



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

In This Issue...

- CCA recommends full, faster, more streamlined beef access in potential FTA with China
- Beef producers urged to weigh in on national food policy consultations
- Producers from Manitoba, Ontario continue summer lobbying in Ottawa
- Issues Management Monthly: Ecosystem Services
- CBIC early bird registration ends soon
- Bov-Innovation, unique extension sessions for beef producers, set for August 16

CCA recommends full, faster, more streamlined beef access in potential FTA with China

The Canadian Cattlemen's Association (CCA) recently submitted the objectives of Canadian beef producers in a possible Canada-China free trade negotiation to the federal government. The CCA stated strong support for moving forward with trade negotiations to remove significant tariff and non-tariff trade barriers currently hindering market access potential for Canadian beef to China.

With the staged approach to full market access for Canadian beef China first announced in 2010 slow to materialize – currently, Canada has access to China for frozen beef cuts from cattle under 30 months of age (UTM) – the CCA told the Government of Canada that China should deliver the full commitment to provide access for all beef for cattle of all ages, and all beef offal.

China holds immense potential for Canadian beef but access can best be described as unpredictable and inconsistent for a variety of reasons. Moreover, China's approval process for conditions that enable access for Canadian beef and other barriers need to be addressed to realize the full potential of trade with China, CCA said.

The CCA's remarks are part of a public consultation launched by the federal government in March about the possibility of a free trade negotiation with China, Canada's second largest trading partner. The Government of Canada is actively seeking to strengthen trade ties with large, fast-growing markets like China and other trading partners.

Other issues Canada will need to address in a potential free trade negotiation include the fact that significant tariffs on Canadian beef exports to China remain while beef competition from Australia and New Zealand already enjoy lower or zero tariffs.

With the rise in prosperity in China, demand for high quality beef has major growth potential. Unfortunately, the requirement to freeze Canadian beef for shipment to China diminishes the quality. Australia is doing well as the only supplier currently to have access for fresh chilled beef to China. Furthermore, current talks between China and the U.S. over beef access have CCA concerned that access for fresh chilled Canadian beef may be at the back of the queue. Consequently, it is a very high priority for CCA that Canada aggressively seek timely access for fresh chilled beef to China.



China's approval process for Canadian beef processing and cold storage facilities needs to become more efficient. The current process of Chinese officials needing to visit, inspect and approve individual facilities on a one-by-one basis is untenable. It should be a priority for Canada to ensure that China accepts Canada's federal meat inspection system to be equivalent in outcome to their requirements and acknowledge that some specific elements of the system may be different without impacting that outcome.

China closed to Canadian beef in May 2003 when Canada discovered its first domestic case of bovine spongiform encephalopathy (BSE). Chinese President Hu Jintao's visit to Canada in 2010, he announced that China would fully re-open to Canadian beef in stages. The first stage was boneless beef from cattle under 30 months of age; trade finally commenced in mid-2012. In June 2014, China announced it would begin to consider the importation of bone-in UTM beef products. In September 2016, trade in bone-in UTM products was to commence immediately, as announced by current Chinese Premier Li Keqiang while in Ottawa with Prime Minister Justin Trudeau, however Canadian beef exporters are still waiting for the documentation requirements on bone-in beef access to be finalized.

Trade with China may be complicated but China is an important customer for Canadian beef. In 2012, Canada exported \$4.7 million in beef to China. This grew to \$27.5 million in 2013 and \$39.7 million in 2014. In 2015 China stepped in as a major buyer while Canadian beef was temporarily shut out of Korea and Taiwan and the Canadian dollar was weak, purchasing \$255 million that year. In 2016, Canadian beef export to China moderated to \$61.6 million. In the first quarter of 2017, Canadian beef sales to China exceeded year-ago levels by 39 per cent. Clearly, even with its challenges, the Chinese market is a very lucrative one for Canadian beef producers. If we can eliminate both the tariff and non-tariff barriers to provide predictable access, the potential of China is an opportunity we cannot let pass us by.

