



## CCA IS THE NATIONAL VOICE OF CANADA'S 68,500 BEEF FARMS

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## TPP Agreement Applauded, Puts Beef Producers on Equal Footing in Key Markets

Trade Ministers from the 12 Trans-Pacific Partnership (TPP) countries concluded a groundbreaking trade agreement in Atlanta last week that will level the playing field for Canadian beef producers in key markets once and for all. The TPP agreement ensures Canadian beef producers can improve access to Japan and other growing markets in Asia. Under the agreement, Canada could double or triple its annual beef exports to Japan to nearly \$300 million.

The Canadian Cattlemen's Association (CCA) strongly supports the TPP, an agreement amongst 12 countries from both sides of the Pacific Ocean. Canada already has duty free access for beef with many of them, including the U.S. and Mexico, and now the TPP will gradually reduce a 38.5 per cent tariff on Canadian beef in Japan down to 9 per cent in 15 years, including an immediate cut to 27.5 per cent on day one of the agreement coming into force that will restore our competitive position with Australian beef.

CCA President Dave Solverson called the agreement a game-changer for Canada's beef industry -- and Canadian agriculture as a whole. "Canada's beef producers have long needed to have equal access to these important markets in order to compete with Australian and U.S. beef. Now, through this agreement, Canada will receive the same preferential access to these markets as its competitors."

It was a major priority for Canadian beef producers to ensure that the TPP would result in a level playing field for all beef competitors in the TPP region, added CCA Vice President and Foreign Trade Chairman Dan Darling. "I am pleased to say we have achieved that. The TPP agreement ensures Canadian beef producers will enjoy significantly improved access to Japan and other growing markets in Asia," he said.

Solverson and Darling thanked Prime Minister Stephen Harper and International Trade Minister Ed Fast for making a strong effort for Canadian beef producers at the TPP negotiating table. The CCA has provided support to the Minister throughout the Ministerial meetings, including in Atlanta last week, and appreciates his resolve to get a deal following a meeting in Hawaii in July that despite gaining much momentum, ended without an agreement due to the complexities of the negotiations. The CCA also thanks Agriculture and Agri-Food Canada Minister Gerry Ritz for his leadership to ensure the TPP is a net positive for Canadian farmers.

Other wins for Canadian beef producers in the TPP include achieving elimination of beef tariffs in Vietnam and Malaysia, two countries that have not traditionally been significant beef consumers, but have been identified as potentially important markets in the future as their level of economic development increases. The TPP also addresses the exclusion of some beef access from previous agreements with Peru and Chile.



The CCA is also very pleased that Canada has secured its place as one of the founding members of the TPP. This is extremely important it gives Canada a say in the terms of entry for additional countries that may want to join the TPP in the future. Already Korea and Taiwan have indicated they wish to join and the CCA will want to ensure they are removing all barriers to Canadian beef as part of their entry requirements to the TPP.

The CCA has been pushing for an ambitious, forward-thinking trade agenda for beef also as members of the Canadian Agri-Food Trade Alliance (CAFTA) and the Five Nations Beef Alliance (FNBA). CAFTA said the future for Canada's globally competitive agri-food exporters looks a lot brighter now that they will have improved access to a market of 800 million people across 12 countries. Read the CAFTA release here.

FNBA added a key element of the new TPP Agreement is that Australian, Canadian, Mexican, New Zealand and U.S. beef will all equally enjoy the most preferential access that has ever been negotiated into the Japanese market. The FNBA had collectively viewed this as the "must have" piece of the negotiations and the group congratulated Ministers for achieving it.

The TPP Agreement will also contain provisions for all the FNBA members from TPP countries to achieve unlimited duty free access to each other's domestic markets where that had not already existed. Find the FNBA release at

<http://www.cattle.ca/assets/action-news-pdfs/Press-Release-Five-Nations-Beef-Alliance-welcomes-TPP-conclusion-10-07-2015.pdf>.

CANFAX MARKET BRIEFS			
Week ending October 9th, 2015			
(In Can\$)		This wk	Change
	Fed steers	n/a	n/a
	Fed heifers	n/a	n/a
↓	Feeder steers	---	-6.97
↓	Feeder heifers	---	-6.13
↓	Cdn Feeder Index	246.13	-8.44
↓	Cdn Calf Index	270.45	-9.35
↓	D1/D2 cows	120.30	-9.70
↓	Slaughter bulls	143.30	-15.27
(In US\$)			
↑	Cdn spot dollar	76.82	+1.38
↑	Oct live cattle	131.17	+9.77
↑	Oct feeder cattle	187.87	+10.47

## COOL Update

Canada may have to wait a little longer than expected for the World Trade Organization (WTO) arbitration panel decision regarding U.S. Country of Origin Labeling (COOL) retaliation. Although the panel's final report was expected on November 27, 2015, that date has now been pushed back to allow for translation of the report into multiple languages – a normal step in the process. We expect the arbitration panel to announce a new date shortly.

In the meantime, the CCA will continue to work with the Canadian team to provide written answers to the follow up questions arising out of the panel hearing last month in Geneva. Once the written answers have been received and considered, the panel is expected to release its decision on an authorized amount for retaliation – likely later this fall. That decision will be final and not subject to appeal, enabling Canada and Mexico to proceed to implement the tariffs.

Canada has requested authorization to impose tariffs on more than C\$3.1 billion per year of U.S. exports. Mexico requested authorization for over US\$713 million in retaliatory tariffs. The U.S. has estimated the costs related to COOL arbitration at US\$91 million – an amount that disregards any valuation related to segregation of cattle, transportation issues or price suppression in the Canadian market. As the WTO has already found these issues to be at the core of the COOL violation, the CCA is confident that Canada's calculations will be strongly considered by the arbitrators.

