



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

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requirements), government procurement and review vs sunset for the NAFTA agreement.

So far, we have not been advised that there is any proposal to impose a customs duty on cattle or beef trade so long as the NAFTA remains intact. However, we have expressed concern over the possibility of the U.S. proposing a “border tax” across the board.

NAFTA’s “rules of origin” determine which products are eligible to be traded duty free amongst the NAFTA countries. Under these rules, either beef that is “wholly produced” in the NAFTA territory or transformed from a live animal into beef in a NAFTA country is eligible for NAFTA treatment.

CCA in Mexico City for NAFTA Round 7

Canadian Cattlemen’s Association (CCA) representatives were in Mexico City for round seven of the North American Free Trade renegotiation discussion February 25 to March 5. CCA Director of Government and International Relations John Masswohl was on site the first three days for the agriculture session discussions. CCA Past President Dave Solverson arrived March 1 for the Ministerial sessions and was able to meet with officials from the Department of Foreign Affairs including chief trade negotiator, Steve Verheul and staff from Minister Chrystia Freeland’s office.

Upon arriving at the negotiation site, Solverson was scrummed when Mexican media noticed his Farmers for Free Trade NAFTA lapel pin (<https://www.farmersforfreetrade.com/>). Solverson took the opportunity to talk about the importance of NAFTA and the integrated agricultural supply chains in North America.

The round was the latest in the series to modernize and renegotiate the NAFTA. Subjects of concern to beef producers include tariffs, rules of origin, dispute settlement mechanisms, regulatory practices (both technical barriers and sanitary phyto-sanitary



CCA Past President Dave Solverson in Mexico City telling media about the importance of NAFTA to the North American beef industry.



It also means that importing beef from a non-NAFTA country and shipping it to another NAFTA country does not provide a back door. The CCA has advised the negotiators of our strong desire to ensure the existing rules of origin for beef remain as they are and so far, we expect they will.

There has been good exploratory discussion amongst the negotiating teams regarding streamlining regulatory practices to remove cumbersome procedures for cattle or beef crossing the border, but so far, no concrete commitment for change. We also understand that the government procurement discussions have so far consisted of the U.S. seeking to scale back the limited access Canada already has to U.S. government purchasing rather than being receptive to allowing better access for Canadian beef to U.S. federally funded purchasing.

The CCA also wishes to maintain dispute settlement provisions in the NAFTA and seeks to improve enforceability of NAFTA panel decisions. The Canadian beef sector has from time to time relied on dispute settlement, typically under the World Trade Organization (WTO), and strengthening the NAFTA option would provide a meaningful alternative to the WTO. The outcome of these and the sunset/review issues remain unresolved, but with common ground being sought.

Masswohl said overall, round seven had positive discussions and the hope is that progress will continue into round eight, to be held in the U.S. in early April. Obviously, that timeline would extend the negotiations beyond the notional deadline of March 31. As we have seen time and again in previous negotiations, deadlines can come and go, but if progress is being made, the parties are likely to continue to meet with a view to reaching an agreement. We do note that as we approach closer to the Mexican federal election in July, the parties will have to make a decision regarding how, when or whether to keep negotiating.

Minister Freeland and her NAFTA counterparts will be holding their discussions and round seven concluding press conference today. Stay tuned for a follow-up article in the next Action News.

CCA participates in AAFC trade mission to Japan and Korea

The CCA, along with Canadian red meat sector representatives, is participating in Agriculture and Agri-Food Canada (AAFC) Minister Lawrence MacAulay's trade mission to Japan and Korea this week. The trade mission comes at a fortuitous time as Canada will officially sign onto the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) in Chile on March 8. CCA representatives will be present for that event also, to impress upon the government the need for a swift implementation of the flagship agreement to ensure Canada has first-mover advantage.

The CPTPP will provide Canada's beef producers with competitive access to Japan and dynamic markets in the Asia-Pacific region. The Minister's trade mission includes a bilateral meeting and roundtable with industry, and meetings with retail outlets including Costco Japan and importers with the Japanese Meat Traders Association. On previous missions, beef importers in Japan stated that while pleased to have secured a year-round supply of Canadian beef, the combination of the 38.5 per cent tariff and safeguard trigger dampened their ability to significantly increase their purchases of Canadian beef.

The current Japanese 50 per cent safeguard tariff on frozen beef has been in place since July 2017. Once the CPTPP is implemented, Canadian beef will be imported into Japan at the same preferential tariff as Australian beef and we will also be relieved from the Japanese safeguard tariff on frozen beef.

Canada Beef representatives will also be on hand in Tokyo and participate at the Foodex 2018 and host a cooking demonstration. In Seoul, Canada Beef will promote Canadian beef to shoppers at the Lotte Mart and participate in other activities.

