

# Alberta Lamb Producers Annual Report 2017/2018 *'Shepherding Together'*



Alberta  
Lamb  
Producers



Photo: Judy Finseth, Okotoks



# **Alberta Lamb Producers 2018 Annual General Meeting Business Meeting Agenda**

Welcome and Introductions

Approval of the Agenda

Acceptance of 2017 Zone Meeting Minutes

Financial Statements for 2017-2018

ALP Operational Budget 2018-2019

Director Nominee Speeches

Your Check-off at Work: 2017/18 Review

Looking Forward

Table Discussions

Zone Resolutions 2018

Adjournment of ALP AGM

**Thank you for attending and for your support of ALP!**



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Greetings from the Chair:

It is with pleasure that I welcome each of you here today. I am grateful that you have taken the time to come out and support your industry, to have your voice heard and shape the future of our organization.

This has been a year of change and as such we have had a few bumps in the road. Robyn Moore, our Executive Director, was married during the summer resulting in her moving to Southern Alberta. We would like to acknowledge how valuable of a resource she was to ALP. She was fantastic at her job and our new ED has some big boots to fill, but I am sure she's up to the task. We had some transition over the summer and Robyn again came to the rescue to help ALP, showing her true commitment to our organization. Words can't express how grateful I was for her help. We wish her all the best as she embarks on her new journey!

I would like to welcome our new ED Michele Rosenthal. She has only been with us since the beginning of October but has worked hard to get up to speed. I know you will all find her very pleasant to work with.

I would also like to extend my extreme gratitude to Beth Kyle, our Project Administrator. Beth is humble, steadfast, and a pleasure to work with. Much of the planning and organizing of today's event fell on her shoulders at the last minute. She has also stepped up to help train Michele, working extra hours to try and pull everything together for our AGM.

We changed things up a little this year; this is the first time we have had mail-in voting, and as I said earlier there have been bumps in the road, (you have to appreciate a good old-fashioned mail strike). We also appreciate that some of you may have lost your ballots as they were tucked in the pages of the Newsletter. We will try and come up with a solution to the problem for next year. We may not have everything perfect at this point, but hopefully, with your input and suggestions we can come up with something that works well. If you have some ideas that will help make next year's AGM better please feel free to connect with any of the directors throughout the day and share your ideas.

We completed our animal welfare project this year and the response to the neonatal lambing kits was overwhelming. Producers were very excited about the kits, and no doubt they have been put to good use. Again I apologize to those that had to wait for kits but we had a far bigger

**"Alberta lamb: leading in quality and innovation.  
Growing a profitable industry together."**

response than we expected. I hope we will be able to offer educational tools in the future that will be as well received. Keeping more lambs alive is a good thing for all producers.

As we move into the coming year we will be creating a new strategic plan so it is important if you have concerns or ideas to share them with a director or make a resolution during the AGM. While we can't do everything, we try and focus on what we believe to be the big picture. Sometimes we get it right and sometimes we don't, but I will guarantee that we will do better with your input. Just as every idea we implement on our farms doesn't work out, every idea we try here may not work either but we strive to learn from our errors and do better.

I hope as we move through the day you will find value in the speakers we have invited to share their knowledge with you.

Have fun and enjoy your day!

Sincerely,

Darlene Stein, ALP Chair  
RR2  
Barrhead, AB T7N 1N3  
Ph: 780-674-3732

**"Alberta lamb: leading in quality and innovation.  
Growing a profitable industry together."**

## **Alberta Lamb Producers Fall Round Up: Zones 1, 2, 3 November 18, 2017. Ramada Hotel, High River, AB**

The meeting was opened at 10:05 am with 20 attendees, 12 eligible producers.

**1. Motion: To adopt agenda as presented.**

Motion: Ian Sword. Seconded: Brett Prince. Carried.

**2. Motion: To approve the 2016 Zone 1/2 meeting minutes as amended.**

There is a typo of a producer's last name in the Resolutions.

Motion: Rick Neville. Seconded: Heather Nelson. Carried.

**Motion: To approve the 2016 Zone 3/4 meeting minutes as presented.**

Motion: Kathleen Raines. Seconded: Shannon Punkert. Carried.

**3. Presentation of ALP Annual Report**

Darlene Stein and Neil Caskey presented the ALP Annual Report.

**4. Alberta Lamb Producers Financial Statements**

Neil Caskey presented ALP audited financial statements.

Note: The audited statements include all the funding money that has flowed through ALP during the year. The year-end bank balances include the restricted project funds received but not expended.

**Motion: That the 2016/17 Financial Statements of Alberta Lamb Producers be approved as presented.**

Motion: Brett Prince. Seconded: Lottie Longeway. Carried.

The firm Blakely Chartered Accountant of Airdrie, was moved to perform the 2016/17 Alberta Lamb Producers audit at last year's AGM. Unfortunately, Clay's business has changed and he could no longer keep us as a client. The ALP board appointed King and Company Chartered Accountant in Edmonton as the 2016/17 auditor. King and Company audits other agricultural organizations under the Marketing of Agricultural Products Act, including Alberta Pork, Alberta Turkey, and Alberta Chicken. Marketing Council was informed of this change.

