

# ANNUAL REPORT <sup>2012</sup> <sup>2013</sup>



**ALMA**  
Alberta Livestock  
and Meat Agency Ltd.

## Transmittal Letter

May 27, 2013

Honourable Verlyn Olson  
Minister of Agriculture and Rural Development  
#423 Legislature Building  
10800 97 Avenue  
Edmonton, AB T5K 2B6

Dear Minister,

On behalf of the Board of Directors, we are pleased to submit the Alberta Livestock and Meat Agency's 2012 - 2013 Annual Report.

The report contains a summary of the transactions and affairs of the agency and the audited financial statements, including Statements of Financial Position, Statements of Operations and Statements of Cash Flows for the fiscal year ended March 31, 2013.

Yours truly,



Dr. David A. Chalack, DVM

ALMA Board Chair



Gordon Cove

President and CEO

**Contents**

**Message from the Minister** ..... 4

**Message from the Chair** ..... 5

**Message from the CEO and Management’s Responsibility for Reporting** ..... 7

**Results Analysis** ..... 9

    ALMA Overview – Ensuring Relevance to Our Stakeholders ..... 9

    Performance Measures Summary Table ..... 10

    Discussion and Analysis of Results..... 11

        GOAL ONE: Increased Market Access ..... 11

        GOAL TWO: Enhancing Industry Engagement ..... 12

        GOAL THREE: Alberta-based Livestock and Meat Products Are the Products of Choice ..... 15

        GOAL FOUR: Enhanced Competitiveness and Profitability ..... 17

**ALMA Board Committee Reports** ..... 23

    Market Access Committee ..... 23

    Programs and Services Committee..... 24

    Governance and Human Resources..... 26

    Communications Committee..... 27

    Audit, Finance and Risk Committee ..... 28

**Financial Statements** ..... 29



## Message from the Minister



Our agriculture industry faces continual change. The Alberta Livestock and Meat Agency (ALMA) was established to help this key industry meet new challenges and make the most of new opportunities. ALMA is instrumental in achieving Alberta Agriculture and Rural Development's primary goal of promoting economic competitiveness and ensuring the long-term prosperity of our province's agriculture industry.

In the past year, ALMA worked with industry to foster competitiveness, generate growth and enhance the ability of industry to strategically plan for its future. ALMA provided approximately \$28.6 million in grants in 2012–13 to help strengthen Alberta agri-food businesses. This commitment stands to see a value boost to approximately \$104 million in industry benefit.

The agency is supporting initiatives that address industry priorities in areas like processing capacity, implementation of new technologies, food safety research, adoption of genomics technologies, consumer awareness and industry market development, and heightened dialogue around sustainability, food systems and industry strategies.

I am also pleased with the leadership ALMA demonstrates in such areas as sustainability and youth mentorship. Sustainability is an important responsibility for all manufacturing and production systems – including the livestock and meat industry. ALMA is networking with organizations to help empower our industry to define areas of priority and commitment. Support of innovative ideas and mentorship programs, such as the Cattlemen's Young Leaders program, are critical to positioning our agriculture industry where it needs to be in the future.

I strongly believe that ALMA will play an important role in the future of agriculture in Alberta. ALMA takes its direction from a competency-based board that ensures it acts in the best interest of industry. This connection and commitment to collaboration is the foundation of ALMA's on-going success.

Congratulations on another year of accomplishments and thank you for helping Alberta build an internationally respected, competitive, and profitable livestock and meat industry.

Sincerely,



Verlyn Olson, Q.C.

Minister, Agriculture and Rural Development



## Message from the Chair



This is the fourth annual report for the Alberta Livestock and Meat Agency Ltd. (ALMA) and my third as the Chairman of ALMA's Board. Over the years, ALMA has worked as a catalyst in the industry through ideas, information and investment, and we clearly saw the benefits of all this work in 2012-13. From the average consumer's perspective, 2012 will likely be remembered as a year of food quality concerns. There was the outcry over lean finely textured beef, the horsemeat issue in the United Kingdom, and Alberta's own *E. Coli* recall.

From an industry perspective, however, the *E. Coli* recall actually called stakeholder attention to how far we have come in the areas of food safety and pathogen control. A consumer today is much less likely to get sick from eating meat compared to twenty years ago. Because of the rarity of contamination and the rapid distribution of meat products, however, each event has become a significant news story. I can say with complete confidence that the Alberta meat and livestock industry is producing meat that is much safer than ever before. The number of people getting ill from food-borne pathogens is at an all-time low and our understanding of these same pathogens and our ability to detect, control and eliminate them has never been greater.

Through many of the innovative programs and projects funded by ALMA in the areas of animal health, food safety and ecosystem health, we've seen the introduction of target vaccines, new testing methods and improved control strategies on the farm and in the processing environment. Our commitment to the One Health Roadmap is constantly improving the health of our animals, our environment and the quality of life for Canadians. Alberta is gaining global recognition as a world-class producer of high-quality, safe and delicious meats. Moreover, we are cementing our place in the global trade in premium genetics. ALMA's support of genomic research is advancing the field and will give our producers a technological edge in a competitive market.

As a Veterinarian, I can speak personally to some of the great work ALMA is doing under the One Health Roadmap, but this is just a component of the larger strategy for driving positive change. Many of ALMA's projects focus on productivity, efficiency and competitiveness, by building up processing capacity, upgrading equipment and supporting the expansion of strong businesses. Initiatives like the Beef Summit, we have seen progress towards a more unified and engaged industry. We continue to have market access as a key priority and are working diligently with government and industry to expand markets. There is still strong demand for Alberta product and, through ALMA's funding, new products using Alberta meat are entering the market to meet this growing demand. Most importantly, we are evaluating how we operate at as an industry and how we can create a competitive advantage around the Alberta and Canadian brand.

As ALMA matures as an organization, we are continually stressing the importance of strategic thinking, good governance and cooperation within our industry. I am confident that our shared vision of a profitable and internationally competitive livestock and meat industry in Alberta is on track, but it still requires the focus, dedication and commitment of all industry stakeholders.

I would like to thank ALMA's dedicated management, staff and my fellow board members for their tireless efforts in realizing and expanding upon ALMA's vision. I would also like to recognize the members of



ALMA's advisory committees who help us target our activities where they will have the greatest impact. The results that you see in this annual report speak to the quality and talent that ALMA has assembled.

On behalf of the Board of Directors, I give our sincere appreciation to the Agriculture and Rural Development (ARD) Minister, officials in ARD and all members of industry and the public who have made significant contributions to ALMA's continuing success.



Dr. David A. Chalack, DVM  
ALMA Board Chair

## Message from the CEO and Management's Responsibility for Reporting



In our fourth year of operation, ALMA continues to progress as an agency relevant to our stakeholders.

Throughout 2012-13, ALMA built upon our demonstrated successes by strengthening our position within industry. With a solid foundation already in place, ALMA partnered with industry on projects that addressed animal health and welfare, food safety, consumer awareness, improved efficiencies and management practices, and market growth. Our efforts, together with those of industry, led to new product development, expansion into international markets, leadership development, change management, and improved industry training and skill levels.

ALMA provided ideas, opportunity for information exchange, and investment throughout 2012-13. Through our program areas of Industry and Market Development, Commercialization, Strategic Initiatives and Research and Development, we helped industry address challenges and seize growth opportunities. ALMA's goals continue to align with industry goals: increase market access, enhance industry engagement, increase demand for Alberta/Canada livestock and meat products, and enhance competitiveness and profitability. ALMA aligned its industry grants with industry strategic goals by committing \$28.6 million towards 219 projects that will realize industry benefit of approximately \$104 million. Together with all industry sectors, we continue to forge ahead towards building a sustainable and profitable meat and livestock industry.

Although industry continues to struggle in some areas, it also thrives in others. This is the expected, cyclical nature of agriculture. As well, change is an expected component of our meat and livestock sectors and industry experienced several changes in 2012-13 - a new Alberta government and Alberta Agriculture and Rural Development minister; increased market access to Japan and China; reduced program funding; and continued retail and consumer demands for improved animal welfare practices - are but a few of these experienced changes.

Despite change and at times, uncertainty, Alberta is a blessed agricultural area, often taking a leadership role within Canada. With the published CAPI report in September 2012, ALMA hosted two Beef Summit events, providing the entire industry – from producer to retailer – with an opportunity to discuss the concerns identified. Discussions will continue with Alberta's livestock sectors taking a leadership role moving forward. To help Alberta continue in this leadership role, ALMA helped fund initiatives that seek to educate and develop industry's next generation, including 4-H Foundation and Cattlemen's Young Leaders projects. These projects, together with consumer awareness campaigns such as Passion for Pork and Alberta Beef's Famous Taste and our continued commitment to Research and Development, will strengthen our industry's competitiveness and viability.

As we move forward in fiscal 2013-14, ALMA will continue to position itself as a transformational and inclusive agency, engaging industry and government to advance change initiatives. We will stimulate strategic thinking on trade-related matters and influence trade policy and reform; engage and communicate with stakeholders to create open dialog and build a more informed and unified livestock and meat industry; help improve understanding of the factors that are influencing consumers' trust and meat preferences; and investigate the best livestock production methods, technologies and state-of-the-art processes. Alberta's meat and livestock industry is a multifaceted and integral part of the Alberta



economy. It is what our past is built on and what our future will rely on. Together, we must work to strengthen our Alberta advantage, nationally and globally.

I wish to thank ALMA's committed management and staff for their dedication and hard work, our livestock and meat industry partners for their continued engagement, and the Honourable Verlyn Olson, Minister of Agriculture and Rural Development (ARD), and ARD staff for their continued assistance and support. It is through their belief in ALMA's vision that we continue to improve as an Alberta government agency. Finally, thank you to our Chairman, Dr. David Chalack, and the ALMA Board of Directors for their continued support and mentorship. Through their leadership, ALMA is able to identify opportunities as a catalyst to help build a competitive and profitable livestock and meat industry.



