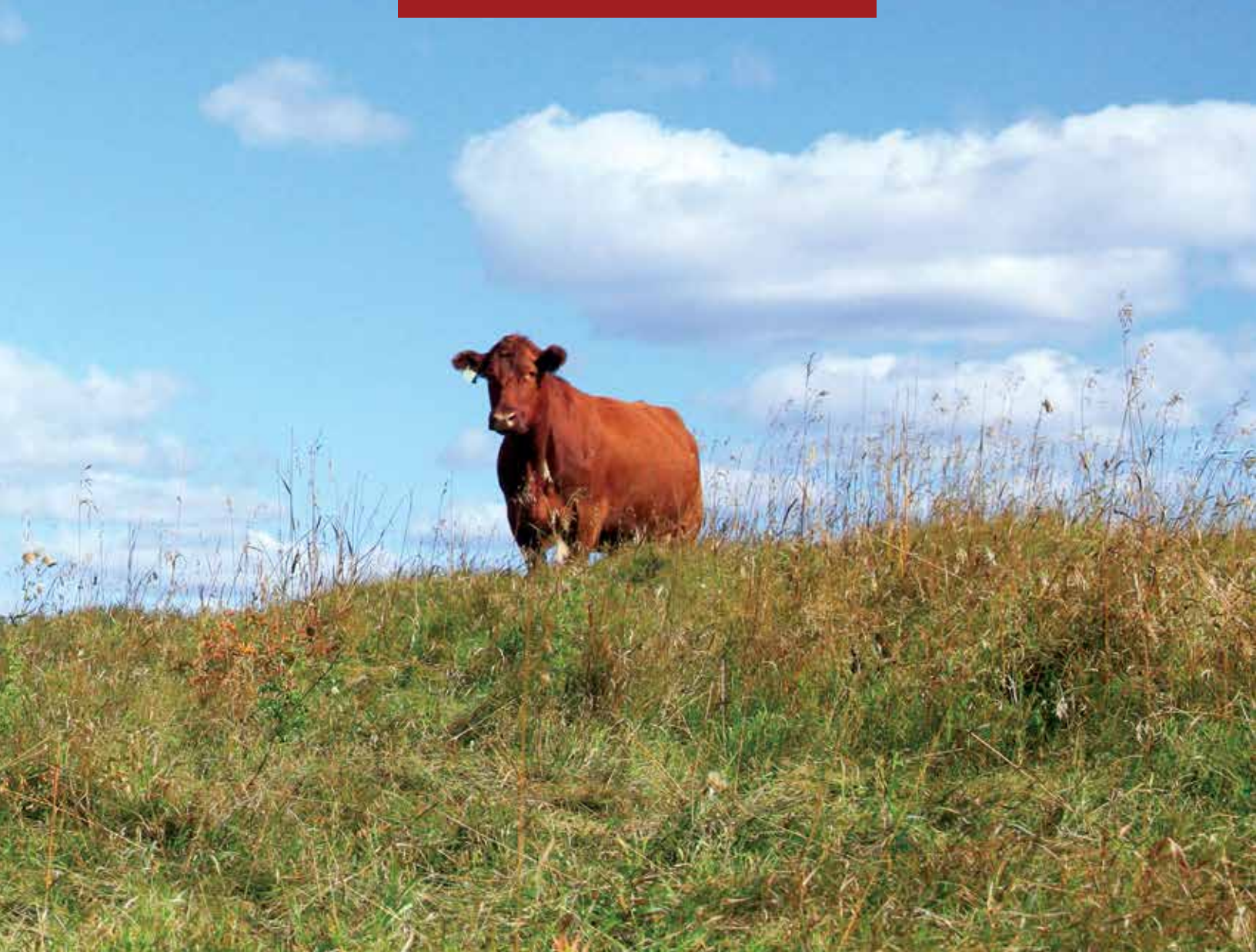




2022

ANNUAL REPORT



VISION

Alberta Beef Producers is a strong, clear, and representative voice speaking and working on behalf of cattle and beef producers in Alberta, contributing to a vigorous and profitable beef industry.

MISSION

To strengthen the sustainability and competitiveness of the beef industry for the benefit of beef producers in Alberta.



TABLE OF CONTENTS

PAGE 2

Message from the Chair

PAGE 3

Message from the General Manager

PAGE 4

Government Relations and Policy

PAGE 6

Beef Production and Extension

PAGE 8

Communications and Marketing

PAGE 12

Canada Beef

PAGE 14

Beef Cattle Research Council

PAGE 16

Public and Stakeholder Engagement

PAGE 18

Canadian Cattle Association

PAGE 21

Financial Section

MESSAGE FROM THE CHAIR



Melanie Wowk

My second term as Alberta Beef Producers' (ABP) Chair has proved to be as equally eventful as the first.

Following the 2021 drought, ABP worked diligently with government and producers to develop the AgriRecovery drought relief program. The results brought producers \$340 million in cash advance relief, and provided the means to retain herds and help alleviate mass dispersal of our provincial cow herd.

This spring, areas of the province had yet to see the levels of moisture needed through the growing season. We heard from producers expressing concern that a second dry summer was on the horizon, and would further limit feed resources and access to quality water. We received some much-needed moisture, but quickly returned to hot, dry conditions, spending a lot of late summer days under heat warnings.

As we head towards the fall, crops have shown improvement compared to last year and some depleted feed supplies are being replenished, but there's a long way to go to recovery. Now may be the time for producers to consider what we can do to mitigate the impacts of drought on our operations.

ABP joined cattle producers and organizations across the country calling on Health Canada to exempt ground beef from the proposed front-of-package (FOP) regulations. As part of the Government of Canada's Healthy Eating Strategy, proposed labelling regulations included a requirement for ground beef sold at retail to carry a "high in"

saturated fat warning label, while other single ingredient foods were exempt.

While the regulations would have seen Canada as the only jurisdiction in the world with a health warning label on ground beef, the industry wanted to be clear that labelling wasn't the issue. A lack of consistency across single-ingredient foods was the cause for concern.

Ministers of Agriculture, Forestry and Rural Economic Development and Health elevated the conversation when a press conference was held alongside industry spokespersons, expressing concerns over the proposal. Significant provincial and federal lobbying efforts, and support from the public through the "Don't Label my Beef" campaign, garnered a positive outcome when Health Canada announced the finalized FOP regulations with an exemption for ground beef.

ABP was extremely pleased to announce a collaborative, multi-sectoral innovation and adoption project that will benefit Alberta's beef, forage, and cropping sectors. Through the Agricultural Climate Solutions – Living Labs program, this project was selected to receive \$8.5 million in funding over five years. The overarching goal of the Living Labs program is to establish a Canada-wide network of regional collaboration hubs that bring together producers, researchers, and other industry stakeholders.

The Board of Directors recently reviewed the June 2022 refund report, and there was some optimism around the table. A slight decrease in refunds was reflected year-over-year, and contributions were directed towards ABP, the Canadian Cattle Association, and the remittance fee to auction markets. This signalled to the board that producers are not only hearing our concerns, but are taking action to support their industry. As we stay focused on stabilizing industry funding, we want to thank those producers responsible for recognizing the strength that comes from a united community of farmers and ranchers.

We will continue talks with the Canadian Food Inspection Agency to encourage increased awareness and develop a foot and mouth disease (FMD) action plan. As the province with the highest number of cattle in our country, we need to work diligently to secure adequate funding for an FMD vaccine bank. This is a priority for ABP and our efforts will support and complement those at the national level.

Lastly, I would like to remind producers that ABP delegate nominations are open until October 31, 2022. ABP is an organization led by grassroots producers, and we are looking for delegates who are ready to connect with and work on behalf of producers in the province. There are four two-year term positions available in all five zones. More information is available at www.albertabeef.org/producers/board-members.

Sincerely,
Melanie Wowk

MESSAGE FROM THE GENERAL MANAGER



Brad Dubeau

A number of issues have taken centre stage through 2022, and our industry has faced each with perseverance and optimism for the future.

We worked with provincial and national partners to call for timely resolutions to border and rail disruptions that had the potential to seriously impact feed supplies. ABP lobbied governments to protect our ability to transport feed after last year's drought caused significant crop failures, leaving the industry dependent on supplies from the United States.

Supply chain challenges continue to have an impact on cattle markets and place immense pressure on beef producers and consumers. Critical risk factors were brought to the forefront over the last two years and the Alberta government recognized the need for further investigation. The Alberta Ministry of Agriculture, Forestry and Rural Economic Development approached Alberta Beef Producers, Alberta Cattle Feeders' Association, and the Canadian Cattle Association (CCA) to initiate an Alberta beef competitiveness study.

This research will help industry and government understand the best approach to diversify and build capacity and resiliency for Alberta's meat processing sector. It will also address concerns around price discovery and transparency by identifying which data should be reported at each stage of production, and highlighting potential interventions when margins become excessive.

There are three key components to the study. First, it will provide a better understanding of the barriers to entry and expansion for the packing sector. Second, it will address confidentiality concerns through price transparency in Canadian boxed beef prices. And finally, it will provide a literature review of the price discovery conversations around fed cattle in North America, including an evaluation of U.S. proposals in the Canadian context.

We are keen to dive into results that are on track to be available in November 2022.

ABP spent a significant amount of time working with the Minister Agriculture, Forestry and Rural Economic Development and other agriculture stakeholders to review the business risk management suite of tools available to producers. The Federal, Provincial, and Territorial Ministers of Agriculture announced the Sustainable Canadian Agricultural Partnership following their Annual Meeting – a five-year agreement, in principle, with \$500 million in new funding and an increase to the cost-shared portion of funding by 25 percent.

The Government of Canada declared the initial regions eligible for the 2022 Livestock Tax Deferral provision, outlining a large portion of Central and Southern Alberta. Eligible regions were identified based on weather, climate and production data, and includes areas that

saw forage shortfalls of 50 percent or more due to drought or excess moisture.

Eligible producers must have reduced their breeding herd by at least 15 percent to defer income. That deferral of income may also be at least partially offset by the costs of reacquiring breeding animals. For those in a consecutive year of an eligible region, sales income can continue to be deferred until the region is no longer prescribed.

ABP staff continue to be in close contact with the Alberta government and CCA to better understand the Government of Canada's fertilizer emissions reduction target of 30 percent from 2020 levels by 2030. We are keeping a close eye on this issue and maintaining an open line of communication with the provincial government and other provinces. Consumers need to know that this legislation doesn't only impact farmers and ranchers. It will cause higher prices and less selection at the grocery store.

There is never a lack of issues or opportunities as we continue to work hard on behalf of producers and our industry, to navigate a productive and profitable future.

Sincerely,
Brad Dubeau

GOVERNMENT RELATIONS AND POLICY

Coming out of the 2021 drought with the mother cow herd intact was a priority at the start of 2022.

The federal and provincial governments provided relief to producers through AgriRecovery, and the second payment was received in early 2022. Although these payments saved many producers, the industry was extremely concerned that the drought was not over. Specifically in the south and eastern parts of the province that we continued to closely watch for potential signs of moisture.

Starting in March, we worked closely with Alberta Agriculture, Forestry and Rural Economic Development (AFRED), Alberta Environment and Parks (AEP) and Agriculture Financial Services Corporation (AFSC) to discuss options for producers if the rain did not come. But luckily most areas received moisture right as the window was closing.

The conversation morphed into discussions regarding the renewal of the Canadian Agricultural Partnership (CAP) framework. CAP is the funding source for business risk management (BRM) programs, including crop insurance, moisture deficiency insurance, AgriRecovery and AgriStability. ABP expressed the need for equal distribution of risk management across industries. Some programs work well to mitigate risk to the industry, such as crop insurance or AgriStability for the feeding sector – which we do not want to subtract from. All industries need stability for a healthy agriculture community, including the cow-calf and backgrounding sectors that need more

adequate support. This was especially notable during the 2021 drought. The goal is to have the BRM suite adequately cover producers going forward, making AgriRecovery unnecessary.

The Sustainable Canadian Agricultural Partnership (SCAP) will come into force spring 2023. There are several stages to the process:

- 1) multilateral agreement – between the federal government and the provinces,
- 2) bilateral agreement – between the federal government and Alberta, and
- 3) implementation details.

