



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

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Industry meets with Ambassador of Canada to Japan



CCA, Canada Beef and Canadian Beef Centre of Excellence leadership were pleased to meet with Ambassador of Canada to Japan Ian Burney (centre) in Calgary recently. *Photo Credit: CCA*

The Canadian Cattlemen's Association (CCA) was pleased to meet with Ambassador of Canada to Japan Ian Burney in Calgary recently to discuss opportunities for Canadian beef in the Japanese market under the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

Burney and Global Affairs Canada, Trade Commissioner Service, Deputy Director Northeast Asia and Oceania Division Matthew Fraser, met with CCA Executive Vice President Dennis Laycraft, Canada Beef Vice President, Corporate

Affairs Ron Glaser and Canadian Beef Centre of Excellence Executive Director, Mathieu Paré at the Centre of Excellence in Calgary last week. Burney discussed the importance of seizing the opportunity at hand to position Canadian beef in the Japanese marketplace and as part of that, the need to ensure a steady supply of product. CCA shared industry efforts to address restraints such as workforce challenges in the processing sector to enable industry to process more animals and fabricate more meat. Laycraft added producers are doing their part to ensure Japanese importers that a steady supply of Canadian beef will be available; cattle on feed numbers are up eight per cent as of January 1, 2019 in Alberta and Saskatchewan, which means more cattle in the system. Canada Beef and the Centre of Excellence discussed their engagement strategies on the retail side in Japan to highlight the attributes and versatility of

Canadian beef. For instance, Canada Beef worked with Canadian beef exporters at the Supermarket Trade Show in Tokyo February 13-15, and will do the same at the upcoming Foodex Japan tradeshow in Tokyo March 5-8.

Laycraft noted industry is working diligently to service the Japan market. While currently 75 per cent of Canada's beef goes to the U.S., he anticipated in five years' time, 50 per cent of Canadian product could be going to Asia.

CAFTA Board discusses trade priorities in Ottawa



CCA Past-President, Dan Darling, current Vice-President of CAFTA, discussed key industry issues with Leader of the Opposition, Andrew Scheer recently in Ottawa. *Photo Credit: CCA*

CCA President David CCA is a long-standing member of the Canadian Agri-Food Trade Alliance (CAFTA) and attended its recent board meeting on February 6. CCA's Past-President, Dan Darling sits as the current Vice-President of CAFTA. A number of trade updates and forecasts were discussed at the meeting, a summary of which can be found in greater detail on the [CAFTA website](#).

During the course of the meeting, the CCA had the opportunity to connect with staff from the office of International Trade Minister Jim Carr as well as with Leader of the Opposition, Andrew Scheer. At both of these opportunities, Darling communicated the important need for continued investment by the Government of Canada to develop awareness of Canadian products in export markets as well as placing a priority on ensuring the competitiveness of the Canadian agriculture sector.

The Canada - European Union Comprehensive Economic and Trade Agreement (CETA) is a good example of where Government of Canada investment is needed to facilitate the ability of producers to raise EU-eligible beef. The CCA has been working with Canadian and European partners to further ameliorate the situation and

is pleased to see that the export data shows the level of trade heading in the right direction despite the remaining challenges.

According to Statistics Canada, Canadian beef exports to the EU through November from 2017 to 2018 grew 83 per cent in volume to 890 tonnes and 73 per cent in value to \$13 million. On the flip side the quantity and value of beef imports from Europe grew seven per cent to 2,842 tonnes and 21 per cent to \$16.9 million respectively.

The CCA is currently collaborating with the federal government and packing houses to identify funding to complete the research necessary to make a submission to European officials for the approval of the use of citric and peroxyacetic acid within Canadian packing houses. The CCA's Mark Klassen is leading the research with funding pending from the federal government.

Similar continued investment in other new markets such as those attained through the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) will be extremely important to ensure the value of Canadian exports are optimized.

Canadian Agriculture Day 2019



As part of the Canadian Agriculture Day festivities, Public and Stakeholder Engagement Manager Jill Harvie (L) and President, Cargill Proteins, Growth & New Ventures and Strategic Pricing Sonya McCullum Roberts discussed the future of proteins including alternatives like plant-based and other sources.