Gordon Cove  
ALMA President and CEO



## Results Analysis

### ALMA Overview – Ensuring Relevance to Our Stakeholders

The Alberta Livestock and Meat Agency (ALMA) is a unifying catalyst that rallies Alberta's livestock and meat stakeholders to address potential future challenges and capture new opportunities for industry growth. In partnership with industry and government, ALMA delivers programs and services to help build industry competitiveness, industry respect and industry pride to achieve an industry vision of profitability and international competitiveness.

As a Government of Alberta agency accountable to the Minister of Agriculture and Rural Development, ALMA helps to drive positive change within the meat and livestock industry. ALMA takes its direction from a skills-based board that ensures it acts in the best interest of industry.

The Alberta livestock and meat sector is well-positioned to take advantage of opportunities - proximity to growing markets in Asia, greater demands for high-value foods like meat, ability to develop products with health benefits and further improve production efficiencies - offer numerous possibilities for growth. The industry is highly complex, integrated, internationally competitive and a force within Alberta economy. ALMA focuses on transforming the province's livestock and meat industry from a commodity, price-oriented industry to one that is value-added and internationally recognized for high food safety and quality standards. Research initiatives pursue projects that improve food safety, food quality, production efficiency, and improve the sustainability of livestock products. ALMA's industry development and commercialization programs focus on stimulating more efficient processing, new investment in value-added food and agri-product processing sectors, and support of business, market and capacity development.

Investment in agriculture is a cornerstone to improved productivity in Alberta, which in turn yields social, economic and environmental benefits. Our agricultural food system has been responding to challenges by restructuring and adapting to changing consumer demands, advancing technology and globalization. Throughout 2012-13, ALMA committed resources to meet our industry's common goals: increased market access; enhanced industry engagement; increased demand for our products; and enhanced competitiveness and profitability. By way of example, commitments were made to leadership development (Cattlemen's Young Leaders, 4-H Foundation Classroom Agriculture Program, Alberta Cattle Feeders' Association); consumer awareness and market development efforts (Famous Taste campaign for the beef sector, Passion for Pork campaign); connecting food and human nutrition; developing new techniques in genomics (accelerated adoption of the DNA marker technology, implementation of innovative processing technologies in the poultry and egg sector, targeted food safety research focused on *E. coli*, *Salmonella*, *Listeria* and *Campylobacter* pathogen reduction); and scale-up of a technology using tallow and other fats from Specified Risk Materials to produce biodiesel and other bio products.

In 2012-13, ALMA committed \$28.6 million to a portfolio of 219 industry initiatives that lays the groundwork for more than \$104 million in investment in industry growth and development. These commitments are delivered via ALMA's grant programs focused on research and development, industry and market development and two Growing Forward programs: Agri-Business Automation and Lean Manufacturing, and Agri-Business and Product Development.

## Performance Measures Summary Table

Core Business Performance Measure	Prior Year's Results		Target	Current Actual 2012-13
	2010-11	2011-12		
<b>GOAL ONE: Increased Market Access</b>				
1.a The number of ALMA supported innovations introduced to address five priority markets <sup>1</sup> (Japan, China, Korea, Taiwan and European Union).	3	3	3	3
1.b Number of collaborative trade policy forums with ALMA as a contributing member.**	3	3	3	3
<b>GOAL TWO: Enhanced Industry Engagement</b>				
2.a Number of collaborative industry forums with ALMA as a contributing member <sup>2</sup> .	-	50	40	50
2.b Amount of media coverage of ALMA announced project and initiative funding.	-	15	12	87**
<b>GOAL THREE: Increased Demand for Alberta/Canada Livestock and Meat Products</b>				
3.a Number of initiatives supporting domestic and international demand growth with assistance from ALMA.	54	47	50	50
3.b The leverage ratio of dollar investment into market initiatives relative to ALMA dollars of support. <sup>3</sup>	5.0	4.4	5.0	5.63
<b>GOAL FOUR: Enhanced Competitiveness and Profitability</b>				
3.a Number of research and development (R&D) initiatives enhancing competitiveness with assistance from ALMA.	56	55	60	45
3.b The leverage ratio of dollars invested in R&D initiatives relative to ALMA dollars of support. <sup>3</sup>	2.73	3.10	2.50	2.40
3.c Number of ALMA supported initiatives focused on efficiency and productivity gains. <sup>4</sup>	43	53	50	55
3.d The leverage ratio of dollars invested in efficiency and productivity initiatives relative to ALMA dollars of support. <sup>3</sup>	7.09	4.9 <sup>4</sup>	7.2	5.52

<sup>1</sup> Innovations include major actions to respond to market threats and take advantage of emerging opportunities.

<sup>2</sup> Includes participation at regional producer meetings, producer association / organization conferences, national and regional roundtables, special producer council committees, special industry working groups, president-to-president forums, etc.

\*\* Note that there has been a significant jump in media coverage, in part due to the ALMA's involvement in high profile projects and events (Beef Food System, TransFat Project, Cattlemen's Young Leaders) and a source of knowledge on key issues (*E. coli* contamination, Budget).

<sup>3</sup> Leverage is the **project-specific** value of contributions by the applicant and project partners toward mutual outcomes. The size of project, investment environment and project term (multi-year) influence this score.

<sup>4</sup> Reflects the number of contracted projects under the Automation & Lean Manufacturing Program, and the Product & Market Development Program.

## Discussion and Analysis of Results

### **GOAL ONE: Increased Market Access**

**Outcome Highlight:** Shared positions on trade policy for key livestock and meat markets.

**Priority 1.1.** *Stimulate strategic thinking on trade-related matters; help identify common goals and share market access policy positions with key policy makers who understand the federal trade agenda.*

ALMA's trade advocacy involves assistance on a range of trade related issues, including advocating for a strategic "Made in Canada" approach to beneficial access, the defense of existing rights and championing trade reform.

On the market access front, ALMA helps stimulate strategic dialogue on trade-related matters and promotes trade policies that leverage the Canadian advantage (regarding animal health status, livestock and premise identification, disease surveillance and control). Key markets of Japan, China, South Korea and the European Union (EU) are the subject matter of dialogue with industry and other government jurisdictions. Opportunities are identified with the easing of restrictions of beef imports from 20 to 30 months in Japan; Canada and Japan economic partnership agreement prior to Japan's completion of the Trans-Pacific Partnership talks; South Korea's removal of restrictions on Canadian beef and restored access to beef under 30 months (UTM) of age; and the Chinese market for UTM boneless beef.

ALMA continues to stimulate strategic thinking regarding:

- Challenges and loss of competitiveness with the United States (U.S.) exporters due to the tariff differential facing Canadian beef and pork exporters in the South Korean market.
- Ractopamine positions taken by international markets such as Russia (zero tolerance and third party verification).
- Positions addressing the sensitive products, which include beef and pork, at the Comprehensive Economic and Trade Agreement (CETA) negotiations as it enters its final phase.
- Differentiating the Canadian advantage over its North American or international competitors.

ALMA champions new thoughts and leadership about market positions through support of forums such as the Wave 2013 Conference, International Collaboration on Global Challenges for Livestock and Meat Production conference, Joint PrP Canada 2012 & Protein Folding and Disease Conference, Agri Innovation Forum 2012, and Canfax Cattle Market Forum.

**Priority 1.2.** *Influence trade policy and reform that leverage beneficial and incremental market access strategies based on validated animal health status, universal livestock and premise identification, Canada's animal disease surveillance and control capabilities.*

ALMA supports science-based policy development and focuses on expanding exports to foreign markets. The policy development dialogue identifies opportunities and guides research activities that enable the province's livestock and meat industry to increase exports to international markets. For example, restricted market access due to Porcine Reproductive and Respiratory Syndrome (PRRS) was addressed through an ALMA- research project partnership aimed at eradicating this disease. This will allow the province to target foreign markets restricting pork from PRRS-infected regions.

ALMA board members and staff continue to liaise with the Market Access Secretariat, Agriculture and Agri-Food Canada in Ottawa to discuss and identify markets, challenges and strategies that would provide feasible, achievable and sustainable market accesses. ALMA shared its position of beneficial market access, noting that Canada should aggressively pursue completion of Free Trade Agreements (FTAs) with Japan, the EU and China for beef and pork.

In July 2012, ALMA's Market Access Committee met with Gilles Gauthier, Canada's Chief Agriculture Negotiator, to discuss the current trade climate. The committee members received an overview of the negotiations taking place with target markets in the EU and Asia. The importance of market access and the potential impact of specific trade pacts on the Alberta livestock and meat sector were the focus of discussions. ALMA is committed to partnering with government officials to ensure that Alberta products can be enjoyed around the world.

ALMA participates in several government and industry market focused forums such as the Beef Value Chain Round Table (BVCRT) and Pork Value Chain Round Table (PVCRT), the Beef Cattle Market Access Committee (BCMAC), Canadian Cattlemen Market Development Council (CCMDC), and Canadian Pork International (CPI). At BVCRT, issues span trade and branding the Canadian Advantage, traceability, sustainability and regulatory environment challenges. At the PVCRT and CPI, ALMA supported the industry priorities proposed by the Canadian Pork Council focused on replenishment of the international pork marketing fund; support for domestic market development and re-profiling of Canadian Swine Health Board funds; continuation of Swine Innovation Pork and federal programs such as the Agri-Processing Initiative and Agricultural Innovation Program for support towards commercialization; and implementation of the hog traceability system and hedging program.

ALMA's executive team met with representatives from the Consulate-General of Japan in Calgary on March 7, 2013, to discuss Alberta's meat and livestock industry's partnership with Japan. Japan is currently the number one market for Alberta pork and is in the top three for many agricultural exports. Both sides are committed to working together to deepen the partnership between Alberta and Japan.

ALMA met with the Japan Meat Traders Association (JMTA), an influential group that speaks on behalf of the Japanese meat industry to the Japanese government. In this April 2012 mission, issues discussed included the Japanese progress on removing the Under Twenty Month beef barrier; Trans Pacific Partnership; economic partnership agreements; Canada/Japan free trade agreement; and Canadian meat differentiation strategies in Japan.