**Motion: That the 2017/18 Financial Statements of the Alberta Lamb Producers be audited by King and Company Chartered Accountant.**

Motion: Heather Nelson. Seconded: Brett Prince. Carried.

**5. Alberta Lamb Producers budget 2017/18** was presented by Neil Caskey. This document excludes all project funding so is more representative of how ALP has used and proposes to use check off dollars.

**6. Election of Zone directors**

**Zone 1:** No nominations were received prior to the meeting so the position remains vacant.

**7. Discussions at focus groups:**

- Interprovincial trade barriers
- image of the lamb industry especially to other livestock producers
- predation
- visibility of ALP
- getting people to understand the value of check-off
- increasing credibility with government, traceability
- more hands on education
- processor access
- more vets who know sheep.
- increasing visibility of ALP and resources at auction marts
- promoting that it is not just a hobby but it is a viable industry
- new entrance programs
- reducing regulatory burdens to grow current operations
- producers would like to see a form letter that they can print off and sign to submit to their MLAs on the sheep specialist position and one to their MPs on the interprovincial trade issue. They would also like ALP to conduct an online survey that they can digitally sign for ALP to submit letters on their behalf on these issues.

**8. Resolutions:**

**2017 Resolutions:**

Motion: To advocate for a Sheep Specialist in Alberta Agriculture and Forestry.

Motion: Kathleen Raines. Seconded: Lottie Longeway. Carried.

Motion: To continue to advocate for the removal of interprovincial trade barriers.

Motion: Rick Neville. Seconded: Brett Prince. Carried.

9. Adjournment was proposed by Shannon Punkert at 12:12 pm.

**Approval of Minutes:**

Neil Caskey, Zone 3 Director

Date: Feb 7, 2018

**Approval of Minutes:**

Darlene Stein, Zone 6 Director

Date: Feb 7, 2018

## **Alberta Lamb Producers Fall Round Up: Zone 4, 5 and 6 November 18, 2017. Ramada Inn, Camrose, AB**

The meeting was opened at 10:00 am with 30 attendees.

**1. Motion: To adopt agenda as presented.**

Motion: Patric Lyster. Seconded: Bas Van Oeveren. Carried.

**2. Motion: To approve the 2016 Zone 4 meeting minutes as presented.**

Motion: Patric Lyster. Seconded: Dean Hjelte. Carried.

**Motion: To approve the 2016 Zone 5 meeting minutes as presented.**

Motion: Greg Sebree. Seconded: Jim Davis. Carried.

**Motion: To approve the 2016 Zone 6 meeting minutes as presented.**

Motion: Ambrose Mannhart. Seconded: Cathy Tipper. Carried.

**3. Presentation of ALP Annual Report**

Erin Yaremko presented the ALP Annual Report.

**4. Alberta Lamb Producers Financial Statements**

Erin Yaremko presented ALP audited financial statements.

Note: The audited statements include all the funding money that has flowed through ALP during the year. The year-end bank balances include the restricted project funds received but not expended.

**Motion: That the 2016/17 Financial Statements of Alberta Lamb Producers be approved as presented.**

Motion: Cathy Tipper. Seconded: Lorna Gibson. Carried.

Notes:

- Refunds are claimed by 3% of producers and total 10% of check off. New legislation to make check-off refunds non-refundable is in place, but it will be at least 2 years until it is in effect.
- Question about on-line voting. Answer: This was requested by ALP, but was declined and is not currently allowed. Mail-in voting is expensive and hard to regulate. It would involve each producer downloading a ballot, printing and mailing back to ALP.
- Discussed changes in expenses relating to N'ewesletter, Directors and advertising.

The firm Blakely Chartered Accountant of Airdrie, was moved to perform the 2016/17 Alberta Lamb Producers audit at last year's AGM. Unfortunately, Clay's business has changed and he could no longer keep us as a client. The ALP board appointed King and Company Chartered Accountant in Edmonton as the 2016/17 auditor. King and Company audits other agricultural organizations under the Marketing of Agricultural Products Act, including Alberta Pork, Alberta Turkey, and Alberta Chicken. Marketing Council was informed of this change.

**Motion: That the 2017/18 Financial Statements of the Alberta Lamb Producers be audited by King and Company Chartered Accountant.**

Motion: Greg Sebree. Seconded: Dean Hjelte. Carried.

5. **Alberta Lamb Producers budget 2017/18** was presented by Erin Yaremko. This document excludes all project funding so is more representative of how ALP has used and proposes to use check off dollars.

