



CANADIAN
CATTLEMEN'S
ASSOCIATION



CCA IS THE NATIONAL VOICE OF CANADA'S 60,000 BEEF FARMS

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CPTPP ratification complete, Canada among first six of historic trade pact

The Government of Canada has **ratified the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)**, securing Canada a coveted spot amongst the first tranche of countries in the historic trade accord. International Trade Diversification Minister Jim Carr announced today that Canada notified the CPTPP Secretariat in New Zealand that the formal process to ratify is complete. Canada takes its place alongside CPTPP ratified countries Japan, Mexico, Singapore, and New Zealand. Just one more country needs to ratify the Agreement domestically to trigger the CPTPP, which will then come into effect 60 days later.

The Canadian Cattlemen's Association (CCA) is appreciative that the federal government moved swiftly to ratify the Agreement and ensure Canada's exporters will benefit from day one. On Thursday, October 25, the Senate of Canada passed Bill C-79 to implement the CPTPP. The bill then immediately received Royal Assent. The Government of Canada deployed a rarely used "walk-around" process over the weekend to pass some 14 Orders in Council required to complete the domestic process and notification was delivered to New Zealand on Monday October 29.

CCA President David Haywood-Farmer said it is a huge relief for beef producers to know that competitive access to lucrative and diverse markets in Japan and Asia-Pacific is finally within reach after years of working diligently to bring the sometimes tenuous blockbuster trade deal to fruition.

"Since 2011, the CCA has advocated for the Trans-Pacific Partnership and then the CPTPP, seeing it as the best path forward to address Japan's 38.5 per cent tariff and threat of 50 per cent safeguard tariff on Canadian beef. Our position remained steadfast through two federal governments, two iterations of the Agreement itself, and five CCA Presidents. That history should tell you how strongly CCA feels about the potential of the market diversification and lower Japanese tariff for Canadian beef producers under the CPTPP," he said. *(continued next page...)*



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CANFAX MARKET BRIEFS

Week ending October 26th, 2018

(in Cdn\$)	This wk.	Change
↓ Fed Steers	148.59	-1.77
↓ Fed Heifers	147.40	-2.79
↑ Feeder Steers	---	+0.24
↓ Feeder Heifers	---	-1.68
↓ Cdn Feeder Index	207.64	-0.72
↓ Cdn Calf Index	214.57	-1.24
↓ D2 Cows	80.29	-2.79
↓ Slaughter Bulls	96.28	-0.31
(in US\$)		
↓ CDN Spot Dollar	76.48	-0.11
↑ Oct Live Cattle	113.35	+0.27
↓ Oct Feeder Cattle	153.97	-1.28

CPTPP ratification complete, Canada among first six of historic trade pact (*continued*)

Once the CPTPP comes into force, the prohibitive Japanese tariff of 38.5 per cent will immediately drop to 27.5 per cent on Canadian fresh beef and to 26.9 per cent on frozen beef. Those are just the first of many cuts scheduled; on April 1, 2019 Canada will enjoy a second cut in Japan down to 26.6 per cent on both fresh and frozen and eventually down to 9 per cent over several years. With CPTPP, Canadian beef will also be exempt from the Japanese safeguard tariff of 50 per cent on frozen beef.

“This Agreement is a game-changer for the Canadian beef industry,” said Haywood-Farmer. “I’d like to thank the Government of Canada for securing our seat at the table, and we encourage at least one other CPTPP member country to speed through its domestic ratification processes and take the sixth spot so we can get this CPTPP moving and benefit from the initial round of tariff cuts.”

For the agreement to come into force by December 31, 2018, six of the signatory countries must inform the CPTPP Secretariat in New Zealand by November 1 (October 31 on the Canada side of the International Date Line). Australia’s implementation legislation received Royal Assent on October 17, and we hope they will complete their ratification process to become the sixth country shortly. The CCA expects countries seven through 11 to continue their own processes so that the CPTPP will be in force amongst all 11 signatories sometime in 2019.

Bill C-79 was introduced in the Senate on October 16 where it passed first and second reading before being sent to the Standing Senate Committee on Foreign Affairs and International Trade for review. The committee reviewed C-79 and on October 25 passed the bill.

The CCA and the Canadian Agri-Food Trade Alliance (CAFTA) worked diligently throughout the entire process to ensure the federal government understood the need for urgency so Canada could be among the first six countries to launch CPTPP and gain a leg up on the competition.