In early April, 2012, ALMA conducted a market intelligence gathering mission in China. The Alberta-China Office and Canadian Embassy apprised ALMA of the developments regarding tallow, ractopamine and genetics.

ALMA's president and CEO, Gordon Cove, attended meetings with Asylhan Mamytbeckov, Minister of Agriculture of the Republic of Kazakhstan in Calgary in April 2012. The Kazakhstan agriculture ministry was interested in Alberta's livestock industry – particularly the cattle sector – and demonstrated a willingness to further develop relationships with Alberta.

## **GOAL TWO: Enhancing Industry Engagement**

**Outcome Highlight:** Engagement and communication to build a more informed and unified livestock and meat industry. ALMA hosted approximately 40 events, developed publications and maintained its on-line communications tools. In addition, 35 supported initiatives addressed the information and education needs for education program development, leadership, best practices and technical knowledge exchange. ALMA's board and staff interact with industry including the industry association's Annual General Meetings and regional meetings, workshops, conferences and seminars. ALMA is a source of information to its stakeholders regarding market trends, trade, policy issues and industry developments and innovations. 11,199 industry members participated in conferences focused on new trends, innovation, new business models livestock welfare and the environment. 425 new leaders developed through the Cattlemen's Young Leaders, Veterinary Student Feedlot Externship, John's trained veterinarians, 4-H, and Alberta Feeders' Association. 7,136 healthcare professionals and educators educated about meat and dairy as part of a healthy diet. 15,300 students educated about agriculture through the Classroom Agriculture Program.



**Priority 2.1.** *To help industry develop viable strategic plans*

A Canadian Agri-Food Policy Institute (CAPI) report, “Canada’s Beef Food System”, created discussion within the beef industry, government and indirect stakeholders that generated a collaborative strategic plan to address opportunities and challenges. Stemming from the CAPI report, a series of summits were conducted with executives debating some of industry’s most critical issues. The first summit was held on November 29, 2012, in Calgary, in partnership with Cargill, Alberta Cattle Feeders’ Association and CAPI. At the conclusion of this Beef Food System Summit, the participants endorsed the establishment of a three-man task team (Kim McConnell, John Kolk and Dave Andrews) to formulate a framework for an industry strategy. Two subsequent forums (Beef Summit II: West, in Calgary, and Beef Summit: East, in Toronto) provided opportunities for key industry members to contribute to the formulation of the industry strategy. The Beef Summit II: West ( March 27, 2013) was hosted in partnership with Alberta Cattle Feeders’ Association and Cargill; the Beef Summit: East (April 18, 2013) was hosted in partnership with Ontario Cattlemen’s Association and Federation des producteurs de bovins du Quebec. Both sessions saw the endorsement of the following strategic intent: “*to be recognized as the beef product of choice by Canadians and the international customers we choose to partner with.*”

ALMA has continued to advance the conversation on sustainability. On November 28, 2012, ALMA, Canadian Cattlemen’s Association, Western Stock Growers Association, Alberta Beef Producers and Alberta Cattle Feeders’ Association, met with McDonald’s, Walmart, Loblaw’s and Cargill to discuss beef sustainability. As a member of the Sustainability Consortium, ALMA represented the livestock industry at the Consortium’s inaugural meeting. Discussions on sustainability are gaining steam, with the topic being a major agenda item at national roundtables and producer organizations.

ALMA, in conjunction with Alberta Milk, Dairy Farmers of Canada and Canada Beef, co-hosted an international workshop on the latest science of natural trans fats (those found in meat and milk). The workshop took place at the 10<sup>th</sup> Congress of the International Society for the Study of Fatty Acids & Lipids in Vancouver, B.C. An international dialogue occurred based on a review of the literature and the current trans fat labeling requirements. This event resulted in Agriculture and Agri-Food Canada and Health Canada revisiting the health claims on trans fats in Canada cautions with the view of supporting the excluding natural transfat from the current cautions relative to trans fats.

An ALMA grant enabled the Alberta Farm Animal Care Association to develop an Alberta farm animal care sustainability and strategic plan, and research new funding models for the association.

The National Cattle Feeders’ Association was supported in their development and implementation of a strategic plan for their association.

**Priority 2.2.** *Industry engagement and communications to create open dialogue and a greater sense of urgency to stimulate new and innovative products, markets or policies that have the capacity to increase profitability*

ALMA conducted forums with industry to inform and increase understanding about key industry issues. ALMA sponsored 36 events, with topics ranging from education on food safety, economics, nutrition, processing, genomics, marketing, livestock care and leadership.

ALMA continued to provide assistance to the Intensive Livestock Working Group (ILWG), representing eight livestock and poultry organizations. The focus of its efforts over the next three years will be on priority areas such as manure management, water quality, odour management and land-use planning.

With an ALMA grant, volunteers for the Classroom Agriculture Program will educate Alberta Grade 4 children on where food comes from and potential agriculture careers. To date, 15,300 students have completed the program. The volunteers will showcase local excellence in agriculture, while improving children’s knowledge about food production and use of our land and resources.

With ALMA support, the Alberta Beef Resource Development project will enhance 4-H resource materials for entrepreneurship, business management and best practices in beef production; provide 4-H members and leaders with information on areas such as animal husbandry, farm safety, environmental stewardship and areas of regulation; and engage urban youth through social media and repurposed videos, games and information components of the resources.

It is important to invest in our young leaders so they become industry advocates. Through support of programs like the Cattlemen's Young Leaders, Veterinary Student Feedlot Externship, Johne's training for veterinarians, 4-H, and the youth scholarship program with the Alberta Feeders' Association of Alberta, ALMA has helped develop 425 future industry leaders.

**Priority 2.3.**     *Communication strategies and tactics that build a more informed and unified industry.*

ALMA held its third annual FutureFare event in Calgary in June 2012. This event showcased ALMA-funded leading-edge initiatives from all sectors that are helping to transform industry. Keynote speakers included Terry Fleck, Executive Director of Center for Food Integrity, and Don Bell, Founder and Former Executive VP, WestJet, to reinforce the event theme "Changing Mind-sets" where more than 200 participants from industry and academia attended.

An informal Question and Answer session was held with Mr. Andrew Wu, Group President LVMH Greater China. Mr. Wu shared the LVMH branded development strategy and learnings from their expansion into international retail markets with 215 participants on August 17, 2012 in Calgary. Participants gained insight into China, its consumers and marketing Canadian products to China.

In August 2012, ALMA released a report of its commissioned study "Aligning Traceability with Industry and Customer Relevance" that evaluated the relevance of traceability in domestic and international markets and its role in improving the competitiveness of Alberta's beef industry. Mallot Creek Strategies, a research analysis consulting firm, presented the results of the Benefits of Traceability Study at the Alberta Beef Producers Semi-Annual Meeting held in Edmonton.

In May 2012, ALMA released results of an updated Canadian consumer retail meat survey to better understand the opportunity to develop new products and differentiation strategies. In addition, this study contained new information in the areas of nutrition and health, packaging and QR codes.

ALMA presented results of various ALMA-funded initiatives at the Alberta Centre for Advanced MNT Products ACAMP (ACAMP) Seminar Series: Agriculture and forestry delivering transformational investment outcomes; results of ALMA's Canadian Consumer Retail Meat Study measuring consumer preferences, attitudes, needs and perceptions towards meat; and results of the Aligning Traceability with Industry and Customer Relevance study. ALMA sponsored, attended and chaired sessions at the University of Calgary Veterinary Medicine Beef Cattle Health Conference in Calgary in June 2012.

As one of the sponsors of the International Congress of Meat Science and Technology in Montreal, August 12-17, 2012, ALMA help support knowledge exchange among the world's most renowned specialists as they explored the healthy world of meat from sustainable and environmentally sound production systems through to healthy products for the consumer.

ALMA is evaluating the effectiveness and impact of communications activities to help determine whether we are providing the right communications through the right channels. Output is in the form of website postings (information bulletins on project developments, events, and market news), conferences and social media. In fiscal year 2012-13, ALMA produced 56 information bulletins, 18 event postings and 11 videos. The external newsletter has a subscription base of more than 1,200. Although relatively new to social media, ALMA has some 200 twitter followers.

## **GOAL THREE: Alberta-based Livestock and Meat Products Are the Products of Choice**

**Outcome Highlight:** Improved understanding of the factors that are influencing consumers' trust and meat preferences. Through such programs as the Product and Market Development Program, ALMA has contributed to the development of 125 new products and assisted industry to enter into two new international markets (Kazakhstan and France). 554,132 Albertans informed about the benefits and economic impact local food and the agricultural industry has through the Fitness Leaders project, Passion for Pork campaign, Alberta Beef's Famous Beef campaign, Alberta Milk's Moo2You education initiative, Livestock Gentec, and events like Meet Your Maker, Feastival, BBQ on the Bow and Beef: The Festival.

**Priority 3.1.** *Encourage and assist Alberta-based companies to build marketing strategies based on competitive and comparative advantages.*

Fourteen companies invested in new products and expanded into new markets with ALMA assistance, including Mut Hut Pet Emporium Inc., SunGold Speciality Meats, Champion Petfoods LP, Trochu Meat Processors Ltd., Mountain Top Foods Ltd., Hutterian Brethren Church of Ridge Valley, Royal Food Products, Village Ice Cream Inc., 147168 Alberta Ltd. o/a Tetsu Chef, Family Meats 2011 Ltd., Borbolla Foods Ltd., Hooyas Foods Ltd., Super Dog Treats Ltd., and Capital Packers Inc.

ALMA provides oversight to the CCMDC administration of Legacy funds and the Alberta International Beef Market Development Fund (AIB MDF), or Alberta Fund, for market development and trade advocacy activities that expand Alberta's share of export market for beef cattle and beef products.

ALMA provided support for the Canada Beef Breeds Council Board restructuring and capacity-building to permit refocus of its goals and domestic and international marketing activities.

Support was provided for growing the capacity of the organic beef and dairy sectors through a promotional marketing strategy and supply capacity development.

ALMA, in partnership with Canada Beef Inc. and CPI, organized a half-day seminar to showcase Alberta meat companies to Japanese meat industry representatives in Tokyo.