In July 2022, the governments announced the multilateral agreement that included dollars allocated for a Resilient Agriculture Landscapes Program (RALP), and an increase to the AgriStability compensation rate from 70 to 80 percent. RALP could be the start of payments for ecological goods and services. We certainly look forward to collaborating with government as these files take shape.

The staff at AFSC were outstanding through the last year when listening to producer concerns and willingly working with industry to provide the best support possible. Without their assistance, Alberta's beef industry would look very different in 2022.

This summer started with Health Canada's proposed front-of-package



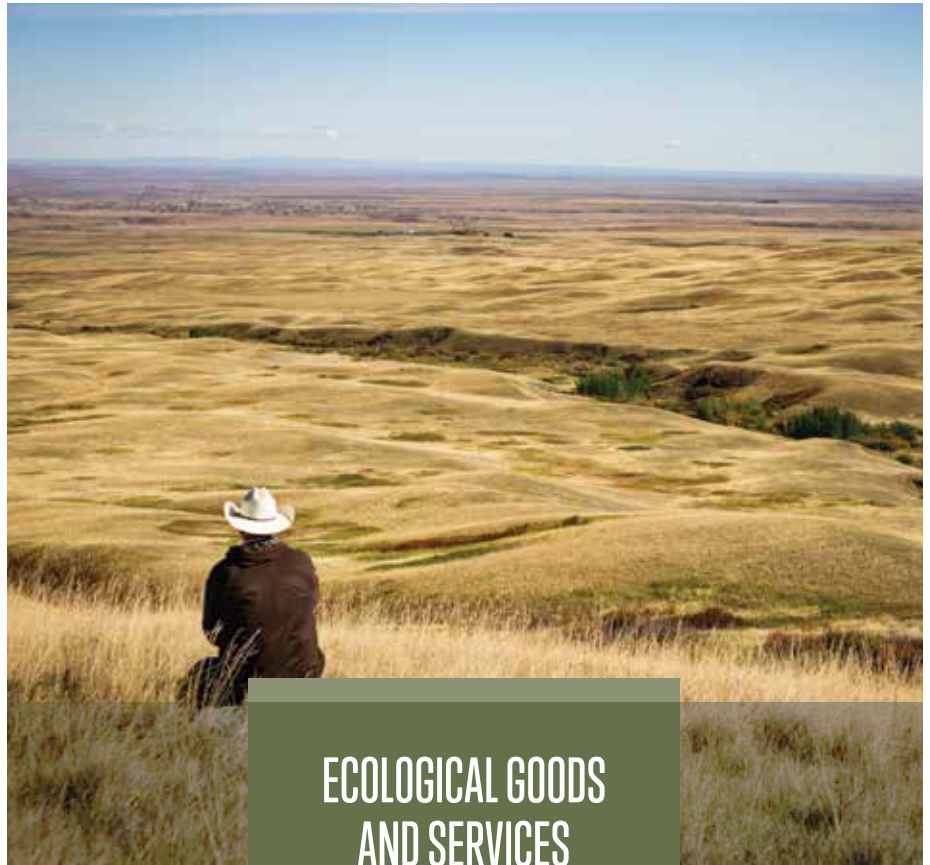
The Canadian Agricultural Partnership funded programs like well development. ABP is pushing for that program to be expanded under the Sustainable Canadian Agricultural Partnership, as one way of improving drought resilience in the livestock industry.

(FOP) labelling regulations. ABP worked with other beef organizations to communicate the potential impacts to the beef industry, with minimal benefit to the health of Canadians. The Government of Alberta Minister of Agriculture, Forestry and Rural Economic Development Nate Horner and Minister of Health Jason Copping held a press conference to support an exemption for ground beef. The final result saw Health Canada publish the FOP regulation with a ground beef exemption.

The 2022 Calgary Stampede was a new one for Alberta Beef Producers. There was a desire to revamp our government relations engagement structure and do something a little different this year. In years previous, representatives attended multiple Calgary Stampede events on behalf of Alberta Beef Producers, but this year we wanted to focus the conversation on the beef industry and our producers. We hosted our own Alberta Beef Industry Summit, at Modern Steak in downtown Calgary, along with Western Stock Growers' Association, Canadian Cattle Association, and Alberta Cattle Feeders' Association. The event was extremely well attended by MPs, MLAs and Ministers, giving beef producers and industry representatives the ability to talk about the beef industry and build relationships in a casual setting. The goal of the event was not to lobby for specific issues, but to raise our industry's profile, so when decision makers are developing policy, they know and can relate to beef producers personally, and can better understand how producers are impacted by their decisions.



Alberta's Minister of Agriculture, Food, and Rural Development, The Honourable Nate Horner, spoke to a crowd of MPs, MLAs, Ministers, beef producers, and industry representatives at the Alberta Beef Industry Summit.



ECOLOGICAL GOODS AND SERVICES

Traditionally, the ecological goods and services beef producers offer society have largely been undervalued. Alberta Beef Producers is pushing for better recognition of the time and energy producers commit to the environment, as well as the financial costs of providing wildlife habitat.

BEEF PRODUCTION AND EXTENSION

Over the last year, ABP has allocated a small internal research budget as well as the final remaining Alberta Agriculture and Forestry (AF) funds in feed and forage production and utilization.

All decisions are made by ABP's producer-led research committee.

- Internal funds – \$80,000 was allocated to four projects with a total project value of just over \$1.7 million for a leverage ratio of \$21.8:1.
 - Project topics: alternatives to antimicrobials; gene expression of parasites; pregnancy detection via saliva; and rumen bacteria gene manipulation to reduce methane emissions.
- AF funds – \$325,000 was allocated to two projects relating to feed and forage production and utilization with a total project value of \$569,524 with a leverage ratio of \$1.75:1.
 - Project topics: effects of plant growth regulators on feed barley lodging; and the relationship of environmental conditions to feed efficiency in beef cows.
- ABP's research committee uses the [Five-Year Canadian Beef Research and Technology Transfer Strategy](#) to help guide its investments.
- Currently, the ABP research committee is participating in the Agriculture Funding Consortium process. Final funding decisions will be made by producers, for producers, early next year after technical, peer, and producer reviews.

Results Driven Agriculture Research (RDAR)

- ABP is an active participant on the Industry Advisory Committee.
- Fred Lozeman, ABP Director, sits on the RDAR Board of Directors.
- ABP is involved in the technical review of project proposals from several organizations to improve funding coordination, reduce duplication, and ensure producer priorities are being addressed.

ABP is involved in a project to raise awareness of the impacts of wild boar, led by the Alberta Invasive Species Council. Wild boar can significantly damage pasture, hay, and croplands, as well as having the potential to spread diseases that also affect cattle. For more information, including how to recognize signs of wild boar and what to do about them, visit [Squeal on Pigs!](#)

ABP and CAP funding supported a Serecon analysis of the feasibility to expand the [Diagnostic Services Unit \(DSU\)](#) at UCVM to a full-service laboratory comparable to those located in BC, SK, and ON. The analysis concluded that the DSU would operate on a negative net margin, consistent with the experiences of all other livestock diagnostic laboratories and that



Report signs and sightings through:

- EDDMapS
- 310-FARM
- AF.wildboar@gov.ab.ca
- your local municipality

For more information, visit abinvasives.ca






Squeal on Pigs! campaign



\$80,000

Allocated to six projects with a total project value of just over \$1.7 million



\$325,000

Allocated to feed and forage production projects with a total project value of \$569,524

dedicated awareness efforts regarding expanding services would improve case/sample submission rates, along with the ability to avoid out of province fees. The analysis provides a roadmap for the DSU to explore the addition of diagnostic services to support livestock producers in Alberta, at a time when UCVM is also undertaking a major expansion towards 100 veterinary student seats. The DSU provides important learning and training opportunities for students as well as contributing to surveillance and animal health efforts.

- **Research** led by Dr. Karen Schwartzkopf-Genswein at Agriculture and Agri-Food Canada Lethbridge has not demonstrated measurable animal welfare benefits to rest stop provision during transport in weaned calves.

NEW TOOLS

- ABP has created a [form](#) to help producers navigate Transfer of Care requirements under the Health of Animals Regulations – Humane Transport.
- Check out the new [Johne's Disease Testing Tool](#)! ABP contributed to the development of this new simulation model that can be used to compare different Johne's testing and management options.



WE'RE VERY PROUD TO
ANNOUNCE THE ALBERTA
AGRISYSTEMS LIVING LAB (AALL)



**ALBERTA
AGRISYSTEMS
LIVING LAB**

- Producer participants (beef, forage, cropping) in the AALL will work directly with researchers to co-develop beneficial management practices (BMPs) to improve productivity, profitability while having a positive impact on carbon sequestration and greenhouse gas emissions.
- Key focus areas for BMP development include cropping systems and crop rotations, land use change/transitions, grazing management, livestock feeding, nutrient management, and optimizing carbon storage.
- We will be examining barriers and incentives to adoption, performing cost of production analyses, developing extension materials/events, facilitate peer to peer networking, learning and mentorship opportunities, and creating decision-making tools for producers.
- Information from this project will help to ensure that climate focused policy solutions are practical and provide benefits for producers by providing data from real-world situations.
- Want to learn more? Please visit agrisystemsll.ca, read the [press release](#), or listen to [The Bovine!](#)

COMMUNICATIONS AND MARKETING



COMMUNICATIONS

In 2021, we shifted our communications platform and how we engage with our producers. This year, we continue to monitor, refine and grow our communications efforts through the magazine, podcast, online platform and app. Our communications are guided by the strategic objective of measuring continual growth in producer and public engagement through the enhanced communications strategy with targeted goals.

ABPDAILY.COM



169.5K

Total visits to date to ABPDaily.com, which represents a 24% increase from last year



12K

Average monthly visitors



58%

Of visitors are return visitors, which represents a 7% increase from last year

ABP MAGAZINE

The magazine is printed and distributed to over 18,000 producers, auction markets and industry stakeholders across the province.

The October issue is in development for an early October in-hand date.

October issue sneak peek: Talking about on-farm carbon credit programs, Seeking sire success, TESA Award recipient and delegate nominations.

ABP DAILY APP

 **356**

App downloads since May 2021

New features launched:

- Like, save and share favourite articles
- Customize your content and get alerts about what interests you
- Account personalization

We are launching a campaign that will focus on the new app features to continue to encourage uptake and usage on the app.

THE BOVINE PODCAST

 **2,178**

Total downloads

- 12 episodes published since January 2022
- Average 181.5 downloads per episode

MONTHLY MINUTE

 **46.3%**

Open rate year-over-year. Up +61.7% compared to last year's average

 **4.7%**

Click rate year-over-year. Up +272.5% compared to last year's average

CATTLE COUNTRY RADIO

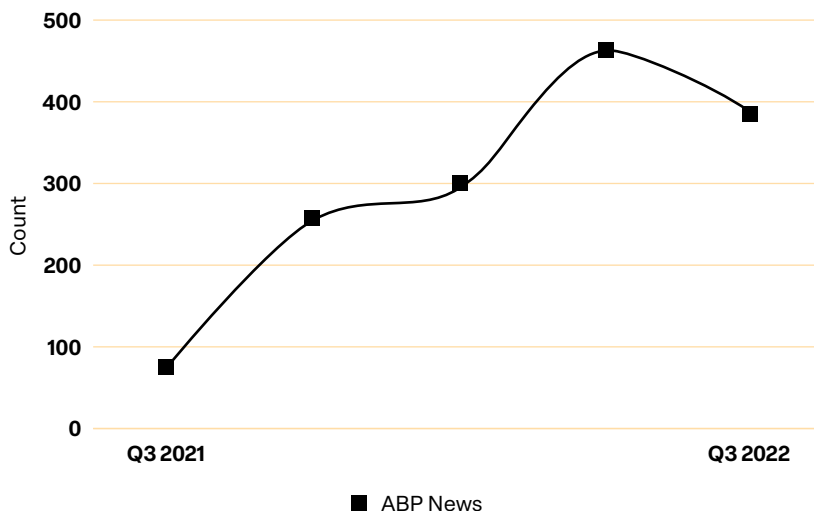
The ABP Cattle Country radio spots ran twice a month on 14 stations across the province.

