



NRCB | Natural Resources
Conservation Board

Grandfathered (Deemed) Permit Determination of Livestock Type

under the

Agricultural Operation Practices Act

Rimrock Feeders Ltd.

Section 5-19-29 W4M

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1.0 Introduction and Background

This document sets out the written reasons for my determination of the beef livestock type in a deemed permit under the *Agricultural Operation Practices Act*. The subject of the determination is a beef operation at Section 5-19-29 W4M (This section will be referred to as “the site.”). The site is roughly 5 km west of the Town of High River, on the south side of Township Road 191 (also known as the Coal Trail), in Foothills County. The process of ascertaining livestock capacity and/or livestock type under a deemed permit is known commonly as a “grandfathering” determination.

It is undisputed that the confined feeding operation (CFO) holds a development permit that was issued by the municipality before January 1, 2002. As a brief history, in 1978 the M.D. of Foothills No. 31 issued permit #3053 (Appendix A) to the previous feedlot owner, Western Feedlots Ltd. (WFL), for a 15,000 head commercial feedlot. This permit was appealed. After going through the M.D. of Foothills development appeal board and the Alberta Court of Appeal, the development permit was issued additional conditions imposed by the development appeal board in 1980. In 1996, when the M.D. of Foothills asked the operation to indicate the maximum capacity of the existing facility, WFL replied (Appendix B) that the holding capacity was “35,000 head of cattle.” In 2005, the NRCB clarified that the capacity of the feedlot was 35,000 head of cattle if there had been no new construction since 2002. The feedlot operated until 2017. Reviews of aerial photos show that, between 2000 (Appendix C) and 2017 (Appendix D), there were no changes to the footprint of the CFO, including the feedlot pens and the catch basin. Rimrock Feeders Ltd. (Rimrock) purchased the land in 2019.

Under section 18.1(1)(b) of the *Agricultural Operation Practices Act* (AOPA), the owner or operator of a confined feeding operation that existed on January 1, 2002 with respect to which a development permit¹ was issued and that development permit was in effect on January 1, 2002 is deemed to have been issued a permit under AOPA. The capacity allowed by a deemed approval is the capacity authorized by the development permit. If not authorized by the permit (as in this case), it is the capacity of the enclosures to confine livestock on January 1, 2002 – section 18.1(2)(b) of AOPA.

On January 10, 2020, Rimrock requested in writing “Please accept this letter as a request for Rimrock Feeders Ltd. located west of High River, Alberta to start the process to receive a grandfather determination from NRCB for the type of cattle permitted at the feedlot.”

Because the type of beef livestock is not specified in the permit documents, or when the NRCB clarified capacity of 35,000 head in 2005, it is necessary for me to determine the type of beef livestock that was being confined on January 1, 2002.

2.0 Context

2.1 Legal Context

In 2002 when the Part 2 Matters Regulation of AOPA came into force, grandfathering was dealt with through transitional provisions in the law bringing Part 2 into being. It wasn't until 2004 that section 18.1 was added to AOPA itself.

1. “Development permit” is defined as issued pursuant to Part 17 of the *Municipal Government Act* – see section 1(b.7) of AOPA.

Under section 18.1 of the *Agricultural Operation Practices Act* (AOPA), the owner or operator of a “confined feeding operation” that existed on January 1, 2002 with respect to which a development permit was in effect on January 1, 2002 is deemed to have been issued a permit under AOPA. The capacity allowed by that deemed approval is that authorized by the development permit, or if the capacity was not authorized, the capacity of the enclosures to confine livestock on January 1, 2002. In AOPA, “confined feeding operation” is a defined term in section 1(b.6):

“confined feeding operation” means fenced or enclosed land or buildings where livestock² are confined for the purpose of growing, sustaining, finishing or breeding by means other than grazing and any other building or structure directly related to that purpose but does not include ... livestock seasonal feeding and bedding sites....

The fact of the existence of a CFO at this site on January 1, 2002 is not the issue. The fact of the CFO operating with livestock above thresholds in AOPA to require a permit is also not the issue.

In 2004, sections 2(2)-(4) were added to the Part 2 Matters Regulation. This allows operators to increase livestock numbers through a change in livestock type (unless the change will increase the amount of manure produced, on an annual basis) without obtaining a new permit. Changing livestock type within the same category is a function of the legislation based on the permitted number and type. It is not a discretion exercised by an NRCB approval officer or inspector. The owner or operator need only notify the NRCB in advance of the change.

Prior to 2012 the NRCB grandfathering process was less formal and relied on information from both the CFO operators and from site inspections of the facilities by approval officers and inspectors. In 2005 the NRCB followed this process when it clarified the grandfathered status and the 35,000 head capacity of the operation. There was no assessment made then as to the types of beef livestock comprising the 35,000 head. The NRCB grandfathering process changed after 2012, when the Alberta Court of Queen’s Bench issued its written decision in *Unland v NRCB*, 2012 ABQB 501. That was a judicial review of a grandfathering determination in the days before section 11 of the Administrative Procedures Regulation under AOPA provided a Board review mechanism. In *Unland v NRCB*, the Court quashed a grandfathering decision on the basis that the NRCB inspector “made a very quick decision based on an inadequate investigation at the outset,” and that the investigation was “not thorough.”

Following that decision, the practice of the NRCB has changed dramatically in relation to the thoroughness of investigation and notice, for grandfathered (deemed) permit determinations. For example, on January 26, 2016 the NRCB issued:

1. Operational Policy 2016-5: *Determining Deemed Capacity for Grandfathered Confined Feeding Operations*; and
2. Operational Policy 2016-6: *Public Notice for Grandfathering Decisions*.

Together, these two policies provide the framework to establish the facts and the scope of the grandfathering determination process.

2. In turn, “livestock” is defined in AOPA at section 1(c.1) as “poultry, horses, cattle, sheep, swine, goats, bison, fur-bearing livestock raised in captivity and diversified livestock livestock within the meaning of the *Livestock Industry Diversification Act*.”

NRCB Operational Policy 2016-6: *Public Notice for Grandfathering Decisions* (updated April 23, 2018) at part 2.2, paragraph 3 reads:

The term ‘capacity’ refers to the number and type of livestock that a CFO is permitted to have under AOPA. Accordingly, a CFO’s “deemed capacity” is the capacity allowed by the CFO’s deemed – that is, grandfathered – permit under the act.

Furthermore, paragraphs 5-7 reads [bolding added]:

Even if the municipal permit specifies the facilities and livestock, the CFO owner sometimes claims to have deemed facilities, or capacity that is greater than the facilities or the capacity specified in the municipal permit.

*In these instances, in addition to identifying the municipal development permit, the NRCB may also need to determine what CFO facilities existed on January 1, 2002, **the type of livestock they contained**, and the facilities’ physical capacity (that is, the number of livestock they could reasonably confine) as of that date. These facts must also be determined if a CFO did not have a municipal development permit on January 1, 2002.*

Viewing section 11 [of the regulation] as a whole, then, and in light of the several components of grandfathering determinations, the NRCB interprets section 11 as setting out procedures for determining all aspects of grandfathering, rather than just the CFO’s deemed “capacity.”

On June 20, 2017, the new Administrative Procedures Regulation under AOPA came into force, including section 11 governing deemed permit investigations. Section 11(1) of the Regulation states that:

11(1) At the request of an owner or operator for a determination related to a deemed permit under section 18.1 of the Act, or in response to a complaint where a determination of the terms or conditions or existence of a deemed permit is required, an inspector shall conduct an investigation to determine the capacity of a confined feeding operation or manure storage facility

(a) that was in place on January 1, 2002, or

(b) that was constructed pursuant to a development permit issued before January 1, 2002.

2.2 The Question of Abandonment

In a recent decision concerning a grandfathered (deemed) permit determination (RFR 2020-04 *Stant Enterprises Ltd.* at pg 4), the NRCB Board implied that where 18 years have passed since the time window used in a grandfathering, it may be appropriate to evaluate a question of abandonment. If a facility were abandoned, that might invalidate its deemed permit today. That said, as part of this grandfathering decision, I have also considered whether the facilities would ever have been deemed abandoned. This could perhaps apply to Rimrock during the time period between WFL shutting down and Rimrock purchasing the operation.

From an NRCB policy position, was the WFL operation abandoned? To answer this I will refer to section 29 of NRCB Operational Policy 2016-3 *Permit Cancellations under AOPA*. This policy provides the circumstances under which abandonment needs to be considered.

2.3 Standard of Proof

Section 11 of the Administrative Procedures Regulation under AOPA simply states that an inspector shall conduct an investigation to determine capacity of a CFO in place on January 1, 2002. An investigation is a fact-finding task. Whether a CFO existed on January 1, 2002, above threshold, is a question of fact. Similarly, what type of beef livestock this CFO was feeding on January 1, 2002 is also a question of fact.

Because the standard of proof in an administrative proceeding like this is on a “balance of probabilities,” the question is whether it is more likely than not that the CFO was feeding finishers on January 1, 2002.

2.4 The Scope of Issues Considered

One of the ways to hold a deemed permit under AOPA is for an operation to have been issued a development permit that was in effect on January 1, 2002. In the case of this operation:

1. In 1980 the M.D. of Foothills Subdivision & Development Appeal Board upheld a permit with conditions for an operation that was then owned by WFL.
2. In 1996, when the M.D. of Foothills inquired as to maximum capacity, WFL stated its capacity as 35,000 head.
3. In 2005, the NRCB concluded that the operation had a deemed approval with a maximum capacity of 35,000 head.

From this information, it is clear there was a CFO at the site on January 1, 2002, and it was operating above the AOPA permit thresholds. It is also clear that the capacity allowed by the deemed permit was 35,000 head of cattle.

It was not uncommon prior to 2002 for municipalities to issue development permits that did not specify the type of livestock permitted, particularly cattle feedlots³. At issue in this investigation is this: what type of cattle—calves, feeders, finishers—were being confined and fed at the CFO on January 1, 2002? An answer to this question is not strictly necessary in a grandfathered (deemed) permit determination. However, the operator and the NRCB both need to know the starting permitted type in order to have a proper and transparent change of livestock type within category under section 2(2) of the Part 2 Matters Regulation, should such a request be made.

Consistent with the plain text of section 18.1 of AOPA, the investigation focuses on facts as they existed on the precise grandfathering date of January 1, 2002. However, I generally sought evidence as to the type of beef livestock at the operation between 2000 and 2003. Considering the operation for at least one year before and one year past the January 1, 2002 grandfathering date seemed useful because witnesses might not remember what occurred on the exact date of January 1, 2002. Also, considering how an operation functioned over a range of dates might shed additional light on how the operation functioned on a given day within that range.

3. On a sampled review of permits issued by nearby municipalities, including the M.D. of Foothills, prior to 2002, I identified 13 permits in the NRCB data base issued for feedlot construction or expansion where the livestock type was not identified.

In addition, the NRCB generally uses a pragmatic and flexible approach toward applying the January 1, 2002 grandfathering date. This approach is reasonable because a more rigid or stricter application of the January 1, 2002 grandfathering date could lead to unfair results if, for example, an operation happened to have emptied its enclosures on January 1, 2002, or was half-way through rebuilding or constructing the enclosures on that date, or had shut down temporarily due to short-term market crises. Thus, the 2000 to 2003 range was meant to generate sufficient evidence to apply this pragmatic and flexible approach.

The 2000 to 2003 date range will hereinafter be referred to as the “grandfathering period.” This term is simply for ease of reference; it is not meant to re-write or re-define the January 1, 2002 date in section 18.1 of AOPA.

