

## Changing the face of industry

Since 1973 ACFA has represented the interests of cattle feeders in Alberta on policy and economic issues that affect their competitiveness. ACFA continues developing strategies to achieve long-term success for Alberta's cattle feeding industry. We are leaders in guiding industry to become more sustainable, profitable and competitive in a challenging global marketplace.

The ACFA Board has developed a forward-looking business model and implemented an action plan to accomplish the following:

- Create demand for branded beef products;
- Market branded beef in domestic and international markets;
- Improve the value of Alberta fed beef to producer; and
- Increase competition and growth opportunities.

## 2010 – Efforts on behalf of members bring big results

**April 1:** Bill 43, The Marketing of Agricultural Products Amendment Act, 2009 comes into effect and Alberta producers will now, upon request, receive a \$3.00 refund per head. Bill 43 is a result of the ACFA Board's active voice and its work over 18 months advocating for this initiative.

**September 3:** ACFA signs a Memorandum of Agreement with the Alberta Beef Producers (ABP). It provides conditions around accountability and transparency that ACFA requires to invest the \$1.00 of members' refundable check-off dollars in national promotional and research efforts. The MOA would expire on March 31, 2013, if conditions are not met.

**October 26:** ACFA launches the Positive Basis Fund (PBF). The PBF gives producers the opportunity to invest a portion of their refundable check-off in a fund designed to drive industry forward into the global marketplace.

**February 17-19:** The 7th annual Alberta Beef Industry Conference, held at the Capri Centre in Red Deer, is one of the largest in the history of the organization with over 600 cattle industry representatives in attendance.

**June 29:** The 7th Annual ACFA Golf Tournament and Great Big Alberta BBQ, held at Paradise Canyon in Lethbridge, was our most successful to date with 150 people in attendance, including several elected provincial officials from Southern Alberta.

**November 25:** The 3rd annual MLA dinner showcasing Spring Creek Natural Beef, held at the Royal Glenora Club in Edmonton, and attended by the Premier Stelmach, cabinet ministers and MLAs.



## Successful events build long-lasting relationships

- The annual Alberta Beef Industry Conference was the largest held in the history of the organization. We welcomed over 500 cattle industry representatives in a forum that helps strengthen our networks, our innovation and our opportunities.
- The 2010 Annual ACFA Golf Tournament and Great Big Alberta BBQ was just about a sellout. The tournament provides ACFA Board and members a casual, fun event to network with federal, provincial and local officials and allows us to build fellowship within the industry.
- The third annual MLA dinner was attended by the Premier and several cabinet ministers and MLAs. ACFA uses the dinner to maintain connections with all levels of governments to foster good working relationships.
- Initial work began on Beefestival, conceived as a gala evening followed by a full-day inclusive family event to spread the word about Alberta beef in a positive way. The inaugural festival will be launched in the spring of 2012 in Calgary.

### ACFA seeks members' guidance

ACFA has made communication one of its core functions to keep members involved in these transitional times. We launched a new website that is easily navigated and has useful information. [www.cattlefeeders.ca](http://www.cattlefeeders.ca)

We released the Serecon Management Consulting Report on the overall impact of the Alberta cattle feeding industry on the provincial economy. The report was released to coincide with the Alberta Beef Industry Conference, and was made available to the Minister of Agriculture and his colleagues, as well ACFA members and the public via the ACFA website and Ringside newsletter.

We also conducted a member survey to get your input into the direction ACFA should take; and to provide guidance to the Board as it develops policies and priorities. It was clear to us that producers want diversified options for their markets. We value your input and thank you for your participation.

### Annual Meeting

All members welcome.