CANFAX MARKET BRIEFS

Week ending June 9th, 2017

(in Cdn\$)	This wk.	Change
📈 Fed Steers	170.74	+2.83
📈 Fed heifers	169.12	+1.87
📈 Feeder Steers	---	+1.72
📈 Feeder heifers	---	+1.60
📉 Cdn Feeder Index	214.47	-0.65
📉 Cdn Calf Index	242.84	-1.74
📉 D1/D2 cows	111.63	-0.17
📉 Slaughter bulls	129.09	-0.95
(in US\$)		
📉 Cdn spot dollar	74.06	-0.01
📈 Jun live cattle	131.38	+3.95
📉 Aug feeder cattle	153.95	-3.13

Beef producers urged to weigh in on national food policy consultations

The Government of Canada recently launched online consultations to support the development of *A Food Policy for Canada*. Cattle producers are encouraged add their voices to the public input that will be used to help inform elements of a food policy and set a long-term vision for the health, environmental, social, and economic goals related to food, while identifying actions the government can take in the short-term.

Producers can access the online questionnaire at www.canada.ca/food-policy until July 27.

The online consultation is the first of several engagement activities planned with a wide range of participants to inform the development of a national food policy. The CCA will be submitting comments before the July 27 deadline and will be attending the Food Policy Summit in Ottawa June 22-23 hosted by the Government of Canada.

Producers from Manitoba, Ontario continue summer lobbying in Ottawa

Cattle producers representing the Manitoba Beef Producers (MBP) and Beef Farmers of Ontario (BFO) recently spent time in the nation's capital to discuss top beef industry priorities with Members of Parliament and Ministerial Staff.

MBP Chair Ben Fox, Dianne Riding, Brian Lemon and Maureen Cousins travelled to Ottawa on May 30 to raise awareness about issues important to cattle producers in Manitoba. Much like other beef producing regions in Canada, Manitoba places a high priority on growing the beef herd and advancing the profitability and sustainability of the sector.



Among the many priorities brought forward by MBP was the Next Policy Framework (NPF), which will replace Growing Forward 2 in April 2018. It is key that beef producers have responsive, predictable and bankable business risk management tools delivered on a timely basis and that programs do not disrupt the competitive balance between agriculture sectors. The Western Livestock Price Insurance Program pilot project has benefited cattle producers in Manitoba and should become permanent under the NPF. GF2 funding has also been provided for the Manitoba Beef & Forage Initiatives Inc., which is supporting applied research with a focus on sustainable beef and grassland production. MBP is seeking continued support for these important initiatives.

Water management and infrastructure was another critical item brought forward by MBP. The threat posed by flooding and ongoing concern over water management is a key limitation around expanding Manitoba's beef herd. MBP strongly supports the commitments by the federal and Manitoba governments to the long-needed Lake Manitoba and Lake St. Martin Outlet Channels Project. Swift completion of this work is critical to the Manitoba beef industry.

On June 1, BFO sent Vice President Joe Hill, Rob Lipsett and Richard Horne to Ottawa for a final lobby day before the House adjourns for summer. BFO stressed that beef production is an important economic driver of Ontario's agri-food sector and is a significant job creator in the province, responsible for 11,000 jobs in primary production, 8,000 in processing and 42,000 in retail. The group emphasized that industry has a significant opportunity to grow with a competitive policy, regulatory and business landscape, and can meaningfully contribute to the federal government's objective of increasing agri-food exports to \$75 billion by 2025.



BFO reps meet with MP TJ Harvey in Ottawa. Photo credit: CCA.



MBP reps discuss growing the beef herd with MP James Bezan in Ottawa. Photo credit: CCA.

While on Parliament Hill, BFO specifically placed a high emphasis on the proposed changes to the Transportation of Animals regulations when meeting with MPs and the Liberal Animal Welfare Caucus. The group highlighted that welfare outcomes of beef cattle being transported under current regulations are very positive. Research on cattle transport in Canada found that over 99 per cent of all cattle arrive at their destination safely and without incident. BFO urged MPs to ensure that any changes to the proposed regulations do not move this number father away from 100 per cent and that new rules be outcome-based and informed by science under commercial Canadian conditions.