2.5 The Investigation Process

At the outset of the inquiries from Rimrock, I reviewed the NRCB paper file and entries from the NRCB’s CFO database. Early on, I also reviewed historical aerial photos to ascertain whether, between 2000 and 2017, there were any changes to the footprint of the CFO, including the feedlot pens and the catch basin. Specifically, I referenced and compared imagery from Google Earth 2000 (Appendix C) (pre AOPA), Google Earth July 18, 2002 (Appendix E) (post AOPA), and August 26, 2017 (Appendix D) (the most recent imagery), for any visual change to the feedlot footprint. I found none. In fact, Google Earth imagery shows no apparent change in the WFL CFO footprint since 1993.

As part of this and other inspections, I visited the operation and surrounding area on seventeen occasions, from 2004 to 2019. I inspected the site on March 20, 2019 and again on December 6, 2019, to confirm no expansion had occurred since 2000. I drove around the periphery of the feedlot and took GPS readings of the peripheral corners. I then compared the GPS readings of the feedlot’s periphery with 2017 Google Earth imagery GPS coordinates. I could find no apparent change.

I also sought neighbours’ perspectives on the factual question of the type of beef livestock being confined and fed on January 1, 2002. I wanted to collect relevant historical information from those who may have lived in the area around that date. Notice is required in section 11(2) of AOPA’s Administrative Procedures Regulation. Before determining a deemed approval for an operation that was in place on January 1, 2002, the NRCB inspector is required to provide notice to those parties “who would be entitled to notice under section 19(1)” of AOPA for a new CFO with the same capacity. That capacity is the larger of the claimed or current capacity (see NRCB Operational Policy 2016-6: *Public Notice for Grandfathering Decisions* (updated August 23, 2018) at part 3.1).

In this case, the claimed capacity is 35,000 beef finishers, which puts the radius for affected persons entitled to notice under section 19(1) of AOPA at four miles. The radius is set out in section 5 of the Part 2 Matters Regulation. On February 7, 2020, public notice of the grandfathered (deemed) permit determination was published in the *High River Times*. In the notice, I advised of the claim by Rimrock for a deemed permit for beef finishers, and I invited the public to provide written submissions related to the type of livestock produced by the CFO on January 1, 2002. I also invited the public to apply for status as directly affected parties. The deadline for written submissions was March 9, 2020.

In addition, on January 31, 2020, I mailed 151 courtesy letters to people within a two-mile radius of the operation who might have relevant information as to the type (beef calves, beef feeders,

or beef finishers) of livestock that the CFO produced around January 1, 2002. The courtesy letters included information similar to that in the notice.

For the period from February 13, 2020 to March 18, 2020, I was away from work on medical leave. During this time I arranged to have all emails and phone calls relevant to the Rimrock grandfathered (deemed) permit determination directed to Mr. Kevin Seward, NRCB manager of compliance who entered the relevant information into the NRCB CFO database file. Furthermore, all of the submissions received were noted and added to the NRCB CFO database file by Mr. Seward or by the Lethbridge NRCB field office administrator.

I reviewed all the relevant database file entries on my return.

In response to the notice and the courtesy letters, ten written statements and five phone calls were received. I included all of this information in my investigation record and fully considered the relevant aspects of them for this decision. In my view, all submissions filed under section 11(4)(b) of the AOPA Administrative Procedures Regulation should comply with the specifics set out for other responses to public notice (e.g. for an approval). Those specifics are included in section 8 of the Administrative Procedures Regulation, including that submissions be filed in writing. Accordingly, the phone calls received on this matter do not meet these requirements and I do not consider them as relevant information for this decision, and I will not reference them further in this document.

3.0 Evidence

3.1 Information from Rimrock

Along with other NRCB staff, I met with representatives from Rimrock on December 19, 2019, to discuss the grandfathered (deemed) permit determination process, among other things. I suggested to Rimrock that any records, such as sales transactions, slaughter data, letters of information from WFL management and past employees, etc., relevant to the type of livestock being fed by WFL in the 2001 to 2002 time period, would be useful in the process.

Rimrock was able to provide the following documentation:

WFL Livestock transactions from their accounting program data set:

I met, on January 22, 2020, with Kendra Donnelly of Rimrock and Jodi Magnusson, former account clerk at WFL, who demonstrated and pulled data from the accounting system program (General Posting Journal) used by WFL while it was operating. As demonstrated by Jodi Magnusson, the WFL accounting system (Western Feedlots General Ledger (GL)) showed transactions for slaughter (finisher weight) cattle shipped during the 2001 to 2002 time period. (Appendix F)

Unfortunately, some of the transaction information was deleted automatically by the accounting system after ten years. These deleted particulars included purchaser (slaughter plant), number of head, cattle type (steers or heifers), carcass weights and grades. The remaining GL transaction information for 2001 to 2002 (Appendix F) consisted of account numbers, general ledger reference numbers, entry dates, lot numbers, and debit/credit amounts. The only complete sales information retained by the accounting system were for transactions that occurred from 2008 to 2017.

To support the claim that the transactions for 2001 to 2002 were for slaughter cattle sales, mainly to Cargill Foods, I was shown complete, non-deleted, transaction information for 2008 to 2017 retrieved from the WFL accounting system. The WFL accounting system referenced these slaughter cattle transactions as "Cattle Settlements". I chose to look at the 2008 transactions in particular, as they were the closest date wise to the 2001 to 2002 transactions for comparing. The 2008 WFL/Cargill Foods Cattle Settlement transaction documents showed a live slaughter weight averaging around 1,300 lbs. I matched the Cattle Settlement details with their respective GL entry information by referencing settlement price, lot numbers, and settlement dates.

On viewing a dozen or so randomly chosen complete transactions from 2008 (Appendix G) and comparing those with the 2001 to 2002 GL partial transaction data, it was apparent to me that the 2001 to 2002 and the 2008 GL transactions were alike in form and kind. Based on this information, I am of the opinion that the 2001 to 2002 GL accounting data represented slaughter cattle sales.

March 1, 2002, fax from Feedlot Health Management Services to Dave Plett, former WFL general manager (Appendix H):

WFL slaughter data analysis 2001 to 2002: Pricing Grid Impact analysis based on 82,546 carcass records from March 2001 to February 2002, with average carcass weight of 786 lbs.

January 29, 2020, letter from Dr. C. Booker, DVM, MVetSc, of Feedlot Health Management Services (FHMS) (Appendix I):

- FHMS provides consulting service to feedlots, including WFL High River site (HR), in areas of nutrition and production.
- WFL (HR), was a continuous client of FHMS from 1983 to the feedlot's cessation in April, 2017.
- Dr. Booker has been a full time member with FHMS since 1992, with extensive involvement with WFL (HR).
- Dr. Booker attests that during his tenure, WFL (HR) was always a finishing feedlot, with all livestock shipped for slaughter, mostly to Cargill Foods in recent years.
- Dr. Booker provided a close out summary for 179,980 livestock shipped for slaughter over the years 2000 to 2002 inclusive:
 - 2000; 63,709 head shipped, carcass weights for 99.6 % head
 - 2001; 60,713 head shipped, carcass weights for 99.6% head
 - 2002; 55,558 head shipped, carcass weights for 100% head
- Average carcass weight for the 179,980 slaughter cattle was 790 lbs. for 99.7% of the slaughter cattle. [790 lbs. carcass weight is equal to about 1,360 lbs. live weight]
- Dr. Booker summarises that "These data clearly show that Western HR was finishing cattle and receiving carcass weight data back from the packing plant on essentially all livestock placed in the feedlot around January 1, 2002."

January 9, 2020, letter from David Moss, currently of Canadian Cattlemen's Association (Appendix J):

- States that he was general manager of cattle operations at WFL from April 1997 to March 2001.
- States he managed all aspects of WFL cattle procurement, cattle performance, and cattle marketing.

- Confirms that in his capacity as general manager of cattle operations at WFL he had “direct knowledge of the type of cattle procured and fed at the High River location (now known as Rimrock Feeders Ltd.) on and before the January 1, 2002 time period.”
- States that “The type of cattle being fed at the High River feedlot were all grain-fed finished cattle destined primarily to the Cargill Foods High River packing facility.”
- States that WFL procured all types of feeder steers and heifers and “were fed to a finished weight of at least 1,200 lbs. and harvested as high quality grain-fed Canadian beef.”

January 14, 2020, letter from Dave Plett, former WFL general manager (Appendix K):

- States from mid-1980s until 2017 he was the acting general manager and CEO of WFL business operations.
- Was responsible for the management and control of all cattle being fed at the High River feedlot location.
- Cattle were procured from across western Canada, northwest U.S., and Hawaii.
- Cattle received ranged from 450 lbs. to 1,000 lbs., fed and managed for slaughter at various packing plants in Canada and the U.S., destined for human consumption.

January 13, 2020, letter from Shawn McLean, General Manager, Livestock Identification Services (LIS) (Appendix L):

- States he had direct knowledge of the cattle being fed at the WFL High River lot as he was employed by WFL as a pen rider from May of 1992 to July 1993, as an Alberta Agriculture Brand Inspector from 1993 to 1998 and as a Livestock Inspector with LIS from 1998 to 2002.
- From 2002 to date has worked in LIS main office and is now general manager of LIS
- From his work with WFL, Alberta Agriculture, and LIS, he can confirm from 1993 to 2002 and beyond, WFL fed cattle to “harvest weight” and shipped for slaughter either locally or to the U.S.A.
- His search of the LIS database showed from January 1, 2001, to December 31, 2001, that 69,169 head of cattle were inspected by LIS for shipment to slaughter in Alberta or the U.S.

January 12, 2020, letter from Sherri Marthaller, former cattle procurement supervisor, Cargill Foods (Appendix M):

- States she had direct knowledge of the type of cattle being fed at the High River feedlot now known as Rimrock Feeders Ltd. on and before January 1, 2002.
- Was employed by Cargill Foods from October 1991 to February 2014 in the position of cattle procurement supervisor.
- The cattle from WFL were finished heifers and steers of approximately 1,100 to 1,450 lbs. going for slaughter.
- She and her team at Cargill Foods were responsible for payment for these cattle to WFL on a grid system based on grade, yield grade, and carcass weight formula.

January 7, 2020, letter from Jodi Magnusson, former accounting employee at WFL (Appendix N):

- States she had knowledge of accounting records including 2002 and that the records give proof that WFL were finishing cattle of 900+ lbs. to go to slaughter.

January 6, 2020, letter from Charlie Flowers, neighbour and former contractor to WFL (early 1980s to final year of WFL) (Appendix O):

- States he worked for WFL on a custom basis from 1980 to 2019.
- State to the best of his knowledge WFL was producing beef finishers which they sold to packing plants, mainly Cargill, High River.

March 4, 2002, WFL Marketing Grid proposal to Cargill Foods Ltd, with notes (Appendix P):

- Sets out a formula for marketing WFL's cattle to Cargill Foods based mainly on increasing AAA carcass grading and reducing AA quality grade premium from the current [i.e. pre-March 2002] grid.
- Proposal states "it will continue to provide to Cargill Foods with first access to all cattle fed at Western".

February 26, 2002, Summary Notes of meeting Cargill Foods: Willie Van Sokelma, Bruce Hepburn and WFL: Dave Plett, Bart Holowath (Appendix Q):

- Notes that several contract terms from previous grid (prior to March, 2002) were reinstated in new grid, one term highly relevant; "10. Western Feedlots Ltd. agrees to provide first option on 100% of all Western owned cattle and Western customers cattle to the grid formula agreement." This suggests a contractual agreement existed for WFL to provide Cargill with first option on all of the cattle fed and finished at the WFL High River lot during the 2001/2002 determination period.

3.2 Information from Municipalities

Under the Part 2 Matters Regulation under AOPA, the municipality where the CFO is located is an affected party (see section 5 of the regulation). So is a municipality whose boundaries fall within the four-mile radius of a CFO of this size. As such, both Foothills County and the Town of High River are affected persons. They are also both directly affected parties in this deemed permit determination, as they would be if this were an application for an approval today (see section 19(6) of AOPA).