The CCA will explore potential for Korea to join the CPTPP while in Seoul. The CCA believes that acceleration of Korea's beef tariff phaseout to match the U.S.' access (under the 2013 U.S.-Korea FTA) should be another condition of Korea's entry into the CPTPP. Under the terms of the 2014 Canada-Korea FTA, the 40 per cent Korean tariff on fresh and frozen beef will be fully eliminated in 15 equal annual steps and the 18 per cent tariff on offals will be fully eliminated in 11 equal annual steps.

CANFAX MARKET BRIEFS

Week ending March 2nd, 2018

(in Cdn\$)		This wk.	Change
↑	Fed Steers	165.91	n/a
↓	Fed heifers	164.81	+0.87
↓	Feeder Steers	---	-1.23
↑	Feeder heifers	---	+0.11
↓	Cdn Feeder Index	185.77	-1.81
↓	Cdn Calf Index	218.53	-0.84
↓	D1/D2 cows	88.05	-0.33
↑	Slaughter bulls	100.20	+0.13
(in US\$)			
↓	Cdn spot dollar	77.81	-0.87
↓	Feb live cattle	123.33	-2.05
↓	Mar feeder cattle	145.05	-0.95



CCA overview of Budget 2018

The CCA has reviewed the 2018 Federal Budget, which was released on February 27. While agriculture was not a primary focus for this budget in general, there are several measures that have potential to benefit the Canadian beef cattle sector. On market access and development, Budget 2018 earmarked \$75 million, over five years (starting in 2018/19) and \$11.8 million per year afterwards to Global Affairs Canada. This funding is dedicated to strengthening Canada's diplomatic presence and trade support presence in China and Asia, along with promotional trade initiatives in these markets. Additionally, Budget 2018 measures include \$29 million over five years for 'Securing Market Access for Canada's Agriculture and Agri-food Products.' The funding proposed to the Canadian Food Inspection Agency is to support the negotiations of export conditions for agricultural, fishery and forestry products and certification of Canadian exports against other countries' import requirements.

Statistics Canada will also be receiving \$49.1 million over six years to conduct the 2021 Census of Agriculture. This is positive news as The Census of Agriculture is used to inform business decisions and investment in the beef industry and this funding allows for planning to begin now.

On research, Budget 2018 proposes to provide \$2.8 billion on a cash basis for the renewal of federal laboratories and construction of collaborative research facilities. Agriculture and Agri-Food Canada scientists and facilities were included in this approach. Increasing the number of research chairs, as announced in the federal budget, is also of interest to the sector and the beef industry looks forward to working with the government as the details become clearer.

Budget 2018 also proposes to provide \$11.5 million over three years, starting in 2018–19, to modernize Canada's regulatory framework in a manner that supports innovation and business investment. Agri-food was included as one of the sectors that will undergo a targeted review of regulatory requirements over the next three years. The CCA is pleased with this commitment as our regulatory environment plays a huge role in determining the sector's global competitiveness and, ultimately, industry profitability.

Other notable announcements include investments in rural broadband internet, the reopening of penitentiary farms at Ontario based Joyceville and Collins Bay institutions and Farm Credit Canada's launch of a new lending product in 2018 specifically aimed at female entrepreneurs in agriculture.

There are announcements in Budget 2018 that require further analysis and examination of details to ensure they are in the best interest of the beef cattle sector. This includes the \$500 million in federal funding to create a new \$1 billion Nature Fund and the Low Carbon Economy Leadership Fund, which will invest in \$1.4 billion in projects that will generate clean growth and reduce greenhouse gas emissions.

The CCA will continue to encourage government to support ranchers' conservation actions through funding and further developing ecological service and agri-environmental programs. Programs such as these promote natural resource conservation, improve the environmental health of Canada's landscape and build resiliency into the agriculture sector. These programs will be most successful if they are incentive-based, community delivered, and voluntary.

In addition, while small business tax reforms related to passive investments appear to be simplified compared to this summer's proposal, more time is required to examine the legislation with tax professionals.

CCA launches GEP Free producer list

The CCA continues to develop resources to support producers interested in participating in Canada's Growth Enhancing Product (GEP) Free program as required to export beef to the EU under the Canada-EU Comprehensive and Economic Trade Agreement (CETA). Participation in the program also enables other market opportunities which require documented confirmation of the absence of growth enhancing products. However, concerns have been recently expressed by cattle producers and other members of the supply chain that they are unable to identify EU eligible operations.

The ability to identify eligible operations is important. The GEP Free program is entirely dependent on keeping cattle within the eligible supply chain. This is documented through "transfer certificates" which confirm the eligibility of the sender and recipient. If there is any break in the chain of custody the eligibility of the cattle and the associated investment of time and resources is lost. At present the Canadian Food Inspection Agency (CFIA) has indicated that privacy regulations do not permit sharing the names of the eligible producers.