6. **Election of Zone directors**

**Zone 4:** No nominations were received prior to the meeting, so the position remains vacant.

7. **Discussions at focus groups:**

- Price discrepancies between breeds of sheep. There is a \$0.15 difference between hair and wool breeds at SunGold.
- Grants should be made available to help new people getting into sheep. Feeder associations are not getting involved with sheep.
- Traceability: Government is not supportive, slaughter and auction not enforced, credit on tags of lambs that die.
- Small producers are not expanding because they do not see opportunities for profit.
- Not enough ALP directors.
- Check-off not to be refundable.
- Wool producers not getting their 25% from CCWG for their wool.
- Storage of the wool after delivery is a problem (damage/degradation occurring due to storage time).
- Sheep industry needs to 're market' itself: ads in cattle magazines; holistic, organic
- Invite people who are interested in sheep to your farm. Tours/Mentors in newsletters.

8. **Resolutions:**

**2017 Resolutions:**

Motion: ALP to look into the storage of wool at depots and investigate late cheques from CCWG to producers.

Motion: Bas Van Oeveren. Seconded: Yvette Gillam. Carried.

Motion: ALP to investigate ways to promote the industry (e.g. holistic groups).

Motion: Dean Hjelte. Seconded: Bas Van Oeveren. Carried.

Motion: ALP to develop mentorship opportunities for sheep producers (e.g. farm visits).

Motion: Lorri Lyster. Seconded: Jim Davis. Carried.



Motion: ALP to investigate price differences between breeds (i.e. hair vs wool) in rail price at SunGold.

Motion: Val Sebree. Seconded: Patric Lyster. Carried.

Motion: ALP to investigate different voting options.

Motion: Bas Van Oeveren. Seconded: Yvette Gillam. Carried.

9. Adjournment was proposed by Patric Lyster at 12:35 pm.

**Approval of Minutes:**

Erin Yaremko, Zone 5 Director

Date: February 8, 2018

## **Alberta Lamb Producers Fall Round Up: Zone 7 November 4, 2017. Rycroft, AB**

The meeting was opened at 10:14 am with 9 attendees, 7 eligible producers.

**1. Motion: To adopt agenda as presented.**

Motion: Don Johnston. Seconded: Lisa Hehr. Carried.

**2. Motion: To approve the 2016 Zone 7 meeting minutes as presented.**

Motion: Bill Mortland. Seconded: Tom Gloor. Carried.

**3. Presentation of ALP Annual Report**

Lianne Read presented the ALP Annual Report.

Question about asset difference between 2016 and 2017. Answer: Related to pregnancy project deferment.

Question regarding CSF expenses in 2017. Answer: Carry over from previous year obligations.

**4. Alberta Lamb Producers Financial Statements**

Lianne Read presented ALP audited financial statements.

Note: The audited statements include all the funding money that has flowed through ALP during the year. The year-end bank balances include the restricted project funds received but not expended.

**Motion: That the 2016/17 Financial Statements of Alberta Lamb Producers be approved as presented.**

Motion: Bob Mortland. Seconded: Sherry Mortland. Carried.

The firm Blakely Chartered Accountant of Airdrie, was moved to perform the 2016/17 Alberta Lamb Producers audit at last year's AGM. Unfortunately, Clay's business has changed and he could no longer keep us as a client. The ALP board appointed King and Company Chartered Accountant in Edmonton as the 2016/17 auditor. King and Company audits other agricultural organizations under the Marketing of Agricultural Products Act, including Alberta Pork, Alberta Turkey, and Alberta Chicken. Marketing Council was informed of this change.

**Motion: That the 2017/18 Financial Statements of the Alberta Lamb Producers be audited by King and Company Chartered Accountant.**

Motion: Bob Mortland. Seconded: Don Johnston. Carried.

**5. Alberta Lamb Producers budget 2017/18** was presented by Lianne Read. This document excludes all project funding so is more representative of how ALP has used and proposes to use check off dollars.

**6. Election of Zone directors**

**Zone 7:** No election was held as Lianne Read was the only producer nominated and was granted the position by acclamation.

**7. Discussions at focus groups:**

- Discussion on 'From the Chair' message in N'ewesletter regarding: NSN, CSF, traceability, subsidies in other provinces. These issues are important; need easily accessible information about them. Discussed importance of a national organization with separate check-off.
- Discussion regarding relationships among Alberta Sheep groups and other provincial and National programs. Want a list of all organizations related to sheep.
- Discussion regarding wool pick-up. CCWG/John is not obligated to pick up wool on farm. Producers need to take initiative.
- Does check-off on wool only (vs ear tag check off) make you an eligible producer and able to vote at meetings?
- Discussion on Alberta Lamb branding. Can all lambs be branded as Alberta Lamb?
- Discussion on marketing: trucking, auction marts, etc.
- Predation control: lobby government for compensation for coyotes; make damage permits year round (number of coyotes caught under permits); phone out about coyote predation.

**8. Resolutions:**

**2017 Resolutions:**

Motion: ALP to lobby government for compensation for coyote and raven losses.  
Motion: Phil Kolodychuk. Seconded: Sherry Mortland. Carried.

Motion: ALP to lobby for year-round permits for trapping for predator control.  
Motion: Tom Gloor. Seconded: Lisa Hehr. Carried.

Motion: ALP to look into supporting predator control workshops.  
Motion: Lisa Hehr. Seconded: Phil Kolodychuk. Carried.