Letter of January 28, 2020, from Harry Riva Cambrin, municipal manager, Foothills County (Appendix R):

- States Rimrock is within Foothills County
- States "Foothills understands the style of cattle at the Feedlot from prior to January 1, 2002 and continuing today are large finishing livestock weighing 900+ lbs. These livestock are finished and transported to the slaughter plant."

Letter of January 8, 2020, from Craig Snodgrass, signed as Mayor of High River (Appendix S):

- States he had direct knowledge of the type of cattle being fed at the "High River feedlot before January 1, 2002."
- States he was previously employed by Charlie Flowers, former contractor to WFL in the 1990s, and saw the cattle on a regular basis. "The type of cattle being fed at the High River feedlot were to be finished livestock weighing 900+ lbs. to go to slaughter."
- States since the 1990s he has been actively involved with the High River community and has known many people that have worked there. He is confident in belief that WFL "has always been in the business of finishing cattle weighing 900+ lbs. to go to slaughter."

3.3 Evidence from Neighbours

The newspaper notice in the *High River Times*, and the courtesy letters mailed to residents and owners within two miles of the CFO, invited people to provide written statements related to the type of livestock produced by the CFO on January 1, 2002. The notice and letter also contained information on applying for status as a directly affected party. The information I was looking for included:

- how long the person had lived in the area,
- whether the person had a direct line of sight of the operation,
- what, if any, other exposure the person had had to the facilities,
- whether the person was at home year-round or absent for any long periods during the time frames relating to their assertions, and
- what experience or knowledge of the cattle industry they might have.

Ten written statements were received from individuals residing on or owning land within the two mile radius of the site, an area I selected as most likely to have residents that would be able to provide relevant input. One courtesy letter was returned. Five of the parties responded but had no comment regarding the type of livestock produced at WFL, High River on January 1, 2002.

Of the ten parties who responded in writing with comment, seven lived in the area in 2002. Two parties even worked at WFL at various times, one during 2002.

Among those who had information about the type of livestock at the CFO in 2002, there was unanimous agreement that the CFO has been a finishing feedlot. One party observed some of their calves were sold to the feedlot before 2004 to be finished.

In addition to historical information about what type of beef livestock the CFO was feeding in 2002, several parties expressed concerns unrelated to the grandfathered (deemed) permit determination. Four parties did not like the idea of more than 35,000 livestock at the feedlot. As explained in section 2.1 of this report, the ability of an operator to increase numbers by changing livestock type (subject to restrictions) is a legislated option that is not at the discretion of the NRCB.

Related to the operation itself, five parties expressed concern regarding the bright lights at the feedlot. Others were concerned about runoff and odours from the feedlot, about waste management practices, and about the impact on the Highwood River. Some of these concerns can be dealt with through the NRCB Compliance and Enforcement Policy and anyone can call the 24-hour response line to report a complaint. NRCB inspectors can only enforce issues that fall under the jurisdiction of AOPA.

Related to process, two parties suggested this grandfathered (deemed) permit determination should have been subject to a public hearing, and two parties felt the NRCB should be checking WFL records. AOPA Administration Procedures Regulation 11(4)-(6) states that affected parties may file submissions concerning the investigation. The Regulation makes no provisions for an inspector to conduct a public hearing in the course of the investigation and therefore, a public hearing in this matter was not entertained.

Regarding WFL records, I addressed this concern in late January 2020, when I met with Rimrock representatives and former WFL staff at the Rimrock feedlot, and together they

provided me with WFL accounting files from 2001 to 2002 through to 2017 (noted under section 3.1.1 above).

4.0 Findings

4.1 Operation Has Not Been Abandoned

Rimrock purchased WFL on or about May 6, 2019, which had ceased operations in April 2017. The feedlot was essentially empty of livestock from April of 2017 to the fall of 2019, a period of over two years. Although there were no livestock at WFL after April 2017, WFL was actively engaged in manure removal from the CFO up to May 2019. To ascertain if the term “abandoned” accurately described the status of the WFL facility from 2017 to 2019 I have identified the following considerations as relevant to this issue.

A search of the internet provided the following information:

From the *Calgary Herald* archives, an article of September 22, 2016: *Western Feedlots shutting down; Canada's biggest feeder blames 'headwinds' in cattle industry*⁴

President and CEO Dave Plett said in an interview that the majority of Western's approximately 85 employees will eventually be laid off, and the company has “teams working now to assist them with transition.” He said all of Western's equipment will be shuttered, stored and maintained in functional condition. “Should circumstances change going forward, there may be opportunities to do something to activate it — but that's not the case at this time,” Plett said.

I conclude from Mr. Plett's statements that there was no intent, either offered or inferred, that the WFL feedlot would be abandoned on a permanent basis. In Mr. Plett's quotes, I believe he is quite clear that the facility could be put back into operation again. His use of wording such as “maintained”, and “activate” would not be consistent with the intention of abandonment, but more consistent with intentions of resuming operations in the future. Further to Mr. Plett's statement, and to corroborate the *Calgary Herald* story of 2016, I note that I conducted a permit compliance site inspection of the WFL, High River feedlot on June 20, 2017. I entered my inspection findings for that day in the NRCB CFO database which notes:

“Met with WFL CEO Dave Plett at the High River lot. Dave advised me that the facility is still currently in mothball status.”

Mr. Plett described the status of the feedlot in 2017 as mothballed, from which I infer that the facility could be reactivated. Mr Plett did not say nor imply that the facility was abandoned.

I note that NRCB Operational Policy 2016-3 *Permit Cancellations under AOPA Section 29* provides in part under section 2.1.2 Considerations regarding an owner's intent:

The NRCB understands that a CFO owner may stop using a facility for a period of time for a number of reasons. These include commodity market conditions, labour market conditions, feed costs, or the availability of feed. A recent example is a federal government program that subsidized hog producers to stop production for a three year period. These types of production lapses do not reflect

4. <https://calgaryherald.com/business/local-business/western-feedlots-shutting-down-canadas-biggest-feeder-blames-headwinds-in-cattle-industry>

an intention to abandon a CFO, and the NRCB does not view these kinds of lapses as grounds to cancel a permit.

I note that the policy does not consider a “three year period” to be indicative of abandonment or even grounds for consideration of abandonment. I find that this portion of policy 2016-3 gives direction on the question of CFO abandonment. Therefore, from the considerations under this policy I conclude that the CFO was not abandoned during its short-term closure in the 2017 to 2019 time period.

4.2 Affected Persons and Directly Affected Parties

Section 11(5) of the Administrative Procedures Regulation under AOPA requires that an inspector’s decision report on a grandfathered (deemed) permit determination include reasons on whether affected persons that made a submission are directly affected parties.

Affected persons in this determination were the municipality in which the operation is located (Foothills County); and a town (the Town of High River) and all neighbours who own or occupy land within the four-mile notice radius. These are determined by section 5 of the Part 2 Matters Regulation.

“Directly affected parties” are typically a subset of “affected persons.” Under section 19(6) of AOPA, the applicant for an approval and municipalities that are “affected persons” are automatically directed affected parties. As such, Rimrock, Foothills County, and the Town of High River are directly affected parties.

For other parties, I adopted the approach to determining directly affected party status from NRCB Operational Policy 2016-7: *Approvals* (updated May 8, 2018). Under that policy at part 6.2, people who reside on or own land within the affected party radius and who provide timely statements are presumed to be directly affected parties.

In this case, I see no reason to contradict the presumption that the 10 neighbours who reside on or own land within the four-mile radius and who submitted timely statements are directly affected by this grandfathering (deemed) permit determination.

I note that one neighbour provided a statement but requested it be confidential. When I explained that statements were public, that neighbour opted to not have their statement considered, and that neighbour is not on this list.

Directly affected parties therefore include:

1. Rimrock Feeders Ltd.
2. Foothills County
3. Town of High River
4. Andrea Brocklebank
5. Kris Moore
6. J. Denney
7. G. Robert Fraleigh
8. Robert and Lillian Rehak
9. David Palidwor
10. Norman Denney
11. Frank Noble
12. Charlie and Kathy Flowers

13. Robert and Brenda Baker

In the information from neighbours who submitted written statements, there was no dispute that a beef finishing feedlot was on the site in 2002. Seven of these neighbours lived in the area in 2002, and two worked at what was then WFL (one in 2002). For example:

- Andrea Brocklebank written submission received February 14, 2020: Currently employed as the Executive Director of the Beef Cattle Research Council within the Canadian Cattlemens' Association. Worked at WFL office part time 1994 to 1997 and again for the summer of 2000 worked directly with WFL's Senior Cattle Manager, David Moss, and assisted with cattle marketing activities. This included managing records related to their grid-pricing and fed cattle contracts with Cargill High River. Her work experience while at WFL demonstrated that the feedlot was finishing beef cattle for slaughter.
- Robert Fraleigh letter of submission received March 2, 2020. As a long-time neighbour has always believed it was common knowledge that the type of beef livestock being fed at the CFO was beef finishers.
- Charlie and Kathy Flowers submission of March , 2020: Stated they did WFL's farming, cattle bedding, and some corral cleaning. To the best of their knowledge, as of January 1, 2002, WFL was producing beef finishers.

As stated in section 3.3, five of the respondents that submitted written submissions stated they had no information as to the type of livestock at WFL during 2001- 2002 time period.

I acknowledge that there were other concerns in the written statements that were not relevant to this grandfathering (deemed) permit determination. These concerns were mainly potential odour, runoff, and lighting concerns. Concerns within the mandate of AOPA will be addressed through the NRCB complaint process as they are received.

4.3 Finding on Beef Livestock Type

Having weighed all the documentary information and evidence, and keeping in mind the narrow scope of my task, I find on a balance of probabilities that the CFO at the site was confining and feeding beef finishers on January 1, 2002.

5.0 Conclusion on Question to be Determined: What type of beef livestock was being confined on January 1, 2002?

Based on the evidence I have gathered and weighed, and for the reasons given above, I have determined that the feedlot at Section 5-19-29 W4M, currently owned and operated by Rimrock Feeders Ltd, was confining and feeding beef finishers on January 1, 2002. Therefore, under section 18.1 of AOPA, the owner or operator of the CFO has a deemed approval with the capacity for 35,000 beef finishers. Please note that, under section 18.1(4) of AOPA, the terms and conditions of the municipal permit #3053, including those added by the development appeal board in 1980, continue to apply. The CFO has not been abandoned and the deemed NRCB permit is still valid today.

October 8, 2020



Karl Ivarson,
Inspector

6.0 Appendices

- A. M.D. of Foothills No. 31 permit #3053
- B. 1996 WFL maximum capacity reply to M.D. of Foothills
- C. Google Earth 2000 imagery
- D. Google Earth 2017 imagery
- E. Google Earth July 18, 2002, imagery
- F. 2001-2002 WFL Accounting Example
- G. 2008-2017 WFL Accounting Example
- H. March 1, 2002, letter from consultant Dr. C. Booker to Dave Plett
- I. January 29, 2020, letter from from Dr. C. Booker
- J. January 9, 2020, letter from David Moss
- K. January 14, 2020, letter from Dave Plett (personal information redacted)
- L. January 13, 2020, letter from Shawn McLean
- M. January 12, 2020, letter from Sherri Marthaller (personal information redacted)
- N. January 7, 2020, letter from Jodi Magnusson (personal information redacted)
- O. January 6, 2020, letter from Charlie Flowers (personal information redacted)
- P. March 4, 2002, WFL Market Grid Proposal letter to Cargill
- Q. February 26, 2002, Cargill Foods/WFL meeting notes
- R. January 28, 2020, letter from Harry Riva Cambrin, Municipal Manager, Foothills County
- S. January 8, 2020, letter of Craig Snodgrass, signed as Mayor of High River (personal information redacted)

Application No. 3053

MUNICIPAL DISTRICT OF FOOTHILLS NO. 31
 Development Control Bylaw No. 306
APPLICATION FOR DEVELOPMENT PERMIT

PART 1 APPLICANT Western Feedlots Ltd.

