



PRINCE EDWARD ISLAND  
**CATTLE PRODUCERS**

3<sup>rd</sup> Annual Meeting  
Prince Edward Island Cattle Producers

March 31, 2010  
7:00 pm  
Farm Centre  
Charlottetown, PE

**PRINCE EDWARD ISLAND  
CATTLE PRODUCERS**



**3rd Annual Meeting  
March 31, 2010  
Farm Centre  
Charlottetown, PEI**

<b>President:</b>	<b>Peter Verleun</b>
<b>Vice-President:</b>	<b>Ivan Johnson</b>
<b>Secretary/Treasurer:</b>	<b>Brian Morrison</b>
<b>Directors:</b>	<b>Jamie Whalen Peter Walker Glen Jay</b>
<b>Ex Officio Member:</b>	<b>Ronnie MacWilliams</b>
<b>PEICP Staff:</b>	<b>Rinnie Bradley</b>
<b>VBP Staff:</b>	<b>Justin Lawless</b>

Annual Meeting Agendas  
For  
The Prince Edward Island Cattle Producers  
&  
The Prince Edward Island Cattlemen's Association  
Farm Centre, Charlottetown, PE  
March 31, 2010

**3<sup>rd</sup> Annual Meeting of the PEI Cattle Producers**

1. 7:00 Call to Order
2. Call for Additional Agenda Items
3. Approval of Agenda
4. Auditor's Report & Audited Financial Statements
5. Budget Presentation
6. Directors' Report
7. President's Report
8. Introduction of Newly Appointed Directors
9. Recognition of Retiring Director, Peter Walker
10. Call to Adjourn

**33<sup>rd</sup> Annual Meeting of the PEI Cattlemen's Association**

1. Call to Order
2. Call for Approval of Agenda
3. Approval of 32<sup>nd</sup> Annual General Meeting Minutes
4. Motion to Maintain the Association
5. Call to Adjourn

**Information Session (Following the Annual Meetings)**

Guest Speaker, Dr. Les Halliday, "Improving Returns at the Farm Gate"

You will find plenty of take-home information during this session as Les guides us through the various programs available to producers, and identifies many ways to reduce your costs on farm.

We will also provide an overview of Age Verification, Verified Beef Production, and a demonstration of RFID readers and more.

Following the presentations light refreshments will be served

**P.E.I. CATTLEMEN'S ASSOCIATION INC.**  
**MINUTES OF THE 32ND ANNUAL MEETING**  
**MARCH 9, 2009**  
**FARM CENTRE, CHARLOTTETOWN, PE**

**Call to Order**

The meeting was called to order by President Cameron MacDonald at 7:00 pm

**Call for Additional Agenda Items:** There were no additional items to be added to the agenda.

**Approval of Agenda**

<p><b>AGM Motion 1: It was moved and seconded that the agenda be approved.</b> <b>MOTION CARRIED.</b></p>
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**Minutes of 30th Annual Meeting**

Rinnie Bradley read the minutes of the 31<sup>th</sup> Annual Meeting.

<p>AGM Motion 2: It was moved/seconded the adoption of the minutes of March 7, 2008 with the change to the 31 AGM from the 30 AGM be approved. <b>MOTION CARRIED.</b></p>
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**Resolutions:** Cameron read the following resolution:

**WHEREAS:** The Prince Edward Island Cattlemen's Association Inc. (Association) is a corporation created under the *Companies Act (PEI)*; and

**WHEREAS:** The Association is no longer designated a commodity group under the *Natural Products Marketing Act* to represent the interests of Prince Edward Island cattle producers; and

**WHEREAS:** Cattle producers wish to maintain the Association as a company that can be used to represent Prince Edward Island cattle producers should the Prince Edward Island Cattle Producers Regulations be revoked or the Prince Edward Island Cattle Producers Board (Board) not represent the interests of Prince Edward Island cattle producers; and

**WHEREAS:** Cattle producers wish to appoint the directors and officers of the Prince Edward Island Cattle Producers as directors and officers of the Association until such time as producers, during a meeting of the Association, decide to appoint an independent board of directors to manage the affairs of the Association or to wind-up the Association;

