

**ALBERTA AGRICULTURAL PRODUCTS
MARKETING COUNCIL**

Annual Report 2013 - 2014

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Chair's Message

On behalf of the Alberta Agricultural Products Marketing Council (Council), I am pleased to present our 2013/2014 Annual Report.

Under the leadership of our past two chairs, Council has focused on building a culture of strong governance. Council sees tremendous value in 'modeling the way' in relation to good governance. Council prides itself on supporting Alberta's agricultural industry that is led by those who make their living from farming - the elected producers who direct the activities of the 21 agricultural marketing boards and commissions in the province.

Looking back over the past year I would suggest that Council's vision, which is supported by Minister Olson and delivered by our dedicated staff, has demonstrated the value of such an approach.

In 2013/2014, there has been no shortage of challenges for the sectors that operate under the *Marketing of Agricultural Products Act*. Volatile markets, increased input costs, trade challenges, and animal welfare are just some of the issues producers have faced. Council's belief in the philosophy of enabling legislation has been rewarded, as Alberta's marketing boards and commissions took on the responsibility to build solutions with the relevant (and required) stakeholders. This is true leadership.

I would like to take this opportunity to thank Minister Olson, the department staff, my fellow Council members, and the Council staff for all their efforts on behalf of Alberta's 21 agricultural marketing boards and commissions. Working together, we will continue to support a prosperous and market responsive agriculture industry in Alberta.

A handwritten signature in black ink, appearing to be 'Bruce Beattie', with a long horizontal stroke extending to the right.

Bruce Beattie



General Manager's Message

The Alberta Agricultural Products Marketing Council's (Council) vision is for the 21 agricultural marketing boards and commissions to strategically lead their industry forward. As evidenced by the work completed by the marketing boards and commissions over the past year, significant progress continues to be made toward achieving this vision. Council continues to focus its efforts on supporting the marketing boards and commissions as they work towards achieving this vision with initiatives that:

- support effective board governance,
- ensure the legislation and regulations support the required structures in the industry, and
- create opportunities for collaboration and cooperation.

Good Governance

Effective board governance continues to underpin Council's work and philosophy; good governance is foundational to creating organizations that are strategically focused and outcome driven. Several workshops were offered throughout the year and it is encouraging to see the number of individuals who partake in these learning opportunities. Going forward, resources and learning opportunities specific to good governance practices will continue to be made available.

Legislation and Regulations

Over the past year several mandatory regulatory reviews were completed. Amendments, as requested and supported by the industry, were put in place to strengthen and clarify governing practices including voting, director removal, nominations, and terms. Based on the input we received, it appears that the 76 regulations supporting the marketing boards and commissions are working well and reflect the needs of the industry.

Cooperation and Collaboration

It is exciting to see the many great examples of industry cooperation and collaboration. Sharing of staff and office spaces is one example of collaborative practices that are being utilized among the marketing boards and commissions. Another was the signing of an 18-month Memorandum of Understanding relative to pricing in the hatching egg industry. This achievement was the result of 'new thinking' and meaningful cooperation. Council has seen the value in having a principled approach to solving

challenges and exploring new opportunities. Having this approach will lead to the discovery of new ways of working together and solving complex issues.

As I look out at the year ahead, I am struck by the pace of change facing the agricultural industry. The words 'social license', 'right to farm', 'animal welfare' and 'consumer awareness' have become part of our everyday conversations. The issues underpinning these words are real and evolving very quickly. Marketing boards and commissions have a key role to fulfill in relation to helping our agricultural industry prepare for a future that will increasingly need to address these emerging challenges and opportunities. And it will mean that we must be able to move quickly and stretch in ways we didn't know we could.

I look forward to the upcoming year as we grow and stretch together.



Freda Molenkamp-Oudman

Section 1. Council Overview

Roles and Responsibilities

The Alberta Agricultural Products Marketing Council (Council) is a provincial government agency established under the *Marketing of Agricultural Products Act* (MAPA). Council reports directly to the Minister of Agriculture and Rural Development (ARD). Council provides regulatory oversight and facilitates effective governance and leadership for the 21 agricultural marketing boards and commissions in Alberta. In addition, Council staff provide administrative support to the Appeal Tribunal, an entity formed under MAPA, to hear appeals of decisions made by the marketing boards and commissions.