The CCA, together with the Canadian Pork Council (CPC), Canadian Meat Council (CMC) and the National Cattle Feeders’ Association (NCFA), representing the Canadian value chain of beef and pork producers and processors, had requested that the Senate pursue the objective of reviewing and approving the legislation to implement the CPTPP on a timeline that will enable Canada to be one of the first six nations to ratify the agreement and bring the agreement into force before December 31, 2018.

Such a timeline would benefit Canadian beef and pork exporters greatly as it would enable the first tariff cut on red meat products before the end of 2018. If Canada achieves the first cut in 2018, even if it is the last day of the year, a second tariff cut will be implemented on January 1, 2019.

Ensuring a carbon tax pricing system does not hinder competitiveness is a good start

Last week, the Government of Canada announced it was imposing a **federal carbon pricing system** in Ontario, New Brunswick, Manitoba, and Saskatchewan effective in 2019, to ensure alignment with the federal government's climate action plan. Time will tell how the **system** is implemented in each of these provinces, how input costs may increase and the impact, and if there will be an opportunity for credits like in Alberta. Ideally differences in implementation between provinces will not result in an uneven playing field for producers and agriculture, but that is up to provincial governments to decide. The CCA will continue to watch with interest as the provinces move through their respective processes.

Nationally speaking, CCA's view is that competitiveness and trade are the main impacts of a carbon pricing scheme on agriculture; thus, the CCA has advocated for agriculture to be exempt from a carbon pricing system. CCA policies in this area are aimed at ensuring that any existing or future government policies regarding price on carbon cannot have a negative impact on the competitiveness of the beef industry as a whole. Accordingly, CCA does not support greenhouse gas (GHG) penalties that add costs to food production, preferring instead to support the development and implementation of tools that incentivize GHG emissions reductions. The government could, for example, introduce **payment for ecological services** programs to support initiatives that reduce Canada's GHG footprint.

CCA recommendations to reduce the GHG footprint of Canadian beef production can be found in the 2016 report, *Beef Industry Strategies for Reducing Greenhouse Gases and Building the Green Economy*. High level recommendations further detailed in the report include:

- Increasing productivity to reduce the per kg GHG footprint of Canadian beef
- Enhancing producer resiliency to the impacts of climate change
- Mitigating GHG emissions
- Supporting national and international climate change dialogue and action
- Scientific measuring and monitoring

As the conversation around climate change continues, it is important to ensure the discussion includes how sustainable beef production can be an effective partner to achieving Canada's economic and environmental targets.

The Canadian beef industry has made great strides in quantifying the environmental benefits of well-managed beef production and evolving the industry. The work of the Canadian Roundtable for Sustainable Beef (CRSB), is an example. Its culminative work resulted in the Certified Sustainable Beef Framework – a comprehensive certification program for beef sustainability that includes standards for beef production and processing, assurance protocols for certification and chain of custody requirements for tracking the cattle and beef through the supply chain.

The Canadian Beef Sustainability Acceleration Pilot is a project spearheaded by Cargill, in partnership with VBP+ and Where Food Comes From, Inc., BIX Systems, with support from McDonald's, Loblaws, Recipe (Swiss Chalet and Original Joe's) and Cactus Club Restaurants. While it is independent from the CRSB's Certification Framework, its aim is to build the infrastructure for sourcing beef from certified sustainable sources using CRSB's standards and requirements.

This work and other forward-thinking research supports the sustainability pillar of the National Beef Strategy, the collaborative industry plan to move forward in an environmentally and economically responsible manner.

Beef producers have a role to play in helping Canada meet its environmental and economic targets. Ensuring a carbon tax pricing system does not hinder competitiveness is a good start.

Industry sustainability focus of France trip

CCA's John Masswohl travelled to Paris, France to attend the Animal Care and Sustainability Committee meetings of the International Meat Secretariat (IMS). Masswohl chairs the IMS Beef Committee and was recently elected to the IMS Executive Council. The meetings provided an opportunity to discuss the global meat industry's approach to alternative proteins, particularly so-called "cultured" or laboratory grown protein. The general consensus of all attendees is that while we are neither opposed to the use of technology or the emergence of new products, the companies engaged in such development are currently positioning their products deceptively as meat while also dishonestly describing traditional livestock based meat as unsustainable. There was a desire for the IMS to reach out to such developers to engage in a dialogue aimed at establishing some ground rules for truthful positioning of these products as well as a recognition that all livestock based meat producers around the world need to improve their ability to tell the story of sustainable meat production. Fortunately, Canada is already a global leader at telling the sustainable beef story, but there is much more we can all do together.

