COOL update

The Canadian Cattlemen’s Association (CCA) and its coalition partners filed a notice of appeal to U.S. Court of Appeals for the District of Columbia Circuit following the September 11 decision by the U.S. District Court to deny a preliminary injunction to block the implementation of the amended U.S. mandatory Country of Origin Labeling (COOL) regulation. The Appeal Court will be fully briefed on the appeal by November 1 and we are awaiting a hearing date as soon as possible after that. It has been requested that the hearing be scheduled in a timely manner so as to enable a decision before the United States Department of Agriculture (USDA) commences enforcement of its amended regulation at the end of November.

The CCA will continue to work with the Government of Canada to aggressively challenge these unfair trade practices that discriminate against Canadian live cattle and hogs at the World Trade Organization (WTO) this month. Speaking in Calgary last week, International Trade Minister Ed Fast told media the recent amendment to COOL will further hinder the ability of Canadian cattle and hog producers to freely compete in the U.S., which is why the Harper Government requested the establishment of the WTO compliance panel and released a list of possible retaliatory measures.

Minister Fast said U.S. COOL is offside and Canada will impose prohibitive tariffs on U.S. goods if COOL is not fixed.

“I think you get the drift - we mean business on COOL,” he said. “Along with industry across the continent we will continue to fight against this unfair treatment. We will continue to press the U.S. to implement a legislative, not regulatory, solution that eliminates the discrimination against foreign livestock in the United States. The United States must bring its COOL measure in line with its WTO obligations,” Minister Fast said.

Another development was the passage by the U.S. House of Representatives of a food stamp bill on September 19. This was the last outstanding piece preventing the U.S. House and Senate from proceeding to commence the final negotiations (known as a ‘conference’) needed to enact a Farm Bill. As the Farm Bill is the most logical legislative vehicle to eliminate the discriminatory effects of COOL, CCA hopes that the conferees will seize the opportunity to take thousands of U.S. jobs out of jeopardy and head off retaliation by Canada and Mexico on U.S. exports.
The Government of Canada has said it would seek retaliatory compensation of approximately $1.1 billion on U.S. commodities that could be targeted for retaliation in relation to the COOL dispute.

Ministers talk market access at Canada Beef Inc. Forum

Market access successes to date and the work that remains to be completed was the topic du jour at a special industry meeting with Agriculture and Agri-Food Minister Gerry Ritz and International Trade Minister Ed Fast at the Canada Beef Inc. forum in Calgary last week.

Following an introduction by Canada Beef Inc. President Rob Meijer, the Ministers each gave brief comments in the ‘closed-door’ meeting with industry and then answered a range of questions from audience members. The Ministers fielded questions on U.S. COOL, various free trade negotiations underway including the Comprehensive Economic and Trade Agreement (CETA) negotiations between Canada and the EU, traceability and the labour issues hampering the industry.

Collaboration with Canada’s cattle and beef industry on market access issues was another key theme stressed at the meeting. The Ministers noted the government takes its direction on market access pursuits in collaboration with industry.

Later, in a media availability, Minister Fast expanded on some of the challenges faced during the market access work the government has undertaken for the Canadian cattle and beef industry. The Government of Canada has consistently fought for fair and open access for producers, processors and exporters around the world, and against unscientific trade restrictions on Canadian products, he said.

“When we are talking about trade barriers around the world, for the most part now the biggest challenge is no longer tariffs. The biggest challenge is unscientific trade barriers – barriers behind the borders that are imposed often for political reasons, often for protectionist reasons and not for health and safety reasons,” Minister Fast said. “These are barriers that we are working very hard to overcome with all of our key trading partners.”

In response to a question on the status of the CETA negotiations between Canada and the EU, Minister Fast offered only that there are small number of outstanding issues to reach a CETA with the EU and Canada is working hard to find creative solutions.

Minister Ritz talked about the strength of Canada food safety system as an international advantage and summed up his comments with a bit of an industry outlook.

“The future is bright. Markets are strong and the demand is strong,”
with more and more consumers looking for the high quality protein Canada’s beef industry can and will deliver," he said.

CCA President Martin Unrau thanked the Ministers for their hard work, and reiterated to media the importance of market access.

“For the Canadian cattle industry our first market is Canada, our second market is the U.S. but in order to add value to the pieces of the animal that make us viable, we have to have global access to markets,” he said.

Unrau added that CCA and Canada Beef Inc. will continue to work together in collaboration with government in pursuit of further progress on the market access front.

Five Nations Beef Alliance update

Market access was on the agenda at the recent Five Nations Beef Alliance (FNBA) conference in Cairns, Australia, with the focus on the Trans-Pacific Partnership (TPP) negotiations. The key action item to come out of the FNBA was the signing of a position statement on the TPP negotiations. The agreed statement calls for a comprehensive TPP agreement without product exclusions, especially in agriculture, and calls for all tariffs and other market access barriers to be eliminated in the TPP region. The FNBA position on TPP mirrors similar statements recently approved by agriculture groups in New Zealand and the U.S.

