In preparation for the upcoming federal election, the Canadian Cattlemen’s Association (CCA), that represents Canada’s 60,000 beef operations, prepared this document to offer recommendations on how to further position the beef industry as a key sector of sustainable growth in Canada.

The Canadian beef industry contributes $9 billion in farm cash receipts and contributes $17 billion to Canadian Gross Domestic Product (GDP) while generating 228,000 jobs. It supports strong rural communities and is the largest Canadian conservator of the Great Northern Plains, an endangered ecosystem. The combination of Canada’s progressive and sustainable farmers and ranchers, the ideal Canadian landscape for livestock production and strong global meat demand, sets the Canadian beef industry in a positive position for further expansion.

A summary of our recommendations, that will produce economic, environmental and social benefits for Canadians can be found below with additional detail outlined in the report. It should be noted that across all of CCA’s recommendations exits an underlining ask for regulatory reduction and improved regulatory efficiency.

**SUMMARY**

**CANADIAN BEEF INDUSTRY QUICK FACTS**

- The beef industry is Canada’s largest agriculture sector, contributing $17 billion to GDP
- Every job in the beef sector yields another 3.56 jobs elsewhere in the economy, supporting 228,000 jobs today
- 98% of Canadian farms and ranches are family owned and operated and are located in every Canadian province
- The average herd size is 64 head of cattle
- Canadian beef is sold into 58 markets around the world
- Canadian beef producers protect and sustainably use 44.2 million acres of grasslands
- The Canadian beef industry GHG footprint is less than half the world average and one of the lowest in the world
- Pasture and grazing land of the Canadian beef industry provides 1.5 billion tonnes of carbon sequestration annually
SUMMARY OF RECOMMENDATIONS

1. Increase the capacity and efficiency of trade through establishing trade advancements through Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) expansion, implementing further regulatory reduction and cooperation within the North American market, expanding trade optimizing protocols with Europe and further exploring agriculture trade opportunity with China.

2. Strategically invest in science and innovation through enhanced long-term funding for applied agricultural production research through programs like the science clusters and maintain, strengthen and modernize Agriculture and Agri-Food Canada’s internal research capacity and funding for high risk discovery research.

3. Enhance the economic resiliency of the Canadian beef industry by establishing a national cattle price insurance program, making changes to the livestock tax deferral program and increasing access to labour.

4. Strengthen our ability to respond and proactively address animal health and care through exploring the creation of a national Foot and Mouth Disease vaccine bank and supporting the Animal Health Canada initiative to proactively address the absolute threat of a foreign animal disease outbreak.

5. Build strong rural communities through investing in broadband internet access, rural mental health programming and investing in infrastructure and services that make rural Canada an attractive place to live and work.

6. Support sustainable agriculture production, partnerships and healthy eating that celebrates Canadian agriculture.

Should you have any questions please contact any of our CCA team.

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**RECOMMENDATION 1**

**Increase the capacity and efficiency of beef and livestock trade**

The Canadian beef industry is a world leader in the sustainable production of high-quality beef, 50% of Canadian beef is exported into over 58 countries around the world. CCA is pleased with the improved market access that has been negotiated over the last number of years. The signing of the Comprehensive and Economic Trade Agreement (CETA) with Europe as well as the Comprehensive and Progressive Trade Agreement for Trans-Pacific Partnership (CPTPP) brought meaningful growth potential to the Canadian beef industry.

The United States is our largest export customer of Canadian beef. Ratifying the Canada, United States, Mexico Agreement (CUSMA) remains a high priority as does harmonizing a number of other cross border regulations that impede the flow of trade across the Canada-U.S. border. Asia will be the largest growth region for beef over the next 25 years. China remains at the forefront of future demand growth for the world’s agriculture products. The CCA recommends maintaining dialogue that progresses the Canada-China relationship and trade within agriculture. Underpinning all of this progress will be enforceable rules-based trade. The CCA strongly supports all efforts to maintain and strengthen the World Trade Organization and its dispute settlement procedures. A summary of our recommendations for trade within each key market are included below.

**North America**
Main objectives for the CCA during the CUSMA negotiations included maintaining tariff free market access and ensuring mandatory Country of Origin Labeling (mCOOL) remained out of the agreement, the CCA was pleased this was achieved. Further regulatory cooperation areas were also sought, however not fully attained in the agreement. These areas remain as topics for further improvement through the Regulatory Cooperation Council. The CCA recommends trade efforts focus on regulatory cooperation as well as the constant guard against resurgence of mCOOL or other attempts to bar access to the U.S. for Canadian beef and livestock.