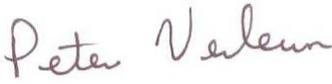
**THEREFORE, BE IT RESOLVED THAT:**

1. A meeting of the Association shall be held each year for the purpose of determining whether producers wish to establish an independent board of directors for the Association or to wind-up the Association.
2. Except as provided for in (3), the meeting of the Association shall be held in conjunction with an annual or special meeting of the Board.
3. Where at least 10% of the cattle producers registered with the Board submit a written request to the Board for a special meeting of the Association to discuss establishment of an independent board of directors for the Association or to discuss winding-up the Association, a meeting of the Association shall be held within thirty days of receipt of the written request.
4. Until such time as producers vote during a meeting of the Association to establish an independent board of directors for the Association or to wind-up the Association,
  - a. the members of the Prince Edward Island Cattle Producers Board who are elected or appointed in accordance with the Prince Edward Island Cattle Producers Regulations shall annually be appointed the directors of the Association; and
  - b. the officers of the Prince Edward Island Cattle Producers Board shall annually be appointed the officers of the Association.

<p><b>AGM Motion 3: It was moved and seconded that the resolution be approved as read.</b></p> <p style="text-align: right;"><b>MOTION CARRIED.</b></p>
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**Adjournment of Meeting:**

There being no other business, Jamie Whalen moved the meeting be adjourned at 7:25 pm.

President 

Secretary 

**PRINCE EDWARD ISLAND CATTLE PRODUCERS  
MINUTES OF THE 2ND ANNUAL MEETING  
MARCH 9, 2009  
FARM CENTRE, CHARLOTTETOWN, PE**

**Call to Order**

The meeting was called to order by Chairman Cameron MacDonald at 7:25 pm

**Approval of the Agenda:**

**AGM Motion 1: Darlene Sanford made a motion to approve the agenda.  
MOTION CARRIED.**

**Approval of the minutes of the 1<sup>st</sup> annual meeting of the PEI Cattle Producers.**

**AGM Motion 2: It was moved/seconded that the minutes of the 1<sup>st</sup> Annual  
meeting of the PEICP be approved as read. MOTION CARRIED.**

**Presentation of Financial Report:** Patrick Trainor from BFM Financial presented the Auditor's Report and said they fairly represented the financial activity of the PEICP for the past year.

**Presentation of the Budget:** Rinnie presented the budget that was printed in the AGM report.

**President's Report:** Cameron MacDonald presented his President's Report.

**Minister Address:** Minister Webster brought greetings from the province. He said the beef industry was an economic driver and that his department would work hard so it could survive. ABP had recorded a \$40,000.00 loss, its best month to date. He also said we need to find profits in the industry and to work together with the other Atlantic Provinces.

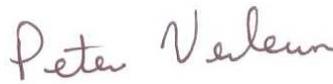
**Introduction of newly elected Board Members:** Jamie Whalen introduced new Directors; Peter Walker, representing Prince County, and Glen Jay; representing the industry at large.

**Recognition of Retiring Directors:** Brian Morrison recognized retiring Director Cameron MacDonald and thanked him for his dedication and service to the Island beef industry.

**Guest Speakers:** Peter Walker introduced our guest speakers John Duynisveld, AAFC who spoke on forages, and Scott Fife, Area Agronomist for Pioneer, Corn Silage

**Adjournment of Meeting:** There being no other business, Cameron MacDonald moved the meeting be adjourned at 9:30 pm.

**President**



**Secretary**



## *Chairman's Report*

Good evening

I am Peter Verleun

For those of you who don't know me, I farm near Montague and I have been your Chairman for the past 12 months.

Being president has been a real eye opener and quite a challenge.

Highlights of the year include a trip to Ottawa. I had never been to Ottawa before and to sit down with high ranking MP's and have a discussion is really quite something. But,..... I truly do believe that my trip to the capital was instrumental in bringing the \$6,000,000 ACOA money to the beef plant in PEI.

It is things like this that your board has been doing all year. It is very important to keep up our presence with and working and negotiating behind the scenes is often more fruitful than making public demands.

We as a board have been successful in renewing the Enhanced Herd Health program as well as the Genetic Heifer Retention and Handling Facility program. Without our efforts there would be no program. We will continue to work for more programs

A program of interest that we are working on is Livestock insurance. This is being worked on by the PEI Dept of Agriculture. Different aspects of this include sickness, drought, and coverage against predators such as coyotes, or production insurance such as bull performance.

