



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

In This Issue...

- Action News welcomes back readers in 2018
- CCA prepares for round six of NAFTA talks
- Canfax key factors to watch in 2018
- Traceability update – livestock operators encouraged to apply for a valid PID now
- Issues Management Monthly: Impacts of the Food Guide on the beef industry
- CCA debuts new photo and video gallery
- CYL now accepting applications for 2018 program
- Save the date: CCA 2018 Annual General Meeting
- Preventing reproductive wrecks: webinar

Action News welcomes back readers in 2018

Welcome to the first issue of Action News in 2018. We are pleased to start off the new year with a packed issue brimming with all the news you need to know and more. Thank you to our readers for their continued support, and we look forward to another great year of bringing you the news.

CCA prepares for round six of NAFTA talks

The Canadian Cattlemen's Association (CCA)'s participation at all rounds of the North American Free Trade Agreement (NAFTA) modernization and re-negotiation process will continue in 2018, as the sixth round of formal talks takes place in Montreal from January 23 to 28.

While it remains unclear whether or when the U.S. might commence procedures to withdraw from NAFTA, CCA's presence, to provide Government of Canada negotiators with expertise and to ensure that the interests of beef producers are advanced in the ongoing talks, will be as necessary as ever.

The negotiations resume following significant progress in 2017 to modernize a range of non-controversial technical issues. However, this positive progress towards modernization has largely been overshadowed by several regressive proposals tabled by the U.S. and subsequently rejected as unacceptable by Canada and Mexico.

Canadian beef producers strongly support retaining the existing NAFTA provisions affecting the beef and cattle trade. The CCA and its U.S. and Mexican beef cattle producer organization counterparts are united in their position that the terms of trade remain unchanged in the renegotiations.

Our united priorities for the beef sector include: continued duty-free and quota-free access for beef and live cattle trade with the NAFTA tariff preference for beef based on the current rule of origin; opposing the return of a trade disrupting mandatory country of origin labeling regime; maintaining dispute settlement mechanisms, both within NAFTA (Chapters 19 and 20) and external dispute settlement tools at the World Trade Organization. Furthermore, we believe it is possible to improve bilateral cattle and beef trade through greater regulatory cooperation and elimination of some obsolete regulatory border requirements.



CANADIAN
CATTLEMEN'S
ASSOCIATION

The CCA is also focused on strategies to manage the risk of U.S. withdrawal from NAFTA. These include ongoing efforts to expand on our trade and market access priorities, including liberalizing trade in the Asia-Pacific through the new Comprehensive and Progressive Trans-Pacific Partnership (aka TPP11), progressing market access expansion and a potential free trade agreement in China, and ensuring the necessary conditions to progress beef trade in the EU through the Canada-EU Comprehensive Economic and Trade Agreement (CETA). We will also work to ensure that if the U.S. does withdraw from NAFTA, that a viable agreement will continue to exist between Canada and Mexico and that our two countries may continue to enjoy duty-free cattle and beef trade, while recognizing the disruptive consequences caused by higher tariffs on our countries' two-way trade in beef and cattle with the U.S.

Canfax key factors to watch in 2018

Although Canadian beef cow numbers have not expanded, North America could have a record large beef production in 2018, and continue to trend larger over the next three years. The Canadian cattle herd has stabilized, but domestic beef production could still increase as more cattle are fed and processed in Canada. In 2017, markets performed very well despite larger beef and meat supplies. Will 2018 be equally impressive?

The key factors for Canadian producers to watch are:

Beef demand – International demand has been very strong, as we have exported more beef and at higher prices. Competitive access to international markets will be critical as supplies grow. Domestic demand has also been impressive, as retail prices have only declined modestly despite the larger supplies. Consumption may fall next year, but that is partly a function of strong international demand. Demand is also driven off economic performance across North America. The economic outlook is quite positive for 2018, but any challenges to the economy, employment, or wages will impact beef demand.

Competing meats – North American beef production could be record large in 2018. Pork and poultry is also expected to be record large. Trade will also be important for competing meats, but if there is price pressure due to the large supplies, it could also negatively impact beef prices. Demand is key for competing meats.

Basis levels – Basis levels have a significant impact on the fed and calf market. If Canada can maintain historically strong basis levels, it will be supportive to the feedlot sector and the calf market, but if basis levels were to move back to historical levels, it could put pressure on the calf market. A basis that is \$6 better than expected translates to almost \$15/cwt higher calf prices.

Canadian dollar – The Canadian dollar has generally been friendly to the cattle market since it went below 80 cents in 2015. The dollar can be volatile, and varies depending on oil prices, the Canadian economy, the U.S. economy and relative interest rates. The dollar has been somewhat stronger than expected in the second half of 2017, and if it were to move over 80 cents, it could weigh on the markets. On the other hand, if the dollar stays below 80 cents or drops further, it will continue to be supportive.