An example of an area that would benefit from regulatory cooperation is on food safety. Currently Canadian beef being shipped to the U.S. must be re-inspected at an inspection house across the border. This adds unnecessary shipping time, costs and added food safety risk with the opening of the shipment. Recognition of Canada’s world class food safety systems or placement of a USDA inspector within the Canadian plants are both options that would assist in more efficient trade.

**Asia**
Canadian beef has gained meaningful access over the last number of years to the Asian market through the CPTPP, Canada-Korea Free Trade Agreement (CKFTA) and trade talks advancing with China. Further refinement and expansion of these key markets is needed for full trade potential to be realized. The CCA encourages the exploration of expansion of CPTPP. Expanding trade with China would include priorities such as; eliminating the 12% import tariff for Canadian beef cuts, obtaining access for over thirty-month (OTM) beef and offal, and obtaining comprehensive approval of Canada’s meat inspection system. Finally, further expanding the market access for Canadian beef offals into the Asian market would add significant value to Canadian beef trade.

On farm audits by a veterinarian are a current requirement of exporting to the European Union. The CCA would like to see an expanded list of approved auditors and protocols for shipment of beef to Europe.

**Europe**
The CCA remains committed to continue working with the GoC and European stakeholders to further establish the already valuable beef trade relationship under CETA. Sufficient and dedicated GoC resources are needed to advance trade priorities and approvals with Europe. Current priorities...
for the beef sector include; expanding the list of approved auditors and protocols for beef operations shipping to the EU and attaining EU approval of citric acid and peroxyacetic acid, a commonly used food safety measure in Canada.

CCA is requesting financial support for a Red Meat Industry Development Fund which would be focused on addressing current trade limiting factors. The fund would enable enhanced capabilities to segregate eligible product, support EU requirements for food safety interventions and help to address costs and other types of resources needed to implement EU on-farm production protocols. The estimated $100 million investment would be cost shared by Canadian industry and government.

Although details remain undetermined regarding the split of the U.K. from the EU the opportunity to lay groundwork for a future trade deal is ideal. The CCA foresees this as an integral market for Canadian beef and recommends forging ahead with a trade deal further built upon the foundations of CETA and or CPTPP.

**KEY RECOMMENDATIONS TRADE**

» Further regulatory reduction and cooperation within the North American market

» Further trade advancement in Asia; seek expansion of CPTPP, pursue tariff reductions for beef in China and attain access for beef offal into new markets

» Further growth of beef trade to Europe through dedicating sufficient resources to the advancement of trade optimizing protocols

» Further growth of beef trade to Europe through dedicating sufficient resources to the advancement of trade optimizing protocols and the establishment of a Red Meat Industry Development Fund

**RECOMMENDATION 2**

*Strategically invest in science and innovation*

The Canadian beef industry has a tremendous opportunity to increase productivity, improve efficiencies and grow Canadian beef production and exports to capture emerging trade opportunities and support broader economic growth. Investments in research and technology transfer are integral to sustainably advance Canadian cattle, beef and forage production to fulfill growing global beef demand, while enhancing competitiveness, sustainability and public trust. The industry has the opportunity to continually improve productivity and its environmental performance, including continued reductions in greenhouse gas emissions and water use, while maintaining stewardship of air, water and soil resources. Continual advancements in research within the Canadian beef industry not only benefits producers and the economy but ensures the maintenance of crucial grasslands that contribute to carbon sequestration, biodiversity, and wildlife habitat.

Research is also integral to providing science-based information to address the growing public and consumer questions around agricultural production and public confidence issues such as animal welfare, environmental sustainability, and antimicrobial stewardship. Independent peer-reviewed science provides an important voice to inform regulatory, policy, trade, and public debates which can ultimately have a significant impact on the beef industry’s ability to operate in a sustainable and competitive manner.

Strategic investments in facilities and expertise are needed to renew and reinvigorate agriculture research. Applied research funding investments, through programs like the science clusters, need to be increased to meet the growth in demand across agricultural sectors to ensure the success of the program is not diminished by current funding constraints. In addition, a clear commitment is needed from
the Government of Canada to strengthen funding to support long-term, high-risk discovery research, as well as funding to explore, develop and take advantage of new opportunities presented by emerging technologies. The benefits of long-term high-risk discovery research (particularly in the areas of food safety and quality, animal health, and environment) extend beyond agriculture as science-based production, policy and regulation benefit industry, government, and society as a whole.

