



Canadian Research Shows Negative Effects of Ethanol Industry on Livestock Sector

January 31, 2012

Calgary, AB – A study released today by the George Morris Centre indicates that Canadian ethanol production mandates are responsible for increasing costs to the Canadian livestock sector by \$130 million per year.

The study, *Impact of Canadian Ethanol Policy on Canada's Livestock and Meat Industry - 2012*, quantifies the impact of biofuels policy through addressing a shortfall in existing research. To date papers on the impact of biofuel policy initiatives have examined U.S. policy alone and either completely ignored Canadian policy or assumed limited effect. Other papers cite the multiple factors involved in grain pricing but fail to consider the effects a subsidized competitor can have on local prices. The George Morris Centre report shows that Canadian ethanol policies have a 'direct and important negative influence on the Canadian livestock industry.'

The Canadian Cattlemen's Association (CCA) has long advocated for a market-based biofuels industry. "Government policy that favours biofuels production as a purchaser of feed grain favours that industry at the expense of the livestock and meat sector," said CCA President Travis Toews. "We aren't against high grain prices, but we want to compete on a level playing field. The cattle industry fully appreciates how important a vibrant Canadian grain industry is to our sustainability."

"This research shows the negative effects that government imposed ethanol production mandates have had on the profitability and production of Canada's livestock and meat industries. Governments need to be aware of these effects," Toews continued. "CCA policy supports the removal of subsidies, tariffs and the mandate. This would let the market decide the best usage of feed grain in Canada."

Canada's beef industry is made up of over 83,000 farmers and ranchers. Sales of cattle and calves in Canada total over \$6 billion and beef production contributes more than \$24 billion to the Canadian economy.

The George Morris Centre is a Guelph, ON-based independent think tank. Their report can be found at:

www.georgemorris.org.

The research was funded by the Canadian Cattlemen's Association, Canadian Pork Council and Canadian Meat Council.

For further information, contact:

Gina Teel

Communications Manager

Canadian Cattlemen's Association

403-275-8558 x 406 | teelg@cattle.ca

www.cattle.ca