



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

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## Canada's beef producers urge TPP11 Member Countries to maintain momentum

Last week, International Trade Minister François-Philippe Champagne and Prime Minister Justin Trudeau were in Da Nang, Vietnam to attend the Asia Pacific Economic Cooperation (APEC) Leaders' Summit. At the same time, side meetings of the remaining 11 Trans-Pacific Partnership (TPP) countries were scheduled at the Ministerial and Leaders' level to try and reach an agreement to bring key provisions of the TPP into effect without the United States.

The CCA's John Masswohl travelled to Vietnam to provide advice to the negotiators and express the significance of the agreement for beef producers to the Minister and Prime Minister.

The reality is that without the TPP coming into effect, the ability of Canadian beef to compete in the Japanese market is steadily declining. Our competitors from Australia already are benefiting from a bilateral free trade agreement with Japan. As Japanese importers purchase more Australian beef, they have already triggered a safeguard that has caused the tariff on Canadian frozen beef to increase to 50 per cent from 38.5 per cent.

Once the market access provisions of the TPP are implemented, Canadian beef will be exempt from the Japanese safeguard tariff and immediately get the same tariff rate as Australian beef. The need for an agreement is clear.

There is no status quo for Canadian beef in Japan. Either we reach a free trade agreement and immediately improve our access, or we continue to lose the Japanese market to our Australian competitors.

Several provincial cattle associations and individual cattle producers have written over the past weeks to their Premiers to echo the message about the importance of reaching an agreement.

Although it is clear to beef producers that trade and the access to markets these agreements create is vital to their ability to make a living, Masswohl noted that at these international meetings there are many interests and issues competing for the attention of leaders and Ministers. "It becomes obvious why we have to be present to keep our priorities at the top of their minds," he said.



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The conclusion of the Vietnam meetings was that important progress has been made to achieving a TPP11 agreement that will be known as the Comprehensive and Progressive Trans-Pacific Partnership. For beef producers, the most important element is that it appears the market access elements of the original TPP12 agreement will remain intact, although that is not necessarily guaranteed until the negotiations are complete, and the agreement is signed.

The CCA will follow-up with officials and politicians to ensure the remaining work and negotiations to bring this new agreement into effect are undertaken as expeditiously as possible.

## Tax support announced for cattle producers affected by bTB, extreme weather

On November 6, Minister of Agriculture and Agri-Food Lawrence MacAulay announced tax relief measures ([https://www.canada.ca/en/agriculture-agri-food/news/2017/11/additional\\_tax\\_supportforcanadianfarmers.html](https://www.canada.ca/en/agriculture-agri-food/news/2017/11/additional_tax_supportforcanadianfarmers.html)) for cattle producers who were affected by bovine tuberculosis (bTB) and drought, flood or excess moisture conditions. The CCA welcomes these tax relief measures and appreciates the continued support for cattle producers affected by bTB and extreme weather experienced throughout the summer.

The first tax relief measure is to support cattle producers who received compensation under the Health of Animals Act as a result of the bTB investigation that began in September 2016 that forced the destruction of livestock.

These cattle producers will effectively have the option of including those amounts in income for tax purposes, as follows:

- 2016 and 2017 tax year: no amount of compensation received will be included in income;
- 2018 tax year: 83 per cent of compensation received will be included in income;
- 2019 tax year: 11 per cent of compensation received will be included in income; and
- 2020 tax year: six per cent of compensation received will be included in income.

As herd replacement schedules are likely to span over several years, the extension of this tax deferral measure will help allow cattle producers affected by bTB make more optimal herd repopulation decisions.

The Government of Canada also released the list of designated regions (<http://www.agr.gc.ca/eng/programs-and-services/list-of-programs-and-services/drought-watch/livestock-tax-deferral-provision/2017-livestock-tax-deferral-prescribed-regions/?id=1509719116307>) in which the livestock tax deferral has been authorized for 2017 due to drought, flood or excess moisture. The 2017 list includes regions in British Columbia, Alberta, Saskatchewan and Quebec. This provision is an important tool for cattle producers, as those in the designated regions who sell part of their breeding herd due to drought or excess moisture and flood conditions can defer a portion of sale proceeds to the following year to partially offset the cost of reacquiring breeding stock.