Photo Credit: CCA

Harmonization with the US Five Yield Classes: Rationale and Next Steps

This is the second installment of a three part series examining the impetus for Canada's use of the U.S. five yield class system for beef carcass grading and what lies ahead.

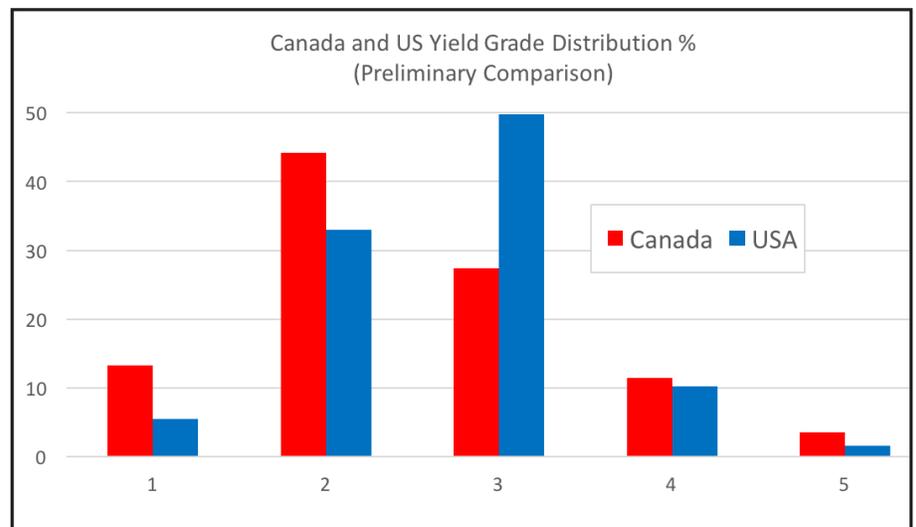
In part one of this series it was noted that there are some key differences in how the previous Canadian system of three yield classes and the newly implemented US five class system define yield percentage. While both definitions of yield relate to the amount of lean (muscle) versus total carcass weight, they have a different approach which is outlined below. Please note that yield percentage can at times be confused with dressing percentage but they are different parameters. Dressing percentage is the ratio of carcass weight* to the live weight of the animal.

In the case of the previous Canadian yield percentage calculation, this was an estimate of the percentage of the carcass that was "dissectible lean." As the name implies, the carcass was literally dissected and the amount of lean tissue (excluding fat and bone) in the major primal cuts as well as the brisket, flank, plate and shank was determined. There are three issues with this approach. Firstly, dissection by definition does not resemble the process of fabricating the carcasses into cuts in the real world. Secondly, fat is always included to varying extents in product that is sold in the market place. Lastly, lean tissue in the shank for example, is given equal consideration to lean located in the loin even though lean content in the loin is much more valuable. It is important to note that this approach does also have some advantages, the first being that it is not necessary to consider how industry cuts up the carcass which does vary somewhat. The second advantage is that from an on-farm production efficiency point of view it is helpful

to know the total amount of lean throughout the carcass. The utilization of energy from feed by muscle located at different points in the carcass is more similar than their prices.

The US approach to yield percentage determination, which is now being used in Canada, is more focused on "saleable" retail cuts. This reflects more of a butcher's definition versus the scientists' approach with dissectible lean. The retail cut yield (or cutability) of the carcass is the estimated percent yield of closely trimmed (1/2 inch fat or less) boneless retail cuts expected to be derived from the major wholesale primal cuts (round, sirloin, short loin, rib and chuck) of a carcass. As a practical matter, major processors in Canada have been using the US definition of yield for their own sorting and fabrication management decision making for years. Some Canadian feedlots were also requesting to be paid using the US yield grade system long before the change was recently made officially. The move to the US five class system and yield definition has then harmonized not only Canada with the US but also the metrics reported to Canadian producers on grading slips with those utilized by domestic packers for internal decision making.

Now that the five class system has been operational in Canada for a few weeks, there is an initial opportunity to compare the distribution of carcasses by yield class in Canada with those in the United States. At the time of writing the 2019 US grade information was not available so Jan. 2018 is compared to the data from Canada for the week ending Feb. 2nd, 2019 in the graph below.



