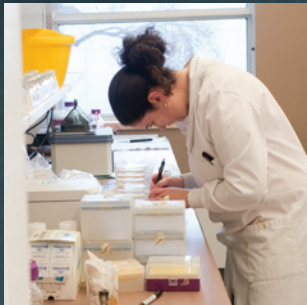


2014 - 2017 BUSINESS PLAN



IDEAS
INFORMATION
INVESTMENT



“THE MORE YOU KNOW, THE BETTER YOU EAT.”™



ALMA
Alberta Livestock
and Meat Agency Ltd.

Alberta Livestock and Meat Agency Ltd.

BUSINESS PLAN 2014-17

The 2014-17 ALMA Business Plan places greater priority on ALMA living its 'catalyst' mandate. ALMA will focus its ideas, information and investment to catalyze advancement in all aspects of Alberta's livestock and meat industries.

ALMA ADDRESSES THE NEW MARKET REALITY

The Alberta Livestock and Meat Agency (ALMA) is positioned as:

a catalyst in the development of a profitable and internationally competitive Alberta livestock and meat industry.

As a catalyst, ALMA stimulates:

- Strategic perspective and informed opinion leaders
- Industry leadership development and governance
- Improved industry profitability and competitiveness
- Forward actions to secure opportunities
- Solutions for industry challenges
- Relationships, strategic alignment and collaborative partnership development
- Accelerated industry education

Established as a provincial corporation in 2009, and accountable to the Minister of Agriculture and Rural Development, ALMA takes direction from a competency-based board. The impassioned leadership of its directors provides the drive to make a difference. The Board promotes building industry capacity through research, networking, leadership and business development.

Core Businesses:

- To challenge the industry with new and sustainable initiatives for the livestock and meat sectors and their partners.
- To provide oversight and direction of funding to drive the vision.
- To provide policy advice to government and industry.

Facing New Realities:

- ALMA must encourage industry to be customer-centric. Focus should be on providing the customer with the best products and services. We will explain the superior attributes of our products.
- Global retail leaders are creating standards to meet the market/customer demands. Quality, safety and operational standards are often a fundamental requirement of leading retailers.
- In an increasingly interdependent global economy, the future leaders of agriculture must consider local, regional, national and international perspectives in their decision-making.
- Those who don't embrace change will see significant loss of opportunities.
- Bold choices are needed to
 - Embrace the future and ensure competitiveness,
 - See industry rise to the demand for the attributes customers are increasingly demanding, where and when possible,

- Make our product information sufficiently transparent for traceability, efficiency and trust, and
- Ensure our land, our environment and our businesses are sustainable.

Critical to Our Future:

- Key to understanding customer needs is a strong customer-retailer interface.
- Demand will drive supply, however other factors like weather, production costs and market access can significantly influence supply.
- Negotiate advantaged playing fields versus pursuit of fair playing field.
- Respond to consumers' and trade agreements' needs for traceability capacity.
- Key research and processing infrastructure must remain in Canada.
- Invest in epigenetics.
- Look at markets from a proactive customer perspective.
- Alignment throughout 'the system' to offer products that meet customer demand.
- More differentiated product is needed.
- Systems thinking and coordination throughout the supply chain
- Visionary leaders, trusted partners and a collective vision within the industry.

Catalyzing Initiatives: Bold Aspirations:

- Align key partners to support customer driven strategies that provide a clear vision of the 'New Customer Reality'; link supply chains to the opportunities; and profile Alberta as producers of the best products.
- Build cooperative partnerships within key target market customers (i.e.: China, Japan, European Union (EU), South Korea) to ensure industry can pursue more profitable opportunities (i.e.: chilled beef/pork; attribute-based beef/pork/bison products).
- Galvanize leadership/ownership of the potential landscape of the industry through support of positive change, perspectives of new consumer driven opportunities, and alignment with progressive industry leadership (i.e.: Council of Beef Leaders; Canadian Pork International).
- Applied research and innovation to increase industry capacity, foster technology development and advance product commercialization

How to Move This Mountain: Our Cross-Cutting Core Functions

A competency framework for ALMA's operations includes the following cross-cutting functions:

- *Innovation*: collaboration with entrepreneurial leaders and the scientific community to investigate new ideas and opportunities.
- *Engagement and enabler*: open, proactive communications with stakeholders to help ensure access to information and services, innovative ideas, and shared perspectives for strategic planning and advocacy efforts.
- *Information sharing* of new business opportunities through knowledge transfer and the communication of creative, problem-solving ideas.
- *Leadership*: support and development of industry leadership through training, education, and networking, with a focus on young leaders.
- *Investment*: support of investment, engagement, information sharing and leadership.

