (left), former ACFA Chair Brent Chaffee (centre) and Director John Schooten (right) at a tour sponsored by cattle feeders for CFIA officials from the Western Regional Office.

Advocacy

Giving voice to the issues and interests of our members is what drives ACFA.

- The implementation of a livestock “head tax” in the County of Lethbridge was front and centre of our advocacy efforts in 2016. ACFA is working under a three-part strategy to combat the new tax. Comprehensive submissions were made to both the County of Lethbridge and the Government of Alberta, and we have partnered with tax economists at the University of Calgary and the University of Alberta to measure the impact of the tax and develop more workable and reasonable alternatives. Meetings with the Ministers of Municipal Affairs and Agriculture and Forestry have resulted in a new Working Group tasked with finding a provincial solution that respects municipalities and the need to maintain competitiveness of the cattle feeding sector.
- A new province-wide carbon levy in 2017 is a source of serious concern for cattle feeders and the ongoing viability and sustainability of our sector. ACFA is working with our ILWG partners to commission a study on the potential impacts and what agriculture will need to stay competitive.



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ACFA Chair Martin Zuidhof (left) and Director John Schooten (right) conversing with Vermillion-Lloydminster MLA Dr. Richard Starke (centre).

- The municipal tax issue is largely driven by a lack of funding for rural infrastructure. The National Cattle Feeder’s Association (NCFA) has taken on this issue and is calling for more investment by senior governments. NCFA prepared a Pre-Budget Submission and has met with both the federal Minister of Infrastructure and the Chair of the Standing Committee on Finance. In October NCFA testified before the Finance Committee. While Ottawa recently announced \$2 billion in new funding for rural infrastructure, much more remains to be done.
- ACFA has also dedicated significant resources around Bill 6 to ensure the regulations that follow will be workable for cattle feeders. Former ACFA Chair Page Stuart is co-chairing the Ag-Coalition and ACFA secured representation on the consultation tables. Our position on Occupational Health and Safety, Employment Standards, and the Labour Code has been clearly communicated to the province, and ACFA remains committed to seeing that these positions are adopted.
- Labour shortages continue to impact cattle feeders and beef processors. We are urging governments to adopt the Agriculture and Agri-Food Workforce Action Plan and will continue working for improvements to the Temporary Foreign Worker Program (TFWP), Express Entry, and the Provincial Nominee Program. In May 2016, NCFA testified before the Parliamentary Standing Committee reviewing the TFWP.

- Expanding access to new markets is a long-standing concern for cattle feeders, and ACFA continues to make the case for trade liberalization and free trade agreements. Although CETA has been signed, political developments south of the border are raising new concerns with TPP, COOL, and even NAFTA.
- In 2016 ACFA contributed \$80,000 to the NCFA to conduct a study of the competitiveness of cattle feeding in Canada. This study showed that revenues to the cattle feeding sector would grow by almost \$500 million if certain regulations could be reformed. The study serves as a valuable guide and touch point for NCFA’s advocacy efforts in Ottawa.
- ACFA continues to engage in a wide scope of issues affecting our members, whether that be social license and sustainability, or farm safety, environment, and encouraging the next generation of cattle feeders.

ACFA Position Statements

In 2016 the Board approved a set of Position Statements to guide our advocacy with government, better collaborate with industry stakeholders, and ensure consistent messaging. All Position Statements can be found at: www.cattlefeeders.ca:

- Social License to Operate
- Animal Care
- Innovation and Production-Enhancing Technologies
- Antimicrobial Resistance
- Environmental Stewardship
- Farm Safety
- Labour
- International Trade
- Regulatory Burden
- Industry Governance and Funding
- Age Verification



ACFA maximizes value for our members through industry development projects, research, services, and events.

