



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

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Action News welcomes back readers in 2019

Welcome to the first issue of Action News for 2019. The Canadian Cattlemen's Association (CCA) is pleased to kick off the new year with an issue brimming with all the news producers need to know and more.

Thank you to readers for their continued support, and we look forward to another great year of bringing you the news.

Save the date: CCA 2019 Annual General Meeting

The CCA's 2019 Annual General Meeting (AGM) will take place in Ottawa March 20-22, 2019, at the Ottawa Marriott Hotel (100 Kent Street, Ottawa, ON).

The meeting agenda is now available online. Please direct any questions to Paula Jenkins at jenkinsp@cattle.ca

If you would like to attend the AGM, please note that WestJet is offering the CCA discounts on flights to Ottawa. [Click here](#) for further details.



CPTPP update

Canada's beef producers had plenty to celebrate over the new year with competitive market access to Japan and Asia Pacific finally materializing after a concerted multi-year effort to secure meaningful access in the region.

The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) came into effect December 30, 2018, ushering in the first round of tariff cuts. This saw the prohibitive Japanese tariff of 38.5 per cent drop to 27.5 per cent on Canadian fresh beef and to 26.9 per cent on frozen beef.

A second round of tariff cuts kicked in on January 1, 2019, for most CPTPP members. Vietnamese tariffs will fall on January 14, followed by further tariff reductions in Japan on April 1, 2019. That's when Canada will benefit from a second tariff reduction in Japan to 26.6 per cent on both fresh and frozen beef, with additional cuts eventually reducing the tariff to nine per cent by 2033. With CPTPP, Canadian beef will also be exempt from the Japanese safeguard tariff of 50 per cent on frozen beef.

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. CCA's position remained steadfast through two federal governments, two iterations of the Agreement itself, and five CCA Presidents.

As a member of the Canadian Agri-Food Trade Alliance (CAFTA), which represents the people and businesses behind Canada's \$58 billion in agri-food exports, the CCA worked alongside CAFTA as it championed a trans-pacific agreement to secure improved terms of trade across the fast-growing Asia-Pacific region.

With the CPTPP, Canada's farmers, ranchers, food manufacturers and exporters now have competitive advantages against several competitors, including the U.S. and the European Union. The agreement also provides a platform to include other important and growing markets such as Thailand, Indonesia and Korea.

CAFTA President Brian Innes said agreements like the CPTPP take many years and the leadership of many people. "The CPTPP coming into force is an event built from thousands of hours of engagement by CAFTA and its members – it's a day for all of us to celebrate how sustained engagement can produce opportunity," he said in a [statement](#).

CAFTA and its members were present at all but one of the dozens of negotiating rounds, as well as when both the TPP and the CPTPP were signed. Consistent engagement has resulted in the agreement producing real opportunity to grow Canadian agri-food exports.

CAFTA estimates that the CPTPP will grow agri-food exports to CPTPP countries by \$2 billion, a 25 per cent increase. Further, within the next few weeks, real opportunity will be created by the CPTPP, including:

- For beef into Japan, the tariff will drop by more than 10 per cent – reducing the cost and creating demand;
- For wheat into Japan, the markup charged by the import agency to flour mills will fall by 16 per cent;
- For canola oil into Japan, the large tariff facing Canadian canola oil exports will be reduced, and eliminated over time;
- For pork into Vietnam, the tariff on Canadian pork will be cut by up to 25 per cent.

Canada joins Australia, Brunei, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam in the historic blockbuster trade pact.

B.C. bTB update

The CCA continues to monitor the Canadian Food Inspection Agency's (CFIA) ongoing investigation into a case of bovine tuberculosis (bTB) in a cow from British Columbia. The CFIA is posting updates on the B.C. investigation to its bTB website and producers are encouraged to check there often for the latest news. The most recent update, posted during the holiday break, showed an increase in the number of herds under movement controls to 13 herds (other than the infected herd), up from six herds. As of that update, there remained one infected index herd and one infected animal. These findings are all a normal and expected part of the CFIA investigation.

Canada enjoys bTB-free status, however isolated cases do occur. The B.C. case, detected in late October, shows Canada's surveillance system is working. The CFIA recognizes the serious impact of bTB on producers and the cattle industry and is working collaboratively with the provinces, the B.C. Cattlemen's Association and others to take immediate action to control the disease and maintain Canada's bTB-free status. The CCA is communicating with CFIA on a regular basis and will update members of any developments impacting Canada's trade status.

Fisheries Act passes second reading in Senate

On December 11, 2018 the Senate continued debate on Bill C-68, amendments to the *Fisheries Act* where it passed second reading. The Bill has now moved to the Standing Committee on Fisheries and Oceans for study in February 2019. The CCA is asking the Senate to remove subsection 2(2), a last-minute addition to the definition of fish habitat, as part of a suite of recommendations regarding the Bill. The provision deems areas with the necessary water flow characteristics to sustain ecosystems of fish habitat to be fish habitat. The result would see practically all water bodies deemed fish habitat and thus make it virtually impossible for beef and agricultural producers to be in compliance with the Act.