Weather and feed availability - The U.S. cow herd has had a rapid expansion since 2014. Strong markets and very good growing conditions have aided this expansion. Therefore, there are larger cattle on feed numbers, and more cattle outside of feedlots. Any significant changes in the grazing and feed conditions could result in a surge of cattle available to the slaughter market and negatively impact the markets.

CANFAX MARKET BRIEFS

Week ending January 5th, 2018

(in Cdn\$)	This wk.	Change
Fed Steers	167.44	n/a
Fed heifers	166.59	n/a
(in US\$)		
Cdn spot dollar	79.90	+0.46
Feb live cattle	122.25	n/c
Jan feeder cattle	149.02	+3.42



Traceability update – livestock operators encouraged to apply for a valid PID now

With the regulatory process to amend Canada's traceability regulations underway, and the Canadian Food Inspection Agency (CFIA) expected to publish the regulations in Canada Gazette Part I mid-2018, the CCA continues to urge livestock operators to apply for or confirm a valid Premises ID (PID) number.

CFIA's proposed animal identification and livestock traceability regulatory amendments may require all livestock operations to have a valid PID and use it to report animal movement data to the Canadian Livestock Tracking System (CLTS) database. Livestock operators should contact their local provincial or territorial premises registry (<http://www.inspection.gc.ca/animals/terrestrial-animals/traceability/premises-identification/eng/1495127375452/1495127376419>) now to ensure they have a valid PID number well in advance of the final version of the proposed regulation, anticipated to be implemented in 2019.

A PID number identifies "a parcel of land defined by a legal land description, or in its absence, by geo-referenced coordinates, on which or any part of which animals, plants or food are grown, kept, assembled, or disposed of." The Government's perspective is that a valid PID helps to reduce the impacts of a disease outbreak, food safety issue or natural disaster originating from and/or affecting livestock; better protect public health, animal health, and supports the livestock industry to meet international standards to export.

In terms of regulatory process, following the publication of the regulations in Canada Gazette Part I in the spring of 2018, stakeholders will have 75 days to comment. These comments will be reviewed, and adjustments made prior to publication in Canada Gazette Part II, which will then be final and come into force upon publication or be post-dated. It's anticipated the final version of the regulation will be announced in Part II of the Canada Gazette in early 2019.

The CCA and its affiliate organizations maintain the position to employ the Cattle Implementation Plan (CIP) in a cost effective and efficient manner without inhibiting commerce. In October, the CCA hosted CFIA officials on a traceability tour of Southern Saskatchewan and Alberta to enable CFIA senior staff to experience first-hand the practical realities of tracking cattle from ranch to auction market and feedlot during the business of the fall run. Ideally, the CFIA will use the information and insights gathered from the experience to ensure any regulations are in line with the CIP supported by industry and outcome-based.

The CCA is a member of the Regulatory Implementation Committee led by CFIA and will continue to work closely with government on the traceability file.

- with files from the Canadian Cattle Identification Agency

Issues Management Monthly: Impacts of the Food Guide on the beef industry

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-Staunton.

Happy New Year everyone. It seems that one of the issues we will be dealing with quite a lot in 2018 is the Canada Food Guide.

Over the holidays, a colleague from CCA (who also happens to be a great Action News editor) shared a blog post with me from the Huffington Post about the Canada Food Guide. If it wasn't clear enough from the headline, "Keep The Animal Agriculture Industry Out Of The New Food Guide," and subhead: 'The "short term profit interests of select food industries should not be permitted to compromise our health," the blog was penned by an anti-animal agriculture activist group.





In a nutshell the blog suggests that the animal agriculture industry's lobbying efforts are primarily concerned with the economic viability of the industry, and that we are using these potential negative economic impacts to influence Health Canada to keep meat, milk and eggs as part of the dietary recommendations. The blog also implies that 1) animal products are not nutritious (which is blatantly false), and that 2) people who raise animals for food care more about economics than health (also blatantly false).

While economics is important, it irritates me that the blog insinuates that producers care about economics at the expense of the health of Canadians and, predictably, because it is an activist group, the animals themselves. Such opinion pieces cast aspersions without providing balance or context and so can leave readers with a biased perspective on an issue. More to the point, such lopsided opinions are designed to undermine consumer confidence in the beef industry.

As you may be aware, Canada's Food Guide is undergoing a revision to update its dietary guidance, last updated in 2007. It's pretty much a guarantee that similar activist rhetoric inserted itself into the public consultation process in 2016. The review process continues, with the release of updated Food Guide slated for 2018.

For the record, I have no objection to the blog's general premise that the negative economic impacts to an industry should not be permitted to compromise human health. The Food Guide should absolutely be about promoting the best nutrition for Canadians, and that there should be a variety of recommendations to deliver the best nutritional outcomes for the diverse populations in Canada. Unfortunately, some foods aren't very nutritious and don't add positively to the diet, and there will be impacts to whoever is producing those foods or products. Beef is not among those foods.

