



ACFA Board Meeting
August 29, 2017 at the ACFA Offices, Calgary, AB

MINUTES

Directors in Attendance: James Bekkering, Jake Bueckert, Ryan Kasko, Colleen Mackey, Craig Paskal, Greg Schmidt, John Schooten, Jeff Smith, Keith Ypma, and Martin Zuidhof (Chair). **Staff:** Jennifer Brunette, Shannon Lyons, Casey Vander Ploeg, and Bryan Walton. **Guests:** Reynold Bergen, Andrea Brocklebank, and Bob McCue. **Regrets:** Jason Hagel and Page Stuart.

- 1) *Call to Order and Agenda Check:* Chair Zuidhof welcomed everyone and asked for any agenda additions. Fusarium letter from Alberta Barley Commission, Winter Spreading, and the recent CBI Forum were added under Business Arising. Moved/Seconded by Smith/Ypma that the agenda be approved as amended. Carried.
- 2) *Minutes of Previous Meetings:* Moved/Seconded by Kasko/Smith that the Minutes of the June 5, 2017 meeting be approved as presented. Carried. Moved/Seconded by Schmidt/Paskal that the Minutes of the July 20, 2017 Conference Call be approved as presented. Carried.
- 3) *Business Arising:*
 - a) *Fusarium:* The Alberta Barley Commission (ABC) is requesting that Alberta Agriculture and Forestry remove fusarium from the provincial Pests Act and has asked for ACFA support. The Board decided at the June 5, 2017 meeting that the implications were unclear and ACFA could not support the position of ABC at this time. This was communicated back to ABC.
 - b) *Winter Spreading:* A summary of Brian Koberstein's Winter Manure Management Project was distributed and briefly discussed. All feedlots in the project (except one) noted that they need the option to apply manure on frozen ground. Approved management plans, as opposed to point-in-time of emergency authorization, would be a positive step forward.
 - c) *CBI Resolution:* ABP and ACFA crafted a resolution at the August 15th CBI Forum designed to facilitate eventual separation of NCOA from CBI (the NCOA Board would be a representative board while the CBI Board would be a skills-based Board). The following motion (moved by ABP and seconded by SCA) was passed by the assembly but does not bind the Board:

"Whereas the creation of an autonomous Market Development and Promotion Division is a very positive step toward separation of the check-off administration and marketing functions of the Agency and;

"Whereas the requirement for the Board of Directors of the Market Development and Promotion Division to be members (directors) of the Agency undermines the autonomy of the division, reduces the separation between check-off administration and marketing functions, and prevents the industry from having the most qualified people on the Board of Directors and;

"Whereas we do not wish to increase the size of the Market Development and Promotion Division Board and we want to give the AGM or Forum delegates the ability to elect the most qualified people for this Board;

Be it resolved that the Agency remove the requirement for the Board of Directors of the Market Development and Promotion Division to be members of the Agency and create a process that allows Agency stakeholders (provincial cattle associations, Canadian Meat Council, Canadian Association of Importers and Exporters Inc., retail and food service partners) to select the most qualified people available for the Board of Directors of the Market Development and Promotion Division."
- 4) *Strategic Plan:* Over 60 project plans for the initiatives under the new Strategic Plan. However, six of them require Board input. By consensus, it was decided not to pursue group insurance, development of data feedlot tools, and tiered membership. Project plans for the development of an ROI formula, guidelines for charitable donations and sponsorships, renewing the 2005 Competitiveness Report, and use of mobile devices and technology during the Board meetings were discussed and amended.
- 5) *Taxation of Agricultural Land:* ABP decided not to match the ACFA contribution of up to \$75,000 for the appeal of the Lethbridge Business Tax. Alberta Barley Commission was approached, but they have no funding available. The Wheat Commission has yet to be approached. ACFA is working to get the agricultural community together on the same page around reforming the farmland property tax. This is currently being worked on with the ILWG. If that proves too difficult, ACFA and ABP may go it alone, but

support may come from the crop side, particularly the Barley Commission and Canola. Work also proceeds on trying to get AAMDC onside. Bob McCue joined the meeting via telephone and reported that settlement prospects appear dim as the lawyers for the County feel they are in a good position. However, after studying the original decision he feels the litigants are in a stronger position. The County may change their view when McCue files his arguments to the Court in mid-September. The consensus of the Board is not to work on facilitating a settlement unless approached by the litigants to do so.