**9.** Adjournment was proposed by Bill Mortland at 1:43 pm.

**Approval of Minutes:**

Lianne Read, Zone 7 Director

Date: February 7, 2018

## **Resolutions 2017/2018**

***These are the ALP Board of Director's responses to resolutions made at the 2017 Fall Meetings for the 2017/2018 year. For more information contact an ALP Director.***

### **Zones 1/2/3**

1. To advocate for a Sheep Specialist in Alberta Agriculture and Forestry.

When the previous Sheep Specialist announced her retirement, ALP wrote a letter to the Minister of Agriculture requesting the position be re-hired. In a response back, the Minister indicated that all vacancies are evaluated with consideration to their budget. We also asked other large stakeholders in the industry to write a letter to the Minister. The ALP Chair had the opportunity to discuss the position with the Minister in a face-to-face meeting. We will continue to advocate for the Sheep Specialist position but also encourage producers to write letters to their MLAs advocating for the position.

2. To continue to advocate for the removal of interprovincial trade barriers.

The Canadian Free Trade Agreement (CFTA) is an intergovernmental trade agreement signed by Canadian Ministers that entered into force on July 1st, 2017. Through our membership with the Canadian Federation of Agriculture, we will continue to advocate for the removal of interprovincial trade barriers that negatively affect the lamb industry.

### **Zones 4/5/6**

1. ALP to look into the storage of wool at depots and investigate late cheques from CCWG to producers.

In January 2018, ALP wrote a letter on this topic to CCWG and spoke with the GM of CCWG Lethbridge, Jim Burdett. He said that he would pursue the issue.

2. ALP to investigate ways to promote the industry (e.g. holistic groups).

ALP is constantly promoting the sheep industry. Brochures and educational resources have been circulated at auction marts and CCWG. An ALP video was shown at the 2018 Alberta Forage Industry Network AGM and promotional items were included at the Ladies Livestock Lessons, AFAC Livestock Care Conference, Farm Women's Day Conference, among others. ALP also has displays at a variety of events around the province including, Calgary Stampede, Lethbridge Aggie Days,

Lloydminster Colonial Days, Vermillion Fair, among others ALP will investigate putting more sheep articles in local newspapers.

3. ALP to develop mentorship opportunities for sheep producers (e.g. farm visits).

This is a common request and has been discussed by the Board for many years. ALP will not be arranging mentorship opportunities for producers like farm visits. While ALP acknowledges the many benefits of mentorship, producers are able to make personal connections with other producers on their own. ALP events always include ample breaks to allow producers to network. A formal mentorship program run by ALP exposes the organization to liability risks, requires ALP to police sheep producers, and promote some producers over other producers. ALP has many resources for producers available online, including management modules, fact sheets, videos on YouTube, and webinars for support and continuing education.

4. ALP to investigate price differences between breeds (i.e. hair vs wool) in rail price at SunGold.

The difference in price between hair sheep and wool sheep is due to the lack of ability to salvage the hides of hair sheep. Wool sheep hides can be marketed while hair sheep hides have to be disposed of. ALP cannot interfere with the operations or business decisions of private businesses like SunGold Specialty Meats. Producers have the choice of what breeds of sheep they keep and where they market their lambs.

5. ALP to investigate different voting options.

ALP originally pursued having electronic voting as part of the new regulations in 2016. However, Alberta's Marketing Council will not allow electronic voting for any commissions at this time. A larger crop commission is running a pilot program on electronic voting and based on those results, Marketing Council may decide to allow electronic voting for commissions in the future. ALP will continue to investigate options as they become available.

## **Zone 7**

1. ALP to lobby government for compensation for coyote and raven losses.

*Please note: This resolution was re-opened for discussion by the ALP Board. The response below has been revised from the original.*

Coyote and raven losses cause financial stress to affected sheep producers and inhibit the growth of the sheep industry in Alberta. Currently, losses resulting from these predators are not covered under Alberta's predator compensation program.



ALP is investigating predation management programs in other provinces, many of which do include compensation for coyote and raven losses provided there is evidence preventative strategies have been implemented.

ALP will further investigate details regarding other provincial programs, and communicate with the Government of Alberta regarding potential opportunities for changes to the current predator compensation program.

2. ALP to lobby for year-round permits for trapping for predator control.

A trapping licence is required in Alberta and trappers are required to follow regulations as outlined in the Alberta Trapping Regulations. Trapping regulations exist in Alberta for many reasons including humane reasons, for the stewardship of wildlife resources, and environmental impacts. Regulations and seasons exist for all species; for coyotes, trapping in all zones in 2017-2018 was allowed from October 1 to February 28. Coyotes may be hunted (but not trapped), without a licence, at all times of the year throughout the province on private land.

3. ALP to look into supporting predator control workshops.

ALP has a management module available on the website called "Predation Management with a Focus on Coyotes". It is available online for free or a hard copy can be ordered for \$25. ALP is planning a webinar on predation.