### CANFAX MARKET BRIEFS

Week ending November 10th, 2017

(in Cdn\$)		This wk.	Change
↑	Fed Steers	149.24	+1.09
↑	Fed heifers	148.78	+1.01
↓	Feeder Steers	---	-1.46
↓	Feeder heifers	---	-0.49
↓	Cdn Feeder Index	211.95	-2.90
↓	Cdn Calf Index	224.84	-2.91
↓	D1/D2 cows	87.38	-0.27
↓	Slaughter bulls	98.44	-0.62
(in US\$)			
↑	Cdn spot dollar	78.79	+0.80
↓	Oct live cattle	122.48	-1.85
↑	Oct feeder cattle	158.48	+0.55

## Issues Management Monthly: The power of networks when responding to issues

*The Issues Management Monthly column highlights the work being done to address beef industry issues by Canadian Cattlemen's Association (CCA) staff, featuring Manager, Public and Stakeholder Engagement Tom Lynch-Staunto*

Connectivity is a central theme in issues management, as it is through these networks that our influence and reach can continue to grow. As an example, I recently received an email from a researcher friend of mine, letting me know about an interview on Global Edmonton that he just watched. The interviewee was George Kourounis who hosts National Geographic's show Angry Planet. He covers the globe and films very interesting stories on climatic events and extreme storms trying to document the effects of a changing climate. Anyway, the interview was very interesting and engaging until when asked, "What are three things that we can do to mitigate the effects of climate change?" and Kourounis responded, "Eat... less... meat", which he suggested would solve the world's climate change problems more so than reducing the use of vehicles.

When I see things like this, sometimes I will feel like ignoring it, which is based partly on a feeling of helplessness, understanding that the timeliness of our response is a major factor in the success of our efforts being aired or printed. In these instances, it can be a challenge to figure out the best course of action to take. Do you call the television station to try to get an interview, do you email a letter to National Geographic channel, or try to find an opportunity to attend one of his presentations to ask why he holds those views? Well, we could do all three, which may or may not have impact, especially if our letters or requests are ignored, a not too uncommon scenario for industry spokespeople reaching out to outlets wanting to share their perspective on a story that's just aired or been printed.

When celebrities present opinion or preference as fact to the public, and that information is ill informed, we must consider how much impact the issue will have. This will vary from case to case but when dealing with National Geographic and a major city network airing the interview, it doesn't take long to arrive at a decision to act.

It's not our intent to go down the rabbit hole on every issue but we do act on strategic opportunities to fill gaps with credible information and resources to bring balance to issues. Social media can be our friend in a situation like this where we are able to create a public conversation and ask where people get their information or why they feel the way they do. In this instance, we shared on Twitter and other social media channels key messages directly with both Kourounis and Global Edmonton about some of the benefits that cattle can play in our environment, including mitigating the impacts of climate change. Indeed, we were able to use our social network of industry and stakeholder organizations and producers to get our message out there in a very efficient and cost-effective manner.

Due to our collective efforts to build resources, we were able to share facts on beef production and the environment from the Beef Cattle Research Council (BCRC) and the Canadian Roundtable for Sustainable Beef (CRSB), plus the 'Worried about' GHG brochures developed by Alberta Beef Producers. In addition, we shared some of our most recently produced videos (<http://www.cattle.ca/news-events/video-gallery/sustainable-production/>) on the environmental benefits (<https://www.youtube.com/watch?v=lz-DsLxipk0&feature=youtu.be>) of raising cattle.

I believe Kourounis will see the tweets that we sent and so will many of his followers. We may not have convinced him that beef is ok in that moment, but perhaps the information shared raised enough doubt about the credibility of the information he is basing his "eat less meat" recommendation on. Ideally, he will gather that beef production is more complex than what he originally thought. Perhaps he may learn some new information about both the impacts and benefits cattle can have on the environment, and that it depends on large set of factors, such as the region's climate, soil types, opportunity to grow other food, transportation challenges, nutrition, human demographics, social needs, biodiversity values, wildlife, water resources, and so on. In some cases, one could argue that eating more meat will reduce our environmental footprint.