We have worked all year to foster a good working relationship with the management at the Atlantic Beef Plant. This is our main market. It is extremely important to support the plant. I caution every one of you to double check all the rumours about the plant. Misleading rumours lead to bad stories and these rumours don't help. There will be a hook owners meeting on April 16<sup>th</sup>, so I encourage everyone to attend. Anyone of you that have concerns, feel free to put them in writing and we will attempt to get the answers.

One aspect that we can do to help the plant and ourselves is age verifying the new born calves. OTM cattle are discounted about \$150 or more. Age verifying a group of calves takes about 5 minutes and is free. I strongly recommend that all of you tag those calves and register them.

Another program we are working on is an Ag awareness campaign. This is spearheaded by the PEI Federation of Agriculture. We are bringing together all the commodity groups and we plan to launch an advertising blitz to explain agriculture to all of society. Too often farmers are perceived as complainers and always having our hand out. Too often

we are put on the defensive. Most of the general public is two generations removed from agriculture and we hope to generate awareness and support. This will be a down to earth program providing very basic information.

There are some federal programs being implemented. These include premise ID. All farms will be registered. This is part of the national CCIA mandate. We now have Jamie Whalen as our Atlantic rep on the CCIA board. For those of you are worried, all of our travel costs for CCA and CCIA are covered by the national organizations.

You have all heard about Japans markets and wagyu beef. We did explore this last year and we discovered a small industry spread out through. North America. But we also found that this beef was not marketed to Japan but to Japanese culture in large cities in Canada or USA. We have stopped pursuing this as a group but if anyone wants to try it all we have some information and the names of producers you could contact.

We are all suffering from low prices. The price was this low in 1983. There seems to be no relief in sight. The only bright spot is that the North American cattle inventory is the lowest that it has been since 1958 thus maybe there will be a shortage of beef in the near future.

One aspect of our board operations that is not very popular is the proposed levy system for our eartags. Fees and levies are never welcome. But... I am sorry, we need money to operate. There would be no programs and no plant except for the efforts of your board. Our neighbouring provinces Nova Scotia and New Brunswick have lost their offices and staff. They are accomplishing very little and it becomes hard on us because we have trouble communicating with them. Some of this levy money will go to National Check off but we are able to claw that back and use it for programs to develop our industry.

We have completed our strategic plan. It's called "Defining and Pursuing a New Future". It will serve as a guide to the Board in the next few years. The process helped to identify areas of weakness but also areas of opportunity. It challenges us to take the lead on our needs for research and development and ensure they continue to be carried out in this region. It challenges us to work more closely with our neighbours because we are an integrated industry. And finally it made each of us stop and ask why we farm, and our answers made us realize that these are the values and the images we want to portray to the public.

I would like to thank all of my fellow board members. Many times during the year board members have given up their day or evening to sit in a meeting or attend a function. Your board would not function without the efforts of everyone.

I would also like to thank Ms Rinnie Bradley for her dedication. She is to be commended for all her work and commitment to our industry.

Thanks you

Directors Report  
Prepared for the AGM of the PEI Cattle Producers  
March 16, 2010

It was a busy year for the Directors of the PEI Cattle Producers.

Shortly after the AGM, word came that the ABP plant was facing certain closure. Losses in excess of 750k over the previous twelve months placed the plant's survival in jeopardy. ABP's longevity was described as a short runway. The one single factor that could contribute to extending this runway was the receipt of the \$6 M from ACOA. With this money, some costs for marketing could be recouped, and the payments to producers could be shortened, bringing more cattle to the Albany plant. The PEICP supported ABP's efforts to get the ACOA monies released and emphasized its importance to both levels of Government. Our chairman, Peter Verleun travelled to Ottawa and met with Minister Ashfield, the minister responsible for ACOA, and other members of the Atlantic Caucus. This was a very frank, open discussion and revealed the federal government's viewpoint on the ACOA monies.