Date: February 25, 2011

Location: Capri Centre, Red Deer, Alberta

During the Alberta Beef Industry Conference, February 23 - 25, 2011

For details visit: [www.abiconference.ca](http://www.abiconference.ca)

### Contact

Alberta Cattle Feeders' Association

Phone: (403) 250-2509

Toll Free: 1-800-363-8598

Web: [www.cattlefeeders.ca](http://www.cattlefeeders.ca)

Headquarters: #6, 11010 – 46 St. SE, Calgary, Alberta T2C 1G4





# **2010 ANNUAL REPORT TO THE COMMUNITY**





## Message to Members from Doug Price, Chairman of the Board



### Leaders for a prosperous future

Throughout 2010 the staff and Board of ACFA worked diligently and strategically to enhance the profitability and regulatory environment for Alberta's cattle feeders. In many cases your ACFA Board has led industry-wide initiatives involving government and other diverse stakeholders to achieve positive change for cattle feeders.

### ACFA leads in ensuring Bill 43 is an industry changer

The primary success story is Bill 43, legislated in 2009 and implemented in April 2010. ACFA led the charge by creating the Beef Industry Alliance Roundtable (BIA), a broad industry coalition established to define and implement a shared vision for the beef industry in Alberta. The increased transparency and accountability and freedom to choose how you invest your check-off dollars provided in Bill 43 is an industry changer. Now we have the challenge to responsibly invest those check-off dollars to optimize business opportunities for Alberta's cattle feeders. We've begun that process.

### Creating new opportunities for members

We signed a Memorandum of Understanding with Alberta Beef Producers and the Government of Alberta to ensure that the \$1.00 of your check-off dollars we are required to send to the Canadian Beef Cattle Research, Market Development and Promotion Agency is responsibly invested. The agreement will sunset on March 31, 2013 if we are not satisfied that it meets our accountability standards and demonstrates a benefit to the industry as a whole.

We also led the way by investing \$250,000 of our cash reserves to establish the Positive Basis Fund (PBF). Going forward, it provides an investment vehicle for producers' remaining check-off refund. PBF is strategically directed to diversify market opportunities for Alberta's cattle industry through three core initiatives:

- Developing offshore markets;
- Encouraging partnership and supporting producer driven value chains
- Creating opportunities to access processors by setting out investment options for producers

### ACFA is committed to continue moving industry forward

As an industry, we have marched down a single low-cost commodity track. Our prices are determined by fickle U.S. markets. We have limited processing and marketing options; and little product differentiation or product development is occurring. Consumers in and out of Canada can't buy distinctive Canadian beef brands. Meanwhile costs of production are rising, in part due to the regulatory burden.

ACFA and BIA hold a fundamental conviction that domestic and export markets offer more opportunities than what are being realized by the industry's current commodity strategy. We must find ways to do better. Our future depends on it.

In closing, I want to acknowledge the fine work of my Board colleagues. It's been a challenging and rewarding year. Our greatest reward is knowing we are serving our members, who join our organization voluntarily, and that we are making a positive contribution towards the future of Alberta's beef industry.

Yours sincerely,

Doug Price  
Chairman, ACFA Board of Directors



Your ACFA Board has led industry-wide initiatives involving government and other diverse stakeholders to achieve positive change for cattle feeders.



# Message to the Members from Bryan Walton, CEO



## **Moving forward into an expanded horizon**

ACFA emerges from fiscal 2010 energized by the profound change occurring in the beef industry as a result of our actions. And with Bill 43 now in effect and the launch of the Positive Basis Fund (PBF) behind us, we set our sites on the future.

## **Administration**

We developed a five-year business plan that aligns with our objectives and our budget. Our focus remains on ensuring our members are in the best competitive position possible in existing and new markets primarily by promoting more branded beef initiatives. Membership is holding steady at approximately 90 members and fees remain the same for 2010-11 at \$0.50 per head marketed in the preceding year.

## **Issues and advocacy – Leading industry through collaboration**

In addition to signing the Memorandum of Understanding with Alberta Beef Producers and establishing the PBF, ACFA is leading several other initiatives that meet our objectives. Our national organization, the National Cattle Feeders' Association (NCFA), provides the vehicle for ACFA to tackle national issues with colleagues in other provinces. Together and in cooperation with the Canadian Food Inspection Agency, we were successful in streamlining the Terminal Feedlot Program thus making it easier to import feeder cattle from the U.S.