MAILING ADDRESS Box 384, Strathmore, Alberta

Legal Description: Lot 5 Block _____ Plan No. _____ Acres 4037
 Part. SW 4 Section 45 Township 19 Range 29 W. 4 th Mer.

Registered Owner of land ROYAL TRUST CO. (C.W. ROENISH ESTATE)
 Registered Owner's Mailing Address 800 DOME TOWER, TORONTO DOMINION SQUARE, Calgary
 Telephone No. 261-9700
 Interest of Applicant if not Owner of Site AGGREEMENT TO PURCHASE SUBJECT TO APPROVAL TO DEVELOPE

Part 2 DEVELOPMENT: I/WE HEREBY MAKE APPLICATION in accordance with the plans and supporting information submitted herewith and which form part of this application to develop the site with the following:

15,000 HEAD COMMERCIAL FEEDLOT, WITH FUTURE EXPANSION TO 30,000 HEAD

Estimated Commencement Date Mar 7, 1979 Estimated Completion Date Oct. 1, 1979

Signature of Applicant  E. A. Chisholm

Part 3 FOR OFFICE USE ONLY

Pursuant to Development Control By-Law the proposed development complies with:

- (a) the Land Use Tables-Yes _____ No _____ (c) Residence-Yes _____ No _____
- (b) The setbacks: front-Yes _____ No _____ (d) Classification _____
- side - Yes _____ No _____ (e) Location _____
- Rear - Yes _____ No _____

PART 4 NOTICE OF DECISION


DATE OF DECISION: December 12, 1978

- (1) The application to develop has been:
 - (a) APPROVED subject to the following conditions:
 - (b) REFUSED for the following reasons:

1. this approval is for the S.W. 5-19-29 W 4 as per application submitted, and is not for the S.W. 5 and S.W. 4-19-29 W 4 as indicated on the correspondence from Alberta Agriculture and Alberta Environment;
2. all buildings are to comply with Municipal setback requirements;
3. necessary Municipal permits to be obtained for each structure proposed (Building Permits);
4. applicants are to comply with all regulations of Alberta Agriculture & Alberta Environment.

- (a) This is NOT a Building Permit. Construction practices (SEE ATTACHED PAGE) standards of construction for any building or structure authorized by this Development Permit shall be in accordance with the Building Bylaw of the Municipality and the Alberta Buildings Regulations (1974). An application shall be made for a Building Permit under the requirements of the Building Bylaw, and a Permit shall be issued before any work or construction on any building may commence or proceed.
- (b) This permit is not valid until 14 days following date of issue.

Date of Notice December 21, 1978


 Development Officer

THIS DEVELOPMENT PERMIT IS VALID FOR A PERIOD OF 12 MONTHS UNLESS OTHERWISE PROVIDED BY THE PLANNING COMMISSION.

5. if maintenance and dust^{control} on the Municipal roads to be used in this operation is deemed necessary by the Municipal Council, the applicants are to comply with the requirements of Council in this regard;
6. access to the S.E. 5-19-29 W 4 is subject to final approval by the Municipal Council;
7. Development Permit to be advertised in one issue of the High River Times and circulated to the adjoining landowners within a two-mile radius of the Quarter Section involved.

H. Burki
Development Control Officer

APPENDIX A

Page 3

Scale - 1/8" = 96'



ROUND T RANCH.

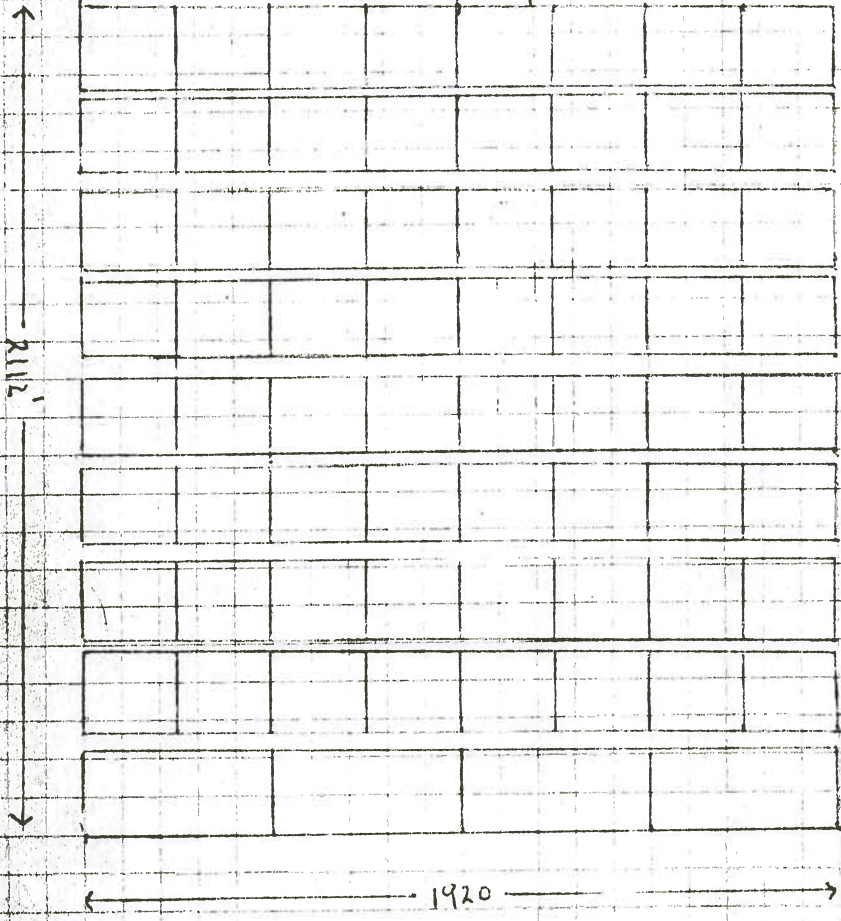
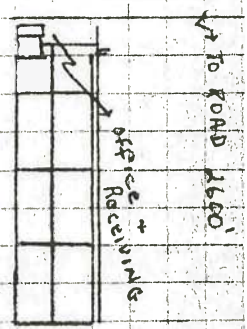
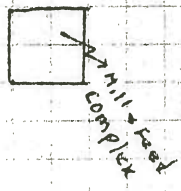
PT Sections - 19-29-64

PENS - 240 X 210'

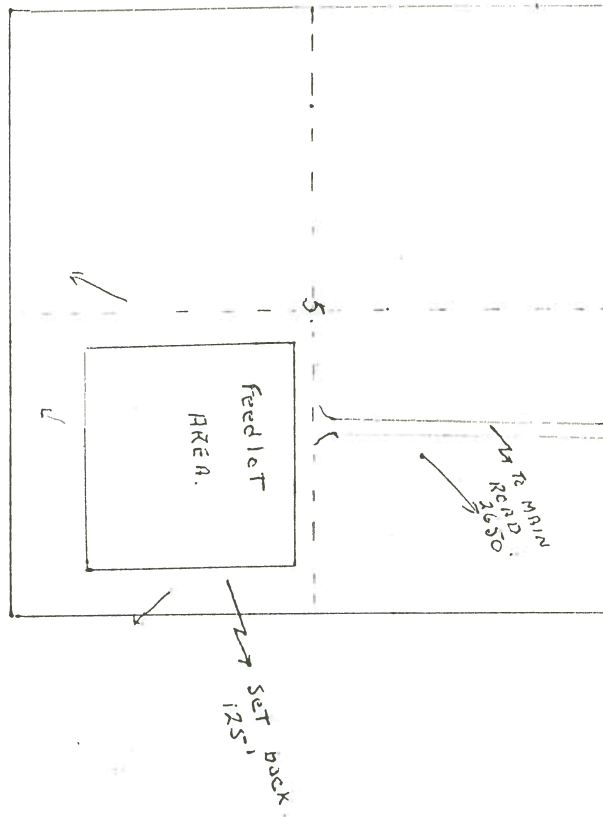
250-260 sq ft per head.

Buildings:-

- Office
- SHOP
- Milk shed
- Hospital
- Roof over chute and
- working pens
- Small Barn



ROUND T RANCH
SEC. 5-19-29-W4





WESTERN FEEDLOTS LTD.

P.O. BOX 2384, STRATHMORE, ALBERTA T1P 1K3
TELEPHONE 934-3341 FAX 934-2894

P.O. BOX 5279, HIGH RIVER, ALBERTA T1V 1M4
TELEPHONE 652-3933 FAX 652-3381

P.O. BOX 109, MOSSLEIGH, ALBERTA T0L 1P0
TELEPHONE 634-2286 FAX 534-2116

August 30, 1996

5-19-97

Municipal District of Foothills No. 31
309 Macleod Trail, Box 5605
High River, Alberta T1V 1M7

Dear Sir/Madam:

Re: Western Feedlots cattle capacity of the High River Feedlot

Upon review of our feedlot operation within the M.D. of Foothills No. 31, it is noted that our holding capacity is 35000 head of cattle.

If you have any questions or concerns, please call us.

Sincerely,

WESTERN FEEDLOTS LTD.

Jim Crooks
General Manager of Operations



COPY

June 24, 1996

Western Feedlots Ltd.
Box 2384
Strathmore, Alberta
T1P 1L3

Dear Sir/Madam:

Re: Expansion Requirements - Feedlots

Upon review of the feedlot operations within M.D. of Foothills No. 31, it was noted that an inventory on the existing animal units per feedlot is required for our records.

Under the existing Land Use Bylaw, any development of intensive livestock operations exceeding 5000 animal units require a Development Permit. All feedlots and intensive livestock operations existing prior to the amendments under the current Land Use Bylaw are considered non-conforming uses. Therefore, any expansion from the existing maximum capacity of the feedlot operation that occurs, requires a Development Permit. All development such as animal hospitals, treatment sheds, etc also require a building permit and possible development permit.

Please respond in writing, the maximum capacity your existing feedlot facility can accommodate to date. This number will be kept on file for future reference. At any time of further expansion from your existing holding capacity, you will be required to apply for a Development Permit.

If you have any questions or concerns, please contact the undersigned.

Sincerely,

M.D. OF FOOTHILLS NO. 31

Correna Collins
Assistant Development Officer

/clc



12/30/2000

191

Coal Trail

190

10



9/14/2017 2017
2002

191



7/18/2002
2002 2017

This block contains the standard Google Earth interface elements. At the top left, there is a search icon and a location pin icon. Below these is a zoom slider with a vertical bar and a horizontal line. At the bottom, there is a timeline slider showing a range from 2002 to 2017, with a date of 7/18/2002 displayed above it.

APPENDIX F

Western FeedLots Ltd.