How to Move This Mountain: Our Goals

Four goals will guide ALMA's efforts towards a profitable and competitive industry:

1. *Increased customer access and market development*
2. *Enabled product differentiation*
3. *Enhanced productivity through the supply chain resulting in increased profitability for the Industry*
4. *Sustainable development underpinning our social license to operate*

GOALS, PRIORITY INITIATIVES AND PERFORMANCE MEASURES

Goal	<i>Increased customer access and market development</i>
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Position:

- Support priority market development to access customers in China, Japan, EU and South Korea.
- Strategic advice to further Japan bilateral trade; China market access; CETA and South Korea implementation; and ensure common footing with major competitors as the Trans-Pacific Partnership (TPP) opens to potential members.
- ALMA continues to monitor the progress in World Trade Organization (WTO), Codex, international market access and compliance with existing trade agreements, in particular with our NAFTA partners and mandatory country-of-origin labeling ruling.
- Focus on customer/consumer market development activities (including education/awareness) and enable relationship connections.

Priority Initiatives:

- 1.1. Identify and support growth opportunities with key customers in target markets of China, Japan, EU, and South Korea.
- 1.2. Create strong relationships with decision-makers and policy influencers
- 1.3. Facilitate the participation and success of export ready agri-food businesses on trade missions and business-to-business meetings. Recognize that consistent market presence is critical.
- 1.4. Share information regarding elements of market readiness.
- 1.5. Leadership and education development with a consumer/customer focus.

Performance Measure	Last Actual 2012-13	Target 2014-15	Target 2015-16	Target 2016-17
1.a Engagement with company missions into Key/Priority Markets ¹	3	12	12	15
1.b ALMA-supported market development activities in key markets.	3	3	3	5
1 c. Market and competitive research reports (i.e.: GIRA)	2	3	3	5

Note:

- 1 Key/Priority markets include China, Japan, EU and South Korea. Strategic positioning continues with TPP members.

Goal	<i>Enabled product differentiation</i>
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Position:

- New products required for industry success.
- Product opportunity must align with existing strengths and capacity of Alberta’s livestock and meat sector.
- Align the opportunity with global trends in consumer demand, when and where possible.
- Support system approaches to product differentiation and positioning.
- Marketing support aligned with priority export markets.
- Emphasis on attribute-based differentiation.

Priority Initiatives:

- 2.1. Conduct market profiles of customer needs and preferences of key markets (market dynamics) leading to new product development.
- 2.2. Support enabling technologies for validation of product quality and assurance.
- 2.3. Support new product development (concept to testing/ramp-up).
- 2.4. Collaborate on the transfer of new market knowledge to industry and support of cross-sector learning opportunities.
- 2.5. Identify and mobilize the networks that will enable leadership and education.

Performance Measures	Last Actual 2012-13	Target 2014-15	Target 2015-16	Target 2016-17
2.a New products developed	125	100	100	150
2.b New leader development	425	400	400	450
2.c. New educated professionals (i.e.: HQP)	307	200	200	200
2.d. Market profile research studies	-	2	4	4

Goal	<i>Enhanced productivity</i>
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Position:

- Strong research infrastructure in Alberta. ALMA must continue to support Alberta's post-secondary institutions, research facilities and provincial development centres to enable them to continue developing innovations that can be commercialized to put Alberta industries in the forefront.
- Potential for genomics research commercial application is strong, especially in the area of epigenetics with its promise to offer new ways to control gene expression, and therefore, certain diseases, traits, and developmental patterns.
- Cattle processing capacity is concentrated. Emergence of a few smaller, more nimble packer/processors is needed to meet requirements of consumers.

- Canada and Alberta pork producers are export dependent. Growth in exports will result in moving toward productivity and animal welfare without undue financial hardship. The sector is committed to providing the right product for the right market.
- Western Canada witnessed increased integration of the hog sector as they secure production.
- A skilled and motivated labour force is essential to meat production.
- Unlock the potential for innovation to enhance production for animal health and performance in lamb, bison, poultry and diversified species.
- Accelerate the timeline involved in translating research into commercial products and services.

Priority Initiatives:

- 3.1. Assist in the profitability of on-farm technology focused on productivity improvement.
- 3.2. Advance transformational innovation through targeted Calls for Proposals (i.e.: genomics).
- 3.3. Improvements through manufacturing efficiency and labour gains.
- 3.4. Innovation for enhanced productivity focused on animal health and performance for all species including lamb, poultry, bison and diversified species.
- 3.5. Supply chain collaboration for improved knowledge transfer, implementation and profitability.