The University of Alberta (U of A) received funding to conduct a feasibility study to evaluate whether a viable market exists for Elk Velvet Antler (EVA) Hydrolysis, identify international market matches and their barriers to entry, determine market demographics and examine competitive intelligence. The U of A also received funding for the development of a business model for the marketing and sale of heritage chicken eggs.

**Priority 3.2.** *Broaden industry experience base through direct interaction with customers and potential customers of Alberta livestock & meat products*

ALMA's November 2012 China mission introduced Alberta companies (Maple Leaf Foods, Heritage Angus Beef and Mountain Top Foods) to new partners, buyers and business models to increase their success in this important market. In a follow up in-coming mission of Chinese buyers to Alberta in January, Heritage Angus Beef secured an initial order into China.

An April 2012, contingent of ALMA–Canada Beef Inc.–CPI representatives met with Japanese meat industry representatives (importers, the Japanese Meat Traders Association and private companies).

The 'Taste Alberta' initiative educated Albertans about the food produced, processed, sold and served in Alberta. The partnership included Agri-food industry, producer associations (Alberta Pork, Alberta Milk, Canola Producers Commission, Alberta Beef Producers, Alberta Chicken Producers, Egg Farmers of Alberta), news media (Edmonton Journal, Calgary Herald), Save-on Foods and agri-food industry leaders. The initiative serves as an umbrella platform for the agriculture industry to share information with consumers and collaborate to bring all their assets together inviting new and innovative business opportunities and relationships.

The Dairy Exhibit - The Journey of Milk from Moo2You is an engaging, interactive, educational exhibit designed to help urban consumers understand where dairy products come from.

A collaboration between ALMA, Alberta Milk, Dairy Farmers of Canada, Canada Beef and University of Alberta worked together to address the issue of consumer perception that meat and dairy products are not healthy because they contain trans fats.

Food Processors Logistics Research Council was supported in their development of a business case for consolidation of procurement leading to cost savings for CEO Club members. The proposal will help establish opportunities for the strategic procurement of widely used items, materials, services and ingredients used by the food processors group.

The Alberta Cattle Feeders' Association's "Beef: The Festival" received support in their efforts to grow the industry's reputation, bring all stakeholders together and create a platform from which to gain consumer understanding and trust in the industry.

Support of the Master Chinese Chefs project leveraged the interest of Chinese master chefs in the Vancouver area to highlight dishes using Alberta proteins through a one-hour television segment and 8 one-minute pieces that aired on OMNI Television.

ALMA supported the development of the Beef Research School which features an online video series profiling the latest in Canadian beef cattle research and application of research knowledge and technologies in the industry. The innovative series allows feeders and ranchers to make informed decisions about incorporating research information into their methods of producing high quality beef and beef cattle and ultimately support the overall health and sustainability of the Canadian beef industry.

ALMA provided support to the Alberta Culinary Arts Foundation for the Canadian Culinary Federation 2013 National Conference, an opportunity for member Canadian chefs to meet, network and discuss their industry and all it entails. The theme of the conference is 'The Next 50 Years' and will focus on technology, food trends, and the local and sustainable food chain.

ALMA hosted new international buyers into Alberta as part of the Farmfair International program. The priority of this program is directly connecting Canadian producers with buyers from key international markets. ALMA also provided support to the Canadian Western Agribition Association to launch an Incoming Buyers Program providing direct interaction of potential customers with Alberta livestock and meat products.

Support was also provided to the International Agriculture Committee of the Calgary Exhibition and Stampede to help bring together members from the world agricultural community to share ideas and facilitate business opportunities.

**Priority 3.3.**     *Strengthening the supply chain's ability to understand and satisfy consumer opportunities*

*This strategy is an underlying component of much of the work undertaken in industry engagement initiatives and supporting strategies to increase demand for livestock and meat products.*

**Priority 3.4.**     *Lead the domestic consumer awareness initiative, which targets consumer awareness and education programs*

The Alberta Beef marketing project, *The Flavour Champion*, promises to increase the awareness of the beneficial attributes of Alberta beef. This campaign is in its second year and objectives focus on re-establishing the Alberta Beef brand in key geographies in Alberta and parts of Canada; working with the value chain to identify Alberta Beef in the marketplace; creating joint marketing and promotional initiatives with Alberta and B.C. retailers; establishing Alberta Beef's unique brand promise of superior taste; and, increasing sales of Alberta Beef with specific retailers.



ALMA supported an Alberta Pork domestic marketing campaign which demonstrates the quality and healthfulness of Alberta pork. After the success of the inaugural Passion for Pork campaign, the second year will see the encouragement of consumers to frequent retailers who carry Alberta pork, with the ultimate goal of increasing the sales of Alberta pork. Passion for Pork Phase Two will provide more targeted messaging to segmented groups of consumers in Alberta and B.C. and develop a stronger working relationship with our processors.

ALMA supported the development of a SAIT charcuterie lab to strengthen Alberta's value-added industry by teaching best practices for charcuterie development to SAIT students and Alberta processors.

The Wellness RX project continues to educate future Albertan healthcare professionals about the role of meat, eggs and milk in health and wellness. This year, 200 professionals successfully completed the program.

ALMA supported Livestock Gentec's initiative to create educational and outreach materials, including two professionally-produced videos centered around genomics technology, to engage youth and adults within the livestock sector in the research and uptake of genomics tools.

Alberta Milk received funding for a project to gain a better understanding of fitness leader motivations and drivers for sharing nutrition information.

Support was provided to NAIT to build a curriculum for prospective cheese makers, modelled after the curriculum used by the University of Vermont's Institute for Artisan Cheese.

SIAL 2012 is one of the leading trade shows for food in European retail and hotels, institutions and restaurants. ALMA partnered with CPI, Canada Beef Inc. and other Alberta companies to jointly promote Alberta proteins at the show.

Support was provided to CCA and Canada Beef Inc. for the creation of a "Masters of Beef Advocacy" program modelled after the masters of beef education that is currently being run in the U.S..

Support to the project 'Off the Beaten Palate' will result in the production and airing of a 26-minute segment which will provide PBS viewers with a quick synopsis of Alberta agri-food products in an entertaining tourism context.

## **GOAL FOUR: Enhanced Competitiveness and Profitability**

**Outcome Highlight:** Investigating the best livestock production methods, technologies and state-of-the-art processes. Examples of success include the increase in capacity of meat produced (over 35 million kg) and milk products (1.2 million L). 437 clients adopted beneficial practices to improve profitability stemming from Johne's disease risk assessment, RFID tagging and traceability and value chain protocols. 2012-13 witnessed the entry of 30 new sheep producers into the industry. 80 dairy farms were benchmarked in the Calf Management Best Practices Program. ALMA-funded research contributed to the training of 307 highly qualified personnel, 404 publications and presentations, 300 industry communications, and five patents and licenses.

**Priority 4.1.** *Invest in new technologies and practices for improvements to efficiency and productivity throughout the production and processing sector.*



The Industry and Market Development Programs supported 24 competitiveness-enhancing projects such as:

- Alberta Milk, Alberta Pork and Alberta Turkey's joint representation at the Temporary Foreign Recruitment Job Fair in Dublin, Ireland. Attracting domestic workers with the skills needed at the primary production level is a challenge.
- Accelerating the adoption of DNA marker technology in the Canadian cattle industry.
- Upgrade to the meat processing lab equipment for Canada's first charcuterie program.
- Mobile strategies and application development for Canadian cattle market information with Canadian Cattlemen's Association.

The Agri-Business Automation and Lean Manufacturing, and the Agri-Business and Product Development programs encourage the adoption of best practices and new technologies, and stimulate new investment in value-added food and agri-product processing sectors. Fifty-five projects received assistance in 2012-13 from these programs, which addressed needs in various sectors.

- Expansion of a federally-inspected slaughter facility.
- Implementation of High Pressure Processing in a poultry processing facility to allow extended shelf life, better preservation of food nutrients and a more environmentally-friendly means of processing.
- Investment of in a state-of-the-art egg breaking facility which will use the current 30 per cent excess production of Alberta eggs and will require another 10 per cent via increased quota demand. The facility will process liquid and pasteurized eggs for food service and egg membranes for pharmaceuticals and powdered egg shells.
- Purchase of equipment to operate a new processing plant for dumpling and entree products, optimizing on efficiency by using automation and lean manufacturing principals.
- Increase the pork processing facility throughput by approximately 14 per cent. This expansion will fill Japanese customer's demands, increase the efficiency of the operation and improve product quality.
- Upgrade a high-pressure water-jet propulsion system by improving process and food safety procedures and adding a third bank of hot spray which will increase the pathogen kill by 40 per cent from the current kill and increase the line speed by 15 per cent.
- Upgrade main sausage production components including the smokehouse, clippers and stuffer.
- Design, construct and operate a complete stirred food production line in the Leduc Food Processing Center to complement existing capacity in Edmonton.
- Expand High River chicken processing operations to include a fully-automated, state-of-the-art slaughter, cutting, and packaging facility.
- Upgrade a facility to increase pork production volume, manufacturing efficiency and food safety standards consistent with lean manufacturing principles.
- Research, produce, test market and establish industrial-scale manufacturing for novel meat-based dog treats.
- Produce high volume product beef patty production for private label banners.
- Supply fresh lamb to retail customers all over Canada from Alberta producers.
- Install blood collection equipment in two abattoirs and additional equipment in Calgary to receive and process blood plasma into plasma powder for animal feed.
- Extend shelf life of fresh products through strict sanitation procedures and cooling techniques as well as enable effective data transfer of crucial production information at all levels.
- Perform a processing expansion to enhance the efficiency and productivity of pizza production lines by offering a differentiated sliced cheese product.
- Increase the domestic sales volume by expanding the distribution of case-ready meat products to the retail and food service sectors within Alberta and Western Canada by enhancing the processing capacity and efficiency.

Several initiatives, in collaboration with the Canadian Cattlemen's Association, target efficiency and productivity for the beef sector.