**KEY RECOMMENDATIONS**

**SCIENCE AND INNOVATION**

- Ensure long-term funding for maintenance and appropriate enhancement of physical research infrastructure and expertise
- Maintain and strengthen Agriculture and Agri-Food Canada’s internal research capacity and funding support; perform long-term, high risk discovery research and take advantage of new opportunities presented by emerging technologies
- Increase funding to support applied agricultural production across agricultural commodities and sectors through the science clusters program

**RECOMMENDATION 3**

**Increase economic resiliency**

The Canadian beef industry proved its economic resiliency in the early 2000’s. In addition to demonstrating its ability to survive hard times the industry was able to push forward and continue to grow, making it the largest contributor to Canadian farm cash receipts today. The availability of the suite of risk management and assurance programs offered by Agriculture and Agri-Food Canada has and will continue to have imperative value to the Canadian beef sector. These programs are crucial and should continue to be funded. There are three key areas that the CCA sees as areas of focus that will further build the economic resiliency of the beef sector in Canada; increasing access to labour, adjusting the livestock tax deferral program and a sufficiently funded business risk management suite that is responsive to beef cattle producers.

**Labour**

The acute labour shortage in Canadian agriculture continues to be an issue that threatens the viability of food production and the competitiveness of beef cattle farmers in Canada. As of 2015, Canada’s primary agriculture sector has a labour shortage of approximately 59,000 jobs, a number that has doubled since 2005 and is forecasted to increase to 114,00 jobs by 2025. For the primary beef sector specifically, the current labour gap is 2,700 workers and is projected to quadruple to 12,500 workers. As a result of the present labour gap, the primary beef sector lost $141 million (farm cash receipts) due to unfilled vacancies. On the meat processing side, a 2017 Canadian Agriculture Human Resource Council study found that the vacancy rate for meat processing facilities that are rural abattoirs is approximately 9.3% (national average of other Canadian industries is 1.8%). These vacancies threaten the competitiveness and sustainability
of the entire beef value chain. The beef sector stands with every other segment of Canadian agriculture and primary processing in supporting the recommendations of the Labour Task Force’s Canadian Agricultural and Agri-Food Workforce Action Plan and encourages its swift implementation. Improving access to labour is critical for the Canadian agriculture and food processing sectors to have the workforce required to take advantage of growing domestic and global opportunities and create even more economic growth and job creation in Canada.

**Tax**

Extreme weather challenges such as drought, flooding or fires can impact a producer’s ability to maintain and sustain their herd. These events often force producers to sell animals such as calves, and breeding stock earlier than anticipated, resulting in more than one sale in a fiscal year. Producers need timely tools to ensure the resilience of their operation. Delays or regions deemed ineligible by Finance Canada in determining when income deferral can be applied to drought situations has made that mechanism not always useful for management decisions.

CCA is asking for modifications to the Livestock Tax Deferral Provision to allow for the individual driven election of partial income deferral when producer incomes are artificially inflated by forced sales due to extreme challenges. This would allow the provision to function as a better risk management tool for Canada’s beef cattle producers.

**Business Risk Management**

CCA believes there needs to be sufficiently funded national agriculture risk management programs that are delivered consistently across all jurisdictions and do not create a competitive imbalance between agriculture sectors or regions. The CCA also supports some flexibility in GoC contributing to regional/provincial livestock insurance programs assuming the overall level of support is even across the country and the programs are market neutral. Programs should minimize the risk of adverse impacts on international and inter-provincial trade, minimize distortion of market signals and minimize influence on business decisions. CCA believes aspects of business risk management programming (BRM), which range from program spending, design or availability, provides inequitable coverage to beef producers compared to other agriculture sectors. This inequity contributes to a lack of competitiveness for necessary resources such as land, equipment, labour and financing, making it increasingly prohibitive for young cattle producers to establish themselves in the industry. CCA is keen to work with GoC to expeditiously address these program equity challenges.

The Western Livestock Price Insurance Program (WLPIP) pilot, which currently operates under the Canadian Agricultural Partnership, is a forward-looking, market-based, insurance-style program that allows producers to manage price risk. This tool should become a permanent BRM program. Expanding the price insurance program beyond the western provinces would be a positive step towards achieving a national plan that would allow all Canadian cattle producers to better manage price risk.