Page 1

GL Transaction Detail

Account 9-30-05-200-00000 A/R - Cattle Shipments (as at April 2017)

Journal #	Transaction Type	Date	Reference	Debit	Credit	Lot #	Feedback ID	Op. PO #	Unit #
J 2828	GL Entry	02-Apr-2002	130701	56.12	0.00	01.1.4009	100000983		
J 2832	GL Entry	01-Apr-2002	54093-1	0.00	991.41	01.1.4007	100000994		
J 2837	GL Entry	02-Apr-2002	338F-1	0.00	44.43	01.1.4005	100000997		
J 2856	GL Entry	02-Apr-2002	54151-1	0.00	17,013.94	01.1.3007	100001018		
J 2861	GL Entry	09-Apr-2002	130791	86.78	0.00	01.1.4006	100001254		
J 2868	GL Entry	05-Apr-2002	354B-1	0.00	791.91	01.1.4007	100001273		
J 2876	GL Entry	01-Apr-2002	54064-1	0.00	104,946.24	01.2.3019	200001419		
J 2877	GL Entry	28-Mar-2002	54014-1	0.00	315,517.44	01.2.3001	200001420		
J 2878	GL Entry	02-Apr-2002	242471	0.86	0.00	01.2.3007	200001426		
J 2879	GL Entry	02-Apr-2002	242472	0.00	0.86	01.2.3007	200001428		
J 2880	GL Entry	02-Apr-2002	242473	300,706.92	0.00	01.2.3007	200001428		
J 2881	GL Entry	02-Apr-2002	242511	1.14	0.00	01.2.3019	200001429		
J 2882	GL Entry	02-Apr-2002	242531	734.85	0.00	02.2.6004	200001431		
J 2883	GL Entry	02-Apr-2002	242541	963.70	0.00	01.2.4004	200001432		
J 2884	GL Entry	02-Apr-2002	242551	984.96	0.00	01.2.3001	200001433		
J 2885	GL Entry	02-Apr-2002	242561	10.23	0.00	01.2.3020	200001434		
J 2886	GL Entry	02-Apr-2002	242581	863.65	0.00	01.2.4007	200001436		
J 2887	GL Entry	02-Apr-2002	242601	911.95	0.00	01.2.4011	200001438		
J 2888	GL Entry	02-Apr-2002	242512	0.00	1.14	01.2.3019	200001439		
J 2889	GL Entry	02-Apr-2002	242513	397,334.46	0.00	01.2.3019	200001439		
J 2890	GL Entry	03-Apr-2002	242621	0.41	0.00	01.2.3015	200001440		
J 2891	GL Entry	03-Apr-2002	242622	0.00	0.41	01.2.3015	200001444		
J 2892	GL Entry	03-Apr-2002	242623	431.74	0.00	01.2.3015	200001444		
J 2893	GL Entry	03-Apr-2002	242611	400,187.35	0.00	01.2.4004	200001448		
J 2894	GL Entry	28-Mar-2002	2192-1	0.00	8.74	01.2.3020	200001451		
J 2901	GL Entry	28-Mar-2002	226006526-1	0.00	736.96	02.2.6006	200001453		
J 2906	GL Entry	02-Apr-2002	54122-1	0.00	12.21	01.2.3020	200001456		
J 2913	GL Entry	02-Apr-2002	54120-1	0.00	1,426.88	01.2.3019	200001458		
J 2916	GL Entry	04-Apr-2002	242671	1.14	0.00	01.2.3001	200001464		
J 2917	GL Entry	04-Apr-2002	242672	0.00	1.14	01.2.3001	200001612		
J 2918	GL Entry	04-Apr-2002	242673	372,108.54	0.00	01.2.3001	200001612		
J 2919	GL Entry	05-Apr-2002	1230097623-1	0.00	169.41	01.2.3009	200001817		
J 2920	GL Entry	08-Apr-2002	242681	0.39	0.00	01.2.3015	200001886		
J 2921	GL Entry	08-Apr-2002	242682	0.00	0.39	01.2.3015	200001935		
J 2922	GL Entry	08-Apr-2002	242683	119,874.28	0.00	01.2.3015	200001935		
J 2923	GL Entry	09-Apr-2002	242761	1,955.46	0.00	02.2.1002	200001961		
J 2924	GL Entry	09-Apr-2002	242762	0.00	1,955.46	02.2.1002	200001972		
J 2925	GL Entry	09-Apr-2002	242763	1,955.46	0.00	02.2.1002	200001972		
J 2926	GL Entry	09-Apr-2002	242741	1,677.51	0.00	02.2.1004	200001973		
J 2927	GL Entry	09-Apr-2002	242751	627.10	0.00	01.2.4010	200001974		
J 2932	GL Entry	15-Mar-2002	3812-1	0.00	765.05	01.2.4004	200002018		
J 2933	GL Entry	05-Apr-2002	54274-1	0.00	300,706.92	01.2.3007	200002037		
J 2936	GL Entry	05-Apr-2002	54266-1	0.00	397,334.46	01.2.3019	200002038		
J 2937	GL Entry	08-Apr-2002	54309-1	0.00	400,187.35	01.2.4004	200002042		
J 2942	GL Entry	08-Apr-2002	54314-1	0.00	431.74	01.2.3015	200002050		
J 2949	GL Entry	09-Apr-2002	242821	736.84	0.00	02.2.5002	200002059		
J 2950	GL Entry	09-Apr-2002	242831	1,071.47	0.00	02.2.1002	200002060		
J 2951	GL Entry	09-Apr-2002	242841	931.95	0.00	02.2.1001	200002061		
J 2952	GL Entry	09-Apr-2002	242851	819.68	0.00	02.2.1003	200002062		
J 2957	GL Entry	10-Apr-2002	242881	0.25	0.00	01.2.3009	200002098		
J 2960	GL Entry	10-Apr-2002	242911	0.37	0.00	01.2.3016	200002102		
J 2961	GL Entry	13-Mar-2002	8313-1	0.00	219.28	01.2.3009	200002105		

APPENDIX G

Journal #	Transaction Type	Date	Reference	Debit	Credit	Lot #	Feedback ID	Op. PO #	Unit #
J 324373	Multi-Ledger FB GL	11-Jun-2008	10048A - 162021	0.00	9.08	08.1.6009	990006072		
J 324374	Multi-Ledger FB GL	11-Jun-2008	10048B - 161991	0.00	10.85	08.1.5016	990006073		
J 324376	Multi-Ledger FB GL	11-Jun-2008	10047B - 162041	0.00	10.48	08.1.5016	990006075		
J 324377	Multi-Ledger FB GL	11-Jun-2008	10047C - 162051	0.00	1.42	07.1.3018	990006076		
J 324381	Pure FB GL	12-Jun-2008	2-087671	1,094.66	0.00	07.2.3111	200123480		
J 324382	Pure FB GL	12-Jun-2008	2-087661	988.57	0.00	07.2.3100	200123482		
J 324383	Pure FB GL	12-Jun-2008	2-087681	1,015.09	0.00	07.2.3130	200123484		
J 324384	Pure FB GL	12-Jun-2008	2-087691	873.35	0.00	07.2.3130	200123486		
J 324385	Pure FB GL	12-Jun-2008	2-087701	887.07	0.00	07.2.3130	200123488		
J 324388	Multi-Ledger FB GL	11-Jun-2008	060608618 - 162451	0.00	17,343.52	07.1.4014	990006078		
J 324389	Multi-Ledger FB GL	10-Jun-2008	060508525 - 2-087522	109,541.95	0.00	07.2.3119	990006079		
J 324389	Multi-Ledger FB GL	10-Jun-2008	060508525 - 2-087522	0.00	109,541.95	07.2.3119	990006079		
J 324390	Multi-Ledger FB GL	10-Jun-2008	060508525 - 2-087524	109,541.95	0.00	07.2.3119	990006080		
J 324390	Multi-Ledger FB GL	10-Jun-2008	060508525 - 2-087524	0.00	109,541.95	07.2.3119	990006080		
J 324432	Pure FB GL	12-Jun-2008	162731	156,104.43	0.00	08.1.5016	100071112		
J 324440	Pure FB GL	12-Jun-2008	2-087731	103,886.03	0.00	07.2.3129	200123494		
J 324441	Pure FB GL	12-Jun-2008	2-087721	104,674.73	0.00	07.2.3128	200123496		
J 324442	Pure FB GL	12-Jun-2008	2-087711	107,248.19	0.00	07.2.3127	200123498		
J 324453	Pure FB GL	12-Jun-2008	3086531	132,827.97	0.00	08.3.5001	300117905		
J 324454	Pure FB GL	12-Jun-2008	3086551	134,559.36	0.00	08.3.5002	300117907		
J 324455	Pure FB GL	12-Jun-2008	3086561	134,549.99	0.00	08.3.5003	300117909		
J 324479	Multi-Ledger FB GL	11-Jun-2008	060608615 - 2-087551	0.00	9,001.80	07.2.3000	990006081		
J 324480	Multi-Ledger FB GL	11-Jun-2008	060608609 - 2-087541	0.00	263,175.39	07.2.3130	990006082		
J 324580	Pure FB GL	13-Jun-2008	162771	155,408.48	0.00	08.1.5017	100071137		
J 324606	Pure FB GL	13-Jun-2008	3086571	25,625.72	0.00	08.3.5005	300118009		
J 324607	Pure FB GL	13-Jun-2008	3086581	25,249.10	0.00	08.3.5009	300118011		
J 324608	Pure FB GL	13-Jun-2008	3086711	21,142.36	0.00	08.3.5012	300118013		
J 324609	Pure FB GL	13-Jun-2008	3086721	23,658.52	0.00	08.3.5004	300118015		
J 324610	Pure FB GL	13-Jun-2008	3086731	23,170.96	0.00	08.3.5007	300118017		
J 324611	Pure FB GL	13-Jun-2008	3086741	25,281.32	0.00	08.3.5011	300118019		
J 324612	Pure FB GL	13-Jun-2008	3086751	26,212.00	0.00	08.3.5008	300118021		
J 324613	Pure FB GL	13-Jun-2008	3086771	25,224.51	0.00	08.3.5010	300118023		
J 324617	Multi-Ledger FB GL	05-Jun-2008	AG924801 - 2-086533	0.00	473.00	07.2.3106	990006102		
J 324618	Multi-Ledger FB GL	13-Jun-2008	AG474544 - 3086221	0.00	454.50	07.3.3017	990006105		
J 324619	Multi-Ledger FB GL	13-Jun-2008	AG474547 - 3086251	0.00	461.50	07.3.3001	990006106		
J 324620	Multi-Ledger FB GL	13-Jun-2008	9987A - 3086241	0.00	620.00	07.3.3001	990006107		
J 324621	Multi-Ledger FB GL	13-Jun-2008	9987B - 3086231	0.00	586.00	07.3.4001	990006108		
J 324622	Multi-Ledger FB GL	13-Jun-2008	9987C - 3086211	0.00	429.50	08.3.5031	990006109		
J 324623	Multi-Ledger FB GL	13-Jun-2008	9987D - 3086201	0.00	530.50	07.3.3017	990006110		
J 324624	Multi-Ledger FB GL	13-Jun-2008	9987E - 3086191	0.00	402.00	07.3.3016	990006111		
J 324625	Multi-Ledger FB GL	13-Jun-2008	9987F - 3086181	0.00	525.00	08.3.5025	990006112		
J 324630	Multi-Ledger FB GL	12-Jun-2008	060908909 - 2-087561	0.00	297,771.17	07.2.3130	990006121		
J 324667	Multi-Ledger FB GL	13-Jun-2008	0610081040 - 2-087601	0.00	96,428.38	07.2.3122	990006137		
J 324683	Multi-Ledger FB GL	13-Jun-2008	0610081041 - 2-087611	0.00	102,114.06	07.2.3123	990006138		
J 324689	Pure FB GL	16-Jun-2008	2-087741	285,536.13	0.00	07.2.3130	200123572		
J 324694	Multi-Ledger FB GL	13-Jun-2008	0610081042 - 2-087621	0.00	103,743.67	07.2.3121	990006139		
J 324734	Multi-Ledger FB GL	13-Jun-2008	0610081032 -	0.00	7,452.92	07.3.3002	990006134		

APPENDIX G

Western FeedLots Ltd. General Posting Journal

GL Entry	060908909 - 2-08756-1-1	12 Jun 2008	Jun 2008	990006121	ffarough				
Account	Description	Details	Farm	Project #	Lot No.	Unit No.	Debit	Credit	
J324630	A/R GST	07.2.3130 / 060908909			07.2.3130		\$52.60		
2-30-40-050-000000	Cattle Sales - Settlement Variance	07.2.3130 / 060908909			07.2.3130			\$17,690.93	
9-30-05-200-000000	A/R - Cattle Shipments	07.2.3130 / 060908909			07.2.3130			\$297,771.17	
9-01-01-100-000000	CIBC CDN Bank Account	07.2.3130 / 060908909			07.2.3130		\$315,409.50		
Total Distributions: 4							Totals:	\$315,462.10	\$315,462.10