To follow up on point number 2 above, I don't know any meat, milk or egg producer that would intentionally raise a food they didn't believe was nutritious or benefited our health. The blog's inference that industry's interest in the Food Guide is motivated only by preventing economic impacts to our industry is insulting, and demonstrates a great ignorance of the degree of stewardship and care (<https://www.youtube.com/watch?v=JDS0ZBmdudg&feature=youtu.be>) required to raise beef, and the nutritional benefits of beef to the human diet. Beef is an important source of essential nutrients for people, and it gives us pride knowing we are providing good, wholesome, nutrient-dense food that benefits human health.

It is interesting that the blog opines that the increase in obesity over the last 30 years is in part due to overconsumption of animal foods, which the author suggests are high in calories and protein. Of course, beef is high in protein (22g protein per serving, approximately 200 calories), but if you compare to lentils, for example, it seems you need to consume more calories to get the protein equivalent (for 22g protein, you need to consume about 300 calories of lentils).

Furthermore, the author fails to square her suggestion linking meat consumption to the rise in obesity, given consumption of meats have continued to decline over the same timeframe as obesity rates have climbed.

I don't think a further reduction in meat consumption will miraculously reverse the growing obesity trend, and in fact may make it worse. What would be more beneficial to Canadians is if these opinion pieces talked about how much meat we are consuming, if we are eating the nutrients we need, and what nutrients we are deficient in or have about right? I am concerned that if Canadians keep reducing their red meat consumption, we will see more deficiencies in iron, vitamin B12, zinc and other important nutrients, especially in vulnerable populations like youth and seniors.

Of course, we will not stop providing strong evidence about the healthfulness of beef to Health Canada, and how it can be part of a balanced diet. The health of Canadians should absolutely be the most important part of the new Food Guide recommendations, and we know beef can be a nutritious and valuable addition to healthy eating.



CANADIAN
CATTLEMEN'S
ASSOCIATION

CCA debuts new photo and video gallery

Photos and videos can capture and convey authentic moments of the hard work, care and attention that go into raising cattle like no other medium. When paired with proper context, they can sate curiosity and advance understanding about how beef is raised. With that in mind, the CCA revised its photo (<http://www.cattle.ca/news-events/photos-videos/>) and video (<http://www.cattle.ca/news-events/video-gallery/>) galleries to showcase various stages of beef production, chores and farm life using images captured by producers, farm families and CCA staff. Take a look at the new galleries and let us know what you think. Producers are invited to help us maintain an ongoing selection of photos and short videos. Producers interested in contributing can learn more by emailing CCA Communications Manager Gina Teel at teelg@cattle.ca.

CYL now accepting applications for 2018 program



The Cattlemen's Young Leaders (CYL) program is accepting applications online for 2018. The CYL program is an exciting opportunity for young producers between 18-35 to engage with the Canadian beef industry. Each year, 16 enthusiasts in the cattle industry are awarded a mentorship with an industry expert and a travel budget that allows them to get the most out of their time in the program. Selections take place at the Canadian Beef Industry Conference each year, with the opportunity to attend the conference in conjunction with selections.

CYL also offers many exciting travel opportunities including the National Western Stock Show in Denver, Colorado, and the International Beef Alliance, which travels around the world each year.

Please visit cattlemensyoungleaders.com for more information.

Save the date: CCA 2018 Annual General Meeting

The formal meeting schedule for CCA's 2018 Annual General Meeting (AGM) is now available on our website (<http://www.cattle.ca/assets/AGM-schedule-2018.pdf>). The CCA AGM will take place in Ottawa March 21-23, 2018, at the Ottawa Marriott Hotel (100 Kent Street, Ottawa, ON). Please direct any questions to Paula Jenkins at jenkinsp@cattle.ca. If you would like to attend the AGM, please note that WestJet is offering the CCA discounts on flights to Ottawa. Click here (<http://www.cattle.ca/news-events/cca-annual-general-meeting/>) for details.



CANADIAN
CATTLEMEN'S
ASSOCIATION

BCRC WEBINAR

**PREVENTING REPRODUCTIVE
WRECKS**

TUESDAY JANUARY 23, 2018

[Click for details and free registration](#)

<http://www.beefresearch.ca/blog/preventing-reproductive-wrecks-webinar-january-23/>

CCA Action News

Staff Contributors: John Masswohl, Brian Perillat, Emily Ritchie, Rob McNabb, Jill Harvie, BCRC, Canfax
Written, edited and compiled by: Gina Teel



The Canadian Cattlemen's Association is the national voice for Canada's beef cattle industry representing 60,000 beef farms and feedlots.

To sign up for CCA's "Action News:"

Visit www.cattle.ca and click on "Sign-up for Action News"

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