Improved hay and forage insurance across the country is also needed. Government cost-shared agriculture insurance programs offer coverage for forage crops, including pasture and hay, across Canada. However, producer participation in these programs is low relative to annual crops. Forage insurance product offerings are often distinct from annual crops in that coverage and subsequent claim settlement are area based and not based on the production of an individual farm. The lack of individual farm insurance coverage for forages may act as a deterrent to participation and represents a source of inequity between perennial and annual crop BRM solutions. Pasture and forage insurance programs should also be equipped with a mechanism that helps producers account for increased feed prices during times of shortages. These program design improvements could alleviate calls for an AgriRecovery response to weather events.

CCA also recommends the removal of the Reference Margin Limit under AgriStability. The mechanism is the largest contributor to inequitable treatment of the cow-calf sector under the AgriStability program.

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**KEY RECOMMENDATION(S)**

**ECONOMIC RESILIENCY**

- Implement recommendations from the Labour Task Force’s Canadian Agricultural and Agri-Food Workforce Action Plan
- Modify the Livestock Tax Deferral Provision to allow for the individual driven election of partial income deferral when producer incomes are artificially inflated by forced sales due to extreme challenges
- Ensure the suite of Business Risk Management programs adequately address the risks faced by Canadian beef cattle producers. Improvements to pasture/forage insurance, removing the Reference Margin Limit under AgriStability and expanding the availability of price insurance beyond western Canada would enhance BRM program equity and allow beef producers to better manage risk
Traceability
Traceability is an essential cornerstone to containing an animal health risk. At the same time, it is imperative that the implementation of a traceability system does not hinder industry competitiveness. The CCA encourages the GoC to continue to follow the guiding principles outlined in the Cattle Implementation Plan (CIP) when implementing cattle traceability legislation. Furthermore, the CCA encourages government to actively investigate new tag technologies (i.e., ultra-high frequency) which have the potential to significantly reduce costs associated with movement reporting, and may provide opportunity to greatly enhance the ability to manage production at the individual animal level.

Transport Regulations
Transport regulations are important as a backstop to ethical animal transport in Canada. The CCA further supports sound animal transport through educational tools such as the Code of Practice for the Care and Handling of Beef Cattle, transport training tools and robust scientific research. Agriculture and Agri-Food Canada research has shown that outcomes for cattle transported in Canada are very positive. Studies found that 99.95% of animals on a longer haul of over 4 hours reach their destination injury free and 99.98% of animals on a short haul less than 4 hours reach their destination injury free. While the recently released regulation may be well intended, not fully understanding the Canadian context nor the science that informs animal transportation may result in unintended and detrimental transport outcomes. CCA emphasizes that any regulatory changes need to be based on scientific evidence, must use outcome-based guidelines that focus on the animal and must be reflective of Canada’s unique geography, climate and transportation infrastructure.

Foreign Animal Disease Preparedness
The CCA is an active member of the Animal Health Canada initiative to proactively address the real threat of a foreign animal disease outbreak. The vision is to build a model that helps drive action across a comprehensive and dynamic animal health strategy including priority areas of; disease surveillance, biosecurity, traceability, real-time diagnostic capacity, emergency response, vaccine development, storage and deployment, recovery planning, financial risk mitigation, animal health research, and regulatory modernization.

The CCA encourages government to explore the creation of a national Foot and Mouth Disease (FMD) vaccine bank similar in scope and structure as is being considered in the U.S., which will enable Canada to effectively and efficiently respond to the threat of an FMD outbreak – which could have a $60 billion impact on Canada’s economy.

Responsible Antimicrobial Use
Responsible antimicrobial use is extremely important to Canadian cattle producers to ensure future effective use of antimicrobials and the avoidance and reduction of antimicrobial resistance. Canada is a member of a global community addressing the issue of antimicrobial resistance in human and animal medicine. CCA supports the changes made by Health Canada’s Veterinary Drug Directorate on the regulatory and policy front, including removing the claim for growth promotion from all products used in animal medicine that are medically important to human medicine.

While these regulatory and policy changes will support Canada’s efforts to reduce and control antimicrobial resistance, cattle producers can contribute to the effort in the daily management of their herds through working with their veterinarian and the implementation of good production practices. The CCA encourages further research and monitoring in this area as well as support for training and on-farm audit and training programs such as Verified Beef Production Plus.