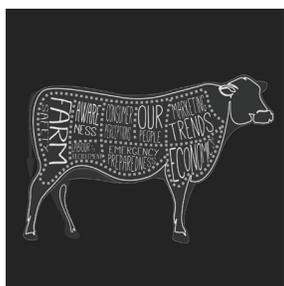
- Industry Development:** ACFA is developing a farm safety program for all provincial beef feedlots that will make it easier and more cost-effective to comply with Bill 6. The farm safety program takes off from other industry programs including the Feedlot Emergency Preparedness Plan and the Feedlot Animal Care Assessment Tool.
- Research:** ACFA dedicates funding for research designed to improve the efficiency and productivity of cattle feeding. ACFA is supporting the Barley Straw Project at Elanco, the University of Alberta, and the Lethbridge Research Station. Funding has also been provided for forage and feed grains research, a new vaccine for histophilosis, and a study to improve cattle transport at Alberta Farm Animal Care (AFAC).
- Member Services:** In 2016 ACFA members were invited to a symposium on Bill 6 featuring labour lawyers from McLennan Ross, and members also benefited from ACFA's ongoing labour Recruitment and Retention campaign. In 2016, Ernie Kimak was hired to serve as ACFA's first Fieldman to strengthen our relationships and grow ACFA's membership base. Alberta Livestock Power Services (ALPS) provides participating members with price stability and savings compared to the RRO Farm Rate and also helps fund ACFA operations. Changes in the retail electricity market and the new carbon levy will affect the price of electricity and how consumers purchase it. ALPS will inform customers when the details are announced by the Province.



The auction evening at the Alberta Beef Industry Conference is a popular and fun-filled event that raises funds for important Alberta charities.



The Alberta Cattle Feeders' Association Annual Golf Tournament at Paradise Canyon in Lethbridge is one of the beef industry's most popular and well attended social and networking events.



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SUCCESS

- Events:** The **2016 Alberta Beef Industry Conference**—attended by 575 delegates and 60 tradeshow exhibitors—was themed *Ingredients for Success* and proved to be one of our most successful conferences ever. Delegates and suppliers were impressed with the speaker line-up, networking opportunities, and the social functions. The *Taste of Alberta* banquet and auction raised over \$30,000 for STARS Air Ambulance. The 2017 Alberta Beef Industry Conference will be held at the Sheraton Red Deer Hotel on February 15-17, 2017. Themed *Steaking Out the Consumer*, the conference will feature another set of national and internationally recognized speakers, including Terry O'Reilly, host of CBC's *Under the Influence*. The **2016 ACFA Annual Golf Tournament** was another sold-out success this year, cementing its status as one of the most popular social and networking events in Alberta's beef industry. Those wishing to participate in the 2017 Golf Tournament are advised to register early as this event consistently sells out year after year.

Board of Directors

Chair: Martin Zuidhof (*Zuidhof Feeders*)
Vice-Chair: Ryan Kasko (*Kasko Cattle Company*)
Past Chair: Page Stuart (*1141516 Alberta Ltd*)

Directors: James Bekkering (*TFS Expanse Feedlot*)
Jake Bueckert (*Dri-Land Feeders*)
Jason Hagel (*Hagel Feeders*)
Leighton Kolk (*Kolk Farms*)
John Lawton (*AJL Farms*)
Craig Paskal (*Van Raay Paskal Farms*)
John Schooten (*Schooten & Sons Custom Feedyard*)
Jeff Smith (*Gateway Livestock Marketing*)
Greg Schmidt (*Schmidt Livestock Ltd*)
Keith Ypma (*Sunset Feeders*)

Staff

President and CEO: Bryan Walton
Vice President: Casey Vander Ploeg
Manager, Events & Member Services: Jennifer Brunette
Administration & ALPS Coordinator: Kimberli Nummi
Fieldman: Ernie Kimak

Contracted Consultants

Financial Manager: Joe Novecosky
Communications Manager: Shannon Lyons
Government Relations (NCFA, Ottawa): Cathy Jo Noble
Government Relations (NCFA, Ottawa): Peter Brackenridge
Trade Consultant (NCFA, Ottawa): John Weekes



Back row from left: Bryan Walton, Jeff Smith, Craig Paskal, John Schooten, Jake Bueckert, James Bekkering, Keith Ypma, and Greg Schmidt.

Front row from left: John Lawton, Ryan Kasko, Martin Zuidhof, Page Stuart, Leighton Kolk, and Jason Hagel.

Who We Are

Since 1973, the Alberta Cattle Feeders' Association (ACFA) has represented the interests of Alberta cattle feeders on a broad range of policy and economic issues that affect their competitiveness. ACFA continues to develop strategies to achieve long-term success for Alberta's cattle feeding sector, and is a leader in guiding the beef industry to become more sustainable, profitable, and competitive in a challenging global marketplace.

Our Vision

Alberta Cattle Feeders' Association—creating opportunity for the world to enjoy high-quality Canadian beef.

Our Mission

To aggressively pursue innovative and collaborative solutions for a thriving Alberta beef industry on behalf of Alberta Cattle Feeders' Association members.

Contact Us

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Visit us at: www.cattlefeeders.ca