Issues Management Monthly: Ecosystem Services

The Issues Management Monthly column highlights the work being done to address beef industry issues by Canadian Cattlemen's Association (CCA) staff, featuring Issues Manager Tom Lynch-Staunton.

The 2016 Census of Agriculture provides an enormous amount of useful data, information used to develop baselines, understand where we are as an industry, and identify potential areas of concern. For example, demographics are an area of concern as the Census showed the average age of a farm operator is still increasing, yet only 8.4% of farms reported having a written succession plan in place.

Another area to watch is land use: it seems that the amount of land in crops has increased since the last Ag Census in 2011 by approximately 6 million acres, where tame or seeded pasture decreased by 1.12 million acres, and natural land for pasture also decreased by 1.1 million acres. The remaining difference was land that was reported idle in 2011, most likely due to flooding, drought, or summerfallow, was put into a cash crop in 2016. The largest increases in crop types were canola and soybeans.

At an average carbon storage of 29 tonnes of carbon per acre on tame and native pasture in Canada (based on the results of the National Beef Sustainability Assessment), and according to Dr. Edward Bork's research at the University of Alberta that farming a grassland or pasture can result in a loss of 30-50% (40% average) of stored soil carbon into the atmosphere, there has been a potential loss of 26 million tonnes of carbon tied to this land use change. A portion of this carbon will be recovered, through better tillage practices and the crop itself, however the loss of carbon, coupled with the assumed loss in biodiversity or other ecosystem services (water filtration, nutrient recycling, wildlife habitat), is a concern, especially when commitment to environmental stewardship, conservation, and grazing are at the heart of Canada's beef industry.

Of course, we're not out to vilify producers who convert some of their hay and pasture land to field crop production. Some of this land may be better suited in a crop, or it needed rejuvenation. There will always be instances where tame pastures and hay land need to be farmed to revitalize the plant community. And using cattle to graze more cover crops helps to replenish soil tilth and fertility, achieving both farming objectives and grazing needs.

Grasslands have an important role to play in building trust with consumers and the public by helping Canada achieve its climate change goals. Due to continual improvements, innovation and commitment of Canadian beef producers, the Canadian beef industry reduced its GHG footprint by 15% from 1981 to 2011. Canadian beef has one of the lowest GHG footprints per unit of production in the world at 12.0 kg CO₂ equivalent per kilogram of live weight, less than half of the world average.

I don't think that the public is overly aware that the lands used for beef production are some of the last stands of native grasslands, home to thousands of different species and an important store of 1.5 billion tonnes of carbon. It's our job to demonstrate why raising cattle (or other livestock) on these lands is a beneficial way to preserve this resource.

If we can tie consumption of beef to preservation of natural rangeland, this may be a win for everyone. One way to achieve this awareness may be through recognizing the value of the ecological goods and services. Not only does it provide recognition of the value of the resource, it also provides a way to optimize land use, for the best outcomes in growing all nutrients, including protein.

Many organizations in the beef industry, including the CCA and the Canadian Roundtable for Sustainable Beef (CRSB) have been advocating for Payment for Ecosystem service programs (including carbon credits) which are payments to farmers or landowners in exchange for managing their land to provide some sort of ecological service. Such programs promote the conservation of natural resources in the market place.





The beef industry is actively exploring what mechanisms could be put in place to pay for ecosystem services and environmental stewardship, or to at least quantify the value that good stewardship provides to society at large. For example, a payment or incentive for providing ecosystem services could be quite simple, like a hunting access fee, or a conservation offset, or complex like quantifying carbon storage in grasslands, measuring changes over time, and creating a market to value that carbon. Regardless, trying to figure out the value that healthy rangelands provide could open opportunities to alternative revenue streams, and provide marketing opportunities, or baselines in which to make continual improvements.