MEDIA RELATIONS

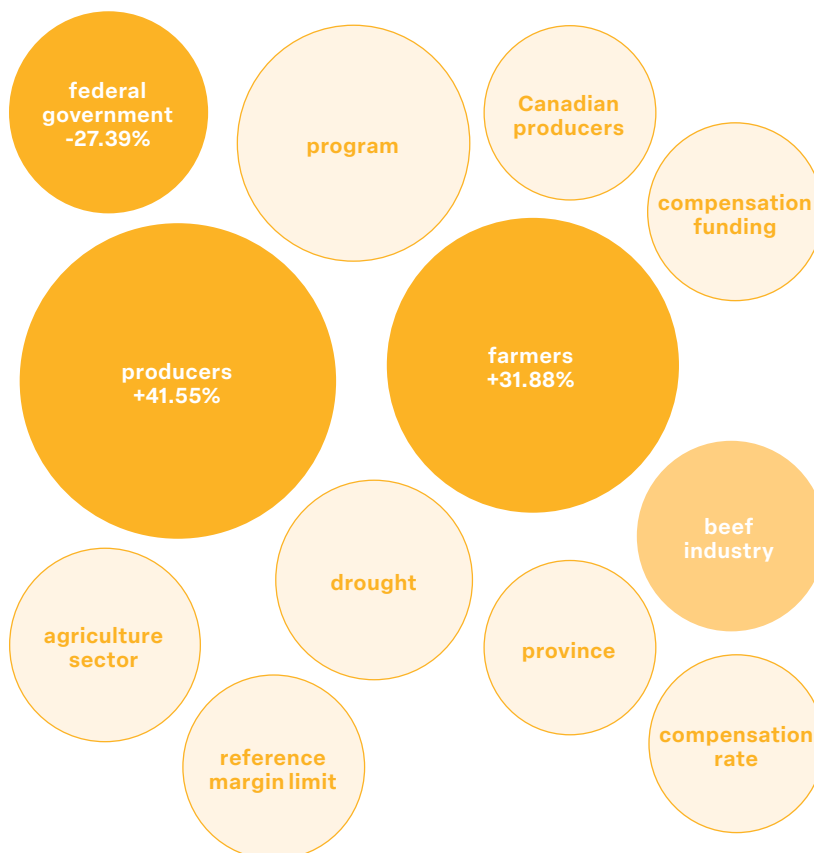
 **1.48K**

Total media exposure earned by Alberta Beef Producers year-over-year. Up +58% compared to last year.

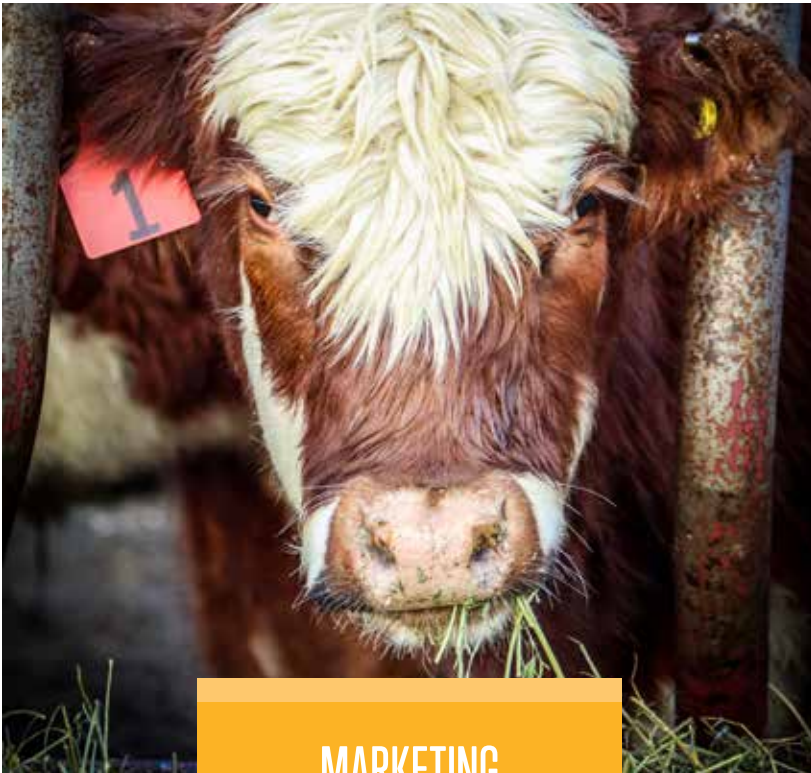
Media Exposure



Topic Momentum



COMMUNICATIONS AND MARKETING CONTINUED



MARKETING

The 2022 Consumer campaign launched during the Calgary Stampede in July. The theme of our consumer marketing efforts this year is asking the fundamental question 'How do you burger?' On the heels of the Front of Package labelling of ground beef decision reversal, the campaign timing helped create excitement for ground beef, and awareness of the benefits of ground beef consumption.

ABP marketing is guided by the strategic objective of increasing pride and confidence in Alberta beef by reinforcing consumers' confidence in Alberta beef by reinforcing consumers' connection with today's Alberta ranching industry.

COMMUNITY GIVING

On the heels of the successful engagement with Ronald McDonald House Charities Alberta in April 2022, we are continuing our participation with their 'Home for Dinner' Program. This year we are hopeful that the health measures in place will allow more of the ABP team to participate.

INFLUENCER ENGAGEMENT

The magazine engaged a new group of influencers for 2022, apart from Corey Meyer, to provide imagery and their perspectives on industry and western lifestyle.

The consumer campaign has engaged four lifestyle influencers to promote the consumer campaign, and beef-related content and recipes. We will also be working in partnership with regional influencers and Canada Beef to promote the Beef Information Gateway.

MEDIA

Media support has been consistent over the course of the contest campaign. This year's campaign features the following media placements for our "How do you burger?" creative:



Digital Advertising

600M

Paid media reach –
106% of our KPI

1.2M

Earned media reach –
70.5% of our KPI



Radio/Audio

30 second radio spots and social media audio placements



Gamification

Gamified digital advertisements that encourage interaction



Contests

Contest landing page to enter to win \$1,000 ultimate summer bbq prize pack

INSTAGRAM ADS



FACEBOOK ADS



CANADA BEEF

Canada Beef is pleased to provide Alberta Beef Producers with an overview of domestic and export marketing efforts to increase demand for Canadian beef while ensuring the maximum value for producer dollars.

DOMESTIC MARKET DEVELOPMENT

Canadian Beef Information Gateway

Canada Beef welcomed a new Director, Canadian Beef Information Gateway (Gateway) in late July. This new, dedicated role will ensure the Gateway delivers on the promise we see for this initiative. The Gateway engages and inspires consumers to choose beef for all occasions in a digital format that aligns with current consumer behaviour and preferences for information.

The first phase, Canadian Beef edition of the Gateway launched in January 2022 for smaller retailers and those looking for easy to implement solutions. Partner editions of the Gateway were developed for major retailer banners in preparation for pilot launches. Stay tuned for updates.

Consumer marketing and public trust

Canada Beef's social and digital spaces engage and connect with consumers and producers to build brand loyalty.

For FQ1 2022-2023 canadabeef.ca reported 132,155 active users on the website and a 28-day average of 34,416.

Mobile is the main device used to access Canadabeef.ca with 73,000 (56%) users.

Top landing pages included recipes (28,376), oven roasts (24,518), Gateway (8,284), and comfort foods (8,119).

Canada Beef reported 70,625 followers across seven social networks, a gain of 296 new followers. Facebook was the top social network referral site to Canadabeef.ca followed by Pinterest and Instagram.

Canada Beef partners with the Canadian Cattle Association and other beef industry groups to address public and consumer concerns about beef production, while also working to support Canadian beef brands.

Initiatives in collaboration with the Canadian Roundtable for Sustainable Beef included articles in the Toronto Star and the [Cooking by Degrees](#) digital and social media campaign published in the Star Metroland family of newspapers. The campaign featured recipes submitted by university and college chefs that highlighted their favourite Canadian beef cut. The chefs demonstrated a wide variety of creative and delicious dishes that featured healthy and affordable ground beef. Canada Beef thanks all the beef producers who shared their sustainability stories for the articles.

Generic beef marketing funded by the Import Levy

The Import Levy (collected on beef imports at the equivalent rate of \$1 per head) provides funding for positive beef messaging across Canada. A recent campaign with Influencer Ted Reader, also known as "Godfather of the Grill"

earned a total outreach of over 1 million consumers, consisting of:

- BTV national broadcast + website (976,000)
- Social (33,000 reach, 7,585 engaged actions) on Facebook and Instagram

Health and nutrition

Canada Beef engaged with more than 300 dietitians, academics and health professionals at the 2022 Canadian Nutrition Society Annual General Conference and gained information on the proposed Front of Pack (FOP) labelling for ground beef at the time, via presentations from the Health Canada leads and protein researchers. Canada Beef held discussions with several dietitians and key health professionals/protein researchers about the importance of ground beef as an affordable quality protein source, and the possible negative impacts that FOP could have on the diets of Canadians.

CONSUMER RESEARCH

Canada Beef commissioned Leger to conduct extensive qualitative and quantitative research on how Canadians cook and shop for Canadian beef and their attitudes and understandings of Canadian beef, especially from a nutrition perspective. The results incorporated insights from previous Canada Beef commissioned studies to provide a big-picture view of consumer perspectives on Canadian beef in the subject areas. Leger presented the findings at the Canadian Beef Industry Conference 2022.



132,155

Active users on the canadabeef.ca website in FQ1 2022-2023. A 28-day average of 34,416.

CANADIAN BEEF CENTRE OF EXCELLENCE

The Canadian Beef Centre of Excellence (CBCE) met its target of developing 500 videos in F2021-2022, which works out to two videos per working day.

CBCE participated in a beef quality study focused on sensory testing effects of intra-muscular fat (marbling) in the cooking process in partnership with Lacombe Research and Development Centre, and participated in a Chefs Federation Conference in Saskatoon in June. The focus there was on beef learning solutions and recovery strategies for operators, culinary educators, distributors and purveyors.

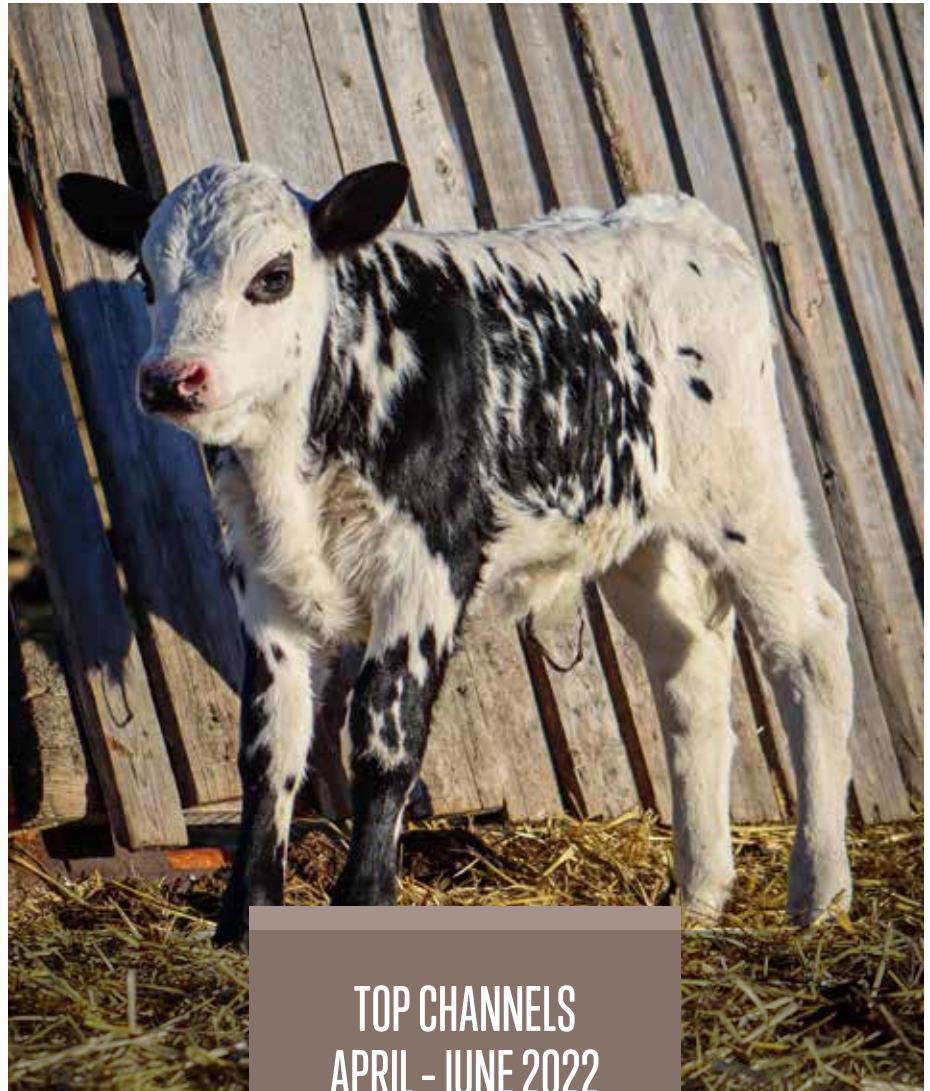
EXPORT MARKET DEVELOPMENT PROGRAMS AND SERVICES

The Export Market Development (EMD) Program provides partner funding in five key areas for eligible activities to promote and grow sales of premium quality Canadian beef brands in the export marketplace.