ACFA established the Bovine Industry Technical Team (BITT), a team of bovine veterinarians and scientists that will provide expertise on issues relevant to beef cattle producers, and will act as a forum for information sharing and an advance warning system for emerging issues. We are also involved with the Alberta Farmed Animal Health and Welfare Strategy, a framework that maps out how government and industry tackle animal health issues in future.

We spearheaded the Feed Grain Coalition to facilitate the creation of an \$8 million Livestock Feeding Initiative through Alberta Livestock and Meat Agency (ALMA). The investment will help develop improved feed for animals and find better ways to use that feed. ACFA has a seat on the National Resources Conservation Board's Policy Advisory Committee to ensure we remain on the forefront of environmental concerns that affect cattle feeders' operations. Because we work with industry and regulatory bodies we are in constant communication and our members will not be blindsided by impractical rulings.

## **Thanks**

Finally, I want to thank the staff (Russ Evans, manager of Policy and Research; Jennifer Brunette, events manager/Member Services – on leave; Kimberli Nummi, ALPS coordinator/administrative assistant; and Joe Novacosky, financial manager). I also thank the Board for their guidance and support. I am very proud of our team and the leadership they have provided through challenging times. To our members, thank you for your confidence in us.

Yours respectfully,

A handwritten signature in black ink that reads "Bryan Walton". The signature is fluid and cursive, written in a professional style.

Bryan Walton  
Chief Executive Officer



**We welcomed over 500 participants at the Alberta Beef Industry Conference, a forum to strengthen networks, innovation and opportunities.**





## ACFA Board



Left to right:  
Leighton Kolk, Jack de Boer – Past Chair, Greg Van Vaerenbergh,  
Jeff Ball, Brent Chaffee – Vice Chair, Doug Price – Chairman,  
Rick Sears, Bryan Walton – CEO, Jason Hagel, Jeff Warrack,  
Page Stewart, Glen Thompson, Russ Evans – Manager, Policy and Research  
Missing: Martin Zuidhof

ACFA is in the extremely enviable position of having an exemplary Board. The 12 members provide vision, expertise and hands-on implementation behind the organization's initiatives. They are volunteers who are dedicated to leading the cattle feeding industry into an exciting new future.

In 2010 ACFA recruited an additional Board member. One vacancy remains. The Board also began a governance review and update of the by-laws.

## Positive Basis Fund opens avenues for growth

Since July 2010 producers have had more choice of where they invest their refundable check-off dollars. The check-off is administered by ACFA to be dispersed in the following ways;

- ACFA membership fee: \$0.50/head
- NCFA operations: \$0.50/head
- Positive Basis Fund (formerly the Beef Industry Development Fund): up to \$1.00/head
- Canadian Beef Cattle Research, Market Development & Promotion Agency (the National Agency) December 1, 2010 to March 31, 2013, and possibly longer dependent on accountability and transparency: \$1.00/head

ACFA established the Positive Basis Fund (PBF) to assist in leading the Alberta cattle industry to become more sustainable, profitable, and internationally competitive. We intend to sustain the PBF through a portion of the contributions from beef industry refundable check-off dollars. The following is the three-point strategy to guide investment of ACFA members' check-off dollars through the PBF.

### **Strong focus on off-shore business critical for members**


Increased market access to non-North American markets. While the U.S. market is nearby and important, our over reliance on this market leaves Canadian producers vulnerable to anti-trade actions and border closures. Government and industry must work together to ensure all potential market opportunities are accessed.

### **Branded beef value chains key to market success**

Industry must assume responsibility for differentiating product and using all tools to increase value and expand markets. ACFA supports early start up of producer-driven value chains based on age and source verification, traceability and specific production protocols.

### **ACFA initiates consortium for processor investment**

We continue to explore ways to invest in processing opportunities in Alberta. Producers have the opportunity to invest and help make investment decisions. ACFA will be involved in the early coordination and will serve as a launch pad for projects but will not be involved long term, and will not take ownership in packing plants.



The Positive Basis Fund  
was established with  
an initial endowment  
of \$250,000 from ACFA.