A word of caution though - we need to be careful what we ask for, because for any positive incentive there can also be a potential negative one too, which could come in the form of a regulation, a fine, or a tax for practices that deplete the ecosystem service (for farming or developing a native pasture for example).

Given that the notion "wheat pays better than biodiversity" will likely continue to factor into some land use decisions, it is prudent to also explore opportunities at the consumption level so that there is equal incentive to keep that rangeland intact for livestock. If the consumer is confident that cattle are helping to preserve the ecosystem and help Canada meet its climate change targets, could they be persuaded to pay more for beef or eat more of it? It is an interesting question, and could potentially create some buy-in from the consumer that they are helping preserve natural ecosystems.

Perhaps in the meantime, there is an opportunity to explore social marketing campaigns whereby a portion of the retail beef price is diverted into stewardship or conservation projects to support the preservation of native grassland or improvements in sustainability. This would be an interesting testing of the waters and I for one would look forward to the learnings and outcomes.

CBIC early bird registration ends soon

Register by June 15 for the second annual Canadian Beef Industry Conference (CBIC) and save \$100. After June 15, the full rate of \$450 plus GST applies. CBIC will be Sharing Common Ground August 15 to 17 where we will connect as an industry and learn to connect with the public. Keynote speakers are Olympic medalist and Amazing Race TV host Jon Montgomery, and recipient of the Presidential Preserve America Award (2004) from President George W. Bush, Bruce Vincent.

Register now at <http://canadianbeefindustryconference.com/wordpress/register-now/>

The poster for the Canadian Beef Industry Conference 2017 features a large silhouette of a cow's head and neck, filled with a grid of small photographs of people, likely attendees and speakers. The text 'SHARING COMMON GROUND' is written vertically on a red banner on the left. The main title 'CANADIAN BEEF INDUSTRY CONFERENCE 2017' is prominently displayed in the upper right. At the bottom, the event details are provided: 'AUGUST 15 TO 17, 2017 AT THE BMO CENTRE ON STAMPEDE PARK, CALGARY, ALBERTA'. Below this, the website 'canadianbeefindustryconference.com' and social media handles for Twitter (@CDNBeefConf) and Facebook (canadianbeefindustryconference) are listed. Logos for BCRC, the Government of Canada, and the CCA are shown at the bottom, along with a credit line: 'Images courtesy of Canadian Cattlemen's • The Beef Magazine • Cattlemen'.



Bov-Innovation, unique extension sessions for beef producers, set for August 16

The Beef Cattle Research Council (BCRC) is once again pleased to help power a unique event this summer. Bov-Innovation is scheduled to take place during the Canadian Beef Industry Conference, August 15-17, 2017 at the BMO Conference Centre on Stampede Park in Calgary, Alberta.

Bov-Innovation is focused on sharing practical tools, innovations, and ideas that feedlot and cow-calf producers can readily implement on their operations. Speakers include scientists and industry experts alongside producers who have adopted technologies and methods. This year the audience can participate in three different Bov-Innovation sessions:

- **“Genomics: Putting theory into practice for commercial cattle producers”** with Matt Spangler, PhD, Extension Beef Genetics Specialist from the University of Nebraska-Lincoln, who will explain how producers can leverage genomic technology on their cattle operations.
- **“Feed For Thought: Using feed analysis to balance rations and manage for mycotoxins”** with a producer alongside John McKinnon, PhD, Beef Industry Chair from the University of Saskatchewan. This session will cover mycotoxins, nutritional requirements, and incorporating lab results to fine tune animal production parameters.
- **“Dollars, Sense, and Fertility: Economic and reproductive factors of replacement heifer development,”** presented by Kathy Larson, Western Beef Development Centre, and John Campbell, DVM, Western College of Veterinary Medicine.

Continue reading this article at <http://www.beefresearch.ca/blog/bov-innovation-unique-extension-sessions-for-beef-producers-set-for-august-16/>

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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