Resolving the WTO dispute with the U.S. over COOL is the CCA's highest priority.

## CCA Update - Issues Manager Appointment

The CCA is pleased to announce the appointment of Thomas Lynch-Staunton to the position of Issues Manager. Lynch-Staunton brings a wealth of skills and experience in ranching, research and the social licensing of beef production to this newly created position. He will work with all staff in developing the tools and outputs for issues facing the industry both proactively and reactively. Lynch-Staunton will also work with industry partners, government, academia and other stakeholders in the value chain.

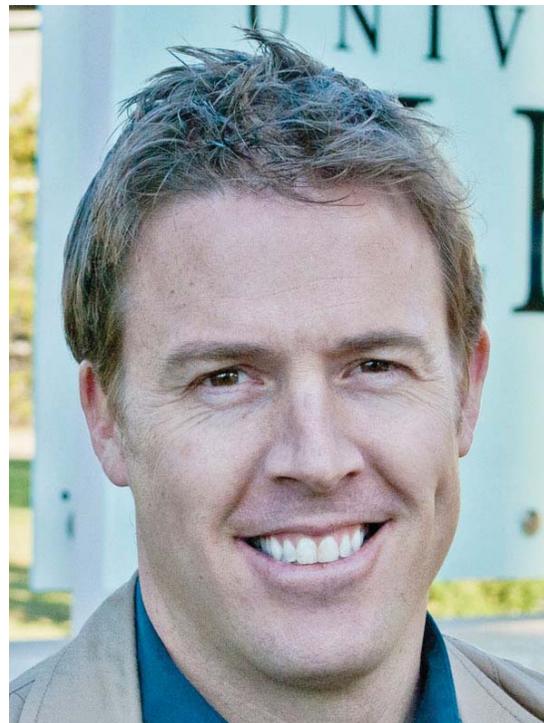


Lynch-Staunton has a Bachelor of Business Administration Degree from Simon Fraser University, specializing in marketing and international business and is currently working part-time on a MBA in Sustainability and Public Policy.

As a previous owner/manager of a family run cattle ranch in Southern Alberta and his most recent posting as Director of Industry Relations for Livestock Gentec at the University of Alberta (U of A), Lynch-Staunton's knowledge of the beef cattle industry, research and communications will complement the strong staff at the CCA and its partner organizations. This background will provide a tremendous benefit in addressing a variety of issues from primary beef production to the consumer's interests in and perceptions of food production. Lynch-Staunton's appointment is effective October 5, 2015.

Lynch-Staunton will continue to work out of the Livestock Gentec office at the U of A, which has been generously offered to him as a business visitor. This continued collaboration with the university and its partners will serve as a means of maintaining an important connection between academia and the beef cattle industry, and benefiting all organizations involved.

Initially the position will be shared with Alberta Beef Producers in the capacity of Alberta Government Relations which is synergistic to CCA's issues management portfolio. This new position of Issues Manager is envisioned under the larger National Beef Strategy. A collaborative effort by Canada's national and provincial beef sector organizations, the National Beef Strategy calls for a transformative change in how industry meets the challenges and opportunities that lie ahead with the goal to benefit all sectors of the industry. The strategy is about how the organizations can work together to best position the Canadian beef industry for greater profitability, growth and continued production of a high quality beef product of choice in the world. For more information on the National Beef Strategy, visit <http://beefstrategy.com/>.



Tom Lynch-Staunton. *Photo credit: Submitted*

## Economic Considerations on Preconditioning Calves

*A Canfax Research Services (CRS) Fact Sheet sponsored by Merck Animal Health*

Preconditioning is a management method to reduce stress and disease susceptibility and prepare calves to enter the feedlot. Many studies have shown that preconditioned calves have a lower cost of gain at the feedlot with improved rates of gain and feed efficiency as well as lower treatment rates and death loss. Despite these benefits, the adoption rate of preconditioning has been low in Canada with only 9% of cow-calf producers in western Canada preconditioning their 2014 calves for 30-60 days, while 72% sold calves at weaning.

Record high calf prices mean that death losses at the feedlot are that much more expensive. In the U.S. this has resulted in greater interest in animal health and preconditioning programs. But this will only result in adoption by the cow-calf producer if preconditioning is profitable.

This factsheet reviews the major driving factors on preconditioning profitability. Net returns were simulated based on the 10-year (2004-13) average and then again for 2014 to see how the current high price environment changes things. An outlook for preconditioning net returns in fall 2015 is also provided.

The full document is available at <http://canfax.ca/FactSheets.aspx>.



## Identifying Pre-Clinical MAP Infected Cattle

*Mycobacterium avium* subspecies *paratuberculosis* (MAP) causes Johne's disease, a chronic infectious disease of ruminants. Infection normally occurs in the neonatal period when calves ingest an infectious dose of MAP. The clinical, irreversible and ultimately fatal disease does not occur until years later. In the meantime, animals with preclinical Johne's disease may look healthy while still shedding MAP in their feces, transmitting the disease to new animals.

There are no effective vaccines or treatments, and diagnostic tests fail to identify many infected animals in the pre-clinical state. Research currently underway and funded by the National Check-off and Canada's Beef Science Cluster is working to identify proteins secreted by MAP that can elicit a MAP-specific cell mediated immune response. A reliable, sensitive, specific diagnostic test that accurately identifies MAP carriers in the early stages of infection would greatly help efforts to control the disease in beef herds.

To learn more about this research, see the BCRC fact sheet: <http://www.beefresearch.ca/factsheet.cfm/identifying-pre-clinical-map-infected-cattle-129>.

### CCA Action News

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The Canadian Cattlemen's Association is the national voice for Canada's beef cattle industry representing 68,500 beef farms and feedlots.

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