Council's primary customers consist of the 21 agricultural marketing boards and commissions representing various crop and livestock commodities in Alberta. The marketing boards' and commissions' primary responsibilities are to develop and administer regulations and policies to control and regulate the production and/or marketing of an agricultural product, and to initiate and carry out projects or programs to commence, stimulate, increase or improve the production and/or marketing of an agricultural product.

Alberta has 7 agricultural marketing boards:

- Alberta Chicken Producers
- Alberta Hatching Egg Producers
- Alberta Milk
- Alberta Sugar Beet Growers
- Alberta Turkey Producers
- Alberta Vegetable Growers (Processing)
- Egg Farmers of Alberta

Marketing boards control the production and/or marketing of the regulated product and operate with a non-refundable service charge.

There are currently 14 agricultural commissions operating in Alberta:

- Alberta Barley Commission
- Alberta Beef Producers
- Alberta Canola Producers Commission
- Alberta Elk Commission
- Alberta Peace Region Forage Seed Growers
- Alberta Lamb Producers
- Alberta Oat Growers Commission

- Alberta Pork
- Alberta Pulse Growers Commission
- Alberta Wheat Commission
- Alfalfa Seed Commission
- Beekeepers Commission of Alberta
- Bison Producers of Alberta
- Potato Growers of Alberta

The commissions operate with a refundable service charge (all producers pay a service charge but can request a full or partial refund).

Strategic Framework

Three strategic goals guided Council's work in 2013/2014:

1. Enhanced industry governance
2. Outcome-focused policy and legislative frameworks for an evolving industry
3. Recognized provider of value to the Minister (our owner) and marketing boards and commissions (our customers)

Council's initiatives under its three goals contributed to the following ARD goals:

1. A competitive self-reliant industry
2. Farmed animal health and welfare, plant health and safe food products
3. A vibrant, resilient and sustainable rural Alberta

Composition of Council

The Council Board is comprised of six producers representing public and industry interests, and one ARD Department representative. Council Board members are appointed by the Lieutenant Governor in Council. Council Board is supported by Council staff.

Council Board Members

Bruce Beattie (Chair)
 Jurgen Preugschas (Vice-Chair)
 Jamie Curran (Ministry representative)
 John Kolk
 Norine Moore
 Scott Wiens
 Teri McKinnon

Council Staff Members

Freda Molenkamp-Oudman (General Manager)
 Mary Mah
 Maryann Urbanowski
 Mike Pearson
 Rachid El Hafid

Financial Performance

Council is allocated an operating budget under the budget for ARD. Council complies with ARD's financial processes for budget planning and financial reporting. Council's resource requirements are incorporated into the ARD Ministry's Business Plan.

In addition to operating funds received from ARD, Council secured funding through *Growing Forward 2*, a Federal-Provincial-Territorial Agreement. These funds were utilized to support various industry leadership and board governance initiatives, including board governance workshops acquiring governance-related resource materials.

Section 2. Council Results

Goal 1 – Enhanced Industry Governance

This goal recognizes the continuing need and importance of effective organizational governance practices in building a prosperous agricultural industry.

It includes initiatives delivered or supported by Council that enhance the knowledge and use of best governance practices by agriculture-related organizations, ARD and Council. Activities include supporting and providing learning opportunities such as workshops and cross-organization forums, and developing and sharing resources on effective governance practices.