Summary

GL Account	Net Effect	Debit	Credit
2-30-40-050-000000	Cattle Sales - Settlement Variance	0.00	17,690.93
9-01-01-100-000000	CIBC CDN Bank Account	315,409.50	0.00
9-01-05-600-000000	A/R GST	52.60	0.00
9-30-05-200-000000	A/R - Cattle Shipments	0.00	297,771.17
Totals:		315,462.10	315,462.10

APPENDIX G

Page 3



Western Feedlots Ltd. (HR)

Box 5279
High River, AB T1V 1M4
(403) 652-3933

Cattle Settlement

Account #: 2
Issued Date: 13-Jun-08

To:
Western Feedlots Ltd. (HR)

Box 5279
High River, AB T1V 1M4
Payee:
Western Feedlots Ltd. (HR)

Net Revenue
\$315,462.10

Settlement Date	Lot #	Lot Name	Animal Type
13-Jun-08	07.2.3130	wfl	FSC
Kill Date	Kill Lot	Packer	
09-Jun-08	909	Cargill Foods - Cattle	

Summary of Settlement		
	Total Settlement	Note
Head Shipped:	252.00	
Before Scale Condemn:	0.00	
After Scale Condemn:	0.00	
Settled Head:	252.00	
Gross Weight:	338,660.10	
Shrinkage:	3.50%	
Net Weight:	326,807.00	
Average Net Weight:	1,296.85	\$/CWT
Gross Revenue:	\$315,974.40	\$96.69
Deductions:	\$564.90	\$0.16
Received From Packer:	\$315,409.50	
Expenses:	\$0.00	\$0.00
Refundable Tax:	\$52.60	
Net Revenue:	\$315,462.10	96.53
Your Share:	100.00%	
Gross Revenue:	\$315,974.40	
Deductions:	\$564.90	
Received From Packer:	\$315,409.50	
Expenses:	\$0.00	
Refundable Tax:	\$52.60	
Net Revenue:	\$315,462.10	

Deduction Details		
Deduction	Total \$	Your Share
Alberta Cattle Commission	\$756.00	\$756.00
Brand	\$264.60	\$264.60
Grading	\$56.70	\$56.70
Premium	(\$565.00)	(\$565.00)
Refundable Tax	\$52.60	\$52.60
Total:	\$564.90	\$564.90



Shipment Summary							
Shipment Date	Pen	Out Ticket Number	Number of Head	Gross Weight	Shrinkage %	Net Weight	Avg Net Weight
09-Jun-08	508	2-08756	252	338,660	3.50%	326,807	1,297
Total:			252	338,660		326,807	1,297



FEEDLOT HEALTH MANAGEMENT SERVICES

FACSIMILE TRANSMITTAL SHEET

TO: Dave Plett	FROM: Calvin
COMPANY: Western Feedlots Ltd.	DATE: March 1, 2002
FAX NUMBER: 601-8670	TOTAL NO. OF PAGES INCLUDING COVER: 14
RE: Grid Analyses	FAXED BY:

URGENT
 FOR REVIEW
 PLEASE COMMENT
 PLEASE REPLY
 PLEASE RECYCLE

NOTES/COMMENTS:

Dave:

I simulated three things for you.

1. Numbered Pages 1-4 are summarized in the first two comparison columns on the Simulation summary page. They represent the +3 AA and -3 A MARJUL and +1 AA and -1 A AUGFEB modifications to the "4:00 PM Grid" with the -1.5 slide for every 2% AAA below the AAA spec (42% for 2002 and 44% for 2003).
2. Numbered Pages 5-8 are summarized in the third and fourth comparison columns on the Simulation summary page. They represent the +2 AA and -2 A MARJUL and +2 AA and -2 A AUGFEB modifications to the "4:00 PM Grid" with the -1.0 slide for every 2% AAA below the AAA spec (42% for 2002 and 44% for 2003).
3. Numbered Pages 9-12 are summarized in the fifth and sixth comparison columns on the Simulation summary page. They represent the +2 AA and -2 A MARJUL and +2 AA and -2 A AUGFEB modifications to the "4:00 PM Grid" with the -1.5 slide for every 2% AAA below the AAA spec (42% for 2002 and 44% for 2003).

Let me know if you have any questions, concerns, or comments.

BAY 7 - 87 ELIZABETH STREET, OKOTOKS, ALBERTA T1S 2A2
 TELEPHONE: (403) 938-5151 FAX: (403) 938-5175

This facsimile is a privileged, confidential message intended only for the use of the intended recipient or agent thereof, if you are not the intended recipient, you are hereby notified that any dissemination, distribution or copying of this facsimile is strictly prohibited. If you have received this facsimile in error, please notify us immediately by telephone and return it to us by regular mail. Thank you.

APPENDIX H

Simulation of New Pricing Grid Impact on Non-Cargill Cattle at Western Feedlots Ltd.

Grid Period	MARJUL - AA+3 AND A-3 AUGFEB - AA+1 AND A-1		MARJUL - AA+2 AND A-2 AUGFEB - AA+2 AND A-2		MARJUL - AA+2 AND A-2 AUGFEB - AA+2 AND A-2	
	2002 AAA (34-42) -1.5 per 2% AAA Feb 27 QG Mech Feb 27 QG Prem 550-875 Grid 550-925 Flat	2003 AAA (36-44) -1.5 per 2% AAA Feb 27 QG Mech Feb 27 QG Prem 550-875 Grid 550-925 Flat	2002 AAA (34-42) -1.0 per 2% AAA Feb 27 QG Mech Feb 27 QG Prem 550-875 Grid 550-925 Flat	2003 AAA (36-44) -1.0 per 2% AAA Feb 27 QG Mech Feb 27 QG Prem 550-875 Grid 550-925 Flat	2002 AAA (34-42) -1.5 per 2% AAA Feb 27 QG Mech Feb 27 QG Prem 550-875 Grid 550-925 Flat	2003 AAA (36-44) -1.5 per 2% AAA Feb 27 QG Mech Feb 27 QG Prem 550-875 Grid 550-925 Flat
Exist QG Mech	\$212,348.32	\$466,869.27	\$712,542.64	\$645,954.61	\$641,804.10	\$557,232.48
Exist QG Prem	\$2,010,192.96	\$1,679,646.82	\$1,664,050.99	\$1,531,432.01	\$1,569,872.06	\$1,448,588.55
550-850 Wt Rge						
Total Premiums	\$2,222,541.28	\$2,226,884.23	\$2,376,593.63	\$2,177,386.62	\$2,211,676.16	\$2,005,821.03
Difference from existing QG mechanism and QG premiums	Total Proceeds \$/cwt	\$4,342.95 \$0.01	\$154,052.35 \$0.24	-\$45,154.66 -\$0.07	-\$10,866.12 -\$0.02	-\$216,720.25 -\$0.33

*Simulations were done using 82,546 carcass records (541 kill lots - at least 10 carcasses/kill lot) from 2001 at Western Feedlots Ltd.

APPENDIX H

Summary of February 27, 2002 Grid Proposal - 2002 AAA Specs 34-42 By -1.5
 MARJUL - AA+3 and A-3 AUGFEB - AA+1 and A-1

Grid Period	Animal Type	Percent AAA	Number of Kill Lots	Number of Carcasses	Carcass Weight	Premium/Discount Total	\$/cwt	
AUGFEB	FHC	<34	1	210	164,565.8	-\$568.12	-\$0.35	
AUGFEB	FSC	>=34	1	112	89,824.2	\$615.54	\$0.69	
AUGFEB	WSC	<34	1	150	110,924.0	-\$310.72	-\$0.28	
AUGFEB	WSC	>=34	12	2,212	1,808,141.6	\$55,832.93	\$3.09	
AUGFEB	YH	<34	21	3,171	2,457,945.4	-\$34,599.20	-\$1.41	
AUGFEB	YH	>=34	83	10,719	8,219,000.8	\$381,908.66	\$4.65	
AUGFEB	YS	<34	53	6,727	5,544,003.2	-\$97,663.36	-\$1.76	
AUGFEB	YS	>=34	101	13,980	11,551,216.6	\$242,021.69	\$2.10	
					37,281	29,945,621.6	\$547,237.41	\$1.83

Grid Period	Animal Type	Percent AAA	Number of Kill Lots	Number of Carcasses	Carcass Weight	Premium/Discount Total	\$/cwt	
MARJUL	FHC	<34	6	775	545,639.0	-\$7,081.04	-\$1.30	
MARJUL	FHC	>=34	19	4,328	2,999,837.2	\$228,495.64	\$7.62	
MARJUL	FSC	<34	69	11,004	8,517,661.3	-\$71,057.58	-\$0.83	
MARJUL	FSC	>=34	96	17,455	13,693,269.6	\$959,073.08	\$7.00	
MARJUL	Mix	<34	1	150	108,711.0	-\$107.24	-\$0.10	
MARJUL	WHC	<34	1	172	136,670.4	-\$4,251.60	-\$3.11	
MARJUL	WHC	>=34	1	206	147,766.6	\$11,920.43	\$8.07	
MARJUL	WSC	<34	2	395	316,827.6	-\$2,833.48	-\$0.89	
MARJUL	WSC	>=34	4	1,071	858,311.2	\$79,653.64	\$9.28	
MARJUL	YH	<34	1	34	25,860.0	-\$1,011.56	-\$3.91	
MARJUL	YH	>=34	10	1,621	1,130,762.4	\$90,637.04	\$8.02	
MARJUL	YS	<34	17	2,202	1,771,348.4	-\$18,826.70	-\$1.06	
MARJUL	YS	>=34	41	5,852	4,658,993.0	\$415,036.19	\$8.91	
					45,265	34,911,657.7	\$1,679,646.82	\$4.81

①

APPENDIX H

Summary of February 27, 2002 Grid Proposal - 2003 AAA Specs - 36-44 By -1.5

MARJUL - AA+3 and A-3 AUGFEB - AA+1 and A-1

Grid Period	Animal Type	Percent AAA	Number of Kill Lots	Number of Carcasses	Carcass Weight	Premium/Discount Total	\$/cwt
AUGFEB	FHC	<36	1	210	164,565.8	-\$568.12	-\$0.35
AUGFEB	FSC	<36	1	112	89,824.2	-\$731.83	-\$0.81
AUGFEB	WSC	<36	1	150	110,924.0	-\$310.72	-\$0.28
AUGFEB	WSC	>=36	12	2,212	1,808,141.6	\$46,405.44	\$2.57
AUGFEB	YH	<36	24	3,448	2,682,857.0	-\$38,067.40	-\$1.42
AUGFEB	YH	>=36	80	10,442	7,994,089.2	\$358,084.08	\$4.48
AUGFEB	YS	<36	56	7,310	6,024,783.2	-\$111,651.40	-\$1.85
AUGFEB	YS	>=36	98	13,397	11,070,436.6	\$213,709.22	\$1.93
			37,281	29,945,621.6	\$466,869.27	\$1.56	

Grid Period	Animal Type	Percent AAA	Number of Kill Lots	Number of Carcasses	Carcass Weight	Premium/Discount Total	\$/cwt
MARJUL	FHC	<36	7	1,011	708,089.8	-\$9,525.92	-\$1.35
MARJUL	FHC	>=36	18	4,092	2,837,386.4	\$211,949.35	\$7.47
MARJUL	FSC	<36	80	13,165	10,183,005.5	-\$84,328.04	-\$0.83
MARJUL	FSC	>=36	85	15,294	12,027,925.4	\$882,100.26	\$7.33
MARJUL	Mix	<36	1	150	108,711.0	-\$107.24	-\$0.10
MARJUL	WHC	<36	1	172	136,670.4	-\$4,251.60	-\$3.11
MARJUL	WHC	>=36	1	206	147,766.6	\$11,920.43	\$8.07
MARJUL	WSC	<36	2	395	316,827.6	-\$2,833.48	-\$0.89
MARJUL	WSC	>=36	4	1,071	858,311.2	\$79,653.64	\$9.28
MARJUL	YH	<36	2	254	187,151.2	-\$3,749.84	-\$2.00
MARJUL	YH	>=36	9	1,401	969,471.2	\$88,636.32	\$9.14
MARJUL	YS	<36	20	2,568	2,069,107.8	-\$21,244.34	-\$1.03
MARJUL	YS	>=36	38	5,486	4,361,233.6	\$397,041.25	\$9.10
			45,265	34,911,657.7	\$1,545,260.78	\$4.43	

3



Feedlot Health
Management Services

January 29, 2020

To Whom It May Concern:

I am writing this letter in response to a request from Ms. Kendra Donnelly of Rimrock Feeders to describe the cattle production activities at Western Feedlots Ltd. – High River Site (Western HR) during the time frame on or about January 1, 2002. Specifically, the request was whether we had information or data to describe the out weights and target markets of animals produced at this feedlot site for the time frame indicated.

