



CANADIAN CATTLEMEN'S ASSOCIATION

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May 20, 2004

An Open Letter to Canadian Beef Cattle Producers,

It is one year ago today that Canada's first case of BSE in a native-born animal was announced. While the media is acknowledging the event with retrospectives and increased news coverage, cattle producers realize that this is simply one more day on our long march toward industry, and individual, recovery.

The United States Department of Agriculture (USDA) is continuing to assess the over 3,000 comments it received on the proposed rule for importing live cattle and other beef products from Canada and other regions at minimal risk for BSE. Our contacts in the USDA inform us that they have assigned extra staff to the task, and we look forward to a decision in the very near future.

Indications from the highest levels are that the U.S. Government wants this issue resolved as soon as possible. Indeed, following his meeting with Prime Minister Paul Martin on April 30, President George Bush stated emphatically that the border would re-open to live cattle as soon as possible. He also reconfirmed that the U.S. decision would be based on science, not politics. The science is clear that Canadian beef and cattle are safe.

For the past year the Canadian Cattlemen's Association (CCA) has lobbied hard on a number of fronts. There continues to be no let-up in our efforts. We have worked hard to ensure the support of cattle industry associations in other countries. We were successful in getting organizations representing cattle producers throughout North America to pressure our respective governments to re-open borders based on sound science. We've gained the support of producer representatives in the 5 Nations Beef Conference (Australia, New Zealand, Mexico, the U.S. and Canada) in lobbying the OIE to change international guidelines for how countries react to BSE in countries that have taken all the proper precautions for animal health and food safety. The goal of this effort is to bring about more rational reactions from international trading partners. That position will be debated by the OIE in the next few days.

The CCA also worked very hard in lobbying the Federal and Provincial Governments, at first to ensure they understood the depth of the impact of this crisis in rural communities, and then for financial support for the industry. While we didn't always get all that we asked for, the Federal-Provincial BSE Recovery Program announced June 2003, the Federal-Provincial Cull Animal Program announced November 2003, and the Federal Transitional Industry Support Program announced March 2004 helped keep cattle markets functional. This allowed producers to continue to sell cattle. Even though the prices have not been what we would like to see, having a market has kept our industry operational.

And of course lobbying of our international trading partners continues unabated. I returned from our most recent lobbying trip to Washington one week ago. During our meetings we received positive indications that the USDA, the National Cattlemen's Beef Association, the American Meat Institute and the U.S. Administration wants to see this issue resolved. Work on re-opening other markets, in particular Asia, is also continuing. Much of CCA's representation has been through our membership in the Canada Beef Export Federation.

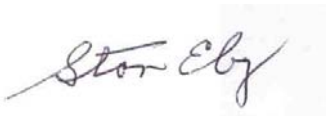
While this has been the most difficult year in memory for most Canadian beef cattle producers, we should not forget the successes we've had along the way. Last summer we regained access for exports of boneless Canadian beef from cattle under 30 months of age into the U.S. and Mexico, our two largest export markets. This is the first time that these countries had re-opened their borders to beef products from a country that had experienced a domestic case of BSE. Our exports to these markets have recovered well. This recovery has been gratifying, and has helped keep our industry afloat. Our exports of boxed beef from June 2003 to May 2004 to all countries are down \$900 million from the same time frame a year earlier (down from \$2.2 billion to \$1.3 billion).

We must also recognize the remarkable support of Canadians for our industry. Canadians rallied behind us last summer, and their support continues to this day. Beef disappearance soared during the first weeks of the crisis, and has settled into a respectable 4.9% increase in 2003 compared to 2002. (Disappearance is calculated by adding together beef production, beef imports, beef stocks in storage, and subtracting from this total, beef exports. The product may be held in freezers of consumers to be consumed at a later date or in storage coolers and freezers of packers and processors ready for export or further processing.) Canadian beef producers owe Canadians a debt of gratitude for their encouragement.

We can also thank the media for their efforts in portraying our situation accurately. The science of BSE is not easy to understand, and the cattle industry is also not easy to understand for those who aren't involved in it on a day-to-day basis. The media, for the most part, did their best and didn't try to overly sensationalize the story.

The CCA has said from the beginning that our industry won't fully recover until the U.S. border reopens to live cattle. We continue to work hard toward that end. We are also working to come out of this situation with a better, more sustainable industry through better harmonized animal health regulations, a more robust processing sector, improved communications, greater awareness of on-farm food safety and other enhancements.

Our industry has shown greater resilience than many would have thought possible a year ago. By all sectors continuing to work together, we will make it through.

A handwritten signature in cursive script that reads "Stan Eby". The signature is written in dark ink on a light-colored background.

Stan Eby
President