



From the Board:

Once again it is time to fill you in on the past year's activities as well as some of the more important issues and challenges in front of us. We continue to look for leaseholders who are willing to put in a little bit of time & effort on behalf of their organization to act as directors in a couple regions of the province. While we have had one new director step up to fill a vacancy, we still have one spot that remains open and some of us who have been here since the initial formation of AGLA are in need of replacement! This year we have decided to move out of the south to Central Alberta, so we chose Red Deer.

Sincerely,

Alberta Grazing Leaseholders Board of Directors

Annual General Meeting Notice

The 2015 Annual General Meeting of the Alberta Grazing Leaseholders Association will be held on February 18th, 2015 in the Santano Room at the Sheraton Hotel & Convention Center in Red Deer

Your AGLA Board

George Morrison* • Debolt
780.957.2594

Ed Curry* • Youngstown
403.779.2185

Darcy Wills* • Coutts
403.344.4312

Pat Rutledge* • Monitor
403.577.2382

Lanni Bristow • Heinsberg
780.943.2236

Larry Sears* • Stavely
403.549.2481

Terril Pierson • Wardlow
403.566.2348

James Hargrave* • Walsh
403.937.2128

Vacant

*Indicates term expires 2015



In This Issue

- Land Use Plans and Property Rights
- Endangered Species and Emergency Protection Order
- Royalty Rate and Assignment Fee Changes
- Administrative Help



AGLA Chairman's Report

Undoubtedly, 2014 will be remembered for a couple of very significant events: the winter that was rather tedious, cold and snowy, followed by a rising cattle market that achieved record prices that no one foresaw. Many parts of the province were blessed with moisture, while in some parts of the north, it continued to be quite dry. The grain markets took a breather this year on the heels of record production last year, but cattle & beef soared to new highs. A very lean supply in North America gave fundamental support to the prices as worldwide demand pulled us along more than experts projected. A year ago we hoped to see the Harmony Beef plant opening to provide a little more competition and narrow the basis; we are still waiting as regulatory & political hurdles continue to push back the opening. While WTO has delivered a pretty clear message on MCool, this present U.S. administration will do all it can to curry favor with its supporters...the same is true with the Keystone pipeline. So it appears as if retaliatory tariffs will have to become much closer to reality before they make changes to suit Mexico & Canada.

Land Use Plans and Property Rights

It is difficult to understand and guess what is going to happen on these files, but we are hopeful that Premier Prentice will follow through on his promise to have property rights enshrined and to rescind some of the damaging top down legislation and regulation that could make our life much more difficult. It is encouraging to hear politicians acknowledging that there are problems with many of these bills, however we will take a wait and see attitude for changes being proposed. From a cynics perspective, we will assume that changing the direction the bureaucracy wants government to go will be a challenge. We must continue to insist on being not only involved, but consulted and listened to, because we are part of the productive segment of society that delivers the goods and services to the other segments of society.

ESRD has recently begun to consult and fine tune the North Saskatchewan Plan. This follows the development of the Lower Athabasca and South Saskatchewan plans. We hope that some of the same mistakes that were made with the previous two can be avoided with the next plan, but we are skeptical that the planners understand what the locals need and don't need. Top down, Central Planning has some significant drawbacks in terms of getting things right the first time...and in fact has a very unrealistic perspective of the issues on the ground. The "wants list" far exceeds the "needs list"!

2015 AGM Agenda

9:00 am Registration & Coffee

9:30 am Approval of Agenda & Chairman's Report – Larry Sears

9:45 am Treasurer's Report – James Hargrave

10:00 am Elections

10:30 am Coffee break

10:45 am Royalty Rate Proposal – Rod Simpson MNP

11:30 am ESRD Activity Update – Dan Smith & Amanda Miller ESRD

12:00 pm Questions & Resolutions

12:30 pm Adjournment



Larry Sears, Chairman

Endangered Species and the Emergency Protection Order

The folks in Southeast Alberta are being subjected to an unjustified loss of rights and burdened with totally ridiculous costs and regulations stemming from poorly written legislation and radical activists who would like to see mankind go backward in our endeavors to feed an ever growing world. This elitist attitude is becoming very tiresome & costly. While leaseholders have met with the federal Minister of Environment a couple of times, there does not appear to be a willingness to address the issue in a fashion that will be far more balanced than it is at present. The next two species under the Species At Risk Act (SARA) that could potentially negatively impact leaseholders are the Short-eared Lizard and a plant called Smooth Goosefoot. Neither of these species appear to have much significance in the big scheme of things except for a tool to allow "green" groups to fear monger, raise money & shut down industry. There is a significant imbalance of weighting towards the critters and against humans rights now that has the potential to get a bit worse before some corrections are made. Stateside, there is significant pressure to change their Endangered Species Act as well. The combined green lobby has hijacked a well intended piece of legislation to where it is costing the U.S. billions of dollars each year fighting lawsuits and complying with ridiculous regulations. With a little luck, economics will act as a catalyst for common sense changes on both sides of the border.

Royalty Rate & Assignment Fee Changes

Under the guidance of ESRD, industry was again consulted extensively over the summer and fall to develop a proposal that was acceptable to leaseholders and government. The goal was to come up with a formula that shared the risk in bad times and the rewards in good times between leaseholders and government. The basic elements of the proposed new Royalty Rate are:

- Elimination of Assignment Fees across the province. These range from \$100/A in the south to \$5/A in the north. Government agreed it was nothing but a tax.
- Royalty based on a grasser model where the leaseholder buys a 650# in the spring and sells an 850# in the fall. The profit margin is calculated after deducting the agreed on costs as well as a 7% profit over and above the cost of production.
- The province would be divided into two zones, the dividing line being Highway 16. There was acknowledgment that there could potentially be some additional costs operating in the north, so a bit lower rent was justified. This was the only solution for province wide acceptance at this time.

We commend the work of the department on this issue; it was a lengthy and occasionally frustrating exercise and they did a thorough job on presenting the facts and the data we needed to achieve a solution. Amanda, Dan & Rod have shown a great deal of determination on this file to get us to this point and to be able to present to us at our AGM. We hope that this is the consultative model they will continue to use as we work through other policy and regulatory changes.

AGLA will continue to lobby for changes to both regulations & policy that we feel will help insure that our operations are viable and profitable enough to be of interest to the next generation. Leaseholders provide goods & services to the province and the people of Alberta as well as helping to insure we have the resources and capability to feed the world. As one of the productive segments of society, it is important that our voice is both heard and understood. Many of us find that we do not have the capacity or desire to stand up and make our views and positions known, but we need only to think back to Bill 31 to understand how critical it is to have an effective lobby with government. While we are not privy to this government's intention on election timing or cabinet shuffles, we intend to continue to push for intelligent changes to regulations that have long outlived their usefulness as well as policy changes that insure our success. Alberta has some very large fiscal challenges in the coming year, so we expect there will be some changes that have perhaps been long overdue. The "shrinking" of government back to its "core" services should be a priority goal. If we as leaseholders can assist in achieving this, we will have accomplished something.

Administrative Help

The board has reached an agreement with Lindsye Dunbar to assist AGLA in managing the website, mailing list and much of the other work that your executive has struggled with for a while. Lindsye has broad experience in our industry. We welcome Lindsye aboard and look forward to a productive relationship.

Respectfully submitted,

Larry Sears, Chairman