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Beef Producers for Balzac

The following letter was sent to all candidates running in the municipal election in Rocky View. We were hoping for a better response, especially from the incumbents. As it turns out the only incumbent to respond was Al Sacuta, who didn't seem overly enthusiastic. Rolly Ashdown, former Reeve did call the ACFA office and did indicate his support but was cautious on account of a law suit between the County and the current owner of the plant. On the positive side it looks like the reopening of the plant is a real possibility despite the hurdles that have been thrown at the prospective buyer. Look for good news stories in the daily and weekly paper this week.

Bryan D. Walton
CEO



Attention: Electoral Candidates in the MD of Rocky View

Liz Breakey (liz.breakey@gmail.com)
Sunil Mattu (sunil@sunilmattu.ca)
Jerry Arshinoff (jerry.arshinoff@gmail.com)
Cindy Turner (cturner51@live.ca)
Margaret Bahcheli (mbahcheli@shaw.ca)
Cameron Wallace (cwallace@platinum.ca)
Rolly Ashdown (rashdown@rockyview.ca)
Gerard A. Lucyshyn (contact@gerardlucyshyn.ca)
Bob Gaidhar (bobgaidhar@gmail.com)
Jerry Gautreau (jerry@dholdings.ca)

Earl Solberg (esolberg@rockyview.ca)
Greg Boehlke (gboehlke@rockyview.ca)
John McMurray (jmcmurray@efirehose.net)
Lois Habberfield (lhhabberfield@rockyview.ca)
Stirling Vance (electstirling@telus.net)
Eric Lowther (eric@votelowther.ca)
Al Sacuta (al@ourbearspaw.ca)
Jill Cairns (farmsmall@gmail.com)
Bruce Kendall (bruce@brucekendall.ca)
Norman Kent (nkent@spamcop.net)

Dear Candidates,

For some time now numerous roadblocks have frustrated the efforts of a bona fide buyer interested in purchasing and re-opening the mothballed Ranchers Beef plant in Balzac, AB. These delays are a serious issue for the County of Rocky View and Alberta's beef industry. We invite you to read the attached backgrounder and indicate to us whether you support or oppose the reopening of the Balzac plant, and the reasons for your position by October 11, 2013 so we can inform our members accordingly.

We the undersigned, on behalf of our members thank you for your attention on this important matter. Kindly direct your replies to Kim Nummi knummi@cattlefeeders.ca.

Brent Chaffee
ACFA

Jim Bowhay
FAA

Aaron Brower
WSGA

BACKGROUND

Re-opening the Balzac beef facility is critical for Alberta:

Alberta is home to 40% of Canada's cattle herd, 70% of the nation's cattle on feed, and two of the nation's largest beef processing facilities. The beef sector is responsible for 34% of Canada's farm output and is valued at \$2.6 billion annually. Value-added processing is not only critical for Alberta's beef industry, but it is vital to the health and sustainability of our rural communities. Re-opening the Balzac plant will benefit Rocky View's economy, generate spin-off benefits for rural Alberta, and strengthen the beef business in a significant way. This is the opportunity to send a good message to the citizens and businesses in Rocky View.

Recent Events Demonstrate the Need for More Diversification:

- The recent XL recall and closure demonstrates the vulnerability of our two plant system.
- The Balzac facility can be a cornerstone in an economic development strategy for agriculture and the rural economy—especially in southern Alberta.
- A third plant dedicated to specialized export market development will bring more value home and reduce dependence on the US market. Canada is very close to becoming a net importer of beef.
- Mandatory Country-of-Origin-Labeling (M-COOL) in the US is causing severe distress for cattle producers as US plants reduce and even refuse the processing of Canadian slaughter cattle. *Thousands of cattle will soon be "trapped" in Canada.* This underscores the liability of our dependence on the US and reinforces the need for another plant that will focus on offshore markets.

Key considerations:

- Alberta's Livestock and Meat Strategy clearly identified the opportunity to grow the beef business by satisfying customers in offshore markets through processors that could target those markets
- There is a bonifide buyer (Harmony Beef) for the Balzac facility who has the technology to treat raw water and wastewater on site. This will significantly reduce demand for water and sewer.
- In addition to the purchasing the plant, Harmony beef will be making substantial capital improvements in the order of \$ 20 MM.
- The plant will provide initial full-time employment for 350 Albertans, eventually growing to 700. Expected payroll could reach \$32 million annually.
- The Government of Alberta has invested heavily in valued-added food production—including the plant at Balzac—to enable producers and processors to market Alberta products around the world.
- Municipalities should be attracting and embracing new businesses. Is this the case in Rocky View?

Where is the *Alberta Advantage* in this story?

Candidate Name	Division	Candidate Response	ACFA Comments
Liz Breakley (incumbent)	1 –Bragg Creek	NO RESPONSE	
Sunil Mattu	1 –Bragg Creek	NO RESPONSE	
Jerry Arshinoff	2- Springbank	I will admit I know little about the varied aspects of the cattle industry. However by virtue of my father having worked in cattle processing for many years, I do know something, even if it is vicariously. You do raise many excellent points - not the least of which is the importance of the industry to Canada and to our region. To specifically answer your question I state the following: I am in favour of reopening the Balzac plant under any recognized, responsible company but only subject to the following: - environmental concerns adequately addressed - potential traffic issues adequately addressed - the majority of area residents not being opposed and mostly - sufficient water and sewage capacity available without the necessity of Rocky View upgrading and/or expanding the system - at least not at Rocky View's expense. Rocky View is a very small municipality with only 36,000 residents. It is also a very indebted municipality with a debt that has risen 12 fold in less than a decade. Essentially Rocky View cannot afford to subsidize, directly or indirectly, any person, business or development. However, your point relating to "What is the Alberta Advantage?" is well made and well taken. If subsidies, direct or indirect, are needed the Government of Alberta should be approached. RV should be able to offer assistance in this.	
Cindy Turner	2- Springbank	I have been mulling over how to answer your inquiry, in that I do not have all the	