*Your Check off dollars at work*

***“Alberta Lamb Producers is a dynamic partner in building a sustainable, thriving industry for sheep producers”***

The check-off you pay is your investment in your industry; it provides for the operational expenses, communications and advocacy from ALP. In addition, it enables the organization to obtain funding and manage industry development projects. From providing management resources to promoting the lamb you produce, ALP gives you a great return on your investment.

**Advocacy**

Above all, ALP enables the sheep industry and its producers to have a voice, to be at the table when decisions are being made and to encourage the development and success of the industry.

Recent advocacy efforts include:

- Bighorn Sheep Management Plan
- Investigation of predation programs
- External committees, e.g. Alberta Farm Animal Care
- Consultation in research and development
- Chops and Crops
- National Sheep Network: Communication and collaboration with government and industry stakeholders regarding national issues: e.g. Business Risk Management Programs, national animal health/biosecurity program.  
New NSN website coming soon: [www.nationsheepnetwork.com](http://www.nationsheepnetwork.com)

**2017/18 Projects: Welfare Program Delivery Agent (Growing Forward 2)**

Development of educational materials and resources:

- Total project \$83,650
- Activities were completed between June 2016 and January 2018
- Resources include: fact sheets, posters, neonatal lamb management kits, 2018 calendar
- 22 new videos on ALP’s YouTube channel SheepCentralAlberta
- Eight webinars: handling, lambing management, nutrition, euthanasia, etc.
- ‘Optimizing Lamb Performance’: Producer meeting with Lesley Stubbings, sheep industry consultant.
- On-Farm Euthanasia Workshops: Sheep simulators, CASH guns, and the print manual were purchased. Three workshops were held in Olds, Stony Plain, and Lethbridge.

**Canadian Agricultural Partnership**

In March 2018, the Growing Forward 2 (GF2) funding initiative was completed. The Canadian Agricultural Partnership, a new 5-year Federal-Provincial-Territorial agricultural policy framework, officially began in April 2018 with new programs opening through the summer and fall. Certain Partnership programs are available to agricultural commissions, such as Alberta Lamb Producers. In the coming months, ALP will be actively working to secure funding under the Partnership, to ensure the sheep industry benefits from this opportunity.

**Research**

Research and development provide on-going improvements to sheep production, and

collaboration between industry and researchers facilitates these advances. ALP has an important role in setting research priorities and directing research funds. Industry endorsement helps researchers secure funding by validating the significance of their projects to the sheep industry. Industry financial contributions can be further leveraged to ensure projects are adequately funded. Research into sheep production in Alberta happens, in part, because of the support and endorsement of producers through ALP. A few of these projects include:

- Improved accuracy in diagnosing pregnancy and predicting litter size at early ewe gestation: Metabolomics analyses for pen-side kit development: Dr. Susan Markus.
- Incidence and characterization of feedlot lambs and ewe flock lameness in Alberta: Dr. Karen Schwartzkopt-Genswein and Dr. Wiolene Nordi.
- Investigating and mitigating the emergence of *Haemonchus contortus* as a major pathogen of Western Canadian sheep: Dr. Michel Levy and Dr. John Gilleard.
- Reducing impacts of ergot alkaloids on performance of growing lambs: Dr. Kim Stanford.

## **Communications**

Ensuring producers have the information they need to make informed decisions and promoting lamb to consumers, are important roles for ALP. Communications are provided through:

**Websites:** [www.ablamb.ca](http://www.ablamb.ca) provides free access to production resources, industry links, events and contacts, free classified ads for producers.

[www.albertalamb.ca](http://www.albertalamb.ca) is specially designed for consumers, to connect the public with local Alberta lamb suppliers, as well as, nutritional information and recipes.

**N'ewesletter:** Quarterly publication. ALP works with industry experts to bring you relevant articles about sheep supply/marketing, animal health and welfare issues, and industry updates. Hard copies are mailed to producers who have purchased CSIP ear tags within the past three years and an e-version is available for free on [ablamb.ca](http://ablamb.ca). Alberta producers are eligible to submit free classified ads.

**N'ewesline:** Free email service that delivers timely information to your inbox.

**Marketline:** Sign up for free weekly email listing market prices in Alberta and Ontario.

**YouTube/sheepcentralalberta:** A wide variety of industry videos and webinars are available at [www.youtube.com/user/SheepCentralAlberta/](http://www.youtube.com/user/SheepCentralAlberta/)

**Facebook:** Follow ALP's Facebook account for industry information  
[www.facebook.com/AlbertaLambProducers/](http://www.facebook.com/AlbertaLambProducers/)

**Twitter:** [@ABLambProducers](https://twitter.com/ABLambProducers) is an account for producers to follow industry news and resources  
[@youralbertalamb](https://twitter.com/youralbertalamb) is an account for lamb consumers to follow recipes, cooking tips, and is a way for ALP to connect with the public and promote local lamb.

**Webinars:** Cost effective method of providing producers with expert advice on a variety of topics. Five live webinars were held in 2017/18, and recordings posted to YouTube.