In April we joined our counterparts from Nova Scotia and New Brunswick to meet with representative of the Four Atlantic Provincial Governments. We had been invited to Halifax to receive a response to requests that had been made previously at meetings in October and February. During this meeting we were told there would be *no support* for the Growth and Sustainability Program (GASP) program we had put forward. Under the GASP program, producers would have received a per head payment of upwards of \$200.00 based on their annual net sales. Some other less substantial but equally important asks included assistance to do a study to determine the cost of production for beef, financial assistance to formalize the Maritime Beef Council, debt restructuring loan guarantees and a review of Farm Credit and Revenue Canada policy in accordance with farm closure. These were also denied.

We began our Strategic Planning process in April. Producers were invited to four consultation meetings held across PEI. As the spring of 2009 continued, the PEICP initiated discussions about Livestock Insurance with the Ag Insurance office.

Brian Morrison and Cameron MacDonald carried the concerns of the industry to Ottawa when they made a presentation to the Standing Committee on Agriculture. This meeting resulted in having the SEH payments of the advance payment program, deferred until Sept 2010.

During May the findings of the Strategic Plan were reviewed. A committee was formed and was given the task of formatting a plan based on the issues and opportunities identified in the producers' consultations.

May 31 was also the deadline for bids to be received for the sale of Atlantic Beef Products but no further information about potential buyers was ever released.

In June Board representatives met with ABP staff to introduce a brand concept and to discuss ABP's marketing plans. At another meeting, board members, joined by ABP staff, met with the NFU who had grave concerns regarding the future of ABP. This meeting was an opportunity for ABP to provide clarity on numerous issues.

At the CCA, the Canadian Beef Export Federation and the Beef Information Centre explored the benefits of combining their governing bodies to reduce administrative costs.

As the summer months continued, Jan Holmes was hired to deliver the Verified Beef Production program in Atlantic Canada. The PEICP partnered with the Organic Dairy Producers to host Sarah Flack in a pasture walk, and Island beef, donated by the PEICP was served at the National Women's Institute Convention held in PEI.

One of our members, facing adversity when his cattle were seized, received support from over fifty fellow producers who formed a blockade to prevent his cattle from leaving the Island. The PEI Cattle Producer officially launched its website providing producers with online information about their industry. Member of the PEICP met with Maruha, an importing company based in Japan to discuss the possibility of marketing Island beef to the Japanese. In August we met with Minister Webster and had a second meeting with ABP to review marketing opportunities.

The Alberta government announced they would make levies refundable, adding urgency that all provinces, including PEI and Quebec, sign onto NCO. The CCA rolled out a communications campaign and revamped their website to better serve their members.

As summer advanced, discussions in the Maritimes focused on the milling wheat issue and the possibility of establishing a salvage market for feed grain. Ivan Johnson attended the Nappan Bull Test Station AGM as our rep on that board, and a decision was made by the Maritime Beef and Pork Conference that no conference would be held in the coming year due to the despair in both industries.

September marked the completion of our strategic plan. Board members met with the opposition to discuss issues. Rinnie participated in consultations with the Cooper Institute, sponsored by the NFU regarding the development of guidelines for a Domestic Fair Trade Policy for PEI.

Throughout the fall there was significant focus on the Feed Grains Policy Program and the Maritime Red Meat Strategy. The Feed Grain Policy was developed by Tim Seeber of the PEI Hog Board. This program was seen as an answer to governments request to develop a regional program that could be supported both provincially and federally. The program would have reduced the cost of feed grain by an estimated \$60.00 per finished animal without hindering the feed grain market. Again, the inability to get governments to agree to work collectively was the major reason this program wasn't successful. In October we met again with Minister Webster to discuss various issues including deferral of the Severe Economic Hardship payments under the Cash Advance Program for another year. Several directors attended an afternoon session with the newly formed Agri-Food Alliance.

Further investigation in Wagyu production continued as did discussion about establishing livestock Insurance. The Canadian Cattle Identification Agency made a presentation to the Maritime Beef Council in Moncton, on the roll out of their strategic plan.

A Direct Marketers' meeting was held to discuss ways the PEICP could assist those who market their beef directly from the farm gate.

The New Year brought further discussions with ABP. A meeting with the CFIA gave the Board a heads up that tagging regulations would be more strictly enforced. In February district meetings were held across the province and the Strategic Plan was presented to our members.