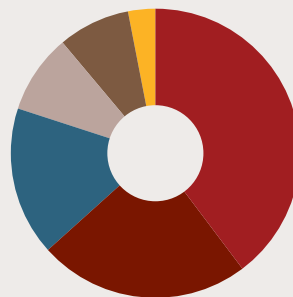
In F2021-2022, 55 EMD partner projects supporting 27 different companies targeting nine different export markets were completed.

SATISFACTION SURVEY

The 2022 Canada Beef Global Stakeholder Satisfaction Survey produced an overall satisfaction score of 75 percent, an improvement over the previous year's survey. The feedback from survey respondents ensures meaningful improvements will continue to be made to Canada Beef's programs, services and activities as we strive to increase satisfaction levels for all stakeholders.



TOP CHANNELS APRIL - JUNE 2022



organic	39.89%
other	23.58%
direct	16.73%
paid search	8.95%
referral	7.84%
social	3.00%

For detailed information, scan the code or view the report online at [Canada Beef Annual Report 2021-2022](#) and subscribe to [Canada Beef Performs](#).



BEEF CATTLE RESEARCH COUNCIL

BEEF PRODUCER NATIONAL CHECK-OFF INVESTMENTS IN RESEARCH

The Beef Cattle Research Council (BCRC) is Canada's industry-led funding agency for beef, cattle and forage research.

The BCRC is directed by a committee of **15 beef producers** from across the country and is funded in part through a portion of the Canadian Beef Cattle Check-Off.

In 2021/22, the BCRC received on average \$0.67 (unaudited) of every \$2.50 of the Canadian Beef Cattle Check-Off collected by the provinces. This **funding was leveraged** with Agriculture and Agri-Food Canada (AAFC) Canadian Agricultural Partnership (CAP) funding for the Beef Science Cluster III program. In 2021/22 industry contributed 34 percent, or \$1.3 million, and government contributed 66 percent, or \$2.5 million. In addition, the BCRC leveraged other Canadian Beef Cattle Check-Off dollars with an additional \$5.9 million in research funding and \$800,000 in-kind from government and industry partners through initiatives outside of the Beef Science Cluster in 2021/22.

The BCRC currently funds:

 **100+**

Research and extension projects led by researchers nationwide, in partnership with more than 40 funding agencies conducted at **37 research facilities** including 6 AAFC research stations, 31 universities and other research institutions

FIVE-YEAR CANADIAN BEEF RESEARCH & TECHNOLOGY TRANSFER STRATEGY

OVERVIEW
Five-Year Canadian Beef Research & Technology Transfer Strategy 2021

Canada is a world leader in raising beef... (text partially obscured)

TECHNOLOGY TRANSFER

REDUCE PRIMARY PRODUCTION GHG EMISSION INTENSITY BY 33% BY 2030

Visit BeefResearch.ca for the full Strategy overview.

The BCRC and its industry partners released a renewed **Five-Year Canadian Beef Research and Technology Transfer Strategy** in July 2021 to target funding toward achieving high-priority beef research and extension objectives. The Strategy complements the National Beef Strategy's ambitious **10-year goals**, supporting increased productivity while building upon the sector's leadership in environmental, social and economic sustainability.

Developed for and by a broad range of industry stakeholders, the Strategy is intended to guide investments of the

BCRC and other Canadian beef research funding agencies for the most efficient use of limited funding. It encourages greater collaboration across funding agencies through a portfolio approach to research investments, ensuring key research, capacity and extension priorities are addressed in a coordinated manner.

BUILDING RESEARCH CAPACITY THROUGH INDUSTRY-FUNDED CHAIRS

The BCRC has developed three research chair positions in partnership with key research institutions and matching industry and government funders. These chairs focus on priority research, teaching students and transferring knowledge to producers. Chairs include: **Dr. Bree Kelln**, Beef Industry Integrated Forage Management and Utilization Chair at the University of Saskatchewan; **Dr. Cheryl Waldner**, NSERC/BCRC Industrial Research Chair in One Health and Production-Limiting Diseases at the Western College of Veterinary Medicine, and **Dr. Gleise M. Silva**, BCRC-Hays Chair in Beef Production Systems at the University of Alberta.

BEEF SCIENCE CLUSTER III FOURTH YEAR OF FIVE COMPLETED

Projects funded under the current AAFC Beef Science Cluster III run from April 1, 2018, to March 31, 2023. This Cluster is a \$21.7 million program, with AAFC contributing \$14.1 million and the BCRC and industry partners contributing a total of \$7.6 million over the five years.

Most of the multi-year research projects

are underway, with a few wrapping up in 2022. Preliminary findings include new alfalfa varieties developed at AAFC Lacombe that are better able to tolerate winter conditions, as well as validation from researchers at AAFC Lethbridge that growth promotant residues pose minimal environmental risks that are further minimized by appropriate manure and runoff management.

The BCRC and external peer reviewers are developing a portfolio of projects for the Beef Science Cluster IV program, which will be announced later this year.

BCRC PROOF OF CONCEPT PROJECTS INFORM RESEARCH INVESTMENT

The BCRC funds short-term projects to examine the feasibility of pursuing larger, more defined research investments in particular areas. The proof-of-concept (POC) projects are funded jointly by Canadian Beef Cattle Check-Off dollars leveraged with government/industry partner funding, with some funded solely by private industry. One POC study by Dr. Cheryl Waldner's research team at the Western College of Veterinary Medicine is simplifying and automating bovine respiratory disease testing to treat sick animals with more targeted antibiotics.

PRODUCER RESOURCES AND INDUSTRY ENGAGEMENT

Last year the BCRC developed and distributed hundreds of timely articles, interactive decision-making tools, videos, infographics, fact sheets, newsletters, webinars and more. [Subscribe](#) to the BCRC's email list to be notified of the latest.

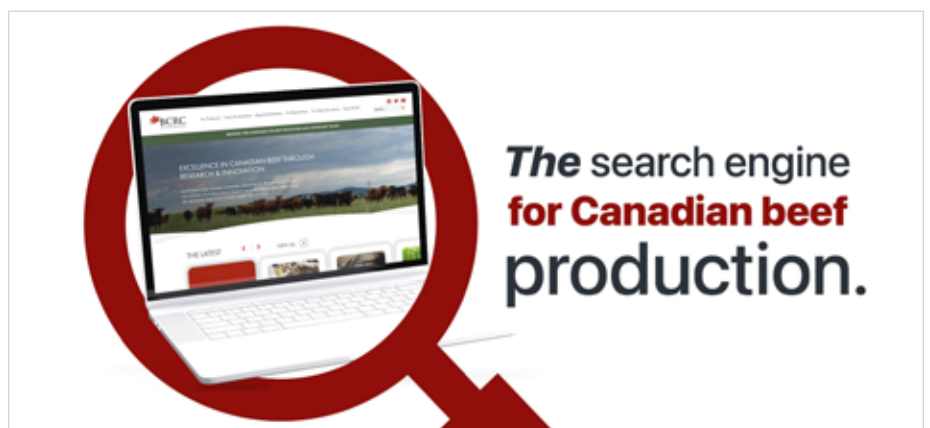
In early 2022, the BCRC updated its [Carrying Capacity Calculator](#), an interactive tool for better understanding how to balance forage supply and demand. A new [Grazing Game Plan](#) webinar and other updated grazing management information are also available at BeefResearch.ca.

In June 2022, the BCRC launched a new, improved BeefResearch.ca with more easy-to-find content and practical tools for Canada's beef producers, veterinary teams, researchers and other stakeholders. Take the new web site for a spin, and see why it's being referred to as the search engine for Canadian beef production.



PROJECT SPOTLIGHT

In addition to projects within the Beef Science Cluster, the BCRC funds research projects aimed at achieving high-priority goals of the beef industry. One BCRC-funded priority research project, led by Dr. Ed Bork and his colleagues from the University of Alberta, is using 40 years of data from research plots in west-central Alberta to quantify the economic benefits and carbon capture efficiency of integrating forages into crop rotations. The researchers have collected plant and soil samples on these plots to evaluate long-term impacts of five different crop rotations, ranging from one to eight years in duration, to evaluate effects of forage inclusion on soil carbon content.



Scan the code or view the report online at BeefResearch.ca or view the report online at [Beef Cattle Research Council 2021-2022 Annual Report](#).



PUBLIC AND STAKEHOLDER ENGAGEMENT

As part of the Connectivity and Beef Demand Pillars in the National Beef Strategy

The PSE program continues to build capacity to deliver on public trust initiatives and national issue management coordination with the addition of two part-time staff. Jenna Sarich joined the team in January 2022 as the Technical Consultant, tracking, analyzing and distilling research and scientific papers into public facing key messages. Emma Cross joined in April as the Social Media Coordinator, and will oversee the launch of a consumer-facing social media channel.

2022 has started to see a shift in consumer perception and attitudes around alternative plant proteins. Amie Peck, Stakeholder Engagement Manager, was interviewed for a [Toronto Star article](#) in January that highlighted how plant-based proteins may not be as healthy or environmentally friendly as they have been positioned to be. Other notable issues included the proposed front of pack labelling for ground beef, which the PSE team worked on with Dr. Sylvain Charlebois to attract public awareness. The top ten articles featuring Dr. Charlebois reached an estimated thirty million Canadians and ultimately encouraged consumers to push back on the proposed labels and ultimately resulting in the full exemption for ground beef.

Equipping beef producers and industry advocates with valuable training and educational opportunities is foundational to earning public trust. In a partnership

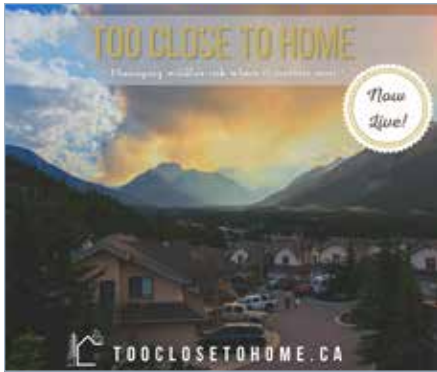
with the Young Cattlemen's Council, PSE sponsored 20 farmers, ranchers, and industry representatives to attend Aboriginal Awareness and Aboriginal Relations training courses this past spring. As well, [Beef Advocacy Canada](#) (BAC) launched last October with fully updated course modules comprised mostly of video content. There are currently over 150 registrants and 70 graduates. Recently we have seen BAC graduates sharing their diplomas on LinkedIn and encouraging others to take the program.

Partnerships, both in Canada and abroad, continue to amplify the positive messages of beef production. PSE remains a member in the [Canadian Centre for Food Integrity](#) and sponsors [the Simpson Centre for Agricultural and Food Innovation](#), based out of the University of Calgary, specifically for its public outreach efforts. 2022 is the second year of partnering with the [Global Meat Alliance](#), which brings together stakeholders to collaborate and align on issues management and international events like the United Nations' climate change conference, COP. Amie Peck continues to chair the Communications Council at the Global Roundtable for Sustainable Beef which is hosting a summit this November to ensure consistent narratives about sustainable beef production worldwide. [Too Close to Home](#), the second documentary from the PSE program,

highlights the role of cattle in mitigating wildfire danger to communities in British Columbia. The launch event in April featured panelists from research, government and primary production and the film has thus far garnered over 130,000 views across Facebook and YouTube. Earned media coverage has included notable environmental publications like [The Narwhal](#) and [the Tyee](#), along with the National Observer, Eat North and more. It was featured on an episode of Frontline Farming with Dianne Finstad and interview footage was incorporated into an episode of the CBC show [La Semaine Verte](#) in Quebec.