- Electronic assessment of beef quality in Alberta packing plants for beef tenderness using computer vision grading systems already utilized by Alberta beef processors and testing of a new instrument for identification of animals likely to produce dark cutting beef.
- Automated trim sampling for *Escherichia coli* O157 in Alberta packing plants, to develop automated approaches to sampling of combo bins for *Escherichia coli* O157.
- Enhancing the food safety of Alberta beef through hot water pasteurization of trim.

**Priority 4.2.** *Prioritize and invest in research projects that have the ability to transform industry with a sustainable advantage*

ALMA collaborates with other funding agencies and organizations to establish co-funding opportunities and targeted calls to leverage funds in key areas to develop and fund transformative research projects. Co-funding partners included Alberta Funding Consortium, Alberta Beef Producers and Alberta Cattle Feeders' Association. ALMA partnered on targeted calls with Alberta Innovates Bio Solutions, Alberta Innovates Health Solutions, Alberta Crop Industry Development Fund, Alberta Canola Producers Commission, Alberta Pulse Growers, Alberta Milk, and the Alberta Prion Research Institute (APRI).

ALMA provides guidance to programs like Applied Livestock Genomics, the Poultry Research Centre and the Livestock Feeding Initiative.

In an initiative with the U of A, industry economic drivers and genomics research and commercialization are being aligned. The project also identifies where genomics provides the greatest value in association with the costs of genomic services, as well as other options that exist for improving efficiencies in livestock production.

A pork and energy efficiency protocol validation study was funded with the objective of adapting and applying the pork and energy efficiency protocol's innovative mitigation strategies to monetize carbon reductions in select Alberta hog operations.

In collaboration with Canadian Cattlemen's Association, three initiatives focus on improving consumer confidence of Alberta meat products:

- The 'Research Inventory – Beef Value Chain Roundtable Review' aims to develop a targeted industry research strategy.
- *Escherichia coli* O157:H7 Research and Education Strategy to investigate rapid response procedures to determine the microbiological effects of a commercial hide decontamination; validate and enhance procedures for operating and cleaning beef tenderizing equipment; determine cooking procedures for ensuring the microbiological safety of mechanically tenderized steaks and roasts; and determine the microbiological effects of current industry practices for decontamination of offal meats and of pilot scale pasteurizing of offal meats and trimmings.
- Alberta Beef Offal Quality Enhancement Initiative targeting the reduction of abscesses in livers of Alberta cattle.

Through our Research and Development Program, ALMA supported 45 research initiatives aligned with the priorities of [one health](#), [food for health](#), and production efficiency.

Examples of funded research under the One Health banner are highlighted under Priority 4.3: '*Collaborate to attain optimal health for people, animals and the environment through implementation of a 'One-Health' strategy*' below.

Initiatives aligned with the 'healthy food' priority include work focused on:

- Using the egg white protein ovomucin as a source of sialic acid (an essential nutrient for brain and mental development in babies) for infant formulas.

- Examining children's perceptions of packaged foods and how they evaluate the healthfulness of packaged foods and determining the degree to which media literacy and nutrition literacy informs their perspectives.
- Developing and assessing a personalized dietary treatment plan that emphasizes Alberta-grown food sources of key nutrients which can lead to significant improvements in disease activity in patients with inflammatory bowel diseases (e.g., Crohn's disease and ulcerative colitis).

Work focused on production efficiency includes:

- Identifying genetic markers for rumen microbial function to improve feed efficiency in beef cattle.
- Marker-assisted management in the feedlot using a gene marker for Vitamin A metabolism and a reduced level of dietary Vitamin A to achieve consistency in marbling fat in the meat.
- Demonstrating the value that a DNA tracking system can bring to the Alberta beef industry through brand verification and breed improvement.
- Developing an effective alternatives to antimicrobial growth promoters for livestock production to reduce the Alberta livestock industry's reliance on antibiotics, maintain the health and welfare of animals, ensure access to foreign markets, and affirm the public's perception of the livestock sector as producers of safe and environmentally responsible products.
- Determining the impact of the interaction between dietary protein and energy on milk protein synthesis in dairy cows.
- Maintaining reproductive efficiency in confinement-free sow management systems.
- Examining the potential of emerging third generation silage inoculants to improve forage preservation and feeding value for the cattle industry.
- Developing new outlets for use of animal by-products, such as deriving laptop batteries from eggshell membranes and extracting collagen from beef hides and poultry by-products for use in the pharmaceutical and cosmetics industries.

ALMA facilitated enhancement of research and development capacity through co-investment in:

- Certification of RFID (radio frequency identification) devices by the International Committee for Animal Recording (ICAR) and the Canadian Food Inspection Agency (CFIA) Accredited Certification Laboratory for Animal Traceability Equipment.
- Building Western Canada's veterinary diagnostic capability through novel test development and productivity improvements with joint investment by Western Economic Development and Prairie Diagnostic Services. Outcomes include the introduction of a new organic toxicology service that will meet the needs of a variety of clients including food animal producers, wild-life advocates and public health providers.
- Formation of the Institute for Applied Poultry Technologies (IAPT), a not-for-profit entity established to evaluate novel and innovative cost-saving health technologies for poultry that will enhance biosecurity, prepare for disease outbreaks before they occur, reduce input costs, improve product quality and consumer confidence, aid in safely developing niche high-value antibiotic-free/animal welfare approved products that will open/expand international market access.

**Priority 4.3.** *Collaborate to attain optimal health for people, animals and the environment through implementation of a 'One-Health' strategy*

ALMA fosters the collaborative effort of multiple disciplines across the local, national and global level through its *One Health Roadmap*.

- An Alberta One Health Surveillance Collaboration working group received support to increase the value of information and knowledge from surveillance that is translated to stakeholders including the livestock industries.



- A risk assessment of Chronic Wasting Disease (CWD) transmission to humans using non-human primates.
- Using a systems-based approach to determine that livestock are not responsible for the high prevalence of campylobacteriosis in southwestern Alberta.
- Developing a vaccine to prevent histophilosis in beef cattle.
- Evaluating the risk factors, occurrence and characteristics of lameness within Alberta feedlots.
- Developing a broad-spectrum vaccine for swine against bacterial respiratory diseases.
- Reducing *Salmonella* and *Clostridium* in poultry by generating new carbohydrate-based vaccine platforms and by determining the effect of dietary prebiotics on intestinal microbial profiles.
- Evaluating a novel blood-based diagnostic test for *Mycobacterium bovis* (bovine tuberculosis) in bison.
- Developing a live attenuated Johne's disease vaccine strain.
- Designing novel antimicrobial agents for pathogen intervention on meat.
- Developing smart labels for monitoring food storage conditions and detecting pathogenic contaminants in consumer food products.
- Determining the impact of temperature and antimicrobials on the efficacy of high pressure processing to eradicate *Listeria monocytogenes* and spoilage organisms on meat and poultry.
- Ascertaining sources of contamination of generic *Escherichia coli* on beef in meat processing plants by genotyping *E. coli* recovered from hide, various parts of the processing plant, and equipment in the breaking facilities.
- Determining the genetic and environmental elements that confer heat resistance to *E. coli*.

Approximately 300 Alberta milk producers have completed the Johne's disease risk assessment and management plan (47 per cent of the dairy producers).

**Priority 4.4.** *Encourage the adoption of new business models, risk management tools and price discovery mechanisms.*

ALMA continues to monitor the progress of two ALMA-funded price risk insurance programs: the Cattle Price Insurance Program (CPIP) and the Hog Price Insurance Program (HPIP).

ALMA supported a pre-feasibility study of the Alberta lamb industry market price to address the increased price volatility in recent years. That price volatility, in conjunction with large downside price movements, has the potential to threaten the sustainability of the whole Alberta lamb supply chain.

Support for the development of financial management software (Linus7 Cattle Financial Management Software) will help to consolidate futures trades, sale contracts, CPIP or any other risk management tools into one location to measure market exposure real time with current markets.

**Priority 4.5.** *Work with the livestock and meat industry to develop policies that influence regulatory efficiencies and policy intervention that target programs that hamper productivity and competitiveness.*

The summer of 2012 saw the release of two ALMA-funded studies:

- *The Regulatory Environment of the Pork Industry: An Environmental Scan and Comparative Analysis between Canada and the United States*, prepared by Serecon Management Consulting Inc. and Informa Economics Inc., and;
- *The Regulatory Environment In the Canadian and U.S. Beef Industry: An Environmental Scan and Comparative Analysis*, prepared by Serecon Management Consulting Inc., Toma & Bouma and Livestock Intelligence

## Project & Initiative Commitments (in thousand \$)

	<b>Number of Projects</b>	<b>ALMA Commitment</b>	<b>Total Commitment</b>	<b>Leverage</b>
Market Access	6	\$232,974	\$1,423,6559	6.11
Industry Engagement	35	\$1,631,809	\$5,803,3309	3.56
Demand	50	\$ 8,769,607	\$49,370,1119	5.63
Competitiveness	128	\$17,943,190	\$48,061,704	2.68
<b>TOTAL</b>	<b>219</b>	<b>\$28,577,580</b>	<b>\$104,658,8004</b>	<b>3.66</b>

Please visit the ALMA website at [www.alma.alberta.ca](http://www.alma.alberta.ca) for a list of funded projects.



# ALMA Board Committee Reports

## Market Access Committee

John Weekes, Chair,  
Ted Bilyea, Jurgen Preugschas

Canada and Alberta have advanced during this past year in market access with new partnerships for prospective agreements with essential markets. With the increasing globalization of the meat and livestock markets, the Market Access Committee (MAC) has assured a voice for Canada's and Alberta's best interests in the international community. However, as market requirements and competitiveness change, MAC recognizes that there are tough decisions ahead.

New partnerships this fiscal year began on June 19, 2012 with Canada joining the Trans-Pacific Partnership (TPP), an international trade bloc that includes the United States, Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore, Vietnam and Mexico. Negotiations began in December 2012. The TPP represents a market of 658 million people, so MAC recognizes this as a critical market opportunity for Canadian products, especially in Asian Pacific markets.