Our company, Feedlot Health Management Services (Feedlot Health), is comprised of a group of veterinarians and nutritionists with interdisciplinary cattle production expertise that helps feedlots who want to improve net profitability by optimizing cattle health, nutrition and production and applying new knowledge based on large pen research. We deliver our expertise through a subscription-based service model whereby we are engaged with client feedlots daily through a combination of site visits, electronic communication, data exchange using our proprietary data collection and management systems, conference calls and in-person meetings.

Western HR was a continuous client of Feedlot Health from 1983 through the cessation of operations in April 2017. Rimrock Feeders is also a client of Feedlot Health, with services commencing in the fall of 2019.

I have been a full-time member of the Feedlot Health since 1992 and had extensive involvement with Western HR. During my tenure, the feedlot was always a finishing feedlot, with all animals shipped for slaughter. In most years, all animals from Western HR were shipped to Cargill Foods, High River, Alberta as part of an agreement between the companies and sold on a carcass grid basis. As part of the services Feedlot Health delivered to Western HR, we summarized closeout data for a variety of reasons. We have summary closeout data records going back to 1995 for Western HR. For the placement years 2000 through 2002, a summary of that database is as follows:

Western Feedlots Ltd. - High River Site Closeout Summary

Year Placed	# of Lots	# of Animals Placed	# of animals Shipped	% with Carcass Weights	Average Carcass Weight
2000	158	64607	63709	~99.6%	795
2001	139	61744	60713	~99.6%	787
2002	127	56301	55558	100%	790

The closeouts for 2000 and 2001 show total carcass weights for all animals shipped except ~250 animals in one lot each year.

These data clearly show that Western HR was finishing animals and receiving carcass weight data back from the packing plant on essentially all animals placed in the feedlot around January 1, 2002.

If you have any questions, comments or concerns, please don't hesitate to contact me at your convenience.

Sincerely,

Calvin Booker, DVM, MVetSc
Managing Partner

APPENDIX J



CANADIAN
CATTLEMEN'S
ASSOCIATION

National Voice Of Cattle Producers

180, 6815 - 8th Street NE
Calgary, AB T2E 7H7
Tel: 403. 275. 8558
Fax: 403. 274. 5686

1101, 350 Sparks Street
Ottawa, ON K1R 7S8
Tel: 613. 233. 9375
Fax: 613. 233. 2860

January 9, 2020

Karl Ivarson
Inspector
Natural Resources Conservation Board

Dear Mr. Ivarson (Karl),

I was employed as General Manager of Cattle Operations for Western Feedlots Ltd. from April 1997 to March 2001. In this capacity I managed all aspects of cattle procurement, cattle performance, and cattle marketing. I lead a staff of 35 employees, developed and implemented the cattle department business plan, and contributed to corporate direction setting as part of the senior executive team at Western Feedlots.

I can confirm that in my capacity as General Manager of Cattle Operations for Western Feedlots Ltd. I had direct knowledge of the type of cattle being procured and fed at the High River location (now known as Rimrock Feeders Ltd.) on and before the January 1, 2002 time period.

The type of cattle being fed at the High River feedlot were all grain-fed finished cattle destined primarily to the Cargill Foods High River packing facility. The Western High River feedlot procured all types of feeder steers and heifers from freshly weaned calves (450 lbs – 700 lbs), backgrounded feeders (650 lbs – 850 lbs), and yearling grass cattle (750 lbs – 1050 lbs), all of which, were fed to a finish weight of at least 1200 lbs and harvest as high-quality grain-fed Canadian beef.

Should you require any additional information please don't hesitate to contact me at mossd@cattle.ca.

Yours truly,

David Moss

APPENDIX K

January 14, 2020

Karl Ivarson
Inspector
Natural Resources Conservation Board

Dear Mr. Ivarson,

Re: Western Feedlots Ltd. Cattle Feeding

This letter is response to your requirement for a statement regarding the cattle being fed at Western Feedlots Ltd. High River feedlot operation, which was located approx. 5 miles west of High River, Alberta on Section 5 – Twp 19 – Range 29 – West of the 4th Meridian.

During the period of the mid-1980's until 2017, I was the acting General Manager and the CEO of Western Feedlots business operations. I was responsible for the management and control of all cattle being fed at the High River feedlot location during this period. At various times the cattle were procured from locations across western Canada, north west U.S.A. or the islands of Hawaii. The cattle were received from as light as 450 lb. up to 1,000 lbs. and were fed high-grain concentrate rations as part of the management program in preparation for slaughter at various packing plants in Canada and the U.S.A. The cattle were predominantly of beef breed origin, and the meat from them destined for the human beef market post-slaughter.

Please do not hesitate to contact me if you have any further questions or requirements.

Yours truly,



Dave Plett

[REDACTED]

[REDACTED]

APPENDIX L



January 13, 2020

Karl Ivarson
Inspector
Natural Resources Conservation Board

Dear Karl Ivarson:

Please accept this letter as a statement where I had direct knowledge of the type of cattle being fed at the High River feedlot (now known as Rimrock Feeders Ltd.) on and before the January 1, 2002 time period.

From around May 1992 to July 1993 I was employed by Western Feedlots Ltd. as a pen rider. From August 1993 to October 31, 1998 I was employed by Alberta Agriculture (AF) as a Brand Inspector and from November 1998 to May 2002 I was employed as a Livestock Inspector by Livestock Identification Services Ltd. (LIS). Since 2002 I have been worked in the LIS Head Office. From 2002 to 2014 I worked as the IT Manager and in 2014, I become the General Manager of LIS.

As a result of my work with Western Feedlots Ltd. and my work as an Inspector with AF and LIS, and in my position as IT Manager and General Manager, I can confirm that from 1993 to January 1, 2002 and beyond, Western Feedlots fed cattle to harvest weight and cattle were transported out of the feedlot for slaughter, either locally or to the United States. The cattle fed by Western Feedlots Ltd. ranged in weight and size; some were calves freshly weaned in the fall and others were yearlings that came into the feedlot through out the year.

A search of the LIS database for the period January 1, 2000 to December 31, 2001 shows that a total of 69,169 head were inspected by LIS for transport to slaughter, either in Alberta or the United States. Although more difficult to provide, LIS has records of inspections of cattle from Western Feedlots Ltd. for transport for slaughter going back to 1998, when LIS was established as the delegated authority of Alberta Agriculture and Rural Development for brand inspection and other services.

Should you have any questions or require further clarification please feel free to contact me by either phone (403) 225-6310 or email at shawn.mclean@lis-alberta.com

Yours truly,

LIVESTOCK IDENTIFICATION SERVICES LTD.

A handwritten signature in blue ink that reads 'Shawn McLean'. The signature is written in a cursive style with a clear, legible font.

Shawn McLean, General Manager

cc. Rimrock Feeders Ltd.

APPENDIX M

January 12, 2020

Karl Ivarson
Inspector
Natural Resources Conservation Board

Dear Karl Ivarson,

Please accept this letter as a statement where I, Sherri Marthaller, have direct knowledge of the type of cattle being fed at the High River feedlot (now known as Rimrock Feeders Ltd.) on and before the January 1, 2002 time period. I was an employee for Cargill Foods from Oct 1991 to Feb 2014, holding the position of Cattle Procurement Supervisor during the time of interest.

The type of cattle being fed at the High River feedlot were finished steers and heifers weighing approximately 1100-1450 lbs going for slaughter. The High River feedlot (Western Feedlot at the time) shipped most of their cattle to the Cargill beef plant at High River, were my team and I were responsible for payment of these cattle. The High River feedlot has considered a "formula" customer with Cargill and the payments made for the cattle were based on a grid system. Cattle were required to have a high-quality grade (AAA, AA, A), meet a y1-y3 yield grade and have a carcass weight ranging from 550-900 lbs. Any outlier would be heavily discounted. Cargill received cattle from the High River feedlot (Western Feedlot) several days each week throughout the year.

Should you require any additional information please don't hesitate to contact me at

[REDACTED]



Sherri Marthaller

APPENDIX N

January 7, 2020

Karl Ivarson
Inspector
Natural Resources Conservation Board

Dear Karl Ivarson,

Please accept this letter as a statement where I, Jodi Magnusson, had direct knowledge of the type of cattle being fed at the High River feedlot (now known as Rimrock Feeders Ltd.) on and before the January 1, 2002 time period.

The type of cattle being fed at the High River feedlot were to be finished animals weighing 900+ lbs to go to slaughter.

The personal knowledge I have is through;

- Employee of the feedyard from 2004 to the final year Western Feedlots – High River fed cattle. My responsibilities were within accounting, and although I didn't start until 2004, I had access to and knowledge of previous accounting records/years including 2002.
- Along with Kendra Donnelly, we went through Western Feedlots Ltd. accounting records and were able to find slaughter/close-out lot information from 2001 – 2018. These records give proof that Western Feedlots – High River were in the business to finish cattle (900+ lbs) to go to slaughter.
- I was highly involved with Western Feedlots – High River, and I visually saw the cattle on a regular basis, saw weekly cash transactions from Cargill and other packing plants of the cattle we were shipping to slaughter from Western Feedlots – High River, understood the business model of feeding cattle to slaughter, and through this involvement I am confident Western Feedlots – High River fed finishing cattle weighing 900+ lbs to go to slaughter.

Should you require any additional information please don't hesitate to contact me at the following contact information.

Sincerely,



Jodi Magnusson

[REDACTED]
High River, Alberta
[REDACTED]

APPENDIX O

January 6, 2020

Karl Ivarson
Inspector
Natural Resources Conservation Board

Dear Karl Ivarson,

Please accept this letter as a statement where I, Charlie Flowers, had direct knowledge of the type of cattle being fed at the High River feedlot (now known as Rimrock Feeders Ltd.) on and before the January 1, 2002 time period.

The type of cattle being fed at the High River feedlot were to be finished animals weighing 900+ lbs to go to slaughter.

The personal knowledge I have is through;

- Neighbor of the feedyard from when Western Feedlots – High River was built in the early 1980's to the final year Western Feedlots – High River fed cattle.
- Contractor (farming, manure management and bedding) of the feedyard from when Western Feedlots – High River was built in the early 1980's to the final year Western Feedlots – High River fed cattle.
- I was highly involved with Western Feedlots – High River, and I visually saw the cattle on a regular basis, understood the business model of feeding cattle to slaughter, and through this involvement I am confident Western Feedlots – High River fed finishing cattle weighing 900+ lbs to go to slaughter.

Should you require any additional information please don't hesitate to contact me at the following contact information.