**Fall meetings:** Three fall meetings were held in Fall 2017.

## **Industry promotion and support**

ALP continues to support industry events that promote the sheep industry, such as the Calgary Stampede. ALP is also a proud supporter of local sheep clubs and 4-H groups, providing donations, supplies, and attendance of events. Display materials and producer resources are available – make your request to the office or your director. This last year we provided over 1500 recipe cards and other materials including cut charts and other promotional items.

***Questions and input regarding ALP's activities are invited – please call your director or the office for a chat!***

**ALBERTA LAMB PRODUCERS**  
**Financial Statements**  
**Year Ended August 31, 2018**

**ALBERTA LAMB PRODUCERS**  
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**Year Ended August 31, 2018**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Alberta Lamb Producers

We have audited the accompanying financial statements of Alberta Lamb Producers, which comprise the statement of financial position as at August 31, 2018 and the statements of operations, changes in net assets 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 accounting standards for not-for-profit organizations, 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*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Alberta Lamb Producers as at August 31, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*King + Company*

Edmonton, AB  
October 11, 2018

CHARTERED ACCOUNTANTS

**ALBERTA LAMB PRODUCERS**  
**Statement of Financial Position**  
**As at August 31, 2018**

	2018	2017
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents <i>(Note 2)</i>	\$ 364,189	\$ 440,484
Accounts receivable	<u>26,547</u>	<u>17,053</u>
	390,736	457,537
<b>EQUIPMENT AND LEASEHOLD IMPROVEMENTS <i>(Note 3)</i></b>	<u>252</u>	<u>827</u>
	<b>\$ 390,988</b>	<b>\$ 458,364</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities <i>(Note 4)</i>	\$ 10,668	\$ 18,790
Deferred sponsorship revenue	3,750	-
Deferred contributions <i>(Note 5)</i>	<u>143,703</u>	<u>215,442</u>
	<u>158,121</u>	<u>234,232</u>
<b>COMMITMENT <i>(Note 8)</i></b>		
<b>NET ASSETS</b>		
Invested in equipment and leasehold improvements	252	827
Internally restricted <i>(Note 6)</i>	52,219	50,461
Unrestricted	<u>180,396</u>	<u>172,844</u>
	<u>232,867</u>	<u>224,132</u>
	<b>\$ 390,988</b>	<b>\$ 458,364</b>

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ *Director*

\_\_\_\_\_ *Director*

**ALBERTA LAMB PRODUCERS****Statement of Operations****Year Ended August 31, 2018**

	2018	2017
<b>REVENUE</b>		
<u>Checkoff</u>		
Sheep	\$ 192,737	\$ 183,435
Wool	4,773	4,892
	<u>197,510</u>	<u>188,327</u>
<u>Other</u>		
Advertising	10,378	11,921
SheepBytes	8,921	7,162
Expense recoveries	3,043	4,268
Interest	705	737
Manuals, programs and courses	19	24
	<u>23,066</u>	<u>24,112</u>
Grants (Note 5)	88,389	65,232
	<u>308,965</u>	<u>277,671</u>
<b>EXPENSES</b>		
<u>Advocacy</u>		
Regional development	12,408	10,502
Industry liaison	11,025	10,099
CSF fees and expenses	-	3,847
	<u>23,433</u>	<u>24,448</u>
<u>Extension</u>		
Newsletter	28,887	26,159
SheepBytes	3,758	1,821
AFAC	3,293	3,821
Advertising and promotion	-	7,309
Education	-	1,565
	<u>35,938</u>	<u>40,675</u>
<u>Operating</u>		
Salaries and benefits	88,954	90,539
Directors (Note 7)	22,544	19,643
Administration and communications	8,946	12,511
Audit and legal	8,700	8,700
Zone meetings	3,523	4,059
Insurance	2,342	2,303
Amortization of equipment and leasehold improvements	575	375
	<u>135,584</u>	<u>138,130</u>
Grants	88,535	90,492
Checkoff refunds	16,740	11,570
	<u>300,230</u>	<u>305,315</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>\$ 8,735</b>	<b>\$ (27,644)</b>

**ALBERTA LAMB PRODUCERS**  
**Statement of Changes in Net Assets**  
**Year Ended August 31, 2018**

	Invested in Equipment and Leasehold Improvements	Internally Restricted (Note 6)	Unrestricted	<b>2018</b>	2017
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 827	\$ 50,461	\$ 172,844	\$ <b>224,132</b>	\$ 251,776
Excess (deficiency) of revenue over expenses	(575)	5,163	4,147	<b>8,735</b>	(27,644)
Transfers	-	(3,405)	3,405	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ 252	\$ 52,219	\$ 180,396	\$ <b>232,867</b>	\$ 224,132