These are only a part of the efforts made by your board as we investigate and pursue anything that concerns the beef industry on PEI.

**Prince Edward Island Cattle Producers Administration Budget for 2010**

<b>Revenue</b>	<b>Actual</b>	<b>Budget</b>
	Oct 08-Sept 09	Oct 09-Sept 10
Levies: net of commissions and refunds	70,722	58,500
Interest from Special Programs	1,810	1,810
Administration Fees	13,374	15,000
<b>Total Revenue</b>	<b>85,906</b>	<b>75,310</b>
<b>Expenses</b>		
Advertising	397	350
Audit	3,647	3,426
Bad debt	0	0
Bank charges and interest	312	312
Bookkeeping and legal	674	500
CCA - Beef Information Centre	6,000	6000
CCA - membership assessment	9,238	9,238
Directors' fees and mileage	30,306	25,000
Insurance	2,154	2,154
Meetings	298	300
Memberships	200	200
Office	1,615	1,500
Office rent	3,589	3,584
Postage and courier	268	250
Telephone, fax, and internet	268	260
Wages and employee benefits	49,198	43,000
<b>Total expenses</b>	<b>121,862</b>	<b>96,074</b>
<b>Net surplus</b>	<b>-35,956</b>	<b>-20,764</b>

Financial Statements of

**PRINCE EDWARD ISLAND  
CATTLE PRODUCERS**

Year ended September 30, 2009

## **AUDITORS' REPORT TO THE MEMBERS**

We have audited the statement of financial position of Prince Edward Island Cattle Producers as at September 30, 2009 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at September 30, 2009 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Charlottetown, Prince Edward Island  
February 8, 2010

# PRINCE EDWARD ISLAND CATTLE PRODUCERS

## Statement of Financial Position

September 30, 2009, with comparative figures for 2008

	2009	2008
<b>Assets</b>		
Current assets:		
Cash	\$ 66,859	\$ 228,018
Guaranteed Investment Certificates	111,526	109,258
Accounts receivable	32,713	41,067
Prepaid expenses	1,022	1,019
	<u>\$ 212,120</u>	<u>\$ 379,362</u>

## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 34,655	\$ 73,600
Deferred revenue (note 2)	91,249	185,579
	<u>125,904</u>	<u>259,179</u>
Net assets:		
Unrestricted	86,216	120,183
	<u>\$ 212,120</u>	<u>\$ 379,362</u>

See accompanying notes to financial statements.

On Behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# PRINCE EDWARD ISLAND CATTLE PRODUCERS

## Statement of Operations - Operating Account

Year ended September 30, 2009, with comparative figures for 2008

	2009	2008
<b>Revenue:</b>		
Levies - net of commissions and rebates	\$ 70,722	\$ 66,511
Interest	1,810	2,966
Administration fees	13,374	11,233
	<u>85,906</u>	<u>80,710</u>
<b>Expenses:</b>		
Advertising	397	501
Audit	3,647	3,426
Bad debts	-	2,941
Bank charges and interest	312	595
Bookkeeping and legal	674	1,069
Brand development	10,810	-
CCA - Beef Information Centre	6,000	6,000
- membership assessment	9,238	10,089
Directors' fees and mileage	30,306	26,097
Insurance	2,154	2,149
Meetings	298	337
Memberships	200	200
Office	1,615	6,488
Office rent	3,589	3,684
Postage and courier	268	960
Telephone, fax and internet	3,156	2,840
Wages and employee benefits	49,198	41,993
	<u>121,862</u>	<u>109,369</u>
Excess of expenses over revenues before the undernoted	(35,956)	(28,659)
Special Programs accounts (page 3)	1,989	1,968
Excess of expenses over revenues	(33,967)	(26,691)
Net assets, beginning of year	120,183	146,874
Net assets, end of year	\$ 86,216	\$ 120,183

See accompanying notes to financial statements.