Additional data will certainly be required to reach firm conclusions, but these very preliminary results suggest that Canada has a higher portion of carcasses in yield class 1 and 2 (which equates to better yield) despite our typically heavier carcass weights.

The third installment in this series will focus on some potential ways to further enhance carcass yield grading in Canada.

* includes kidney, pelvic and heart fat in the USA but not in Canada



CANADIAN
CATTLEMEN'S
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CANFAX MARKET BRIEFS

Week ending February 15th, 2019

(in Cdn\$)	This wk.	Change
↓ Fed Steers	148.67	-2.66
↓ Fed Heifers	148.53	-2.29
↑ Feeder Steers	--	+0.20
↓ Feeder Heifers	--	-0.32
↓ Cdn Feeder Index	184.15	-0.06
↑ Cdn Calf Index	209.98	+0.09
↑ D2 Cows	82.17	+0.17
↑ Slaughter Bulls	96.55	+5.12
(in US\$)		
↓ CDN Spot Dollar	75.20	-0.07
↓ Feb Live Cattle	126.13	-0.17
↑ Mar Feeder Cattle	144.08	+0.83

Reminder - 840 tag compliance for imported feeder cattle starts April 1

For the past year, all breeding cattle entering Canada from the U.S. have been required to be identified with the National Animal Identification System (NAIS) compliant 840 radio frequency ear tags. Beginning April 1, 2019 all feeder cattle imported to Canada from the U.S. will be required to meet the same requirement.

The application of the 840 electronic ear tag in the U.S. allows for rapid traceability to the premise of origin of imported cattle and seamless transition to the Canadian traceability databases. The 840 tag is an electronic ear tag of either half-duplex or full-duplex frequency and bears an official identification number following the ISO 11784 standard, which includes the code of

the country where the indicator was issued following the ISO 3166-1 numeric standard. These tags have been recognized as equivalent to Canadian approved tags by the Minister of Agriculture and Agri-Food Canada in accordance with section 173 of the Health of Animals Regulations.

There are many benefits to the tag. The requirement for country code identification eliminates confusion about origin. For inspectors, these tags can be easily read electronically at the port of entry when required. For importers, these tags can be reported directly to the responsible traceability administrator without the added expense and considerable effort required to re-identify cattle with Canadian approved tags.

Bull selection: breeding programs that suit operational goals

There are a range of different beef operations in Canada, and there is no one breeding program that is optimal for all operations. Breeding programs will be determined by operational goals and the management practices that fit those goals. Deliberate alignment of the bull's genetics to your operational goals will contribute to enhanced revenue and reduced costs.

There are a variety of breeding programs available, and effective sire selection requires an understanding of the characteristics

of the available genetics as well as your own operation. Key determining factors include: the management style of the operation, heifer retention (i.e., terminal versus maternal sires), number of breeding fields, and time of marketing.

For information on various purebred and crossbred breeding programs, visit <http://www.beefresearch.ca/blog/bull-selection-breeding-programs-that-suit-operational-goals/>.



Career opportunity: CRSB seeks a certification framework manager

The Canadian Roundtable for Sustainable Beef is seeking a certification framework manager. This is a Calgary-based, one-year contract position with potential for extension.

For further details, please visit:

<https://crsb.ca/news/crsb-seeking-certification-framework-manager/>



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CCA Action News

Staff Contributors: Mark Klassen, John Masswohl, Fawn Jackson, Beef Cattle Research Council, Canfax

Contributors: Canadian Food Inspection Agency (CFIA) Live Animal Imports

Edited, compiled and/or written by: Gina Teel

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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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For more information, contact:

CCA Communications at feedback@cattle.ca or visit our website at www.cattle.ca

Head office:

Ste. 180, 6815 8th Street NE, Calgary, AB T2E 7H7
Phone: 403.275.8558 Fax: 403.274.5686

Ottawa office:

1101, 350 Sparks Street, Ottawa, ON K1R 7S8
Phone: 613.233.9375 Fax: 613.233.2860