E.coli O157 interventions update

Canadian cattle producers strongly support the ultimate objective of reducing, and if possible eliminating, E. coli related illness associated with beef. Significant progress has already made according to estimates of food-borne illness maintained by the Public Health Agency of Canada. To support further reductions in E.coli O157 related illness the Canadian cattle industry continues to engage in a significant number of initiatives that target this organism and other pathogenic E.coli. Most recently, CCA’s E.coli O157 Research and Education Strategy is examining the ability of interventions such as hot water pasteurization of trim, irradiation and cooking methods for mechanically tenderized beef to enhance food safety. Pre-harvest interventions are also being looked at and CCA has instigated a trial comparing the ability of a vaccine and a probiotic in feed to reduce shedding of E.coli O157:H7 on the farm. While the results of this trial support the conclusion that further development of these tools is required to demonstrate consistent impacts, the pre-harvest area continues to be actively monitored. In that regard the industry has assembled an expert advisory of North American scientists from industry, government and academia to help us best understand related scientific developments.
Greater Sage-Grouse gets protected, no restrictions for rancher

Last week, Minister of the Environment Leona Aglukkaq announced the Government’s intention to introduce an Emergency Protection Order under the Species at Risk Act (SARA) for the Greater Sage-Grouse. With fewer than 150 of the birds remaining in Alberta and Saskatchewan -- a result of a population decline of 98 per cent since 1988 -- the Greater Sage-Grouse is currently the rarest endangered bird species in Canada. The emergency protection order will include protecting the habitat this endangered grasslands species depends on, namely the prairie ecosystem of southeastern Alberta and southwest Saskatchewan.

The CCA is pleased that the protective measures within the emergency protection order will be put in place with as little disruption to agricultural producers as possible, in line with the stewardship approach of industry.

The order calls for a combination of stewardship measures to protect critical habitat on provincial and federal crown lands in Alberta and Saskatchewan and places no restrictions on activities on private land, or on grazing on provincial or federal crown lands.

This absence of restrictions and focus on stewardship recognizes the crucial role livestock producers have in protecting and maintaining habitat, said Fawn Jackson, Manager of Environmental Affairs at CCA.

Lynn Grant, Chair of the Environment Committee, added that the same rangelands and pasture cattle graze on play a huge role in maintaining wildlife habitats, among numerous other benefits. “Pasture lands are the preferred habitat for many species of Canadian wildlife, including some species that have been identified as being at risk, like the grouse.”

In 2012, the benefits of well-managed grazing were acknowledged in the State of Canada’s Birds report http://www.stateofcanadasbirds.org. The national report examined the human influence on Canada’s bird populations since the 1970s, and the negatives and positives driving the trend. The report recognized cattle grazing as a positive practice that can help to preserve habitat for birds. The report said the inclusion of bison, beef and other range-fed meat in the human diet encourages the retention of pasture land.

Landowners and other stakeholders can apply for funding under the Habitat Stewardship Program for Species at Risk (HSP) for projects that protect the Sage-Grouse, the largest grouse species in North America, from further population declines – attributed to loss or degradation of habitat, predation, and disease. The approach through education and resources via the HSP is an excellent first step and the CCA supports the development of future ecosystem service payment programs.

According to Environment Canada, the Greater Sage-Grouse is at risk of extirpation (a species that no longer exists in Canada, but exists elsewhere in the wild). An emergency order would build on protective efforts the Government of Canada is already undertaking with stakeholders.

In its release, Environment Canada said the Sage-Grouse were identified as endangered on Schedule 1 of the SARA when the Act was proclaimed in 2003. A recovery strategy was produced in 2008 and the known critical habitat was identified in 2009. Additional critical habitat throughout the range of the Sage-Grouse will be posted for public consultation in the Amended Recovery Strategy for Greater Sage-Grouse in Canada this fall.

Producers that have suggestions on stewardship approaches are encouraged to submit comments to Environment Canada directly or via CCA’s Manager of Environmental Affairs jacksonf@cattle.ca.
Marketing Calves & Culls - a Fact Sheet sponsored by Merck Animal Health.

Every fall, producers gear up for selling calves. The biggest questions producers face this time of year are: Are you ready? Have you prepared? Prepared for what? The price of calves changes daily. For every one cent change in the exchange rate, calf prices change approximately three cents per pound. When live cattle futures increase by $1/cwt it adds around $2.50/cwt to calf prices. Volatile markets have provided opportunities to lock in higher prices, but they also present risks. Excess feedlot capacity and lower feed prices have given more bargaining power to the cow/calf producer. Producers might wonder how they can take advantage of that.

The Marketing Calves & Culls publication covers everything from calculating what feedlots are willing to pay for calves to making a marketing plan, calculating cost of production, market awareness, selling options, value added attributes and ownership strategies. Visit http://www.canfax.ca/FactSheets.aspx for the full article.