# PRINCE EDWARD ISLAND CATTLE PRODUCERS

Statement of Operations - Special Programs Accounts

Year ended September 30, 2009, with comparative figures for 2008

	2009	2008
<b>Revenue:</b>		
Funds advanced - Beef Development	\$ 312,322	\$ 481,905
Interest	514	1,958
Seminars	1,675	-
	<u>314,511</u>	<u>483,863</u>
<b>Expenses:</b>		
Administration	13,374	11,233
Projects:		
4-H - Expo	200	200
AALP sponsorship	-	1,000
Age verification	120	120
Bull test stations	5,000	5,000
Carcass Improvement Incentive	190,850	379,748
Deadstock removal	73,685	69,259
Herd health	-	5,454
On-farm food safety	3,208	-
P.E.I. Open Farm Day	-	250
PEIFA UPA study	-	2,000
Promotion	11,897	6,767
Strategic planning	11,539	-
Web page	2,649	864
	<u>312,522</u>	<u>481,895</u>
<b>Excess of revenues over expenses</b>	<u>\$ 1,989</u>	<u>\$ 1,968</u>

See accompanying notes to financial statements.

# PRINCE EDWARD ISLAND CATTLE PRODUCERS

## Statement of Cash Flows

Year ended September 30, 2009, with comparative figures for 2008

	2009	2008
Cash flows from operating activities:		
Cash receipts from funding entities	\$ 313,927	\$ 688,779
Cash paid to suppliers and employees	(474,830)	(545,031)
Interest received	2,324	4,924
Interest paid	(312)	(595)
Net increase (decrease) in cash and equivalents	(158,891)	148,077
Cash and equivalents, beginning of year	337,276	189,199
Cash and equivalents, end of year	\$ 178,385	\$ 337,276
Represented by:		
Cash	66,859	228,018
Guaranteed Investment Certificates	111,526	109,258
	\$ 178,385	\$ 337,276

See accompanying notes to financial statements.

# PRINCE EDWARD ISLAND CATTLE PRODUCERS

Notes to Financial Statements

Year ended September 30, 2009

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The Prince Edward Island Cattle Producers is a not-for-profit commodity board formed by the order of the Prince Edward Island Marketing Council under the Natural Products Marketing Act to represent the interests of Prince Edward Island cattle farmers. The Board is an agricultural marketing board under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

## 1. Significant accounting policies:

### (a) Cash and cash equivalents:

Cash and cash equivalents consist of cash on hand, bank balances and Guaranteed Investment Certificates that are redeemable at the option of the holder.

### (b) Capital assets:

Capital expenditures are expensed in the year purchased. During the year, \$ Nil. (2008 - \$ 2,746.) of capital assets were purchased and included in expenses.

### (c) Revenue recognition:

The Board follows the deferral method of accounting for contributions, which include donations and government funding. 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. Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Revenue from levies is recognized when the services are provided.

### (d) Financial instruments:

The Board's financial instruments consist of cash, Guaranteed Investment Certificates, accounts receivable and accounts payable. Unless otherwise noted, it is management's opinion that the association is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

# PRINCE EDWARD ISLAND CATTLE PRODUCERS

Notes to Financial Statements

Year ended September 30, 2009

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## 1. Significant accounting policies (continued):

### (e) Use of estimates:

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

### (f) Contributed services and materials:

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services and materials are not recognized in the financial statements.

## 2. Deferred revenue:

Deferred revenue represents unspent grants for programs and projects.

	2009	2008
On-farm food safety	\$ 53,468	\$ 14,103
BDF - Herd health	17,501	12,001
Other projects	9,772	16,213
Traceability	6,970	6,970
BDF - Age verification	2,040	2,160
Soil Test Workshop	1,000	1,000
Open farm day	250	-
Training	248	248
Carcass Improvement Incentive	-	130,398
BDF - web page design	-	2,136
BDF - promotion	-	350
	<u>\$ 91,249</u>	<u>\$ 185,579</u>

# PRINCE EDWARD ISLAND CATTLE PRODUCERS

Notes to Financial Statements

Year ended September 30, 2009

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### 3. Capital management:

The Board includes equity comprised of unrestricted net assets in the definition of capital.

The Board's primary objectives with respect to its capital management are to maintain its ability to continue as a going concern and to ensure that it has sufficient cash resources to fund the further development of the cattle market on Prince Edward Island and to continue protecting the interests of Prince Edward Island cattle farmers.

The Board is not subject to externally imposed capital requirements, and there has been no change with respect to the overall capital risk management strategy during the year ended September 30, 2009.