Highlights of Accomplishments

Council facilitated learning opportunities and skill development for industry and government:

- Six board governance workshops were hosted and delivered with 257 participants from marketing boards and commissions, industry/service associations, professional associations, and government.
- Five organizations completed board governance effectiveness assessments.
- Two organizations completed peer-to-peer effectiveness assessments.
- Council coordinated/facilitated/led sessions at a next generation board governance workshop, a board member orientation session and three strategic planning sessions.
- Numerous governance resources were distributed including 50 governance training DVD sets, 350 board governance guidebooks and 200 board governance training books.
- Workshop feedback and assessment debriefs show participants gained a greater competency in governance matters.
- During workshop feedback sessions and assessment debriefs, participants identified action items they plan to undertake to improve governance effectiveness within their organization.
- Council supported the delivery of a workshop on negotiation and effective communication.

Council modelled leadership and good governance:

- Council's Governance Committee continued its work and led Council through its governance-related initiatives.
- Council affirmed and renewed its Roles and Mandate document.
- All annual performance reviews (individual Council members, Council as a whole, Chair, and the General Manager) were completed.
- Completed the process to recruit and appoint three new Council members.
- Developed and delivered an orientation session for Council members.
- Reviewed Council's governing policies.
- Reviewed and refined Council's Strategic Plan (2013-2015).

Council co-created solutions for implementation of governance excellence:

- Several regulatory reviews and industry initiated requests (Canola, Eggs, Forage Seed, Sugar Beets, Potato and Turkey) resulted in amendments to the marketing boards' or commissions' governance system. These changes enabled director removal, improved processes to fill director vacancies, and clarified meeting quorums, director eligibility, producer representation at meetings, and modified electoral boundaries.

Goal 2 – Outcome-focused Policy and Legislative Frameworks

This goal, outcome-focused policy and legislative frameworks for an evolving industry, recognizes the need and importance of effective policies and legislation regulations to enable organizations to govern strategically and for the growth of a competitive and sustainable agriculture and food industry.

This goal includes initiatives to develop and/or review and update policies, legislation and regulations to ensure continuous effectiveness and relevance in response to current and future changing markets, environmental factors and social conditions. Developing and/or administering legislation and regulatory frameworks and policies that enable industry prosperity is a core business for Council.

Highlights of Accomplishments

Council developed options and advice for policy, legislation and regulations:

- All required regulatory reviews (Barley, Canola, Elk, Eggs, Milk, Potatoes, Sugar Beets and Turkey) were completed and expiring regulations were renewed. Regulatory reviews were initiated for Alfalfa Seed, Hatching Eggs, Pulses and Processed Vegetables in 2013/2014 and will be completed in 2014/2015.
- Regulatory review and amendment projects require organizational discussion, option analysis and development, extensive stakeholder consultation, legal drafting, review and approval by Council, and approved by the Government of Alberta for plan and authorization regulations.

Regulatory amendments during the year included:

- Alberta Egg Producers Board changed their name to the Egg Farmers of Alberta. This is consistent with several other marketing boards or commissions that have made name changes to improve consumer recognition.
- Egg Farmers of Alberta implemented a “new entrant” program enabling new producers to receive production/marketing quota when Alberta is allocated national quota. In the first year of operation, five new producers qualified for 1,500 hens each.
- Egg Farmers of Alberta made producer compliance with a comprehensive “animal care program” a condition of producer licensing. Previously, only the space density requirement per hen was regulated. To improve the ability for producers to lease-out and lease-in quota from each other, Egg Farmers of Alberta enabled a quota leasing pool.
- Egg Farmers of Alberta and Alberta Turkey Producers amended quota allocation processes to enable current producers to access quota at fair market value without the need to hold a public auction.
- Alberta Turkey Producers made their on-farm food safety program mandatory as a condition of producer licensing.
- Alberta Turkey Producers worked with their producers and processors to amend their pricing model.
- Alberta Sugar Beet Growers made changes to production/quota related matters such as the definition of “actively engaged” and clarifying that quota is not tied to a certain land location.
- Alberta Milk implemented a new class of cheese so that Alberta (and Canadian) pizzerias that use mozzarella cheese can access that cheese at prices competitive with cheese used on frozen pizzas. Additional class changes for yogurt and fine cheeses enabled more “on-demand” delivery to processors thereby improving market responsiveness.