One of the objectives of the issues management program will be to respond to instances like this as often as we can. Fortunately, we don't have to do it alone, because we truly do have a large network which is becoming increasingly more cohesive and comfortable with responding to these issues. This is due in part to excellent resources both in hand and to be produced and an understanding of our social media audiences, who are passionate about the beef industry.

Remember, we always need to keep the conversation positive and try to allow for good dialogue when people may not know the whole story and science behind it. Sometimes it is not their fault, they just don't have all the information. It's our job to use opportunities like this to get that information out there and 'change the conversation.'

## Important changes to how producers can access antimicrobials

Antimicrobial Resistance (AMR) is a global issue that impacts the ability of medicines to treat infections and disease in both animals and humans. Action is being taken around the world on reducing the risk of AMR. Canada has its own pan-Canadian framework to address AMR including some changes to how livestock producers can access antimicrobials. Of note to beef producers is a change to the own use importation (OUI) process, effective November 13, 2017. Additional changes will see claims for growth promotion dropped from labels of medically important antimicrobials used in livestock production, and access to these products restricted to prescription only effective December 1, 2018.

Canada's beef industry has a proven track record of prudent and judicious use of veterinary antimicrobials, however we recognize that all stakeholders in Canada's human and animal health systems must play a role in minimizing AMR development. These changes ensure that the antimicrobial products we have now continue to be effective into the future. Additionally, the enhanced tracking associated with these changes should help improve consumer confidence in how the beef industry accesses and uses antimicrobials.

The laying of the groundwork for these changes began last year with drug manufacturers (voluntarily) rescinding the label claim for growth promotion from medically important antimicrobials used in livestock production. These included all products in Categories I, II, and III deemed very high importance, high importance and medium importance to human medicine respectively. (There are very few medically important (Class I, II or III) antibiotics that have a growth promotion claim for cattle.) This change will affect a total of eight in-feed products. Four of these will have the label modified to remove references to growth and feed efficiency, while leaving the health-related claims intact. The other four in-feed products only have a feed efficiency label claim and may be taken off the market, unless a health-related label claim is approved. Ionophores (monensin, etc.) are Category IV, and will keep their growth promotion claims. The target date for this policy to be fully effective is December 1, 2018. No new medically-important products approved for livestock have been permitted a growth promotion claim since 2004. More recently, Health Canada consulted upon, and then published in Canada Gazette II, regulatory amendments to the Food and Drugs Regulations for Veterinary Drugs. These amendments included:

- veterinary Active Pharmaceutical Ingredients (APIs) imported or sold in Canada must be manufactured in accordance with Good Manufacturing Practices (GMPs);
- persons who fabricate, package/label, import or test an API for veterinary use must do so in accordance with an Establishment Licence (EL);
- own use importation (OUI) of certain unauthorized drugs (including APIs) is restricted;
- manufacturers and importers must provide sales volume information by species for veterinary antimicrobials; and
- the introduction of an alternative, more appropriate pathway for manufacturers to legally import and sell low-risk Veterinary Health Products (VHPs).

Additionally, a policy set by Health Canada effective December 1, 2018 will require that all Category I, II, and III antimicrobials may only be sold pursuant to the presentation of a valid prescription. Prescriptions from a veterinarian will be required regardless of route of administration, so injectables, in-water and in-feed formulations are all affected. This will mean all livestock producers will require a valid Veterinary-Client-Patient Relationship (VCPR) in order to obtain the necessary prescription to access these antimicrobials. These products will only be available from a veterinary drug dispensary or pharmacy, subject to provincial regulations on veterinary drug dispensing. This is an important change. For instance, antimicrobials that many producers commonly use to treat calf scours or footrot will no longer be available over the counter at farm supply stores or feedmills.



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Of particular interest to beef producers are the changes to the own use importation process. The established CCA policy has always been that only products already approved for use in Canada should be imported for own use and limited to over the counter products including parasiticides. The objective for this policy has always been about price control and competitiveness for our industry, not about accessing new products not available in Canada.