This is one of many reasons that Canada has been very active with its relationship with Japan, and it has seen early dividends. Japan has removed their previous restrictions placed on processed beef products that were in place due to BSE, increased age requirements for imported beef from U21M to U30M and widened age verification techniques for imported beef to include dentition. MAC members continue to advocate the importance of the Canada-Japan Economic Partnership negotiations with federal officials. As other jurisdictions engage in bilateral discussion with Japan, it becomes even more critical to elevate discussions of Canada's commitment to the market.

During a July 2012 meeting with Gilles Gauthier, Canada's Chief Agriculture Negotiator, MAC members were apprised of the status of specific trade agreements for agriculture in the Canadian negotiations with Europe and Asia.

MAC keeps an eye on key market issues, including those of zero ractopamine tolerance, BSE surveillance, and mandatory country of origin labeling (mCOOL). In late 2012, Russia announced extended ractopamine stipulations for imported beef, pork and turkey. Similar to the European Union, Russia dictated their zero tolerance policy for ractopamine and their requirements of third-party verification. Since the announcement, Canadian Pork International, Canadian Meat Council and the pork industry have responded, ensuring that all producers and processing facilities were prepared for the changes beginning in April 2013. MAC endorses the need to ensure that BSE surveillance targets are met and the international marketplace has confidence in the steps that Canada has taken to eradicate BSE. As well, USDA has not responded to World Trade Organization Appellate ruling with adequate changes to mCOOL.

The upcoming months are also crucial in the final stages of the Comprehensive Economic and Trade Agreement (CETA) negotiations between Canada and the European Union (EU). While the EU did increase their quota for duty free beef from 20,000 tonnes to 48,200 tonnes in August 2012, successful CETA negotiations could lead to a great increase in Canadian exports to the EU by facilitating future trade and reducing tariffs in an incredibly lucrative market.

MAC continues to participate at the Beef Value Chain Round Table, the Pork Value Chain Round Table, the Beef Cattle Market Access Committee, the Canadian Cattlemen Market Development Council and Canada Pork International. John Weekes, MAC Chair, is also the alternative representative for the National Cattle Feeders' Association on the Beef and Cattle Trade Advisory Group. By helping to create a strong voice from within, MAC helps a more cohesive Canadian brand to rise. With this, Canada can lobby its product effectively to international markets, maintaining competitiveness and prosperity.

Finally, MAC would like to welcome its newest member, Cherie Copithorne-Barnes. We look forward to working with Cherie moving forward.





## **Programs and Services Committee**

Cherie Copithorne-Barnes, Chair,  
Anne Wasko, Ron Jackson, Ted Bilyea

The Programs and Services Committee are responsible for all matters related to the suite of ALMA funding programs and initiatives. The ALMA business plan serves as its strategic framework against which ALMA activities and mechanisms are designed. The review process ensures that the proper expertise is sought out, and the funds are utilized in the most efficient and relevant way possible. The outcome is the support of innovation, adoption of technology, competitiveness and improved sustainability. We also look to identify those opportunities that help attract investment, talent, or people to the sector.

ALMA administers the following programs:

- The Research and Development program in support of research in food safety, food quality, value-added products, and livestock sustainability. Collaborations include other funding agencies and organizations toward targeted calls, leveraging our funds in key areas as 'One Health', 'Food for Health' and production efficiency. Initiatives also address policy analysis and market access issues facing Alberta's livestock and meat industry. ALMA places emphasis on integrating new knowledge through its engagement of stakeholders and partners.
- Commercialization programs including the Agri-Business Automation and Lean Manufacturing, and the Agri-Business and Product Development programs encourage the adoption of best practices and new technologies, and stimulate new investment in value-added food and agri-product processing sectors. These programs invest in new and innovative ways of getting Alberta-made products into new markets, enabling Alberta's agri-industry to cultivate new customers and increase profitability.
- The Industry and Market Development program supporting business, market and capacity development in the livestock and meat industry. The areas of focus include consumer awareness; competitiveness and profitability; domestic and international market development; and leadership and industry engagement.
- Livestock Development Funds which include the grant agreements addressing two sponsored programs which ALMA has assumed the administrative responsibility: the Diversified Livestock Fund of Alberta Ltd. (DLFOA) and the Alberta Livestock Industry Development Funds (ALIDF). These funds target industry recovery from the BSE crisis and encourage growth and development of the industry through research and development supports further development of competitive, environmentally and socially responsive Alberta livestock industry.

Due to the fact that we are a strategic funder, our reviews and adjudication panels can occur more frequently than other funders and are approached in each case to be specific to the project or funding initiative. Funding is awarded through several streams:

- Open funding based on requests for proposals or applications, as well as calls for letters of intent (a two-stage process in the Research and Development program). Open initiatives are posted on our website to inform interested parties to apply. Applications are reviewed through peer review and technical subcommittees to determine which proposal(s) best fit the requirements of the initiative.
- ALMA also participates in joint funding competitions, stating its areas of interest within the broader competition. Examples of such targeted joint calls include the 2012-13 Food Safety Research and Innovation Program in collaboration with Alberta Innovates Bio Solutions; and APRI - ALMA Request for Applications II for Chronic Wasting Disease, Specified Risk Materials, Bovine Spongiform Encephalopathy in collaboration with the Alberta Prion Research Institute (APRI).



- Directed funding with ALMA working with researchers and industry to bring them together, reach common understanding and ensure that the proposals being developed match the intent in the issue area (ie: regulatory barriers, sustainability, traceability).

This fiscal, 2012-13, 219 projects were awarded over \$28.6 million in grant funding. The majority of these funds were in support of competitiveness and profitability initiatives (62.8%), demand related initiatives (30.7%), and industry engagement (5.7%). The remainder was in direct support of market access initiatives through support of forums focused on addressing market access barriers. The market access goal targets shared positions on trade policy for key markets which is more reliant on manpower resources rather than grants.

Since ALMA's incorporation, ALMA has approved approximately \$139 million with a total potentially leveraged value of over \$477 million to the industry. ALMA continues to benefit from increased coordination, collaboration and measures results to ensure that we meeting intended outcomes. Effectiveness is measured by whether industry and other funding partners see value in these initiatives by contributing dollars to their success. This fiscal year reveals leveraging of between \$2.40 on average from research and development projects to up to \$5.52 on commercialization projects. Exceptions to this leveraging ratio include two diversified livestock projects fully supported by ALMA grants: one which involves the technology transfer of Chronic Wasting Disease (CWD) Based Amyloid Seeding Assay for the detection of CWD in Elk; and the second which explored agent-based modeling as an innovative tool to simulate disease dynamics at the wildlife-livestock interface for decision-making support.

We strive to support unique, specialized knowledge in Alberta, increase awareness of Alberta's livestock and meat products and help ensure innovative and collaborative solutions. Our programs offer assistance over the continuum from knowledge transfer to adoption of new technologies. We would like to thank our Research and Technical Committee members for their dedication and expertise and commitment to advancing our industry.

### Summary of 2012-13 ALMA Commitments (in thousand \$)

	# of Projects	ALMA Commitment	Industry Contribution	Other Partner Contribution	Total Commitment (includes other sources)	Leveraging
Strategic Initiatives	15	4,092	3,605	5,524	13,221	3.23
Research & Development	45	10,102	2,023	12,104	24,229	2.40
Commercialization	56	8,106	36,098	529	44,733	5.52
Industry and Market Development	100	5,262	12,464	2,401	20,127	3.82
Alberta Livestock Industry Development Funds	1	570	0	1,312	1,882	3.30
Diversified Livestock Funds of Alberta	2	446	0	21	467	1.05



## **Governance and Human Resources**

Kim McConnell, Chair  
Jeff Kroll, Anne Wasko

The effectiveness of governance of ALMA is dependent on all members of the Board, their understanding the role of governance and our adherence to proper governance practices. Effective governance greatly assists ALMA in how it conducts its affairs. ALMA's Governance and Human Resource Committee (GHRC) oversees this function, ensuring it is efficient, allows a respectful conflict of ideas, is focused, is integrated and synergistic, delivers productive outcomes for the agency and leads to personal reward for the individual board members.

Each year, the GHRC reviews the roles and responsibilities of the Board, its committees, chairs, and administrative support and recommends adjustments. It identifies competencies and personal attributes required to fulfill these roles. A succession plan for board directors was prepared and accepted. Through this assessment, the GHRC recruited for two vacancies on the board. The two new positions are required to provide strength in areas of foodservice and retail expertise and international marketing. The competition occurred in November and recommendations were provided to the Minister. These positions are also critical to Board succession and enable strategic delivery.

In addition to recommendations for director selection, GHRC also manages the induction and development of directors. Recognizing that small improvements in the board's performance can have a profoundly positive impact on the effectiveness of ALMA, governance training was arranged. A third party consultant was engaged to ensure the continued building of governance capacity.

GHRC leads the process of board self-assessment. In addition to the review of the Board, assessments are conducted of the Board chair and Committees and CEO. This includes director performance assessments (self and peer) and is key to the identification of any skills gaps in the existing board.

GHRC also makes recommendations to the Board for improvements (effectiveness, relevance, clarity) to governance structure and policies. Evaluation of the ALMA's performance via the government-wide Results-Based Budgeting process provided evidence of ALMA's strong performance. An internal review of performance measures has identified the need for a qualitative assessment of our service delivery to be initiated in the upcoming year.

GHRC advises on developments and emerging best practices in governance, including risk management. ALMA has implemented a risk management process to identify, monitor and manage risks and their consequences within the organization. Assessments are reported through the Audit, Finance and Risk Committee.

Oversight of the governance framework is through periodic and selective review for compliance to the strategic plan, values, and obligations of the government, including:

- strategic planning, priority setting and performance reporting processes;
- An annual report of achievements against the business plan
- maintenance of governance documents such as:
  - Mandate and Roles PDF Document
  - ALMA Code of Conduct and Conflict of Interest
  - Conflicts of Interest in Funding Applications Policy
  - Board Member Recruitment Policy

ALMA believes that leadership and good governance are fundamental to increasing industry capacity for enhanced performance. It embraces governance advocacy not only through its support of programs like Cattlemen's Young Leaders Program and the 4H Foundation, but also through the dedicated personal commitment of board members to mentorship, their participation on industry boards and the recognition by their peers.