- 6) *Issues Outlook and Competitiveness Report*: The new Strategic Plan includes production of a new Competitiveness Report that will address issues such as the health of the packers, strength of the cow-calf sector, and new policies such as antimicrobial usage, labour code, employment standards, and taxation. First step is to evaluate the first study and an earlier CCA report.
- 7) *Governance*: Progress on implementing various aspects of the governance review was reported on. Work continues on several outstanding items such as the recruiting of future Directors, selection of Officers for 2018-19, a process for the requesting of Board decisions, and Board self-evaluation.
- 8) *Beef Cattle Research Council (BCRC)*: Andrea Brocklebank and Reynold Bergen gave a presentation on the research agenda and specific projects for the new five-year Beef Research Cluster. The program will be funded by a \$14 million investment from government under the new Canadian Agricultural Partnership (which replaced GF-2), \$5 million from check-off funds, and \$1 million from other industry stakeholders. Moved/Seconded by Ypma/Kasko that ACFA provide funding of \$30,000 annually for the next five years (\$150,000 in total) to the new Beef Research Cluster of the BCRC. Carried.
- 9) *Alberta Beef Industry Governance, Funding, and Collaboration*: The latest model from ABP was discussed. There was agreement that allowing each producer to direct a maximum of 25¢ of the \$2.00 provincial check-off to the provincial beef association of their choice would not keep ACFA financially whole. ABP knows 25¢ is too low and is looking for ACFA to counter. ABP would like this resolved before the new Board is elected in December. Directors developed a number of options to counter the ABP proposal:
a) Allowing producers to direct all of their \$2.00 check-off; b) Allowing cattle feeders to direct all of their \$2.00 check-off to ACFA, which would keep \$1.10 and give 40¢ to the ABIDF, 45¢ to CCA, and 5¢ to the remitter; and c) Allowing producers to direct up to \$1.50 to either ABP, ACFA or the ABDIF. The remainder would be distributed with 45¢ going to CCA and 5¢ to the remitter. Option #1 was seen as the preferred first response followed by Options #2 and #3. **ACTION: ACFA Executive to tighten the numbers around the proposal and solicit Board feedback via email prior to communicating a counter offer to ABP.**
- 10) *Invitation of Right Honourable Stephen Harper to 2018 ABIC*: The former Prime Minister has been approached to speak at the 2018 ABIC and is interested in the idea. He typically charges \$60,000 (US) for speaking. After discussion, it was agreed by consensus that he be offered \$30,000 (US) and that additional contributions and sponsorships be sought to offset this cost.
- 11) *Carbon Credit Solutions (CCSI) Proposal*: A proposal by CCSI to provide ACFA with a playbook on carbon was presented at the last meeting. Total cost is \$15,000. Staff reported that the GOA is not doing any work on creation of new offsets for agriculture, but would likely consider funding such work. A discussion was held but no decision on the proposal was made.
- 12) *Other Items*:
 - a) *Transportation*: A discussion was held on Transport Canada's requirement for truckers to begin using e-logs rather than paper logs. NCFCA is currently managing this issue.
 - b) *Federal Tax Changes*: A discussion was held on announced changes to capital gains tax and other tax changes that could affect farms across Canada. This was discussed at a recent NCFCA Board meeting, and staff have been instructed to research the matter and find the best way to address the issue.
 - c) *CBGA*: Joe Jackson from JGL Cattle in Saskatchewan will be serving as the new NCFCA representative on the Board of the Canadian Beef Grading Agency.
 - d) *US-China Agreement*: Discussion was held on the new agreement struck between US and China that will see expanded access for American beef into the Chinese market. Director Schooten noted that while this is a national issue, the Alberta Government does not appear sensitized to such trade issues. The GOA needs to be kept informed and pressed on trade issues as well. NCFCA recently secured funding from SCA to retain the services of John Weekes to assist on rapidly developing trade files.
- 13) *Next Meeting*: The November Board meeting will be held on November 29, after which will follow the annual MLA Dinner. A meeting should be held before that. It was decided that a meeting (or conference call) will occur on October 24. Staff will check to see if a meeting could be held in the facilities at Harmony Beef.
- 14) *Adjournment*: Moved/Seconded by Bueckert/Smith that the meeting be adjourned.