- The *Alberta Milk Records Disclosure Regulation* and the *Alberta Milk Records Transfer Regulation*, used in the transition from the Alberta Dairy Control Board to Alberta Milk in 2002, were determined to be no longer relevant. As such, both regulations were not renewed and expired on February 28, 2014.
- Revisions were made to the National Milk Marketing Plan and the Comprehensive Agreement on the Sharing of Milk Revenues because Newfoundland and Labrador were unable to produce their allocation of industrial milk. Amendments enabled the other nine provinces to slightly increase their share of the Canadian industrial milk market.
- Alberta Beef Producers continued the national non-refundable levy of \$1.00 per animal sold. This levy is collected for Canada Beef Inc., a national research, market development and promotion agency under the Farm Products Agencies Act (Canada). In August 2013 federal levies order amendments authorized Canada Beef Inc. to begin collecting an import levy on cattle and beef products coming into Canada.
- Several amendments related to service charges were made. In order to provide additional funding for consumer activities, Alberta Milk increased its service charge for marketing and nutrition education to \$1.50 per hectolitre. Alberta Sugar Beet Growers, on a revenue neutral basis to simplify calculations, changed from a “per tonne” service charge to a “per acre” service charge. Potato Growers of Alberta and the Egg Farmers of Alberta also improved and clarified their service charge provisions.
- After providing Notice of Intent to Withdraw from the 2001 Federal – Provincial Agreement on Chicken in 2012, Alberta formally withdrew from the Agreement on December 31, 2013. Prior to withdrawing, Alberta Chicken Producers successfully negotiated a service agreement with the Chicken Farmers of Canada. Remaining an ongoing party to the service agreement is contingent on progress in early 2014 toward resolving national differential growth allocation issues.
- Marketing boards and commissions use policies and administrative orders to provide clear direction to producers and to assist with organizational decisions. In the past year, Alberta Chicken Producers made policy changes to address under-production and Alberta Milk revised its organic milk policy after Alberta’s first organic milk processor ceased operations.
- After receiving producer support for the Bison Commission of Alberta to dissolve as a commission at their March 2013 annual meeting, bison producers decided that a voluntary producer association would be formed. At their March 2014 commission annual meeting, the producers in attendance approved new association bylaws. When the association is formed, the *Bison Producers of Alberta Plan Regulation* will be repealed.
- Alberta Chicken Producers and Alberta Hatching Egg Producers, with industry stakeholders, continue to discuss a pricing formula for hatching eggs. To address pricing issues, Alberta Hatching Egg Producers implemented a Memorandum of Understanding (MOU) with industry stakeholders. It is expected that this 18-month

MOU will strengthen the relationship between parties involved and will provide additional stability for the hatching egg and broiler chicken industries.

Ensure policy, legislation and regulatory compliance:

- Council board members and many staff attended regional meetings and all the annual meetings of the marketing boards and commissions. Council staff also reviewed the board meeting minutes and annual reports/financial statements for each organization.
- One appeal was requested in 2013/14, however, the Appeal Tribunal determined that since the marketing board had not made a decision that would qualify the applicant for the regulated review process (no review was held) or the appeal process, the application for appeal hearing was denied.
- Council discussed matters related to holding service charge funds in trust (two dealers went bankrupt with service charge funds owing) and crop commission dealers request for cost-recovery related to service charge collections and information submissions.

Enhance the legislative and regulatory approval process:

- Council adapted to changes in the Government of Alberta regulatory review and amendment processes. While working within the current processes, concerns and improvement options were brought forward for potential future implementation.

Goal 3 – Recognized Provider of Value

This goal, “recognized provider of value to the Minister (our owner) and marketing boards and commissions (our customers)”, recognizes the importance of understanding the challenges and opportunities of our primary customers (marketing boards and commissions) and the expectations of our owner (the Minister).

This goal includes initiatives aimed at increasing Council’s understanding of its role, as well as better meeting the needs of Council’s owners and customers.