Performance Measures	Last Actual 2012-13	Target 2014-15	Target 2015-16	Target 2016-17
3.a Number of ALMA supported initiatives focused on efficiency and productivity gains.	46	50	50	50
3.b Leverage ratio with the Agri-Processing Automation and Efficiency Program.	5.52	4.5	4.5	4.5
3.c Knowledge transfer events	40	45	45	45

Goal | *Sustainable development*

Position:

- Sustainability is a key issue crossing all sectors and supply chain partners and encompasses economic, social and environmental factors.
- Progress is dependent on broad coordination and industry leadership.
- Sustainability is as important to the primary producers as it is to the end consumer.

Priority Initiatives:

- 4.1. Stimulate and support initiatives that enhance the dialogue around sustainability (developing awareness, understanding and industry action frameworks).
- 4.2. Develop and support initiatives to develop a Sustainability Roadmap (addressing gaps in information and balance of societal-environmental-economic priorities).
- 4.3. Targeted Calls for Proposals on sustainability.
- 4.4. Support for energy efficiency programs for processing sector.

Performance Measures	Last Actual 2012-13	Target 2014-15	Target 2015-16	Target 2016-17
4.a New partnerships in sustainability.	1	2	5	5
4.b Sustainability information and reporting.	-	2	2	2
4.c Leverage ratio of sustainability projects.	-	1.25	1.25	1.50
4.d New research initiatives for sustainable production.	-	10	15	20

FINANCIAL PLAN

STATEMENT OF OPERATIONS (in thousands)

	2012-13 Actual	2013-14 Budget	2013-14 Forecast	2014-15 Estimate	2015-16 Target	2016-17 Target
OPERATIONAL REVENUE						
Transfer from Department	35,100	28,923	28,454	35,390	36,890	\$ 36,890
Investment Income	292	250	68	66	66	66
Other Revenue	2,137	1,399	1,423	1,601	750	250
TOTAL OPERATIONAL REVENUE	37,529	30,572	29,945	37,057	37,706	37,206
OPERATING EXPENSE						
Industry Investment	14,862	11,501	11,237	11,927	12,101	12,101
Strategic Initiatives	16,860	12,014	12,835	14,976	15,223	15,223
Corporate Services	3,149	4,408	3,399	4,487	4,566	4,566
Livestock Development	2,137	1,279	1,279	2,582	2,750	2,250
Total Operating	37,008	29,202	28,750	33,972	34,640	34,140
AMORTIZATION	278	150	345	150	150	150
TOTAL OPERATIONAL EXPENSE	37,286	29,352	29,095	34,122	34,790	34,290
Net Operational Result	243	1,220	850	2,935	2,916	2,916
CASH REQUIRED FOR CAPITAL SPENDING						
CAPITAL SPENDING						
Industry Investment	-	1,000	1,000	3,000	3,000	3,000
Corporate Services	545	-	200	-	-	-
TOTAL CAPITAL SPENDING	545	1,000	1,200	3,000	3,000	3,000
Net Cash Obtained (Required for) Capital	(545)	(1,000)	(1,200)	(3,000)	(3,000)	(3,000)

ALMA Business Plan @ a Glance

Goal: Increased Customer Access and Market Development

Strategies

- 1.1. Identify and support growth opportunities with key target customers in target markets of China, Japan, EU and South Korea.
- 1.2. Create strong relationships with decision- makers and policy influencers.
- 1.3. Facilitate the participation of export ready agri-food businesses on trade missions and business-to-business meetings.
- 1.4. Share information regarding elements of market readiness.
- 1.5. Leadership and education development with a consumer/customer focus.

Goal: Enabled Product Differentiation

Strategies

- 2.1. Conduct market profiles of customer needs and preferences of key markets (market dynamics) leading to new product development.
- 2.2. Support enabling technologies for validation of product quality and assurance.
- 2.3. Support new product development (concept to testing/ramp-up).
- 2.4. Collaborate on the transfer of new market knowledge to industry and support of cross-sector learning opportunities.
- 2.5. Identify and mobilize the networks that will enable leadership and education.

Goal: Enhanced Productivity

Strategies

- 3.1. Assist in the profitability of on-farm technology focused on productivity improvement.
- 3.2. Advance transformational innovation through targeted Calls for Proposals (i.e.: genomics).
- 3.3. Improvements through manufacturing efficiencies and labour gains.
- 3.4. Innovation for enhanced productivity focused on animal health and performance for all species including lamb, poultry, bison and diversified species.
- 3.5. Supply chain collaboration for improved knowledge transfer, implementation and profitability

Goal: Sustainable Development

Strategies

- 4.1. Stimulate and support industry initiatives that enhance the dialogue around sustainability (developing awareness, understanding and industry action frameworks).
- 4.2. Develop and support industry initiatives to develop a Sustainability Roadmap (addressing gaps in information and balance of societal–environmental–economic priorities).
- 4.3. Targeted Calls for Proposals on sustainability.
- 4.4. Support for energy efficiency programs for processing sector.