		data needed to make an informed response. However I can say that I would like to find a solution to this issue as having the Balzac facility sitting empty does not appeal to me. I have for a very long time had problems with us as a country sending our raw materials outside our borders for the value added, so saying that I will be willing to listen, and hopefully help find a solution that will get your plant up and running. I understand there is legal action at the present time and this may be one of the challenges we will need to overcome, in order to get the plant open. But without full info I cannot make any other evaluation.	
Margaret Bahcheli (incumbent)	3-Elbow Valley		
Cameron Wallace	3-Elbow Valley	I support the re-opening of the Rancher's Beef Plant in Balzac, Rocky View County, for the following eight (8) reasons: •The beef industry is a cornerstone of the Alberta economy, •A highly credible and capable investor/operator, Harmony Beef Canada Ltd., is ready, willing and able to expend valuable time and effort and spend millions of dollars, at least \$31,000,000, to purchase the property, land and buildings, renovate the interior and re-open this beef plant, •The re-opening of this beef plant will be an economic shot in the arm for Rocky View County by contributing new/additional taxes, result in a financial benefit of \$1.2B annually including spin off impacts and about 9,000 person years of employment will be created by the 350 employees to start up this operation which expected to grow to 700 employees, •The public message sent to the business world and to the municipal, provincial and federal governments will be that Rocky View County is "open for business", •It should create new businesses and	

		opportunities in the County that will further enhance the beef business and be positive to the County's ranchers and residents alike, •An idle asset, the existing land, buildings and beef plant that has been vacant for 6 years, since Year 2007, will now be utilized, •No new/additional funding is being requested from the local municipal and provincial governments, and •If appropriate and complete infrastructure and serving agreements from the past on water and wastewater/sanitary sewer utilities, between Rocky View County and the past/current registered owner of the Rancher's Beef property, land and buildings, have been agreed to and signed by both parties, no new additional fees/levies should be applicable for this beef plant to re-open.	
Rolly Ashdown (incumbent)	4-Langdon/Indus		Called ACFA office to indicate support
Gerard A Lucyshyn	4-Langdon/Indus	NO RESPONSE	
Earl Solberg (incumbent)	5-Conrich/Dalroy	NO RESPONSE	
Jerry Gautreau	5-Conrich/Dalroy	NO RESPONSE	
Bob Gaidhar	5-Conrich/Dalroy	NO RESPONSE	
Greg Boehlke (incumbent)	6-Kathryn/Keoma	NO RESPONSE	
John McMurray	6-Kathryn/Keoma	I am in favor of the reopening of the Rancher's Beef Slaughter plant. The benefits cited in the backgrounder would be a boon to the local economy. I hope the plans for reopening the plant succeed and the new owners make the profits that have eluded many mid-sized beef slaughter plants across western Canada and the Northern US.	
Lois Habberfield (incumbent)	7-Balzac/Madden	NO RESPONSE	The plant is in this electoral division so it's disappointing that no response was forthcoming.
Stirling Vance	7-Balzac/Madden	As per our meeting with the current and introduction to future management, there are some local concerns that	Called the ACFA office and provided

		seem addressable by the future owners. I would like to see the issues resolved which according to our conversation is easily attainable. I hate to see such a large investment continue to go unutilized, this area has been converted into a Industrial area and I would welcome the open and public discussion on the project.	a written response as well.
Eric Lowther	8-Bearspaw	Based on my understanding to date - here is my position on the Beef Producers for Balzac plant - I support finding the fair solution that would allow for the reopening of the facility in Balzac area with the following considerations: 1. It does not have a significant negative impact the ongoing lifestyle enjoyment, and value of (pre-plant) established residents in the area - (odors, Noise, or heavy traffic on country residential roads). 2. Other (pre- plant) commercial entities in the area can remain viable and are not negatively affected in a significant way. 3. Infrastructure (roads and related services) have the capacity to handle the increased use the Plant activity would cause. If these criteria are satisfied - I would support a clearly independent review of the history to-date concerning the plant - the commitments made by all parties, including the County of Rocky View, and the formal and implied obligations and actions that followed from those commitments. The analysis and recommendations from this review would form the basis for structuring a go forward agreement that would work for all parties and see the plant reopen and the benefits realized for the owners, Rocky View, and Alberta.	
Al Sacuta (incumbent)	8-Bearspaw	Gentlemen: I need more details on "the technology to treat raw water and wastewater on site" before I will even consider approving such a facility. Arm waving and promises don't and won't cut it.	

		Alternatively, you can pay our current levies and connect to our infrastructure. The ball is firmly in your court. Regards, Al	
Jill Cairns	9-Cochrane Lake	ok - so I think that perhaps i don't understand the details of why this deal has historically been stalled.. However, if it's a case of 'the devil in the details' - i would happily endorse the deal and work at sorting out the paper/legal/structural issues that are currently preventing this opportunity from success.. The recent E coli. scares coming out of the province's larger houses illustrates to me the need to diversify the means by which we bring protein to the market... On paper - the Balzac facility and deal involved seem like an excellent endeavour for the County to get into...	
Bruce Kendall	9-Cochrane Lake	The Alberta cattle industry is one of the backbones of our economy, and I am very excited about the prospect of seeing the Ranchers Beef plant back in production, employing Albertans, and contributing the diversification of our economy. I would provide whatever assistance I am able to the industry in getting this plant open once again.	
Norman Kent	9-Cochrane Lake		