Highlights of Accomplishments

Communicate effectively with Minister, Minister's staff and ARD Executive:

- Council met with the Minister, the Minister's staff, and Deputy Minister in December to discuss challenges and opportunities facing the agricultural industry.
- Council kept the Minister and ARD's Executive Team informed about the Council's activities through regular correspondence following each Council meeting.
- A renewed Mandate and Roles document was approved. This document helps ensure mutual understanding of the Minister's and Council's roles.

Communicate effectively with Marketing Boards and Commissions:

- Marketing boards and commissions continue to plan well in advance of regulatory reviews and potential regulation amendments. As well, when concerns arise, most marketing boards and commissions discuss issues related to governance or operations with Council leading to more potential options to address the issue.
- As part of an ongoing initiative to meet with the marketing boards and commissions, Council met with Alberta Chicken Producers regarding differential growth, Alberta Hatching Egg Producers regarding chick pricing issues, Egg Farmers of Alberta regarding their new entrant program, national allocation fee and animal welfare, and the Alberta Sugar Beet Growers regarding processor relations.
- Council met with Farm Products Council of Canada to discuss differential growth in chicken, cost of production in chicken and eggs, the potential creation of a national pullet agency, and proposed national research, market development and promotion agencies.
- Council participated in discussions between crop commissions and grain dealers related to their request for cost-recovery when collecting and submitting service charges and producer information. Also, two commissions had issues where the dealers had collected the service charges but went bankrupt before the service charges were submitted to the respective commission.
- Planning began for the fourth All Marketing Boards and Commissions meeting to be held on June 12, 2014.

Facilitate cross-industry discussion on common issues:

- Council facilitated sessions with Alberta Hatching Egg Producers, Alberta Chicken Producers and industry stakeholders which resulted in the development and support of an 18-month memorandum of understanding for pricing of hatching eggs.
- Council continued to attend and contribute to meetings of the Dairy Advisory Committee, Poultry Industry Advisory Committee, and the National Association of Agricultural Supervisory Agencies.

Promote networking with agricultural agencies:

- Council encouraged marketing boards and commissions (and other agricultural organizations) to learn and work together for mutual benefit.
- The Alberta Barley Commission and the Alberta Wheat Commission decided to share office space and staff positions. As well, they now jointly produce Grains West as a producer communication and extension magazine.

Section 3. Marketing Boards and Commissions Information

The 21 marketing boards and commissions, created under the *Marketing of Agricultural Products Act* (MAPA), serve as the voice of the industry they represent. More information can be obtained by contacting the boards and commissions directly or by visiting their website.

	<p>Alberta Barley Commission #200, 6815 – 8 Street NE Calgary, AB T2E 7H7 Telephone: 403-291-9111 Fax: 403-291-0190 Email: barleyinfo@albertabarley.com Website: www.albertabarley.com</p>
	<p>Alberta Beef Producers #165, 6815 – 8 Street NE Calgary, AB T2E 7H7 Telephone: 403-275-4400 Fax: 403-274-0007 Email: abpfeedback@albertabeef.org Website: www.albertabeef.org</p>
	<p>Alberta Canola Producers Commission #170, 14315 – 118 Avenue Edmonton, AB T5L 4S6 Telephone: 780-454-0844 Fax: 780-451-6933 Email: web@canola.ab.ca Website: www.canola.ab.ca</p>
	<p>Alberta Chicken Producers 2518 Ellwood Drive SW Edmonton, AB T6X 0A9 Telephone: 780-488-2125 Fax: 780-488-3570 Email: abcp@chicken.ab.ca Website: www.chicken.ab.ca</p>