## **Communications Committee**

Jeff Kroll, Chair,  
Ted Bilyea, Kim McConnell

In September 2011, the Board formed ALMA's Communications Committee to advance the strategic aspects of industry engagement. In a practical sense, the Communications Committee is charged with leading ALMA down the path of timely and transparent communications with stakeholders and the general public, engaging them about ALMA's activities and wider issues throughout the meat and livestock industry.

ALMA's flagship event, FutureFare 2012, once again provided a forum to put ALMA's partners in the spotlight, presenting their research and projects to an eager audience. Terry Fleck, from the Center for Food Integrity, and Don Bell, co-founder of WestJet, were the keynote speakers at FutureFare. Terry Fleck encouraged the meat and livestock industry to be proactive and strengthen our social license to operate through open and honest communication with the public. Mr. Bell closed out FutureFare with a talk on the importance of a positive culture in driving a successful enterprise.

A multidisciplinary audience gathered in Calgary for A Discussion with Andrew Wu, an open event hosted by ALMA in August. Mr. Wu, Group President LMVH Greater China, affirmed the importance of the Chinese market for Canadian businesses and stressed that the Canadian brand must be developed further to tap the enormous potential of the Chinese consumer. The response from attendees of both events was excellent, and ALMA will continue to host events that enrich, expand and advance the conversations taking place in Alberta's livestock and meat industry.

In keeping with our belief that the future of our industry lies in developing youth leadership, ALMA has also expanded into new ways of communicating, adding social media platforms to complement our YouTube channel, electronic newsletter and website. We are seeing solid growth across all the new media platforms and are just scraping the surface of the engagement and interaction that is possible within these mediums.

Since the formation of the committee, ALMA's communications portfolio has grown substantially. In 2012, ALMA launched "Action ALMA" a monthly newsletter that goes out to researchers, producers, processors, government employees and anyone else who wants a monthly snapshot of the projects and events ALMA supports. We have also put a priority on communicating more often, increasing the total number of communication pieces from ALMA by more than 5 times compared to the previous calendar year. This greater volume of communications has helped expand the media reach of ALMA as our pieces are regularly redistributed through industry portals, scientific publications and shared through social media.

Metrics noted in the 'Results Analysis' section of this annual report attest to ALMA's commitment to improved communications. Fifty-six internally generated information pieces showcasing specific ALMA funded projects were posted on our website and shared directly with our industry partners. Thirty six reposts into industry newsletters and magazines were tracked. ALMA also connects with industry at conferences, workshops and special hosted events, like the Beef Food System Summits and sustainability forums. These venues provide opportunity for enhancing industry relationships and network building.

However, as economists say, "if it matters, measure it." The Communications Committee is evaluating the raw numbers including the number of articles originating from ALMA, the information flowing through our organization, our media reach and the number of people informed through our events, electronic newsletter and online portfolio, to ensure key messages are being delivered to our target audience. We are assessing stakeholder representation, the level of engagement, the best medium use and timing of our messages. Our goal is to integrate communication from top to bottom, internally, externally, across all sectors and to all stakeholders in the meat and livestock industry.





### **Audit, Finance and Risk Committee**

Ron Jackson, Chair

Cherie Copithorne-Barnes, Kim McConnell

The Audit, Finance and Risk Committee assists the board with its oversight responsibilities related to fiscal management, financial reporting, annual budgets/quarterly forecasts, quarterly/annual financial statements, internal/external audit plans, and reports and internal controls. The committee is also responsible for enterprise risk management related to the above areas including compliance with applicable laws and regulations.

The result of the committee's work culminated in this annual report with the publication of audited financial statements. During the 2012-13 fiscal year, the committee continued to focused on ensuring the appropriate processes and procedures adhered to legislated requirements and demonstrated effective internal controls.



# Financial Statements



# **Alberta Livestock and Meat Agency Ltd.**

---

Financial Statements

Year Ended March 31, 2013

ALBERTA LIVESTOCK AND MEAT AGENCY LTD.

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2013

Independent Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Cash Flows

Notes to the Financial Statements

Schedule of Expenses – Directly Incurred Detailed by Object

Schedule of Salary and Benefits

Schedule of Related Party Transactions



## Independent Auditor's Report

To the Board of Directors of the Alberta Livestock and Meat Agency Ltd.

### **Report on the Financial Statements**

I have audited the accompanying financial statements of Alberta Livestock and Meat Agency Ltd., which comprise the statement of financial position as at March 31, 2013, and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, 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.

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of Alberta Livestock and Meat Agency Ltd., as at March 31, 2013, and the results of its operations, its remeasurement gains and losses, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, FCA]

Auditor General

May 27, 2013

Edmonton, Alberta



ALBERTA LIVESTOCK AND MEAT AGENCY LTD.

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2013  
(in thousands)

	2013		2012
	Budget	Actual	Actual
<b>Revenues</b>			
Government Transfers	\$ 36,763	\$ 35,099	\$ 35,031
Other Revenue	50	292	280
Livestock Development	2,175	2,137	3,964
	<b>\$ 38,988</b>	<b>\$ 37,528</b>	<b>\$ 39,275</b>
<b>Expenses - Directly Incurred (Schedule 1)</b>			
Industry Investment	\$ 16,069	\$ 14,862	\$ 15,884
Strategic Initiatives	15,654	16,860	16,262
Corporate Services	5,190	3,427	3,101
Livestock Development	2,175	2,137	3,964
	<b>\$ 39,088</b>	<b>\$ 37,286</b>	<b>\$ 39,211</b>
<b>Net Operating Results</b>	<b>\$ (100)</b>	<b>\$ 242</b>	<b>\$ 64</b>

*The accompanying notes and schedules are part of these financial statements.*

Approved by the Board of Directors:

Dr. David A. Chalack, Chair of the Board

Ron Jackson, Chair, Audit, Finance and Risk Committee

ALBERTA LIVESTOCK AND MEAT AGENCY LTD.

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2013  
(in thousands)

	2013	2012
<b>Assets</b>		
Cash	\$ 4,735	\$ 14,043
Due from Government of Alberta	8,812	7,360
Accounts Receivable	37	23
Tangible Capital Assets (Note 3)	1,603	1,361
	<b>\$ 15,187</b>	<b>\$ 22,787</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities	\$ 1,641	\$ 3,025
Grants Payable	5,417	9,867
Deferred Revenue (Note 4)	3,840	5,848
	<b>\$ 10,898</b>	<b>\$ 18,740</b>
<b>Net Assets</b>		
Net Assets at Beginning of Year	\$ 4,047	\$ 3,983
Net Operating Results	242	64
Net Assets at End of Year	4,289	4,047
	<b>\$ 15,187</b>	<b>\$ 22,787</b>

Contractual Obligations (Note 5)

*The accompanying notes and schedules are part of these financial statements.*

ALBERTA LIVESTOCK AND MEAT AGENCY LTD.

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2013  
(in thousands)

	2013	2012
<b>Operating Transactions</b>		
Net Operating Results	\$ 242	\$ 64
Non-cash Items Included in Net Operating Results -		
Amortization	278	218
Loss on Disposal of Tangible Capital Assets	6	-
	<b>\$ 526</b>	<b>\$ 282</b>
(Increase) Decrease in Accounts Receivable and Due from Government of Alberta	\$ (1,466)	\$ 2,300
(Decrease) Increase in Accounts Payable and Accrued Liabilities	(1,384)	2,458
Decrease in Grants Payable	(4,450)	(6,022)
Decrease in Deferred Revenue	(2,008)	(3,677)
Cash Applied to Operating Transactions	<b>\$ (8,782)</b>	<b>\$ (4,659)</b>
<b>Capital Transactions</b>		
Acquisition of Tangible Capital Assets	\$ (545)	\$ (332)
Transfer of Tangible Capital Assets to		
Department of Agriculture and Rural Development	19	-
Cash Applied to Capital Transactions	<b>\$ (526)</b>	<b>\$ (332)</b>
<b>Decrease in Cash</b>	<b>(9,308)</b>	<b>(4,991)</b>
<b>Cash at Beginning of Year</b>	<b>14,043</b>	<b>19,034</b>
<b>Cash at End of Year</b>	<b>\$ 4,735</b>	<b>\$ 14,043</b>

*The accompanying notes and schedules are part of these financial statements.*

## Notes to the Financial Statements for the Year Ended March 31, 2013

### Note 1 Authority and Purpose

The Alberta Livestock and Meat Agency Ltd. was incorporated on January 29, 2009 under the *Alberta Business Corporations Act* (Alberta).

The Alberta Livestock and Meat Agency Ltd. (ALMA) is a subsidiary of the Ministry of Agriculture and Rural Development of the Province of Alberta. The Ministry of Agriculture and Rural Development and its wholly owned subsidiaries are exempt from the payment of income tax under Section 149 of the *Income Tax Act*.

The ALMA was established to revitalize Alberta's livestock and meat industry and to act as a catalyst to help enhance industry competitiveness and profitability.

---

### Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards.

#### Basis of Financial Reporting

##### Adoption of New Accounting Standards

Effective April 1, 2012, the ALMA adopted PS 3410, Government Transfers. No adjustments to assets and liabilities were required.

In addition, effective April 1, 2012, the ALMA adopted PS 3450, Financial Instruments. No adjustment to financial assets and liabilities was required. These statements do not present a Statement of Re-measurement Gains and Losses as the ALMA has no re-measurement gains or losses.

**Revenues** - All revenues are reported on the accrual basis of accounting.

*Government Transfers* – Transfers from the Government of Alberta are referred to as government transfers. All government transfers, without terms for the use of the transfer, are recorded as revenue when the ALMA is eligible to receive the funds.

#### Expenses

*Directly Incurred* - Directly incurred expenses are those costs the ALMA has primary responsibility and accountability for, as reflected in the government's budget documents.