Broadcast media coverage in the past year included two episodes of the show FoodScapes, which airs on Global and BNN Bloomberg and was a partnership project with the Canadian Roundtable for Sustainable Beef (CRSB) along with the Nature Conservancy of Canada and Ducks Unlimited Canada. Both episodes highlight Cherie Copithorne-Barnes, who operates CL Ranch out of Jumping Pound, Alberta, discussing the role of beef cattle in preserving Canada's native grasslands and sustainable beef. Overall, the episodes reached a total of 300,000 Canadians. For Food Day Canada in February, national TESA nominee Brylee Farms was featured on CTV News with an estimated reach of close to 6 million viewers.

On the print media side, PSE partnered with CRSB and Canada Beef to deliver the second edition of the [Cooking by Degrees](#) campaign. These Toronto Star articles run from June to late August and pair beef recipes from college and



Too Close to Home, the second short documentary from PSE, highlights the role of cattle in mitigating wildfire danger to communities in British Columbia.



The 'Get Both Sides' advertising campaign, demonstrating how you can love your Canadian beef and the environment too, was seen by more than 2 million consumers.

university chefs with beef producer profiles. All the recipes focus on ground beef, which was advantageous planning during the front of pack labelling discussions. The campaign highlighted Alberta producer Bob Lowe along with Anne Wasko, Brian Maloney, Melissa Atchison, and Kevin Boon. Campaign reach will total over six million.



HIGHLIGHTS

- **Issues Management:** Top public awareness articles on saturated fat labels reached 30 million Canadians.
- **Short Documentaries:** *Too Close to Home*, which highlights how cattle grazing can help mitigate wildfire risk for communities, has been viewed over 130,000 times.
- **Training:** 20 producers and industry representatives attended Indigenous Training and Awareness Courses.
 - Over 70 participants have graduated from the new Beef Advocacy Canada.
 - Reach on newsletters being updated on recent issues?
- **Digital and Print Marketing:** Cooking By Degrees campaign reaches six million Canadians.
- **Get Both Sides:** Love Beef and the Environment? You don't have to choose. This new campaign ran in spring 2022 and highlights the greener side of raising beef cattle.
- **Total earned media reach** from the PSE program (August 2021-August 2022) 39.6 million Canadians.

The **Get Both Sides** advertising campaign was launched in April and ran for six weeks, generating more than 2.2 million impressions and over 3,300 clicks to our new website. The clickthrough rate for the campaign, which divides the number of clicks on the ad by the number of views, reached 0.21, doubling the benchmark for this metric.

The microsite continues to house all PSE video content and short documentary projects in one place.

For the 2022-2023 fiscal year, PSE will be operating with a \$930,000 budget, of which \$233,000 is allocated to Canadian Beef and the remaining \$697,000 being administered through CCA, as overseen by the PSE Manager.

CANADIAN CATTLE ASSOCIATION

I am very pleased to report to you for the first time as President of the Canadian Cattle Association (CCA).

Being elected President at CCA's Annual General Meeting (AGM) in March was a real honour and it's a role that I do not take lightly. Since joining CCA's Board in 2010, I have seen firsthand the commitment and hard work put in by past CCA Presidents. This year marks CCA's 90th anniversary and I am proud of our organization's rich history. It is important for us to look at our past successes and how we overcame past challenges to guide our industry to new heights.

After meeting virtually for the better part of two years, it was great to be back in Ottawa for our AGM and be able to meet in-person with board members, industry partners and stakeholders, as well as Parliamentarians, their staff, and department officials. It was a positive way to kick-start our in-person advocacy efforts on Parliament Hill over the spring months as several provincial fly-ins happened in April, May, and early June to discuss the priorities of cattle farmers and ranchers including the economic and environmental sustainability, proposed front-of-package labelling regulations, and trade.

There was also much excitement to be together again for the first time since 2019 at the Canadian Beef Industry Conference (CBIC) in Penticton, B.C. We were able to reconnect and invest in the strong future of our industry. I look forward to working alongside CCA's board members and our industry partners on the priorities of producers

across the country and further advance our industry.

Looking back on the last year, I will share a few key highlights of the work undertaken by CCA.

ADVERSE WEATHER

In the week's following our AGM, much of our attention was on the drought situation facing farmers and ranchers in southeast Alberta and southwest Saskatchewan as well as the devastating flooding in Manitoba. Our team, in collaboration with our provincial members, kept a pulse on the situation to determine if and when a request for emergency assistance from the Federal Government was needed.

Luckily, this type of action was not needed. Timely rains provided excellent moisture for a large portion of drought stricken regions in Alberta and parts of Saskatchewan. This is a game changer for hay and crop production in those regions. Unfortunately, there are still portions of the drought stricken areas that continue to struggle with the impact of the drought.

On August 30, 2022, the Honourable Marie-Claude Bibeau, Minister of Agriculture and Agri-Food declaring the initial regions eligible for the Livestock Tax Deferral provision. This provision is welcome news for many cattle producers impacted by detrimental weather conditions in Alberta, Saskatchewan, and

Manitoba, but some regions have been overlooked. As this announced list of designated regions is preliminary, more regions will likely be added as forage yield information becomes available. We will continue to advocate for all impacted producers to be included. Longer term, CCA is seeking to have the Livestock Tax Deferral provisions available for producers to self-elect to manage through adverse events that result in the forced sales of cattle.

CANADIAN PACIFIC RAILWAY STRIKE

We are also pleased to have seen a quick resolution to the work stoppage at Canadian Pacific Railway (CP Rail) in March. CCA's leadership and staff quickly mobilized and collaborated with industry partners including the National Cattle Feeders' Association, Grain Growers of Canada, and Fertilizer Canada to raise awareness of potentially devastating impacts a prolonged work stoppage on Canadian agriculture, particularly cattle producers in western Canada who are dependent on feed shipments from the United States after last year's drought. With the assistance of Liberal Member of Parliament Kody Blois, Chair of the House of Commons Standing Committee on Agriculture and Agri-Food, CCA led a joint press conference at the National Press Gallery in Ottawa on March 21, 2022. This was an effective way to communicate the urgency of the situation and request a quick resolution to issue. Overnight, both sides announced that they had agreed to binding arbitration and the trains began moving the following day.



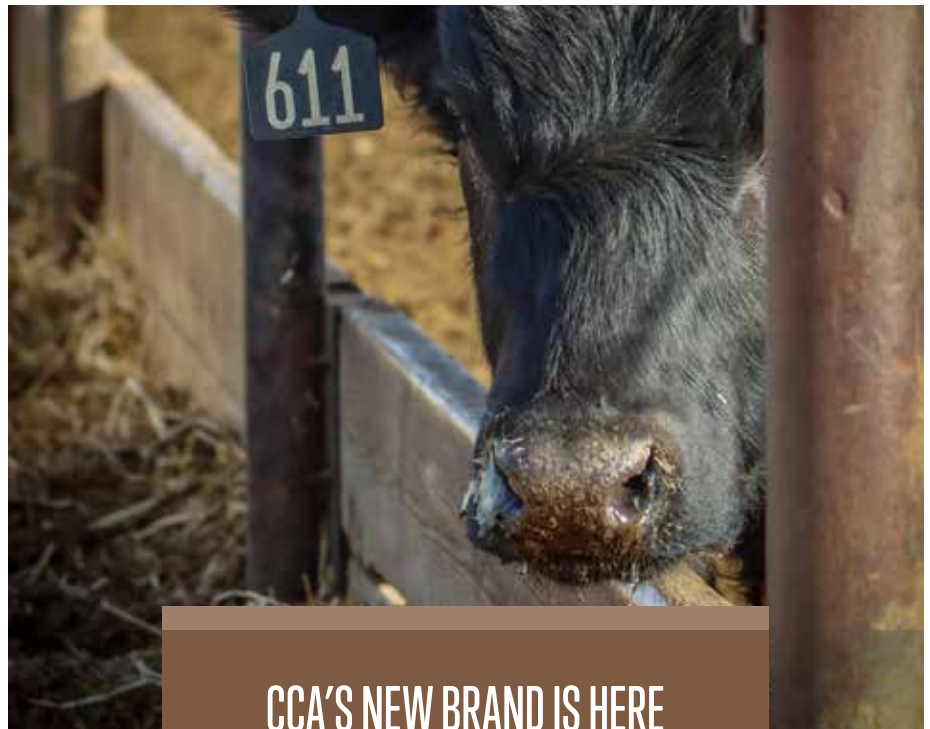
DON'T LABEL MY BEEF

This spring, it was all hands on deck for CCA board members and staff when it came to engaging Members of Parliament (MPs), Senators, officials at Health Canada, and consumers on the proposed regulatory change that would have seen a warning label for saturated fat placed on ground beef.

This successful outcome was made possible with the help of our provincial member associations, who shared our industry's collective concerns with provincial government officials, as well as with local and regional media outlets. I would like to personally thank ABP and Albertan producers who shared their concerns through the campaign as well as working with the provincial government to emphasize the sector's concern. We are very appreciative of the strong support that we received from Canadians, who sent thousands of letters to MPs across the country and established an important connection on the nutritional value of beef in kitchens from coast to coast to coast. This initiative was truly a #teambeef effort and a win for the entire industry!

SUSTAINABLE CANADIAN AGRICULTURAL PARTNERSHIP

Canada's agriculture ministers gathered in Saskatchewan for their annual federal-provincial-territorial (FPT) meeting from July 20-22, 2022. Tyler Fulton, CCA's



CCA'S NEW BRAND IS HERE



In early July, CCA was proud to launch its new brand as the Canadian Cattle Association, paying tribute to our past, while looking ahead to the future. Our new logo is inspired by the key elements of importance to our organization: Our country, our cattle, and our environment.

These pillars showcase what we are most proud of:

- The maple leaf represents the strong recognition Canadian beef has at home in Canada and around the world.
- In the forefront, what we produce – our cattle, which produce the best beef in the world.
- And our environmental stewardship, represented by the land and water, demonstrates our commitment to being part of the climate solution.

The new brand will help open new opportunities to continue to tell our industry's positive story when it comes to our environment, our economy, and our future as a country.

Scan the code or view the report online at [Canadian Cattle Association 2021 Annual Report.](#)



CANADIAN CATTLE ASSOCIATION CONTINUED

Officer at Large and Jessica Radau, CCA's Youth Leadership Coordinator, had the opportunity to participate in a panel discussion at the meeting, where they emphasized the need for investments in research, strong and predictable risk management programs, and incentives for the environmental benefits that beef producers provide.

On July 22, an agreement was reached and \$500 million in new funds for the Next Agricultural Policy Framework was announced – a 25 percent increase from the previous Framework. The new Framework, to be known as the Sustainable Canadian Agricultural Partnership, includes investments in research, risk management, and environmental programming.

Highlights include:

- The acknowledgement of interprovincial trade barriers and the meat pilot projects that are underway to enhance interprovincial trade. We hope to see the governments acting on the findings that are uncovered through these pilot projects.
- A commitment of payment for ecosystem goods and services (ESG) under the Resilient Agricultural Landscapes Program. Cattle ranchers provide countless ESGs while producing a high-quality protein destined for dinner tables in Canada and around the world.
- Recognition of the need for greater diversification in the agricultural sector. Investing in our industry's next generation through youth mentorship is an important part of CCA's culture, as are other

diverse groups like women and indigenous peoples.

While the CCA would have liked to have seen the AgriStability program caps removed and the trigger increased to 85 percent, producers appreciate the efforts to strengthen the program by increasing the compensation rate to 80 percent. This, combined with the previously announced decision to remove reference margin limits, are needed improvements. CCA looks forward to discussing the details of governments' proposal to make AgriStability faster, simpler, and more predictable.

Governments have also added an environmental cross-compliance component for larger farms wanting to participate in the AgriInvest program and will be exploring other avenues to integrate climate risk and readiness into BRM programs. We are concerned this may make an already complex suite of programs even more complex. CCA believes there are more effective ways to incentivize environmental stewardship.