**ALBERTA LAMB PRODUCERS****Statement of Cash Flows****Year Ended August 31, 2018**

	<b>2018</b>	<b>2017</b>
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$ 8,735	\$ (27,644)
Item not affecting cash:		
Amortization of equipment and leasehold improvements	<u>575</u>	<u>375</u>
	<u>9,310</u>	<u>(27,269)</u>
Changes in non-cash working capital:		
Accounts receivable	(9,494)	1,623
Deposits	-	21,570
Accounts payable and accrued liabilities	(8,122)	2,033
Deferred revenue	3,750	-
Deferred contributions	<u>(71,739)</u>	<u>187,342</u>
	<u>(85,605)</u>	<u>212,568</u>
<b>INCREASE (DECREASE) IN CASH</b>	<b>(76,295)</b>	<b>185,299</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b><u>440,484</u></b>	<b><u>255,185</u></b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b><u>\$ 364,189</u></b>	<b><u>\$ 440,484</u></b>



# ALBERTA LAMB PRODUCERS

## Notes to Financial Statements

Year Ended August 31, 2018

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### NATURE OF OPERATIONS

Alberta Lamb Producers (the "Organization") is a producer supported organization that operates under regulation of the Marketing of Agricultural Products Act of the Province of Alberta. Its mandate is the promotion and enhancement of the sheep and wool industry in Alberta.

## 1. SIGNIFICANT ACCOUNTING POLICIES

### Basis of Presentation

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

### Revenue Recognition

The Organization follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

### Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

### Cash and Cash Equivalents

Cash and cash equivalents is comprised of cash held with financial institutions and cashable short-term investments with minimal interest rate risk.

### Equipment and Leasehold Improvements

Equipment and Leasehold Improvements are stated at cost less accumulated amortization. Equipment and Leasehold Improvements are amortized over their estimated useful lives at the following rates and methods:

Office equipment	20%	declining balance method
Computer equipment	30%	declining balance method
Leasehold improvements	20%	declining balance method

The Organization regularly reviews its equipment and leasehold improvements to eliminate obsolete items. Government grants are treated as a reduction of equipment and leasehold improvements cost.

*(continues)*

# ALBERTA LAMB PRODUCERS

## Notes to Financial Statements

Year Ended August 31, 2018

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### 1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Contributed Services

The operations of the Organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

#### Measurement Uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

### 2. CASH AND CASH EQUIVALENTS

	<u>2018</u>	<u>2017</u>
<b>Unrestricted</b>		
Guaranteed investment certificates	\$ 102,642	\$ 102,230
Cash	<u>65,625</u>	<u>72,351</u>
	<u>168,267</u>	<u>174,581</u>
<b>Internally Restricted</b>		
Cash for producer education	30,423	31,215
Cash for SheepBytes	18,796	16,246
Cash for Sheep Centre	<u>3,000</u>	<u>3,000</u>
	<u>52,219</u>	<u>50,461</u>
<b>Externally Restricted</b>		
Cash for pregnancy research project grant	143,703	163,774
Cash for Growing Forward 2 grant	<u>-</u>	<u>51,668</u>
	<u>143,703</u>	<u>215,442</u>
<b>Grand Total</b>	<u>\$ 364,189</u>	<u>\$ 440,484</u>

Guaranteed investment certificates have maturity dates between February and March 2019 with interest rates between 0.55% and 1.90% (2017 - 0.55%).

## ALBERTA LAMB PRODUCERS

### Notes to Financial Statements

Year Ended August 31, 2018

#### 3. EQUIPMENT AND LEASEHOLD IMPROVEMENTS

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Office equipment	\$ 4,494	\$ 4,242	\$ 252	\$ 376
Computer equipment	3,715	3,715	-	356
Leasehold improvements	2,154	2,154	-	95
	<u>\$ 10,363</u>	<u>\$ 10,111</u>	<u>\$ 252</u>	<u>\$ 827</u>

#### 4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2018	2017
Operations	\$ 8,702	\$ 10,273
Goods and services tax	1,966	3,308
Salaries	-	2,843
Source deductions	-	2,366
	<u>\$ 10,668</u>	<u>\$ 18,790</u>

#### 5. DEFERRED CONTRIBUTIONS

Deferred contributions represent restricted operating funding received in the current year that is related to subsequent periods. The following is a summary of the changes for the period ending August 31:

	2018	2017
Balance, beginning of year	\$ 215,442	\$ 28,100
Contributions received	16,650	252,574
Recognized as revenue	(88,389)	(65,232)
	<u>\$ 143,703</u>	<u>\$ 215,442</u>

Deferred contributions are comprised of:

Pregnancy research project	\$ 143,703	\$ 163,774
Growing Forward 2	-	51,668
	<u>\$ 143,703</u>	<u>\$ 215,442</u>

## ALBERTA LAMB PRODUCERS

### Notes to Financial Statements

Year Ended August 31, 2018

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#### 6. INTERNALLY RESTRICTED NET ASSETS

The board of directors has internally restricted net assets for the following purposes:

	<u>2018</u>	<u>2017</u>
Producer Education	\$ 30,423	\$ 31,215
SheepBytes	18,796	16,246
Sheep Centre	<u>3,000</u>	<u>3,000</u>
	<u>\$ 52,219</u>	<u>\$ 50,461</u>

#### 7. RELATED PARTY TRANSACTIONS

During the year, the Organization paid fees and reimbursed expenses to directors totaling \$22,544 (2017 - \$19,643).