One option was to shut down OUI completely. However, through the consultation process, industry prevailed in maintaining a process for OUI that will continue to allow specified products to be imported for own use by a livestock producer. As of Nov 13, 2017, only those products registered on “List B,” published on the Health Canada website (<https://www.canada.ca/en/public-health/services/antibiotic-antimicrobial-resistance/animals/personal-importation-certain-drugs-food-producing-animals/list-b.html>) will be permitted for OUI. These will not include any Category I, II, or III antimicrobials, biologics (vaccines) or pesticides regulated under the Pest Management Regulatory Agency (PMRA).

The need for a valid VCPR will likely help some producers who could benefit from interacting with their veterinarian more frequently. That will help elevate the overall herd health and welfare management of industry.

However, these changes come with some significant challenges, particularly as the feed and livestock industries adapt to the new rules. Antibiotic prices may rise, because fewer businesses will be able to sell them. Not all provinces legally allow veterinary pharmacies to be established. Large operations that do on-farm feed mixing may have fewer options regarding where they are allowed to purchase certain types of medicated products. Feedmills are not pharmacies, so they won't be allowed to sell bags of tetracycline or tylosin for on-farm mixing.

Similarly, it is unclear at this time whether wholesaler distributors will be allowed to sell prescription product directly to producers, even with a valid prescription. Producers in remote areas will be particularly affected. They will need to do much more careful pre-planning of their animal health program, in collaboration with their veterinarian, to ensure that they maintain an adequate inventory of antimicrobials to respond to animal health emergencies that occur outside of normal working hours, or when timely on-call veterinary service is particularly difficult to access.

The Canadian beef industry's stellar history of responsible use of veterinary antimicrobials is a matter of public record, as evidenced by random residual drug testing at processors and the surveillance program conducted by the Canadian Integrated Program for Antimicrobial Resistance Surveillance (CIPARS), under the Public Health Agency of Canada.

Since 2002 CIPARS has collected and tested samples from abattoirs and retail beef. The surveillance shows that resistance to antimicrobials of the highest importance in human health is very low and not increasing in Canada. The same holds for multi-drug antimicrobial resistance. Similar results have been seen in a series of collaborative studies conducted by industry and government research teams in commercial Canadian feedlots since the late 1990's.

The very low level of antimicrobial resistance observed in Canadian cattle and beef indicate that Canada's cattle producers use antimicrobials prudently. Research confirms this; over 90 per cent of the antimicrobials used in feedlot production are ionophores – a class of antimicrobial not used in human medicine.

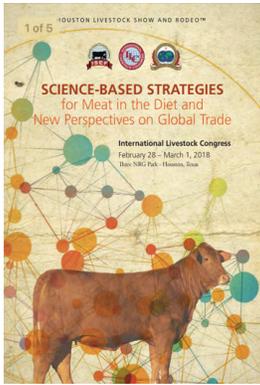
Still, there is always room for improvement from all stakeholders. These include doctors, hospitals, and patients on the human side; veterinarians, producers and animal care givers on the livestock side. Our mutual goal is to ensure that the medicines we currently have, and new ones in the future, will be effective when used properly.

## Different approaches/same goal for winter management of heifers

Beef producers like Darren Bevans in Alberta, Tyler Fulton in Manitoba and Murray Shaw in southwest Ontario know that replacement and first calf heifers need some extra attention, especially heading into and over winter – the heifers are not only pregnant and about to produce calves, but these young females are still growing themselves.

The “extra attention” doesn't require over the top management, but just paying attention to feed and weather conditions to ensure heifers maintain a proper body condition to meet the nutritional requirements of the unborn calf as well as to support their own body growth.

Continue reading at <http://www.beefresearch.ca/blog/different-approachessame-goal-for-winter-management-of-heifers/>



## Register now for 2018 ILC-USA

The 2018 International Livestock Congress - USA will be held Feb. 28 - Mar. 1, 2018, at the Houston Livestock Show and Rodeo™ in Houston, Texas. ILC-USA will bring together an elite group of international livestock and meat industry leaders to discuss a variety of proactive strategies that address the ever-changing beef industry. Students wishing to attend ILC-USA in Houston can apply for a student travel fellowship through International Stockmen's Educational Foundation (<http://www.theisef.com/>).

## 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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