CCA welcomes increased funding and looks forward to being consulted as a stakeholder for how these dollars will be spent.

TRADE UPDATES

International trade continues to be a key factor in our industry's success. 2021 was the sixth year in a row of hitting export values. In 2021, producers gained \$1,044 CDN through selling in international markets. As of June 2022, total beef and live cattle exports have reached \$3 billion CDN. We continue to see increased growth in Japan, South

Korea, and southeast Asia markets. Our staff is engaged in the ongoing free trade negotiations with the United Kingdom, the Association of Southeast Asian Nations (ASEAN), and Indonesia. At CBIC, we had to pleasure to host our American and Mexican counterparts, the National Cattlemen's Beef Association (U.S.) and the National Confederation of Bovine Associations (Mexico). The leadership of the three national organizations met and agreed to continued to collaboration on trade in North America.

THE ENVIRONMENTAL STEWARDSHIP AWARD

This year, we were able to announce the recipient of the Environmental Stewardship Award (TESA) at CBIC. B.C.'s Bar 7 Ranch, owned and operated by Doug and Erika Fossen, is this year's recipient. Doug and Erika are recognized for their proactive rangeland management, fire mitigation efforts on government pastures, supporting wildlife biodiversity, and a focus on enhancing soil health. Ranching alongside their three daughters, Adele, Jade, and Reine, a family approach is taken to running their operation and proper stewardship practices is at the heart of what they do. Congratulations to the Fossen Family!

With a few short months left in 2022, we look forward to continuing conversations with Parliamentarians and sharing our economic and environmental sustainability story.

Sincerely,

Reg Schellenberg
President, Canadian
Cattlemen's Association

FINANCIALS



ALBERTA BEEF PRODUCERS OPERATIONS BUDGET

For the year ending March 31, 2023

	Budget Year Ending March 31, 2023	Percentage of Operations Budget March 31, 2023	Actual Expenses Year Ending March 31, 2022	Percentage of Operations Actual Expenses March 31, 2022
Canadian Cattlemen's Association (CCA)				
CCA Operations Assessment Fee, \$0.48	1,804,794		1,801,748	
CCA Reserve Fund Assessment Fee, \$0.05	187,999		302,861	
	1,992,794	37.6%	2,104,609	40.8%
ABP Governance and Oversight				
ABP Board of Directors	70,000		28,340	
Audit and Governance Committees	4,000		12	
Executive Committee	50,000		32,347	
TAT and IMC Committees	5,000			
	129,000	2.44%	60,699	1.18%
Government Relations and ABP Policy				
Board Appointed Representatives to Tier Organizations	10,000		3,416	
Environment	25,000		25,000	
Federal and Provincial Initiatives	35,000		4,550	
Projects and Programs	73,000		73,708	
Provincial Advocacy	30,000		8,294	
Resolutions Committee	3,000		-	
Wildlife	10,000		-	
Working Groups	34,550		1,607	
	220,550	4.17%	116,575	2.26%
Marketing and Communications				
ABP, The Platform	16,000		12,925	
ABP, The Magazine	259,750		266,876	
Canfax Membership and Services	53,400		53,400	
Marketing & Education Programs	201,850		239,226	
On Line Communications, internal tools	50,000		31,440	
Sponsorships and Other Initiatives	30,000		14,306	
Outside Funding	-		(88,750)	
Magazine Cost Recovery, conservative est while we develop it	(50,000)		(52,300)	
	561,000	10.60%	477,123	9.25%

For the year ending March 31, 2023				
	Budget Year Ending March 31, 2023	Percentage of Operations Budget March 31, 2023	Actual Expenses Year Ending March 31, 2022	Percentage of Operations Actual Expenses March 31, 2022
National Policy, Trade Advocacy, and Legal				
ABP Representation on National Organizations	30,000		11,225	
CCA Legal Assessment	120,000		78,166	
U.S. and International Initiatives	35,000		22,832	
	185,000	3.49%	112,223	2.18%
Stakeholder Liaison				
Communications Initiatives, external tools	40,000		43,538	
Industry Initiatives	25,000		917	
Media Relations	15,000		7,427	
Media Training	-		3,200	
Producer Liaison	175,000		85,579	
Townhalls and Webinars	5,000		5,236	
Youth Initiatives	30,000		24,750	
Working Groups	5,000		3,840	
	295,000	5.57%	174,487	3.38%
Research, Production, And Education				
Animal Health and Welfare	30,000		25,175	
Research Committee and Projects	88,000		84,656	
	118,000	2.23%	109,831	2.13%
Salaries Associated with Programs				
	874,233	16.51%	715,065	13.86%
Administrative Expenses				
Amortization of furniture & equipment, non-cash	13,000		11,260	
Rent, office supplies and equipment	502,055		709,765	
Salaries and benefits	248,622		431,119	
Legal, audit, and consulting	155,000		134,801	
	918,677	17.35%	1,286,945	24.95%
Total ABP Operations Budget	5,294,254	100.00%	5,157,557	100.00%
Capital Assets Budget	9,746			
Total Budget	5,304,000			

ALBERTA BEEF PRODUCERS REFUND REPORT

Refund Period	Number of Refund Requests	Number of Marketings Refunded	Net Amount Refunded	Refunded to Cow Calf		Refunded to Feedlots	
				No Requests	Net Amount Paid	No Requests	Net Amount Paid
July to Dec, 2021	529	1,042,490	\$1,708,063	388	\$350,247	141	\$1,360,074
Jan to June, 2021	435	828,793	\$1,536,576	296	\$353,272	139	\$1,183,233
Total	964	1,871,283	\$3,244,639	684	\$703,519	280	\$2,543,306
July to Dec, 2020	538	964,147	\$1,744,690	365	\$198,946	173	\$1,545,744
Jan to June, 2020	427	695,543	\$1,290,570	264	\$175,983	163	\$1,114,587
Total	965	1,659,690	\$3,035,260	629	\$374,929	336	\$2,660,331

ALBERTA BEEF PRODUCERS REFUND REPORT



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September 8, 2022
Edmonton, Alberta

INDEPENDENT AUDITOR'S REPORT

To the Directors and Delegates of Alberta Beef Producers

Report on the Financial Statements

Opinion

We have audited the financial statements of Alberta Beef Producers (ABP), which comprise the statement of financial position as at March 31, 2022, and the statements of operations, changes in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the ABP as at March 31, 2022, and the results of its operations and cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the ABP in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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.

In preparing the financial statements, management is responsible for assessing the ABP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the ABP or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the ABP's financial reporting process.

Independent Auditor's Report to the Directors and Delegates of Alberta Beef Producers
(continued)

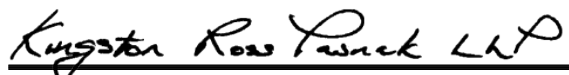
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 ABP's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ABP's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the ABP to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


Kingston Ross Parnak LLP
Chartered Professional Accountants

ALBERTA BEEF PRODUCERS
Statement of Operations
Year Ended March 31, 2022

	2022	2021
REVENUE		
National Levy (Note 2)	\$ 9,966,420	\$ 9,105,423
Alberta service charge (Note 2)	7,816,374	7,172,007
Plus voluntary contributions to CCA (Note 3)	430,025	216,527
Interprovincial marketings (Note 2)	288,376	200,992
Plus recovery of dealer rebate and voluntary contributions	68,183	67,595
Less dealer rebate	(199,328)	(182,108)
Less Alberta service charge refunded	(3,742,567)	(3,319,381)
	14,627,483	13,261,055
Canadian Beef Check-Off Agency (Notes 2, 9)		
Canada Beef	5,870,221	5,190,089
Beef Cattle Research Council	2,972,983	2,768,051
Public and Stakeholder Engagement	624,895	692,012
The National Agency	498,321	455,271
	9,966,420	9,105,423
Net revenue before the undernoted	4,661,063	4,155,632
OTHER REVENUE		
Grants (Note 7)	2,658,612	1,221,806
Interest and other income (Note 4)	554,221	857,724
Magazine cost recovery	52,300	29,125
Provincial research and development	-	1,190
	3,265,133	2,109,845
OTHER EXPENSES		
Grants (Note 8)	2,655,335	1,221,806
Provincial research and development	-	573
	2,655,335	1,222,379
EXCESS OF REVENUE OVER EXPENSES BEFORE OPERATING EXPENSES	5,270,861	5,043,098
OTHER EXPENSES		
Operating Expenses (Schedule 1)	\$ 4,990,175	\$ 4,673,361
Amortization of furniture and equipment (Note 6)	11,506	10,304
	5,001,681	4,683,665
EXCESS OF REVENUE OVER OTHER EXPENSES	\$ 269,180	\$ 359,433

ALBERTA BEEF PRODUCERS
Statement of Changes in Net Assets
Year Ended March 31, 2022

	Trade Advocacy Reserve (Note 3)	Operating Reserve Following year (Note 3)	Operating Reserve Future years (Note 3)	CCA Assessment Fund Following year (Note 3)	Unrealized Gain on investments (Note 3)	Invested in Furniture and Equipment (Note 6)	Unrestricted	2022 Total	2021 Total
NET ASSETS -									
BEGINNING OF YEAR	\$ 4,336,000	\$ 3,016,872	\$ 1,100,000	\$ 1,138,758	\$ 258,066	\$ 29,011	\$ 2,397,409	\$ 12,276,116	\$ 11,916,683
Transferred to current year operations	-	(3,016,872)	-	(1,138,758)	-	-	4,155,630	-	-
Internally restricted for following year operations	-	3,155,405	-	1,505,657	-	-	(4,661,062)	-	-
Internally restricted transfers	-	-	(193,521)	-	161,387	-	32,134	-	-
Excess of revenue over expenses	-	-	-	-	-	(11,505)	280,685	269,180	359,433
Invested in furniture and equipment	-	-	-	-	-	9,004	(9,004)	-	-
NET ASSETS - END OF YEAR	\$ 4,336,000	\$ 3,155,405	\$ 906,479	\$ 1,505,657	\$ 419,453	\$ 26,510	\$ 2,195,792	\$ 12,545,296	\$ 12,276,116

ALBERTA BEEF PRODUCERS
Statement of Financial Position
March 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ -	\$ 4,441,776
Operating Reserve Fund, Following year (Note 3)	3,155,405	3,016,872
CCA Assessment Fund, Following year (Note 3)	1,505,657	1,138,758
Investments (Note 4)	8,937,120	8,466,816
Service charge receivable (Note 9)	2,701,020	1,593,638
Interest and other receivables	52,526	67,432
Goods and Services Tax recoverable	58,099	28,859
Prepaid expenses	25,848	11,396
Inventory (Note 5)	8,550	12,141
	16,444,225	18,777,688
OPERATING RESERVE FUND, Future years (Note 3)	906,479	1,100,000
FURNITURE AND EQUIPMENT (Note 6)	26,510	29,011
	\$ 17,377,214	\$ 19,906,699
LIABILITIES AND NET ASSETS		
CURRENT		
Bank indebtedness	\$ 23,398	\$ -
Accounts payable and accrued liabilities (Note 9)	1,947,023	2,593,299
Goods and Services Tax payable	62,754	44,050
Alberta marketings held in trust	1,864,500	1,692,918
Deferred revenue (Note 7)	934,243	3,300,316
	4,831,918	7,630,583
COMMITMENTS (Note 10)		
NET ASSETS		
Trade Advocacy Reserve Fund (Note 3)	4,336,000	4,336,000
Operating Reserve Fund, Following year (Note 3)	3,155,405	3,016,872
Operating Reserve Fund, Future years (Note 3)	906,479	1,100,000
CCA Assessment Fund, Following year (Note 3)	1,505,657	1,138,758
Unrealized Gain on investments (Note 3)	419,453	258,066
Invested in Furniture and Equipment (Note 6)	26,510	29,011
Unrestricted	2,195,792	2,397,409
	12,545,296	12,276,116
	\$ 17,377,214	\$ 19,906,699

ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

ALBERTA BEEF PRODUCERS
Statement of Cash Flow
Year Ended March 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 269,180	\$ 359,433
Items not affecting cash:		
Amortization of furniture and equipment	11,506	10,304
Gain disposal of investments	(131,389)	(74,318)
Realized gains booked to the cost of investments	-	(223,665)
Change in unrealized gain on investments held at year end	(161,387)	(258,066)
	(12,090)	(186,312)
Changes in non-cash working capital:		
Service charge receivable	(1,107,382)	735,787
Interest and other receivables	14,906	(35,912)
Prepaid expenses	(14,452)	17,577
Inventory	3,591	(5,895)
Goods and Services Tax payable	(10,536)	(24,258)
Accounts payable and accrued liabilities	(646,277)	381,429
Alberta marketings held in trust	171,582	114,218
Deferred revenue	(2,366,073)	(1,022,058)
	(3,954,641)	160,888
Cash flow used by operating activities	(3,966,731)	(25,424)
INVESTING ACTIVITIES		
Purchase of investments	(3,587,759)	(4,183,630)
Proceeds from sale of investments	3,410,231	3,880,684
Redemption of term deposits	-	900,000
Purchase of furniture and equipment	(9,005)	(13,950)
Proceeds from sale of furniture and equipment	-	1,610
Internal transfer to Operating reserve fund, future years	193,522	-
Cash flow (used by) from investing activities	6,989	584,714
(DECREASE) INCREASE IN CASH	(3,959,742)	559,290
CASH - BEGINNING OF YEAR	8,597,406	8,038,116
CASH - END OF YEAR	4,637,664	8,597,406
CASH CONSISTS OF:		
Cash	\$ -	\$ 4,441,776
Bank indebtedness	(23,398)	-
Operating reserve fund, following year (Note 3)	3,155,405	3,016,872
CCA Assessment fund, following year (Note 3)	1,505,657	1,138,758
	\$ 4,637,664	\$ 8,597,406

ALBERTA BEEF PRODUCERS
Notes to Financial Statements
Year Ended March 31, 2022

1. DESCRIPTION OF BUSINESS

Alberta Beef Producers ("ABP") was incorporated under the Marketing of Agricultural Products 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. Effective since April 1, 2018, ABP is authorized under its Plan Regulation and Commission Regulation to collect a \$2.00 refundable Alberta service charge and a \$2.50 non-refundable National Levy from producers who sell or who are in the business of feeding and slaughtering their own cattle ("Alberta Service Charge and National Levy").

The National Levy is paid to the Canadian Beef Check-Off Agency ("the Agency"). The National Levy 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.

Effective April 1, 2021 until March 31, 2022, the ABP Board of Directors allocates the National Levy as follows: an Agency fee of 5% (2021 - 5%) is withheld to enable the Agency to operate and thereafter the net funds are allocated 62% (2021 - 60%) to Canada Beef ("CB"), 31.4% (2021 - 32%) to Beef Cattle Research Council ("BCRC"), and 6.6% (2021 - 8%) to Public and Stakeholder Engagement.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for Not-for-Profit Organizations. Significant accounting policies observed in the preparation of the financial statements are summarized below.

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit, less cheques issued, and internally restricted cash reserves for the following year.

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.

(continues)

ALBERTA BEEF PRODUCERS
Notes to Financial Statements
Year Ended March 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Revenue recognition

The Alberta Service Charge (Note 1) 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 revenues reported represent Alberta Service Charge collected and management's best estimate of uncollected fees. Due to the uncertainties in the industry reporting, there may be adjustments in future periods and such adjustments may be material to the financial position of ABP.

ABP pays a dealer rebate of \$0.05 per head to those who collect and remit the Alberta Service Charge and National Levy collected on behalf of ABP.

ABP follows the deferral method of accounting for contributions, which includes government grants. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue 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 revenues remaining from the Alberta Service Charge and National 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 enables 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.

Refunds

The Alberta Service Charge and National Levy is payable by producers who sell cattle and by producers who feed and slaughter their own cattle. The Alberta Service Charge paid by or on behalf of a producer is refundable to that producer on request of that producer. A producer could request a refund of all or a portion of the \$2.00 Alberta Service Charge. The National Levy is non-refundable. 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 \$4.50 (2021 - \$4.50) Federal Levy and not the Alberta Service Charge and National Levy. The \$4.50 (2021 - \$4.50) Federal Levy is collected by ABP on behalf of the Canadian Beef Check-Off Agency. Payments of the Federal Levy are forwarded to the Agency for national beef cattle research, marketing and promotion projects for the benefit of Canadian producers. The 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.

(*continues*)

ALBERTA BEEF PRODUCERS
Notes to Financial Statements
Year Ended March 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Investments

Investments are recorded at market value. In 2020, the Board of Directors passed a motion to invest up to 25% of funds available in low risk stocks and the balance of the funds in short term, low risk government secured investments.

The portfolio is managed by a third party investment manager and is subject to an investment policy set by the Board of Directors and which has as its main objective the growth and preservation of capital. Transition 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.

Furniture and equipment

ABP provides amortization on its furniture and equipment using the straight-line method at the following rates:

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

In the year of purchase, amortization on furniture and equipment is taken at one half of the normal amount.

Financial instruments

All arm's length financial instruments are initially measured at fair value, and, unless otherwise noted, ABP subsequently measures its financial instruments at amortized cost.

The measurement basis for related party financial instruments is disclosed in Note 9.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. These estimates included the useful lives of the furniture and equipment, collection of Alberta Service Charge, collectability of accounts receivable and inventory obsolescence.

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 salary expenses to Operational Expenses and to Administrative Expenses (Note 13).

ALBERTA BEEF PRODUCERS
Notes to Financial Statements
Year Ended March 31, 2022

3. 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 legal 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.

	2022	2021
Balance, beginning of year	\$ 4,336,000	\$ 4,336,000
Balance, end of year	\$ 4,336,000	\$ 4,336,000

Operating Reserve Fund, Following year

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.

	2022	2021
Balance, beginning of year	\$ 3,016,872	\$ 3,221,616
Transfer from unrestricted net assets	175,178	189,941
Transferred from the fund for operations in current year	(3,192,050)	(3,411,557)
Retained check off funds allocated to the following year ABP operations	3,155,405	3,016,872
	\$ 3,155,405	\$ 3,016,872

Operating Reserve Fund, Future years

In 2010, the Board of Directors established this fund to cover budget shortfalls caused by short-term declines in cattle marketings during the cattle cycle. The purpose of this fund is to allow ABP to maintain a high level of services for the benefit of producers during these periods. The cattle herd in Alberta is currently at a low level and the Board of Directors expects that the number of marketings will be low over the next few years as the herd is rebuilt.

	2022	2021
Balance, beginning of year	\$ 1,100,000	\$ 1,100,000
Motion to transfer funds out of the fund	(193,521)	-
Balance, end of year	\$ 906,479	\$ 1,100,000

(continues)

ALBERTA BEEF PRODUCERS
Notes to Financial Statements
Year Ended March 31, 2022

3. INTERNALLY RESTRICTED NET ASSETS *(continued)*

CCA Assessment Fund, Following year

Effective July 1, 2018, ABP's annual membership assessment for Canadian Cattlemen's Association (CCA) will be based on the Alberta cattle marketings calculated at \$0.53 per head. The rate of \$0.53 per head, \$0.48 for operations and \$0.05 to build a reserve fund for CCA, for the fiscal years ending June 30, 2019 through to June 30, 2023. The assessment will be revised each year based upon the provincial marketing numbers for the related calendar year's reported cattle sales. ABP Board of Directors passed a motion to hold \$0.53 of the marketings collected in one year to pay the CCA assessment in the following year.

Accordingly, in 2020, the ABP Board of Directors passed a motion to establish a CCA Assessment Fund. Producers who requested a refund were asked to leave \$0.53 of the \$2.00 Alberta Service Charge to be allocated to the CCA Assessment Fund. This Fund would be used to pay the annual CCA Assessment.

Producers who did not ask for a refund are assumed to have left \$0.53 of their \$2.00 Alberta Service Charge as a voluntary contribution and has been allocated to the CCA Assessment Fund.

In February 2021, the ABP Board passed a motion to pay the CCA \$0.48 assessment for operations effective July 1, 2020. ABP has forwarded the funds that producers allocated in excess of the \$0.48 to CCA.

ABP and CCA continue to negotiate on a fair and equitable manner in which to calculate the assessment rate.

	2022	2021
Balance, beginning of year	\$ 1,138,758	\$ 1,243,453
Transfer from unrestricted net assets	965,849	410,990
Transferred from the fund for operations in current year	(2,104,607)	(1,654,443)
Retained check off funds allocated to the following year CCA budget	1,505,657	1,138,758
	\$ 1,505,657	\$ 1,138,758

Invested at Nesbitt Burns at market value, unrealized gain/loss

During the year, the ABP Board of Directors passed a motion to transfer funds from the unrestricted net assets to the unrealized gain/loss to highlight that the funds are not available until such time as they are realized.

	2022	2021
Balance, beginning of year	\$ 258,066	\$ -
Motion to transfer to internally restricted fund	161,387	258,066
	\$ 419,453	\$ 258,066

ALBERTA BEEF PRODUCERS
Notes to Financial Statements
Year Ended March 31, 2022

4. INVESTMENTS

	2022	2022	2021	2021
	Cost	Fair Value	Cost	Fair Value
Bonds:				
Provincial government, bearing yield rates ranging from 0.70% to 3.786%, due between June 2022 and February 2027	\$ 6,624,733	\$ 6,605,090	\$ 5,910,739	\$ 5,903,420
Stocks	1,892,934	2,332,030	2,300,106	2,563,396
	8,517,667	8,937,120	8,210,845	8,466,816

Although some of the bonds have maturity dates beyond one year, due to their ability for prompt liquidation, all have been classified as current assets.

Interest and other income is comprised of the following:

	2022	2021
Interest on investments	\$ 176,739	\$ 256,462
Realized gain on investments during the year	131,389	74,318
Change in unrealized gain in investments held at year end	161,387	481,731
	469,515	812,511
Interest on bank balance	37,681	45,211
Other income	47,025	2
	\$ 554,221	\$ 857,724

5. INVENTORY

	2022	2021
Inventory consists of the following:		
Promotional items	\$ 8,550	\$ 12,141

During the year ended March 31, 2022, ABP expensed \$4,535 (2021 - \$799) of its inventory in the regular course of operations and had no inventory write-downs.

6. FURNITURE AND EQUIPMENT

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Furniture and fixtures	\$ 44,694	\$ 36,947	\$ 7,747	\$ 12,216
Computer equipment	32,038	13,275	18,763	16,630
Audio-visual equipment	-	-	-	165
	\$ 76,732	\$ 50,222	\$ 26,510	\$ 29,011

ALBERTA BEEF PRODUCERS
Notes to Financial Statements
Year Ended March 31, 2022

7. DEFERRED REVENUE

	Opening	Additions	Recognition of Revenue	2022	2021
Agricultural Plastics Recycling Pilot Project Grant	695,383	3,249	(115,247)	583,384	695,383
Feed and Forage Production and Utilization	2,335,652	-	(2,125,061)	210,591	2,335,652
Beef Competitiveness	-	96,000	(26,750)	69,250	-
Living Labs	-	98,500	(71,679)	26,821	-
Verified Beef Production +	6,400	60,000	(45,498)	20,902	6,400
Climate Change Extension Initiative	68,655	-	(51,650)	17,005	68,655
Deferred rental income	-	5,790	-	5,790	-
DSU Expansion	-	29,000	(28,500)	500	-
Knowledge Transfer Grant	190,950	-	(190,950)	-	190,950
AHI Investigation Summary and Producer Education Information Program (1)	3,276	-	(3,276)	-	3,276
	\$ 3,300,316	\$ 292,539	\$(2,658,612)	\$ 934,243	\$ 3,300,316

(1) Funds from the Animal Health Investigator (AHI) program are earmarked for producer education and awareness programs regarding the effects of the oil and gas industry on cattle health.

Refer to Note 8 for details of the external restrictions on these amounts.

ALBERTA BEEF PRODUCERS
Notes to Financial Statements
Year Ended March 31, 2022

8. GRANTS

	2022	2021
Feed And Forage Production and Utilization	\$ 2,125,061	\$ 664,347
Knowledge Transfer Grant	190,950	186,134
Agricultural Plastics Recycling Pilot Project Grant	115,247	139,221
Living Labs	71,679	-
Climate Change Extension Initiative	51,650	28,531
Verified Beef Production +	45,498	65,306
DSU Expansion	28,500	-
Beef Competitiveness	26,750	-
Sustainability Assessment Tool and Extension Pilot Grant	-	135,957
Environmental Grant	-	2,310
	\$ 2,655,335	\$ 1,221,806

Feed and Forage Production and Utilization

In 2019, Alberta Agriculture and Forestry provided ABP with a \$3,000,000 grant to administer and deliver a call for research proposals in the area of feed and forage production and utilization. \$2,125,061 (2021 - \$664,347) was recognized as revenue and eligible expenses.