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

#### 8. COMMITMENT

In 2002, the Organization signed an agreement (along with other provincial sheep associations) which permits the Canadian Sheep Federation to administer the Canadian Sheep Identification Program. The purpose of this agreement is to govern the distribution and sale of approved tags to sheep producers across Canada. Alberta Lamb Producers has contracted with the Canadian Co-Operative Wool Growers Ltd. to act as exclusive distributor and agent of the approved tags in Alberta. The agreement is automatically renewed every year unless the contract is renegotiated or terminated by either party.

#### 9. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of August 31, 2018.

##### Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk from customers. In order to reduce its credit risk, the Organization reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Organization has a significant number of customers which minimizes concentration of credit risk.

The corporation's accounts receivable are exposed to credit risk as the majority of receivables are from entities that conduct their business within the same industry.

#### 10. COMPARATIVE FIGURES

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

ALP budget 2018/19

	A	B	C	D
1	Alberta Lamb Producers Operations Budget			
2	<b>excluding all external project funding</b>			
3		<b>Budget</b>	<b>Budget</b>	
4		<b><u>2017-18</u></b>	<b><u>2018-19</u></b>	<b>Notes</b>
5				
6	<b>Revenue</b>			
7	<b>Check off - sheep</b>	\$ 185,000	\$ 170,000	
8	<b>Check off - wool</b>	\$ 5,500	\$ 4,500	
9	Newsletter Advertising	\$ 12,000	\$ 12,000	
10	Recoveries	\$ 1,500	\$ -	
11	Interest	\$ 100	\$ -	
12	Manuals, programs and courses		\$ -	
13	SheepBytes - ALP income	\$ 100	\$ 1,000	ALP receives 20% admin fee from SB subscriptions from AB
14	Transfer from reserves*	\$ 26,600	\$ 38,750	To balance budget
15			\$ -	
16	Sponsorship (NEW)	\$ -	\$ 6,000	
17	Refunds from Government	\$ -		
18	GF2 Funding	\$ -		
19		<b>\$ 230,800</b>	<b>\$ 232,250</b>	
20				
21	<b>Expenses</b>			
22	<b>Advocacy</b>			
23	CSF fees and expenses	\$ -	\$ -	
24	other CSF exp	\$ -	\$ -	
25	Industry support	\$ 5,000	\$ 5,000	CFA and CgFARAD
26	Industry liaison (govt&ind)	\$ 15,000	\$ 15,000	
27	Promotion	\$ 500	\$ 500	
28	Regional funds + 4-H	\$ 4,500	\$ 4,500	\$500 x 7 directors + \$1000 4-H
29	Industry events incl.Symposium	\$ 500	\$ 1,200	Symposium in 2019
30	Chops and Crops	\$ 4,000	\$ -	
31	AGM	\$ -	\$ 15,000	
32				
33	<b>Alberta Lamb</b>	\$ 1,000	\$ 1,000	Calgary Stampede
34				
35				
36				
37				
38				

ALP budget 2018/19

	A	B	C	D
39	<b>Extension</b>			
40	Newsletter	\$ 25,000	\$ 25,000	
41	Newsletter ads commission	\$ 2,500	\$ 2,500	Newsletter costs supported by advertising revenue
42	Industry Research	\$ 5,000	\$ 5,000	
43	Alberta Farm Animal Care	\$ 3,200	\$ 2,500	
44	AFAC membership	\$ 1,500	\$ 1,250	
45	SheepBytes ALP exp	\$ 300	\$ 300	Annual SB meeting
46				
47				
48	<b>Operating Expenses</b>			
49	Salaries & Wages	\$ 86,000	\$ 76,000	
50	Staff Devt	\$ 2,000	\$ 2,000	
51	Directors expenses	\$ 30,000	\$ 30,000	3 meetings + annual 2x per diem+ director devt training
52	Audit & legal	\$ 9,500	\$ 9,500	
53	Admin & communications	\$ 11,000	\$ 11,000	Websites/internet/fax/postage/bank
54	Insurance	\$ 2,300	\$ 2,500	Director/officer liability + comprehensive
55	Zone/AGM meeting expenses	\$ 8,000	\$ 5,500	Per diem, travel, hosting costs
56	Loss on disposal of assets			
57	Amortization			
58				
59	<b>Check off refunds</b>	\$ 14,000	\$ 17,000	
60				
61	Total expenses	\$ 230,800	\$ 232,250	
62	Excess of revenue over expenditures	\$ -	\$ -	
63				
64				
65	<b>For details of external project funding and restricted funds, see the audited financial reports.</b>			

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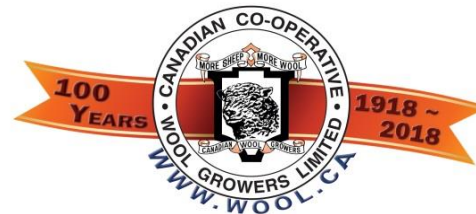


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