Following the IMS meetings, Masswohl took the opportunity to join the Canada Beef, Canadian Meat Council and Canadian Pork teams at SIAL Paris, the world's largest food innovation exhibition. The agenda included meetings with Canadian Trade Commissioners serving at several Canadian Embassies across Europe in support of the ongoing advocacy work CCA and our red-meat partners have been undertaking in relation to the Canada-EU Comprehensive and Economic Trade Agreement (CETA). The SIAL meeting represented a very efficient opportunity to meet with several of these officials at one time and place.



CCA's John Masswohl joined Canada Beef President Francis Andres (and Canadian Pork and Canadian Meat Council teams) to promote Canadian beef at SIAL Paris, the world's largest food innovation exhibition. SIAL Paris ran October 21-25 and had more than 7,000 companies from more than 109 countries presenting their products to retail and foodservice professionals. *Photo credit: photo submitted.*



Your burger is (still) done at 71°C

In recent years, increasing attention has been devoted to the potential food safety implications of heat resistant bacteria. A significant number of media stories have raised the question as to whether the current Health Canada recommendation, to cook ground beef until it reaches a temperature of 71°C, is adequate.

To address this issue the CCA instigated research to be undertaken by Dr. Xianqin Yang at the Agriculture and Agri-Food Canada (AAFC) Lacombe Research and Development Centre. Recognizing the importance of the question, the CCA also created an advisory panel of five additional scientists to review the experimental methods prior to the start of the research. Following efforts to identify heat resistance in bacteria obtained from feedlots or beef slaughter plants, ground beef was then artificially contaminated in the laboratory. Approximately 100 million of the most heat resistant E. coli bacteria identified was placed into each beef patty. It is important to note that such high levels of heat resistant E. coli are extremely unlikely to occur naturally but are used in experimental situations. The patties were then cooked to 71°C and then examined to determine if sufficient levels of E. coli could be inactivated.

A small amount of heat resistant E. coli was found in one of 15 burgers placed in ice immediately after removing from the grill. No surviving E. coli was found in burgers cooked to 71°C and cooled for three or five minutes. It was calculated that the small amount found in the one positive sample

would be destroyed by an additional 13 seconds at 71°C. On average the product remained at 71°C or higher for two minutes after removing from the grill, easily meeting this time requirement. Accordingly, product safety could be assured even when artificially high levels of heat resistant bacteria were placed into the patties.

Three additional findings provide support for the safety of ground beef relative to heat resistant E.coli. Firstly, research has shown that only about two per cent of E. coli strains from beef are estimated to be heat resistant. Secondly, heat resistance and the ability to cause illness are traits not likely to be present at the same time in a E. coli bacteria. Lastly, beef produced in Canada carry very low levels of any type of E. coli. The likelihood of having heat resistant and pathogenic E. coli in high numbers in Canadian ground beef is then extremely unlikely.

The conclusion of the research is then that the current recommendation, of both Health Canada and the United States Department of Agriculture (USDA), to cook ground beef until it achieves a temperature of 71°C continues to be valid.

Financial support for this research was provided by Alberta Agriculture and Forestry as well as the Beef Cattle Research Council. For a fact sheet summarizing the research, [click here](#).

How fresh pens and pastures prevent calf losses

Calf scours (diarrhea in young calves often caused by several different viruses, bacteria and organisms) can cause a large financial loss to cow-calf producers. Results of the 2017 Western Canadian Cow-Calf Survey (WCCCS) reported that about 25 per cent of calf deaths are attributed to scours. Other Canadian beef industry research showed while calves treated for scours can survive, their performance is compromised, resulting in weaning weights anywhere from 15 to 30 pounds lighter than counterparts that didn't get sick. Other industry research calculated the overall cost of calf death loss, treatment costs, and reduced performance in a 100 head beef herd with a 20 per cent incidence of scours resulted in a \$40 per head cost per bred cow or about \$4,000 in that year.

One way to prevent scours is using the Sandhills Calving System, or a version of it. Implementing these types of calving systems takes time and labour but can be well worth it by having more calves to wean in the fall as a result.

Doug Wray uses a modified version of the Sandhills Calving System on his south-central Alberta farm to avoid livestock congestion and dramatically reduce the risk of congregated calves developing and spreading scours.

Read more at <http://www.beefresearch.ca/blog/how-fresh-pens-and-pastures-prevent-calf-losses/>



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BCRC webinar: The way you purchase antibiotics is changing

BCRC WEBINAR

THE WAY YOU PURCHASE
ANTIBIOTICS IS CHANGING

WEDNESDAY NOVEMBER 14 2018

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CCA Action News

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Ad Standards™



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