

CHAIRMAN'S REPORT



Dear Fellow Producers,

It doesn't even seem like a year has gone by, and for me, even shorter since my term as chair began in December. Anyway, the year has been very eventful - for producers, the cash flow was not as good as in the past two years, but we saw some recovery in August. We hope that prices remain decent for the coming year.

One of the most significant and important actions your board was involved with was the World Trade Organization (WTO) trade negotiations. This was a once in a generation opportunity for the world's leading nations to put together a multilateral deal to liberalize trade as well as deal with the problem of trade distorting domestic subsidies and over quota tariffs. Unfortunately the talks collapsed, but we are hopeful that Canada will take a leadership role in attempting to get the talks underway once more.

Alberta Pork, together with Sask Pork, took out a joint membership with the Canadian Agri-Food Trade Alliance (CAFTA), the organization which represents Canadian producers and processors lobbying for freer trade throughout the world. With more than 50 percent of our pork being exported, we must keep trade access as a major focus. As well, our Alberta government is a huge proponent for more liberalized trade. I took part in two trips to Geneva, with other commodity groups and Agriculture Minister Doug Horner, to support the efforts to lobby the Federal government in negotiating a strong position for those who rely on trade.

Another major step, in the past year, was the completion of many months of hard work resulting in regulatory and operational reform of the Natural Resources Conservation Board (NRCB) and the Agricultural Operation Practices Act (AOPA). Many meetings with the Intensive Livestock Working Group (ILWG) and with government representatives finally brought a position of required changes to fruition at the end of July. This was the result of the recommendations to government by the George Cuff report released last fall. Hopefully, once all conditions are met, permitting for intensive livestock operations should move ahead much more efficiently. Still to be addressed this fall are some of the details in the actual operations and policies.

Another major problem for us in Alberta is the labour shortage issue. We have been lobbying government to speed up the applications for foreign workers to enter our province. Our competitiveness is in jeopardy when not enough labour is available.

A huge task for our staff was the re-registering and re-issuing of tattoos to all our producers. This was completed in July and seems to be working quite well. This is all part of the identification and traceability system which is being implemented nationally, led by a Canadian Pork Council committee, chaired by our former Vice-Chairman Dennis McKerracher.

I would like to express my sincere thank you to past Chairman Jack Moerman and Vice-Chairman Dennis McKerracher for their dedication to the pork industry through their work with Alberta Pork. Jack and Dennis continue to be advocates for the industry on other projects - Jack with the Alberta Livestock Industry Development Fund and Dennis with the National Identification and Traceability System. Unfortunately, the board had to also accept the resignation of Director Darryl Vandenburg in the spring as he was accepted to the Edmonton City Police Force. On behalf of Alberta Pork, we wish Darryl, Lynette and his family all the best with his new career choice. As we say goodbye to three valuable industry representatives, I would like to welcome Herman Simmons and Jaco Poot to the board table.

Congratulations to Ed Schultz for being named one of the 50 most influential people in Alberta by Alberta Venture Magazine. Over the course of the next year, Alberta Pork will be introducing a new General Manager. After 32 years in the role, Ed Schultz is planning to retire in mid-summer 2007.

In the spring, the Alberta Pork Board of Directors implemented a succession plan for the General Manager position. Paul Hodgman, currently Assistant General Manager, will succeed Ed as General Manager upon Ed's retirement. This was decided well in advance to allow for a smooth transition and a clear understanding for staff and other stakeholders of the transition that will occur.

As you will see in other parts of this annual report, there are many important issues we are continually dealing with. The staff and board give their best to deal with these issues.

It has been a real pleasure to serve as your chairman and it makes it more so when you deal with the wonderful and dedicated people that make up the board, delegates and staff. I wish a very successful year to all of you and may you be rich with God's blessings.

Sincerely,

Jurgen Preugschas



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