Knowledge Transfer Grant

In 2018, Alberta Agriculture and Forestry provided ABP with a grant in the amount of \$500,000 to carry out knowledge translation and transfer (extension) activities related to managing grazing in average and extreme conditions, species/variety selection for regional adaptation, and critical elements of animal nutrition and feed quality, along with an expansion of the Rancher Researcher Pilot project, and to facilitate data analysis from Canadian Cost of Production Network, support collaborative extension initiatives with veterinarians, support future updates to cow-bytes and to facilitate the transfer of valuable information from foragebeef.ca to beefresearch.ca. This grant was completed on March 1, 2022 \$190,950 (2021 - \$186,134) was recognized as revenue and eligible expenses incurred.

Agricultural Plastics Recycling Pilot Project Grant

In February of 2019, Alberta Agriculture and Forestry provided ABP with a grant in the amount of \$1,000,000 for a three-year Agricultural Plastics Recycling Pilot Project that will expand agricultural plastics recycling collection sites and services in Alberta leading to the development of a permanent and sustainable provincial agricultural plastic recycling program. ABP will be the program administrator of the grant for the project, while the Agricultural Plastics Recycling Group will provide advisory and oversight services for the project. \$115,247 (2021 - \$139,221) was recognized as revenue and eligible expenses incurred.

Living Labs

In August of 2021, ABP received a grant from Agricultural and Agri-Food Canada's (AAFC) Agricultural Climate Solutions (ACS) program to develop a comprehensive proposal that would support the creation of a Living Laboratory in Alberta, where producers, scientists and other stakeholders will co-develop, test and monitor beneficial management practices in real-life situations on farm to improve carbon sequestration and reduce greenhouse gas emissions. \$71,679 (2021 - \$0) was recognized as revenue on eligible expenses incurred.

(continues)

ALBERTA BEEF PRODUCERS
Notes to Financial Statements
Year Ended March 31, 2022

8. GRANTS (*continued*)

Climate Change Extension Initiative

ABP received a grant from Alberta Agriculture and Forestry (AF) to undertake a two-year Climate Change Extension Initiative. The purpose of the grant is to develop and implement beef cattle climate change practices among cattle and beef producers and increase participation in the project, an extension coordinator will be hired to develop and implement the program while working with AF and ABP staff. ABP will be providing in-kind project management services and in-kind support for the extension coordinator. \$51,650 (2021 - \$28,530) was recognized as revenue and eligible expenses incurred.

Verified Beef Production +

On November 1, 2019, ABP became the provincial delivery agent for Verified Beef Production + (VBP +). ABP received the balance of a provincial Canadian Agricultural Partnership (CAP) grant for Public Trust, \$37,987, that is to be used to provide training and information about VBP + and sustainable beef value chains to Albertans by September 30, 2020. \$45,498 (2021 - \$65,307) was recognized as revenue and eligible expenses. This grant was completed by January 31, 2021. This project will continue and funding is being applied for the upcoming year.

DSU Expansion

In 2022, ABP received a grant from the Canadian Agricultural Partnership (CAP) program to investigate the feasibility of expanding the University of Calgary Facility of Veterinary Medicine Diagnostic Services Unit to a full-time diagnostic laboratory. \$28,500 (2021 - \$0) was recognized as revenue on the eligible expenses incurred.

Beef Competitiveness Study

On November 5, 2021, ABP received a grant of \$96,000 from the Ministry of Agriculture and Forestry, for the purpose of studying the following: COVID and shut down of beef packing plants caused the industry to look towards resiliency in the beef processing sector; What imminent risk should one or more of our major processors were to shut down due to aging facilities or lack of access to labour, for example?; Should the province look to diversify beef processing by building more capacity in small to medium processing and what are the challenges and opportunities faced by these plants in comparison to the major plants?; With the recent drought, will we suffer from a reduction of the herd and there for will be able to fill volumes as we work to maintain and increase processing capacity? The grant was originally to end March 31, 2022 and it was extended to November 2022 and \$26,750 (2021 - \$0) was recognized as revenue on eligible expenses incurred.

ALBERTA BEEF PRODUCERS
Notes to Financial Statements
Year Ended March 31, 2022

9. RELATED PARTY TRANSACTIONS

National Organizations:

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

1. Canadian Cattlemen's Association (CCA)

- a) The number of seats on the Board of Directors of the CCA is based upon the proportionate share of the CCA annual assessment. Effective July 1, 2012, ABP is entitled to seven of the twenty-eight seats.

2. Canadian Beef Check-Off Agency (the "Agency"). As a contributing organization, ABP is entitled to representation as follows:

a) The Agency

Alberta is entitled to two of sixteen seats on the Board of Directors of the Agency and by agreement, these seats are divided between ABP and the Alberta Cattle Feeders' Association. Canada Beef is the Marketing and Promotion Committee of the Agency.

Public and Stakeholder Engagement is a national check-off initiative jointly operated by CCA and Canada Beef.

b) Beef Cattle Research Council (BCRC)

BCRC is responsible for providing research services for the Agency. A number of representatives to the Beef Cattle Research Council based on its proportionate share of total funding. For the year ending March 31, 2022 ABP was entitled to five of the fourteen seats.

(continues)

ALBERTA BEEF PRODUCERS
Notes to Financial Statements
Year Ended March 31, 2022

9. RELATED PARTY TRANSACTIONS *(continued)*

3. Payments

	2022	2021
CCA		
CCA Operations Assessment	\$ 1,801,748	\$ 1,654,443
CCA Reserve Fund Assessment	302,860	11,955
	\$ 2,104,608	\$ 1,666,398
CCA, Other		
CCA Legal Assessment	\$ 105,095	\$ 107,198
Young Cattlemen's Council, membership; included in operational expenses	2,500	2,500
Canadian Round Table for Sustainable Beef Project; included in operational expenses	2,000	2,000
Research project funding, BCRC; included in operational expenses	362,585	-
	\$ 472,180	\$ 111,698

ABP made additional payments to the foregoing parties for contracted services as follows, included in operational expenses:

Payments to Canfax, a division of CCA:		
Membership and services	\$ 53,400	\$ 53,400
Communications	10,200	10,200
Research	-	145,000
	\$ 63,600	\$ 208,600

ABP received payments from the following parties for renting office space as follows, included in administrative expenses:

Canadian Cattlemen's Association (CCA)	\$ 5,752	\$ 5,792
Divisions of CCA:		
Canadian Round Table for Sustainable Beef	5,752	5,792
Public and Stakeholder Engagement	15,338	15,253
	26,842	26,837
Canadian Beef Breeds Council	1,510	3,523
VBP + Delivery Services Inc.	5,229	5,200
	\$ 33,581	\$ 35,560

ALBERTA BEEF PRODUCERS
Notes to Financial Statements
Year Ended March 31, 2022

9. RELATED PARTY TRANSACTIONS *(continued)*

	%	2022	%	2021
Canadian Beef Check-Off Agency				
The National Agency	5.00 %	\$ 498,321	5.00 %	\$ 455,271
The net balance has been allocated as follows:				
Canada Beef	62.00 %	5,870,221	60.00 %	5,190,089
Beef Cattle Research Council	31.40 %	2,972,983	32.00 %	2,768,051
Public and Stakeholder Engagement	6.60 %	624,895	8.00 %	692,012
		\$ 9,966,420		\$ 9,105,423

These transactions are in the normal course of operations and are measured at cost, which is equal to the undiscounted cash flows received, or expected to be received, not including expected interest and dividends, less any previously recognized impairment losses.

	2022	2021
Amounts payable at March 31, 2022 to the following:		
Canadian Beef Check-Off Agency	\$ 1,532,429	\$ 2,032,888
CCA Legal Assessment	26,929	26,035
	\$ 1,559,358	\$ 2,058,923

Amounts receivable at March 31, 2022 from the following:

Canadian Beef Check-Off Agency	\$ 29,284	\$ 41,099
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Amounts receivable and payable at year-end are in the normal course of operations. The amount owing to and from Canadian Beef Check-Off Agency includes the monthly collection of the National Levy and the province of origin amounts.

10. COMMITMENTS

Operating leases:

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

2023	\$ 156,547
2024	159,701
2025	26,838
	<u>\$ 343,086</u>

ALBERTA BEEF PRODUCERS
Notes to Financial Statements
Year Ended March 31, 2022

10. COMMITMENTS *(continued)*

Commitment to Edmonton Valley Zoo

In 2019, a \$30,000 ten year agreement was signed with Valley Zoo Development Society to help fund the bovine enclosure in the Urban Farm, \$3,000 per year with the final payment due March 2028. A total of four \$3,000 payments have been made to date.

11. DIRECTOR, DELEGATE AND NON-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 is as follows:

	2022	2021
Executive Committee	\$ 32,346	\$ 45,232
National Policy, Trade Advocacy and Legal	22,465	2,708
ABP Board of Directors	19,587	17,929
Annual General Meeting	19,050	820
Government Relations and ABP Policy	8,114	4,716
Producer meetings	3,391	-
Zone Committees	724	719
Industry Initiatives	601	407
Marketing and Communications	550	375
Research & Animal Health	216	1,638
Semi-annual Meeting	75	325
Audit and Governance Committees	-	163
	\$ 107,119	\$ 75,032

ALBERTA BEEF PRODUCERS
Notes to Financial Statements
Year Ended March 31, 2022

12. FINANCIAL INSTRUMENTS

ABP is exposed to various risks through its financial instruments. The following analysis provides information about the ABP's risk exposure and concentration as of March 31, 2022. Unless otherwise noted, ABP's risk exposure has not changed from the prior year.

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, 2022 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. ABP has a significant number of customers which minimizes concentration of credit risk.

13. ALLOCATION OF EXPENSES

The salaries of the General Manger 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.

	Operational Expenses		Administrative Expenses	
	2022	2021	2022	2021
General Manager	40%	40%	60%	60%
Controller	30%	30%	70%	70%

14. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

ALBERTA BEEF PRODUCERS**Operating Expenses****(Schedule 1)****Year Ended March 31, 2022**

	2022	2021
Canadian Cattlemen's Association (CCA):		
CCA, Operations Assessment (Note 9)	\$ 1,801,748	\$ 1,654,443
CCA, Reserve Fund Assessment (Note 9)	302,860	11,955
ABP Governance and Oversight:		
ABP Board of Directors	28,552	23,305
Audit and Governance Committee	12	181
Executive Committee	32,346	47,718
Government Relations and ABP Policy:		
Board Appointed Representatives	3,566	800
Environment	25,000	56,000
Federal and Provincial Initiatives	2,550	2,550
Projects and Programs	73,708	155,607
Provincial Advocacy	8,479	12,271
Working Groups	1,607	6,308
Marketing and Communications:		
Canfax Membership and Services (Note 9)	53,400	53,400
ABP, The Platform	12,925	48,000
ABP, The Magazine	266,876	108,158
Marketing and Education Program	150,691	312,544
Sponsorships and Other Initiatives	16,121	42,756
On Line Communications, internal	31,471	136,174
National Policy, Trade Advocacy and Legal:		
ABP Representation on National Organizations	14,670	2,708
CCA legal assessment (Note 9)	105,095	107,198
U.S. and International Trade Management	22,832	-
Stakeholder Liaison:		
Industry Initiatives	917	407
Townhalls and Webinars	5,236	-
Communications Initiatives, external (Note 9)	43,998	148,372
Media Training	3,200	5,000
Producer Liaison	93,455	148,578
Youth Initiatives	24,750	13,000
Working Groups	3,840	1,212
Research & Animal Health:		
Animal Health and Welfare	25,175	47,860
Research	84,656	87,023
Salaries and benefits related to programs	715,065	538,397
Administrative Expenses: (Notes 9, 13)		
Salaries and benefits	439,119	342,101
Rent, office supplies and equipment	461,454	423,219
Legal, audit, and consulting	134,801	136,116
	\$ 4,990,175	\$ 4,673,361



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