KEY RECOMMENDATIONS

ANIMAL HEALTH AND CARE:

» Explore the creation of a national Foot and Mouth Disease vaccine bank

» Support the Animal Health Canada initiative to proactively address the real threat of a Foreign Animal Disease (FAD) outbreak

» Continue research and monitoring in the area of antimicrobial use and support programs that build awareness and implementation of responsible use
RECOMMENDATION 5
Build strong rural communities

Canada has a wealth of renewable natural resources that drive a significant portion of our national economy. To access the building blocks of our renewable natural resource economy people must be willing and eager to live and work in Canada’s rural communities. Despite contributing largely to the foundations of the national economy, rural communities struggle to maintain integral rural services and infrastructure due to their small tax base. CCA recommends committing financial investments to ensure rural Canada remains an attractive place to live and work.

The importance of mental health wellbeing is an important and growing conversation in Canadian agriculture. Farming and ranching are stressful, and at times, isolating professions. The CCA advocates for funding to be made available to assist the rural and farming communities to support mental health planning and programming.

RECOMMENDATION 6
Support sustainable agriculture production, partnerships and healthy eating

Sustainable Agriculture Landscapes
Balancing the demand for natural resources, an increased food supply and enhancing conservation values requires wise and adaptable management. New and innovative thinking, outside of regulations, is needed to develop creative approaches to building sustainable agriculture landscapes.

The Canadian beef industry is a steward and protector of much of Canada’s iconic grassland ecosystem, a resource that is disappearing at an alarming rate. Over the last number of years, the beef industry has partnered with the environmental community to work together on collaborative solutions that will conserve these lands for future generations of beef producers and Canadians. The CCA supports market growth and environmental sustainability by recommending that the GoC direct resources into innovative land management tools, conservation programming and partnerships. The CCA advocates GoC efforts to reduce consequential effects of Canada’s obligations under global climate and biodiversity agreements. Embracing these recommendations will increase the resilience of the grassland ecosystem, improve biodiversity conservation and wildlife habitat in addition to meeting the public’s demand for environmentally sustainable food production.
Building Partnerships and Shared Values with Canadians

Canada is a world leader in sustainable agriculture production yet despite this success there are growing disparities between the consumer and producer. The CCA advocates for continued initiatives that help build the partnerships required to build trust and collaboration between Canada’s agriculture and non-agriculture communities. Programs and initiatives such as Agriculture in the Classroom and the Canadian Roundtable for Sustainable Beef are extremely worthy of continued and increased investment by all stakeholders.

Supporting Healthy Sustainable Eating

Canadians are increasingly becoming calorie rich and nutrient deficient. We are eating more processed foods while the per cent of calories we obtain from high-quality protein foods including beef, milk and eggs has significantly declined. The CCA supports work to increase the knowledge and implementation of healthy eating for Canadians. The CCA emphasizes that any development of initiatives to support healthy eating be based on balanced scientific evidence. In regard to reducing the footprint of the Canadian ‘foodprint’ the CCA recommends a focus on reducing food waste at all levels of consumption and production.

A balanced diet, made up of meat, dairy, whole grains, fruits, vegetables, legumes, and other whole foods, eaten in moderation, is the best way to ensure human health.

When paired together properly, foods can produce greater health benefits, like increased iron absorption from vegetable, grain and pulse sources when consumed alongside meat.

KEY RECOMMENDATION

SUSTAINABLE AGRICULTURE & HEALTHY EATING:

» Dually support economic and environmental outcomes through investment in partnership conservation on the working landscape

» Support sustainable agriculture production and building shared values and understanding between Canada’s agriculture and non-agriculture communities

» Support healthy eating in Canada (including options of healthy proteins such as lean meat)
There is an enormous optimism for the future of raising cattle in Canada. Nonetheless, even producers that carefully manage their operations and adjust to market conditions can be squeezed by uncontrollable factors such as unnecessary government regulation, disastrous weather events, a volatile currency or a foreign animal disease outbreak.

Cattle producers need government to work cooperatively with the sector when making policy changes. As mentioned in the introduction, across all of our recommendations is an underlying ask for regulatory reduction and improved regulatory efficiency. The Report of Canada’s Economic Strategy Tables on Agri-food outlined many examples and recommendations regarding the need for and how to reduce the regulatory burden placed on the agri-food industry. CCA recommends utilizing this report to implement the recommended regulatory reduction changes.

The Canadian beef industry is well positioned to grow the economy and also support strong rural communities and conservation outcomes from the agricultural landscape. Please contact us with any questions or follow-up information.

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