The CCA has actively communicated its concerns over the proposed legislation with Senators and Members of Parliament, who have been receptive to, and understanding of, the issues. During Senate debate on the Act in November the Hon. Don Plett of Manitoba spoke against several aspects of Bill C-68 stating: "...unless there is substantive evidence this legislation does something other than hurt farmers while failing to protect fish habitat in any significant way, I will be working and voting against this bill every step of the way. I hope you will as well. Thank you."

Then in the December debate Hon. Raynell A. Andreychuk of Saskatchewan spoke of her concerns over the intrusive nature of Bill C-68 noting the scope and intention of the deeming fish habitat provision has created fear and anxiety amongst farmers and resource developers.

"The committee, no doubt, will have to look at all these crucial issues raised in Bill C-68, but go further to look at the implementation to ensure that we are not burdensome to Canadians at this very fragile economic moment and a very fragile moment for the fish. Thank you," Andreychuk said.

The CCA submission to Senate over Bill C-68 also recommended government address the regulatory burden on the agricultural sector by providing a streamlined process and approval or exemption criteria for small and low risk activities; and, establish clear and enforceable guidelines for artificial infrastructures or exempt artificial infrastructures. The CCA has also requested an opportunity to present to Senate.

CANFAX MARKET BRIEFS

Week ending January 4th, 2019

(in Cdn\$)	This wk.	Change
Fed Steers	160.34	n/a
Fed Heifers	159.13	n/a
(in US\$)		
↑ CDN Spot Dollar	74.07	+0.76
↓ Feb Live Cattle	123.23	-0.72
↓ Jan Feeder Cattle	146.53	-2.47

Canfax recap 2018

Although Canadian cattle inventories have been mostly flat the last few years, Canadian cattle slaughter and beef production have been on the rise. Canadian cattle inventories stabilized between 2015 and 2017 to around 12.5 million head, with beef cow inventories near 3.7 million. Dry weather challenges in 2018 in Western Canada resulted in feed shortages in some areas, and much higher feed costs. Spring storms in Western Canada also led to higher cow slaughter earlier in the year. These two factors pushed beef cow culling rates almost two per cent higher from a year earlier to 13.7 per cent. With the July 1 breeding heifer inventories 2.6 per cent below 2017, the 2019 calf crop is expected to decline, after the 2018 calf crop was estimated more than one per cent below 2017.

Canadian cattle slaughter is expected to hit three million head in 2018, the highest level since 2010. Fed slaughter is projected to be near 2.5 million head, six per cent higher than 2017, while non-fed slaughter is projected at just over 500,000 head, about 14 per cent higher than 2017. Carcass weights in 2018 were generally flat with a year ago, therefore domestic beef production is projected to be up just over six percent from last year. Live fed cattle exports were down about 30 per cent and Canadian cow exports were up slightly this year, therefore overall beef production including live cattle exports was up only three per cent.

Despite a flat cattle herd, Canadian beef production has been supported by keeping a larger proportion of cattle in Canada. Total live cattle exports in 2018 will be around 600,000 head and be near the smallest level since the border re-opened in 2005. The recent peak in live exports was 2014, when total cattle exports were over 1.2 million head. The interesting development in live cattle trade in 2018 is that both Canadian feeder cattle exports and imports increased. Feeder exports through October were a modest 172,000 head, up 41 per cent from 2017, while imports were up 130 per cent to 142,000 head.

Beef exports have been supported by larger beef production and are projected to be 4.5 per cent higher than 2017, and more than 10 per cent larger than 2016. Total exports are expected to be more than 396,000 tonnes, the largest export volume since 2010. The U.S. remains the largest export market accounting for about 75 per cent of exports. For the second year in a row, Japan was Canada's second largest export market accounting for about eight per cent of exports. Hong Kong and Macau were the third largest export market, Mexico was the fourth largest, with China rounding out the top five.

Results of recent cow-calf production surveys across Canada

Industry data provided by production surveys can serve as a benchmark for production performance across the country. Historical production surveys include the Alberta Cow-Calf Audit (1986-88, 1997-1998) and “Reproductive Efficiency and Calf survival in Ontario Beef Cow-calf Herds” (1983). Sixteen years later, the Alberta survey was revived, revised and expanded into the Western Canadian Cow-Calf Survey (WCCCS, 2014). In the last two production years, additional surveys have occurred across Canada (Western Canada, Ontario, Northern Quebec, Atlantic). These have provided an overall picture of current production and management practices on beef cow-calf operations in each region of the country for the first time. The objective of these surveys was multi-faceted: to establish industry benchmarks for production indicators and management practices, to establish industry trends, and to guide research and extension efforts. See the results at:

<http://www.beefresearch.ca/research-topic.cfm/production-practices-on-cow-calf-operations-95>

BCRC webinar: Veterinary insights from across Canada



BCRC WEBINAR

**VETERINARY INSIGHTS FROM
ACROSS CANADA**

TUESDAY JANUARY 22, 2019

[Click for details and free registration](#)

Link: https://zoom.us/webinar/register/WN_pqUKMh7_TwGUDR4AKw9z7w



CANADIAN
CATTLEMEN'S
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CCA Action News

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Ad Standards™



The Canadian Cattlemen's Association is the national voice for Canada's beef cattle industry representing 60,000 beef farms and feedlots.

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