



*Canadian Cattlemen's Association
Canada Beef Export Federation
Canadian Meat Council*

News Release

Beef Value Chain Roundtable Wraps Up Meeting in Calgary

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The Beef Industry Value Chain Roundtable met in Calgary to further advance recovery strategies for the Canadian beef industry. The Roundtable is a steering group that brings Federal Government and all sectors of the beef industry to the table to develop joint strategies for market success in the beef sector.

“Our meeting was very productive and moved us forward on several strategies to help the industry recover from BSE and be more resilient in the future,” says Dennis Laycraft, Executive Vice President of the Canadian Cattlemen’s Association and co-chair of the Roundtable. “The new Federal Minister of Agriculture and Agri-Food Canada, the Honourable Andrew Mitchell, visited the meeting and we were able to present to him the contingency and industry adjustment strategies under development. He showed a great deal of interest and we trust this will help speed the decision-making process for any aspects of the strategy that require Federal Government involvement.”

“It’s clear to the Roundtable that next to the re-opening of the U.S. border to live cattle, increasing slaughter of Canadian cattle, with a high priority on increasing Canadian processing capacity, is the most effective way to help the Canadian beef cattle industry both now and into the future,” adds Willie Van Solkema, President of the Canadian Meat Council. “Members of the Canadian Meat Council and other processors are responding. By November processing capacity is expected to be up 20 percent over 2003, and we anticipate an additional 24 percent will be added by 2006. The Roundtable is pursuing tax incentives for increased equity investment and risk capital to help build and sustain capacity. Increasing slaughter capacity in Canada will

increase the demand for cattle, which will address the current oversupply of cattle that this closed border has created. Increased domestic slaughter capacity will ensure the Canadian industry is less vulnerable in the future.”

“Canadian beef usage and export market diversification strategies are being developed to ensure markets for additional beef produced in Canada,” says Canada Beef Export Federation Chairman Ben Thorlakson. “We’re pushing our Federal negotiators to take an even more aggressive role in re-opening international markets and developing alternative markets for Canadian beef.”

Other options being pursued include developing a delayed marketing strategy to better match numbers of cattle coming to market to the slaughter capacity available. Tax averaging options for those choosing to exit the industry are also being pursued. The Roundtable also supported the Canadian Food Inspection Agency’s proposal to enhance the current feed ban by removing Specified Risk Materials from all animal feed.

“There was a great deal of discussion around the issue of testing cattle for export markets,” says Stan Eby, President of the Canadian Cattlemen’s Association. “Roundtable members agreed this option offers no capacity or price benefit in the short term and could be detrimental to our efforts. However we agreed to develop a paper that examines all aspects of the issue to help facilitate discussion and better understanding of the issue by members of the industry to help guide our decisions into the future.”

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