The GEP Free program also involves working with a CFIA-approved veterinarian; Canada requires that only a veterinarian, who must also be “approved” by the CFIA, can provide oversight of the functioning of the EU program at a cow-calf or feeding operation. The training of industry veterinarians is conducted exclusively by CFIA and therefore they are the only body which keeps a list of which vets are approved. Industry requested that a list be made available so that producers can identify eligible practitioners. However, we have been advised that privacy regulations also do not permit CFIA to share the names of veterinarians who can provide these services.

Until a longer-term solution can be identified, CCA is working to create a listing on our website. EU eligible operations who wish to receive EU related information and/or wish to be included on a listing of eligible producers can register at www.cattle.ca/eu. Previously a listing of veterinarians has been posted to this location.

The inability to determine which producers are currently registered in the GEP Free program not only limits business opportunities for cattle producers. This also poses challenges for CCA in our efforts to provide educational resources and also to work with government to identify the types of programs and other resources are required to support the GEP Free program. These interim measures will help ensure the conditions required to support trade and achieve for the Canadian industry the benefits that CETA was intended to deliver.

CCA sponsors ISEF fellowship recipients at ILC in Houston

Two Canadians, including a graduate of the Cattlemen’s Young Leader (CYL) program, were selected as recipients for scholarships through the International Stockmen’s Educational Foundation (ISEF). The ISEF awards travel fellowships each year for the International Livestock Congress (ILC) to senior level undergraduates and graduate students attending accredited colleges or universities. The travel bursaries allow recipients to take in the ILC, which was held this year at the Houston Stock Show and Rodeo from February 28 to March 1. The ISEF scholarship program is made possible by the support of institutions, individuals and organizations including CCA.

The CCA proudly sponsored the two Canadian recipients of the ISEF fellowship: Jessica Sperber, a 2017 graduate of the CYL program and current masters student at West Texas A&M, and Emily Boonstra, an Animal Science student, studying at the University of Manitoba - one of only two undergraduates selected.

The ISEF fellowship recipients were introduced with their respective sponsor at a luncheon event on the opening day of the ILC. Sperber and Boonstra demonstrate the depth and caliber of young scholars the Canadian beef industry has to offer.

The ILC was highlighted by speakers sharing their thoughts on topics including where beef fits in a healthy diet and the importance of international trade. Global representation included but was not limited to delegates from Canada, the United States, Mexico, Costa Rica, Australia, Brazil and Germany.



Top photo: CCA reps with ISEF fellowship recipient Jessica Sperber (middle)

Bottom Photo: CYL grad and ISEF fellowship recipient Emily



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Save the date

Register now (at <https://www.eventbrite.ca/e/crsb-2018-semi-annual-meeting-tickets-43170920385>) for the Canadian Roundtable for Sustainable Beef (CRSB) semi-annual meeting in Regina, SK April 10 & 11, 2018. CRSB offers a packed agenda with committee meetings, a CRSB Council meeting, the Semi-Annual members' meeting and a keynote from Marty Seymour, Director of Industry & Stakeholder Relations at Farm Credit Canada about Public Trust in Canadian agriculture. The meeting will be rounded out with an exciting tour of the Tunnels of Moose Jaw, and a tour of a local cattle operation. The event will be held at the Doubletree by Hilton Hotel & Conference Centre at 1975 Broad Street, Regina, SK. Visit www.crsb.ca for more information.

CRSB agenda: https://crsb.ca/assets/Uploads/News/6254c17d36/AGENDA_CRSB-2018-Semi-Annual-Meeting-v2.pdf

Good records help guide efficient production and profitability, say producers

Keeping proper and useful beef herd production records is essential if you believe in the adage “you can’t manage what you don’t measure.” Records don’t have to be overly complicated, but do need to be thorough, say producers who rely on them for a lot of their management decisions.

Setting up a record keeping system properly will take a bit of time, but once the format is established keeping records current really isn’t that onerous — updating records is something that can even be done in front of the computer while having an early morning coffee or taking a few minutes here and there during the month as new information comes along.

Producers Karmen McNabb from Eastend, SK, Tyler Fulton from Birtle, MB and Tom Teichroeb from Langruth, MB explain how they manage their record keeping and what it does in return at <http://www.beefresearch.ca/blog/good-records-help-guide-efficient-production-and-profitability-say-producers/>



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BCRC WEBINAR

**GETTING THE MOST OUT OF
YOUR CORN SILAGE**

WEDNESDAY MARCH 28, 2018

[Click for details and free registration](#)

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CCA Action News

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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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