Sincerely,



Charlie Flowers
PO Box 5742
High River T1J1P3





from the desk of:

date: Monday, March 4, 2002

Dave Plett file:

President/CEO

Box 5279, High River, Alberta, T1V 1M4

Tel (403) 816 - 8650 Fax (403) 601 - 8670

Email dplett@westernfeedlots.com

Re: Grid Proposal

Attached is a proposal for a marketing Grid for utilization on Western cattle beginning March 4, 2002 which accomplishes the following:

1. It reduces the AA quality grade premium from the current Grid by -1 point
2. It severely reduces the A quality grade categories by -5 points
3. It makes the down slide on the 42% minimum requirement very aggressive
4. It increases the minimum AAA eligibility requirement over the next 3 years to 48%
5. it increases the onset weight of the base overage discount to 875 lbs.

The net result we anticipate is that it will:

1. increase the days on feed
2. increase the quality grade volumes
3. increase the amount of sorting to enhance lot uniformity in terms of grading
4. it will decrease the frequency of lots that have a high % AA grading
5. it will continue to provide Cargill Foods with first access to all cattle fed at Western

~ Because our success will be based on preferred herd of origin management, we accept the proposed Grid as presented with the condition that Cargill Foods provides Western Feedlots Ltd. with carcass data linked to CCIA tag # within the year. Failure to do so would result in no further increases to the minimum AAA requirement for subsequent ears.

✓ We have also committed to undertake a Live Cattle risk management study by March 15 with the intent of developing a risk management tool for purposes of off-season LC supply management purposes. I will be in touch with you in the near future to develop this model further.

Prior to implementation, we still have several outstanding issues including:

- ✓ 1. We have several customers currently with delivery contracts with Cargill Foods under the old Grid. I would suggest these cattle be graded and valued under the Mar-July Grid presented and accepted in fall 2001 for spring cattle. The reason for this is that they might become concerned if we changed Grid terms on them.
- ✓ 2. We also have to meet with our customers that placed calves under the premises that the existing Grid (Mar-July Grid presented and accepted in fall 2001 for spring cattle) is how they would be selling their cattle. We will need to introduce the new Grid to them, and determine whether they want to sell cattle under it or the old Grid. (This is the reason we have the 6 month delay provision for Grid cattle.)

Other issues:

- Plant closure = 20% reduction in base price for the week for each day the plant is closed
- Volume of committed cattle = 150,000 head / year

Customer programs, promotions, sorting

APPENDIX P

Page 2

Willie & Bruce,

Attached is a proposal for a marketing Grid for utilization on Western cattle beginning March 4, 2002 which accomplishes the following:

1. It reduces the AA premium from the current Grid by -1 point
2. It severely reduces the A categories by -5 points
3. It makes the down slide on the 42% minimum requirement very aggressive
4. It increases the minimum AAA eligibility requirement over the next 3 years to 48%
5. it increases the onset weight of the base overage discount to 875 lbs.

The net result we anticipate is that it will:

1. increase the days on feed
2. increase the quality grade volumes
3. increase the amount of sorting
4. it will continue to provide Cargill Foods with first access to all cattle fed at Western

We have also committed to undertake a Live Cattle risk management study by March 15 with the intent of developing a risk management tool for purposes of off-season LC supply management purposes. I will be in touch with you in the near future to develop this model further.

We have several outstanding issues including:

1. We have several customers currently with delivery contracts with Cargill Foods under the old Grid. I would suggest they might become concerned if we changed Grid terms on them.
2. We have to meet with our customers that placed calves under the premises that the existing Grid is how they would be selling their cattle. We will need to introduce the new Grid to them, and determine whether they want to sell cattle under it or the old Grid. (This is why we have the 6 month delay provision.)
- 3.

APPENDIX P

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ISSUE 1. Increase AAA frequency for March – April

- a. Proposed changes provide mixed signals on AAA grades
 - i. decreased Mar-Jul premiums for AAA
 - ii. no net change to Prime, CAB, Sterling Silver grades
 - iii. not reflective of Ch/Sel spreads
 - iv. no slide down – decreases interest in Grid sales, encourages customers to feed/sell elsewhere
 - v. **need to restore the \$16 AAA/AA spread for March - July**
- b. Harsh below 42% penalty kills momentum
 - i. Producers will want to sell elsewhere
 - ii. Slide allows us to train ourselves and our customers
 - iii. Should slide up (if no slide down)
 - iv. **Need to slide the base price down based on AAA actual vs. minimum requirement**
 - v. Base adjust : -1 for 0 to 2.99% down; -2 for 3 to 5.99 % down; -3 for > 6% down

ISSUE 2. Lot Size for 42% minimum

- c. Need to identify the unit size for 42% requirement
 - i. Week's shipments? Feedlot lot?
 - ii. If by kill lot, grading concerns; (see grading variance research results)
 - iii. **Need to pay on individual animal basis – greater premiums and discounts**

ISSUE 3. Need to increase the carcass weight allowance (to 885 lbs.)

- d. Encourages more days on feed (and resulting grading changes)
- e. Produces greater lot uniformity – more sorting
- f. must be defined CAB/SS specs – no “in-house” changes

ISSUE 4. Need to maintain focus on the benefits that result:

- g. Food Safety
 - i. Animal production systems with a Food Safety Assurance system that is a veterinarian designed protocol
 - ii. Individual animal ID health trace-back through the feedlot
- h. Food Quality
 - i. Vitamin E fed cattle
 - ii. Tighter lot uniformity, focused on Cargill Foods specific needs/targets
- i. Solid Inventory Management
 - i. Control and management of a significant volume focused on meeting Cargill Foods carcass quality needs

ISSUE 5. Need to go to CVS grading for carcass evaluation

- j. Eliminate human grading element (see grading variance research results)
- k. Focus on accurate (actual) red meat yield and QG score

APPENDIX Q

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February 26, 2002

Summary Notes: Cargill Foods / Western Feedlots Ltd.
Cargill Foods: Willie Van Sokelma, Bruce Hepburn,
Western Feedlots Ltd.: Dave Plett, Bart Holowath

1. Reviewed Cargill Foods marketing objectives; increase AAA branded programs such as CAB, Sterling and to grow the CCA program significantly in the future. Angus Pride will likely remain as a single retailer program.

Proposed Grid Discussions

1. Western suggested that the AAA/AA spread for March to July remain at 19 points because:
 - a. it was more consistent with the historical spread for this period
 - b. such a premium would draw more AAA into this calf-fed season (normally a challenge to get AAA carcasses)
2. The principle of increasing the minimum AAA lot requirement to 48% over 5 years was agreed to as appropriate, but only if there would be a down-slide to the minimum. Willie & Bruce will look into a more aggressive down slide than what has been in place previously and present it to Western for acceptance.
3. The definition of "lot size" for determining the minimum 42% lot qualification was discussed. A scientific, in-house grading assessment has shown that individual lot variance in grading can be great. Therefore, some neutralizing of grader variance is suggested. Bruce & Willie will study the alternatives available to establish appropriate minimum lot size to eliminate human grading variability. All agreed that significantly "off cattle" could and should be sold elsewhere.
4. In order for Western to enhance the grade of the cattle (especially calf-feds) longer feeding periods are suggested. The base-coverage beginning at 850 lbs. discourages longer feeding, and thereby results in poor grading. Although Willie pointed out that significantly heavier carcasses are not desired by the plant, Dave indicated that by deferring the onset of the base-coverage to a slightly heavier level, that significant gains in grading could be attained. Bart is to accumulate Western kill weights over the last year, and Bruce to provide plant average carcass weights (without Western cattle) to determine whether Western currently is a contributor of heavier carcasses, or not. Based on the results here, we will discuss the opportunity to increase the base weight -coverage adjustment onset at the Thursday, 7:00 a.m. breakfast meeting at Western's High River feedlot.

APPENDIX Q

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5. Several contract terms from the previous Grid were reinstated:
 8. Cargill Foods will provide for all slaughtered cattle; kill lot #, number of animals, shrunk live weights, summary slaughter results, and WFL lot number to WFL.
 9. Cargill Foods will provide a grading file with all grading information (including CCIA number) on grid cattle on disc weekly to WFL.
 10. Western Feedlot Ltd agrees to provide first option on 100% of all Western owned cattle and Western customer cattle to the grid formula agreement.
 11. Cargill Foods and Western Feedlots Ltd will review grid agreement every 6 months, changes made must be agreed to by both parties.
Any changes to the grid will implemented 6 months after the agreed to date - unless both parties agreed to waive the implementation period
 12. Cargill Foods will provide the volume of cattle purchased in the spot market (live & rail) that was used to create Western's base price on a quarterly basis.
 13. Cargill Foods will guarantee a competitive base price and market for all Western Feed cattle - should slaughter capabilities at High River become challenged
6. Willie and Dave will attempt to extract from Wichita Excel/Cargill Foods' position on plant carcass data sharing, as well as sort out who is doing what with whom (RMS, Viewtrack, other feedlots, etc.)
7. Western and Cargill Foods need to develop a format to ensure that the plant receives supplies of fed cattle during critical short periods. The Grid marketing opportunity must address the need for more consistent supply of fed cattle to the plant. The feedlot concerns over market risk for off-price periods must also be addressed.

By mid March:

- Dave will lead the development of a "basis model" for risk management that results in better supply uniformity.
- Dave will also contact Wayne Purcell at Research Institute on Livestock Pricing to determine if there is more information here, or if a project by a researcher on this topic is warranted.

As Western's cattle marketings for the next 120 days are already on feed, the supply management issue will be applied to the marketings beyond the inventory currently on hand.

8. Dave agreed that we could implement the new Grid on Monday, March 4 subject to being able to resolve outstanding items #1 through #4.

APPENDIX R



FOOTHILLS COUNTY

309 Macleod Trail, Box 5605
High River, Alberta T1V 1M7
Tel: 403-652-2341 Fax: 403-652-7880
www.mdfoothills.com

January 28th, 2020

Karl Iverson, B.Sc
Inspector
National Resource Conservation Board
Lethbridge, AB

Attention to: Mr. Iverson
Regarding: Rimrock Feeders within Foothills County

Please accept this letter in support of the grandfather determination for Rimrock Feeders Ltd. within the Foothills County. Foothills understands the style of cattle at the Feedlot from prior to January 1st 2002 and continuing today are large finishing animals weighing 900+ lbs. These animals are finished and transported to the slaughter plant.

Should you require any additional information please do not hesitate to contact the undersigned.

Sincerely,
FOOTHILLS COUNTY

A handwritten signature in black ink, appearing to read "Harry Riva Cambrin".

Harry Riva Cambrin, CGLM, CET
Municipal Manager

APPENDIX S

January 8, 2020

Karl Ivarson
Inspector
Natural Resources Conservation Board

Dear Karl Ivarson,

Please accept this letter as a statement where I, Craig Snodgrass current Mayor of High River, had direct knowledge of the type of cattle being fed at the High River feedlot (now known as Rimrock Feeders Ltd.) before the January 1, 2002 time period.

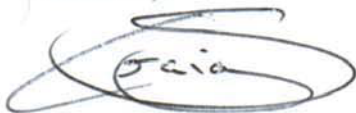
The type of cattle being fed at the High River feedlot were to be finished animals weighing 900+ lbs to go to slaughter.

The personal knowledge I have is through;

- Employment with Charlie Flowers (contractor for Western Feedlots Ltd.) in the 1990's where I cleaned pens and I visually saw the cattle on a regular basis. The cattle were to be finished (weighing 900+ lbs) to go to slaughter.
- Since I worked for Charlie in the 1990's, I have been actively involved in the High River community and have known many people who worked at the feedlot. Given the set-up and location of the feedyard (feedmill, pen size, bunks, and proximity to Cargill Plant) along with my involvement in the 90's gives me the confidence to believe Western Feedlots has always been in the business of finishing cattle weighing 900+ lbs to go to slaughter.

Should you require any additional information please don't hesitate to contact me at the following contact information.

Sincerely,



Craig Snodgrass
Owner – Lyle Reeves Funerals Inc.
Mayor of High River
craig@lylereeves.com