In addition to the program operating expenses such as salaries, supplies, etc., directly incurred expenses also include amortization of tangible capital assets and pension costs, which are the cost of employer contributions for current service of employees during the year.

Grants are recognized as expenses when authorized, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made.

**Cash** – Cash consists of deposits in the Consolidated Cash Investment Trust Fund, which is managed by Alberta Treasury Board and Finance to provide competitive interest income while maintaining maximum security and liquidity of depositors' capital.

**Assets** – Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets are limited to financial claims, such as advances to and receivables from other organizations.

Tangible capital assets are recorded at historical cost and amortized on a straight-line basis over the estimate useful lives of the assets. The threshold for capitalizing new systems development is \$250,000 and the threshold for major systems enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000. Amortization is only charged if the tangible capital asset is in use.

## Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

**Liabilities** - Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Grants payable are recognized when eligibility criteria are met and a reasonable estimate of the amounts can be made.

Restricted fund obligations are recorded as deferred revenue until the period when the related expenses are incurred, then they are recognized as revenue.

**Net Assets** - Net assets represents the difference between the carrying value of assets held by the ALMA and its liabilities.

Canadian public sector accounting standards require a "net debt" presentation for the statement of financial position in the summary financial statements of governments. Net debt presentation reports the difference between financial assets and liabilities as "net debt" or "net financial assets" as an indicator of the future revenues required to pay for past transactions and events. The ALMA operates within the government reporting entity, and does not finance all its expenditures by independently raising revenues. Accordingly, these financial statements do not report a net debt indicator.

### Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of Cash, Due from Government of Alberta, Accounts Receivable, Accounts Payable and Accrued Liabilities and Grants Payable are estimated to approximate their carrying values because of the short-term nature of these instruments.

---

## Note 3 Tangible Capital Assets

(in thousands)

Estimated Useful Life	Equipment and Vehicles 10 years	Computer Hardware and Software 3 -5 years	Leasehold Improvements 5 years	Total
<b>Historical Cost <sup>(1)</sup></b>				
Beginning of Year	\$ 897	\$ 827	\$ 133	\$ 1,857
Additions	-	545	-	545
Disposals <sup>(2)</sup>	(9)	(45)	-	(54)
	<u>\$ 888</u>	<u>\$ 1,327</u>	<u>\$ 133</u>	<u>\$ 2,348</u>
<b>Accumulated Amortization</b>				
Beginning of Year	\$ 245	\$ 178	\$ 73	\$ 496
Amortization Expense	89	162	27	278
Effect of Disposals <sup>(2)</sup>	(3)	(26)	-	(29)
	<u>\$ 331</u>	<u>\$ 314</u>	<u>\$ 100</u>	<u>\$ 745</u>
<b>Net Book Value at March 31, 2013</b>	<u>\$ 557</u>	<u>\$ 1,013</u>	<u>\$ 33</u>	<u>\$ 1,603</u>
<b>Net Book Value at March 31, 2012</b>	<u>\$ 652</u>	<u>\$ 649</u>	<u>\$ 60</u>	<u>\$ 1,361</u>

<sup>(1)</sup> Historical cost includes work-in-progress at March 31, 2013 totaling \$240 comprised of computer software (2012 - \$287).

<sup>(2)</sup> Includes transfer of computer hardware to Department of Agriculture and Rural Development, comprised of historical cost of \$45 and accumulated amortization of \$26.

---

**Note 4 Deferred Revenue**

(in thousands)

As at March 31, 2009 the ALMA assumed responsibility for the majority of assets and liabilities under the terms of two separate Assignment, Novation and Transfer Agreements with the Alberta Livestock Industry Development Fund (ALIDF) and the Diversified Livestock Fund of Alberta (DLFOA). The transfer includes restricted fund obligations assumed by the ALMA which are recorded as Deferred Revenue. Details for each fund and the status of these obligations are as follows:

	2013			2012
	Contractual Obligations	Deferred Revenue	Total	Total
ALIDF Fund 2 - 2004 Post BSE Commercialization and Development	\$ 145	\$ 136	\$ 281	\$ 724
ALIDF Fund 7 - 2008 Enhanced Livestock and Meat Sector Initiative	576	452	1,028	1,709
DLFOA Fund 5 - 2008 Diversified Livestock Research and Development	74	2,457	2,531	3,415
	<u>\$ 795</u>	<u>\$ 3,045</u>	<u>\$ 3,840</u>	<u>\$ 5,848</u>

**Note 5 Contractual Obligations**

(in thousands)

Contractual obligations are obligations of the ALMA to others that will become liabilities in the future when the terms of those contracts or agreements are met.

	2013	2012
Obligations:		
Operating Leases	\$ 884	\$ 1,642
Contracts	158	417
Programs	7,241	13,555
	<u>\$ 8,283</u>	<u>\$ 15,614</u>

Program obligations consist of obligations to disburse funds in accordance with the terms specified in the grant agreements with various applicants as approved by the respective Boards of the ALIDF (\$721) and the DLFOA (\$74). In addition, the ALMA has obligations resulting from new grant agreements (\$6,446).

Estimated payment requirements for each of the next four years are as follows:

	Operating Leases	Contracts	Programs	Total
2013-14	\$ 758	\$ 158	\$ 4,437	\$ 5,353
2014-15	126	-	1,901	2,027
2015-16	-	-	688	688
2016-17	-	-	215	215
	<u>\$ 884</u>	<u>\$ 158</u>	<u>\$ 7,241</u>	<u>\$ 8,283</u>

**Note 6 Benefit Plans**

(in thousands)

The ALMA participates in the multi-employer pension plans: Management Employees Pension Plan, Public Service Pension Plan and Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$382 for the year ended March 31, 2013 (2012 - \$332).

At December 31, 2011, the Management Employees Pension Plan reported a deficiency of \$303,423 (2011 – deficiency \$517,726), the Public Service Pension Plan reported a deficiency of \$1,645,141 (2011 - deficiency \$1,790,383), and the Supplementary Retirement Plan for Public Service Managers had a deficiency of \$51,870 (2011 – deficiency \$53,489).

---

**Note 7 Comparative Figures**

Certain 2012 figures have been reclassified to conform to the 2013 presentation.

ALBERTA LIVESTOCK AND MEAT AGENCY LTD.  
SCHEDULE TO FINANCIAL STATEMENTS  
EXPENSES - DIRECTLY INCURRED DETAILED BY OBJECT  
YEAR ENDED MARCH 31, 2013  
(in thousands)

	<b>2013</b>		<b>2012</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
Salaries, Wages and Employee Benefits	\$ 3,597	\$ 3,277	\$ 2,960
Supplies and Services	5,184	2,819	2,900
Grants	30,157	30,906	33,133
Loss on Disposal of Tangible Capital Assets	-	6	-
Amortization of Tangible Capital Assets	150	278	218
	<u>\$ 39,088</u>	<u>\$ 37,286</u>	<u>\$ 39,211</u>



ALBERTA LIVESTOCK AND MEAT AGENCY LTD.  
SCHEDULE OF SALARY AND BENEFITS DISCLOSURE  
YEAR ENDED MARCH 31, 2013  
(in thousands)

	2013			2012	
	Base Salary <sup>(1)</sup>	Other Cash Benefits <sup>(2)</sup>	Other Non-Cash Benefits <sup>(3)</sup>	Total	Total
Chairman of Board <sup>(4)</sup>	\$ 172	-	-	\$ 172	\$ 182
Board Members <sup>(4)</sup>	\$ 344	-	-	\$ 344	\$ 406
President and Chief Executive Officer	\$ 191	9	39	\$ 239	\$ 229

Prepared in accordance with Treasury Board Directive 12/98 as amended.

<sup>(1)</sup> Base salary includes fees for Chair and Board members and pensionable base pay for employees.

<sup>(2)</sup> Other cash benefits include an automobile allowance and health spending account payments. There were no bonuses paid in 2013.

<sup>(3)</sup> Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plans, health care, dental coverage, group life insurance, and short and long term disability plans.

<sup>(4)</sup> The Board consists of a maximum of 12 members including the Chairman, whose salary is disclosed separately. As of March 31, 2013, there were 3 positions vacant. During the year, the equivalent of 11 positions were occupied.

ALBERTA LIVESTOCK AND MEAT AGENCY LTD.  
SCHEDULE OF RELATED PARTY TRANSACTIONS

YEAR ENDED MARCH 31, 2013  
(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Government of Alberta's financial statements.

The ALMA and its employees paid certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The ALMA had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	<b>Entities in the Ministry</b>		<b>Other Entities <sup>(1)</sup></b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>Revenues:</b>				
Grants	\$ 35,099	\$ 35,031	\$ -	\$ -
	<u>\$ 35,099</u>	<u>\$ 35,031</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenses - Directly Incurred:</b>				
Grants	\$ 602	\$ 1,295	\$ 10,207	\$ 10,385
Other services	-	-	21	44
	<u>\$ 602</u>	<u>\$ 1,295</u>	<u>\$ 10,228</u>	<u>\$ 10,429</u>
<b>Tangible Capital Assets Transferred to</b>				
Department of Agriculture and Rural Development	\$ 19	\$ -	\$ -	\$ -
	<u>\$ 19</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Payable to</b>				
Agriculture Financial Services Corporation	\$ -	\$ 6	\$ -	\$ -
Department of Agriculture and Rural Development	749	1,372	-	-
Ministry of Treasury Board and Finance	-	-	1,033	2,352
Ministry of Enterprise and Advanced Education	-	-	732	3,856
	<u>\$ 749</u>	<u>\$ 1,378</u>	<u>\$ 1,765</u>	<u>\$ 6,208</u>
<b>Receivable from</b>				
Department of Agriculture and Rural Development	\$ 8,788	\$ 7,334	\$ -	\$ -
Ministry of Enterprise and Advanced Education	-	-	24	26
	<u>\$ 8,788</u>	<u>\$ 7,334</u>	<u>\$ 24</u>	<u>\$ 26</u>

<sup>(1)</sup> Other entities include schools, universities, colleges and health authorities.