	<p>Alberta Elk Commission 48 Campbell Road Leduc, AB T9E 8C8 Telephone: 780-980-7582 Fax: 780-980-7591 Email: info@albertaelk.com Website: www.albertaelk.com</p>
	<p>Alberta Hatching Egg Producers #301, 8925 -51 Avenue Edmonton, AB T6E 5J3 Telephone: 780-434-8414 Fax: 780-434-9552 Email: ahemb@telusplanet.net Website: www.albertahatchingeggs.ca</p>
	<p>Alberta Lamb Producers Agriculture Centre 97 East Lake Ramp NE Airdrie, AB T4A 0C3 Telephone: 403-948-8533 Fax: 403-912-1455 Email: info@ablamb.ca Website: www.ablamb.ca</p>
	<p>Alberta Milk 1303 - 91 Street SW Edmonton, AB T6X 1H1 Telephone: 780-453-5942 Fax: 780-455-2196 Email: msouthwood@albertamilk.com Website: www.albertamilk.com</p>
	<p>Alberta Oat Growers Commission PO Box 20106 Regina, SK S4P 4J7 Telephone: 306-530-8545 Fax: 306 546-2999 Email: Smathieson@poga.ca Website: www.poga.ca</p>
<p>Alberta Peace Region Forage Seed Growers</p>	<p>Alberta Peace Region Forage Seed Growers Box 6135 Fort St. John, BC V1J 4H6 Telephone: 877-630-2198 Fax: 250-789-6884 Email: sburton@explornet.com Website: www.peaceforageseed.ca</p>

	<p>Alberta Pork 4828 – 89 Street Edmonton, AB T6E 5K1 Telephone: 780-474-8288 Fax: 780-479-5128 Email: info@albertapork.com Website: www.albertapork.com</p>
	<p>Alberta Pulse Growers Commission 5007B – 49 Avenue Leduc, AB T9E 6M6 Telephone: 780-986-9398 Fax: 780-980-2570 Email: office@pulse.ab.ca Website: www.pulse.ab.ca</p>
	<p>Alberta Sugar Beet Growers 4900 – 50 Street Taber, AB T1G 1T3 Telephone: 403-223-1110 Fax: 403-223-1022 Email: office@asbg.ca Website: www.absugar.ab.ca</p>
	<p>Alberta Turkey Producers 4828 – 89 Street Edmonton, AB T6E 5K1 Telephone: 780-465-5755 Fax: 780-465-5528 Email: info@albertaturkey.com Website: www.albertaturkey.com</p>
	<p>Alberta Vegetable Growers (Processing) 5317 – 50 Avenue Taber, AB T1G 1V3 Telephone: 403-223-4242 Fax: 403-223-3130 Email: avgp@telusplanet.net Website: none</p>
	<p>Alberta Wheat Commission #200, 6815 – 8 Street NE Calgary, AB T2E 7H7 Telephone: 403-717-3711 Fax: 403-717-1966 Email: info@albertawheat.com Website: www.albertawheat.com</p>

	<p>Alfalfa Seed Commission Box 2158, Brooks, AB T1R 1C4 Telephone: 403-362-4449 Fax: 403-362-4495 Email: manager@alfalfaseed.com Website: www.alfalfaseedab.com</p>
	<p>Beekeepers Commission of Alberta #102, 11434 – 168 Street Edmonton, AB T5M 3T9 Telephone: 780-489-6949 Fax: 780-487-8640 Email: gertie.adair@albertabeekeepers.org Website: www.albertabeekeepers.org</p>
	<p>Bison Producers of Alberta #114, 501 – 11 Avenue Nisku, AB T9E 7N5 Telephone: 780-955-1995 Fax: 780-955-1990 Email: info@bisoncentre.com Website: www.bisoncentre.com</p>
	<p>Egg Farmers of Alberta #101, 90 Freeport Blvd NE Calgary, AB T3J 5J9 Telephone: 403-250-1197 Fax: 403-291-9216 Email: info@eggs.ab.ca Website: www.eggs.ab.ca</p>
	<p>Potato Growers of Alberta 6008 – 46 Avenue Taber, AB T1G 2B1 Telephone: 403-223-2262 Fax: 403-223-2268 Email: pga@albertapotatoes.ca Website: www.albertapotatoes.ca</p>

Alberta Agricultural Products Marketing Council

#305, J.G. O'Donoghue Building

7000-113 Street

Edmonton, Alberta, Canada T6H 5T6

Telephone: (780) 427-2164

Fax : (780) 422-9690

Website: www.agriculture.alberta.ca/marketingcouncil

