



# Monthly Report

By Gjenna Vold

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## U.S. Appeals Court rules in favour of "Rule 1"

The Ninth Circuit Court of Appeals has unanimously ruled against the Ranchers-Cattlemen Action Legal Fund (R-CALF) in its continuing effort to seek a permanent injunction of the first minimal risk rule. The first minimal risk rule, or "Rule 1", allows trade of under-30-month (UTM) cattle and beef from cattle UTM.

The CCA is pleased with the Ninth Circuit's decision and hopes this will be the end of such frivolous legal actions. Significant resources, both in terms of time and money, have been spent by Canadian and U.S. producers and by government on these unnecessary proceedings.

Although R-CALF could still appeal to the Supreme Court, this should be the end of its legal action against Rule 1. We have been advised by our legal counsel that the Supreme Court would be very unlikely to hear this case.

In April 2006, Judge Cebull of the United States District Court in Montana decided to uphold the United States Department of

Agriculture (USDA)'s rule to open the U.S. border to UTM cattle and beef. R-CALF appealed Cebull's District Court ruling in June 2006. Two months later, the USDA filed a motion for "summary affirmance" with the Ninth Circuit Court, outlining that the Ninth Circuit had already heard, considered and rejected all of R-CALF's arguments. However, the Ninth Circuit issued a decision to allow R-CALF to make its arguments regarding Rule 1. The CCA and its affiliates along with the Government of Canada, the American Meat Institute, the National Meat Association and others, filed an *Amicus* brief in support of the USDA.

Canada has shown that it has multi-layered safeguards in place to control Bovine Spongiform Encephalopathy (BSE) and according to the World Organisation for Animal Health (OIE) guidelines, there is no justifiable reason why the U.S. border should be closed to Canadian beef and cattle of any age. Canada and the United States have both been awarded the designation of a controlled risk country for BSE based on these safeguards.

### This Month...

- U.S. Appeals Court rules in favour of "Rule 1"
- CLiP COOL
- Celebrating 75 Years - Looking Back and Stepping Forward
- Alberta producers winners of the national TESA award
- New Minister of Agriculture and Agri-Food
- First shipment of Canadian beef arrives in Taiwan
- New VBP website

**The CCA is the national voice for the beef cattle industry, representing nearly 90,000 cattle producers.**

## CLiP COOL

The CCA and the Canadian Pork Council (CPC) formed a coalition seeking U.S. country of origin labeling (COOL) provisions that conform to international trade agreements. Known as *Canadian Livestock Producers Against COOL (CLiP COOL)*, the coalition shares the view that the mandatory COOL provision of the U.S. Farm Bill violates U.S. trade obligations under the North American Free Trade Agreement (NAFTA) and the World Trade Organization (WTO).

Mandatory COOL, as it is currently written, must be repealed or undergo substantial revisions if it is to conform to NAFTA and the WTO. *CLiP COOL* is also concerned that the so-called "fix" being promoted in Washington continues to fall extremely

short of complying with U.S. obligations.

*CLiP COOL* is calling on the Government of Canada to express these concerns to the U.S. government in the strongest possible terms. Mandatory COOL will add costs as a result of the requirement for verifiable recordkeeping audit trails, and detailed labeling that would allow only meat from animals 'born, raised and processed' in the United States to be labeled as a 'Product of USA'. Beef and pork produced in U.S. facilities from cattle and hogs born in Canada and exported to the United States at a young age for feeding would require a label indicating the meat is 'From Canada and the United States'.

The Canadian beef industry markets its meat products aggressively and is

confident it can do well under COOL, however the problem lies in the access for live animals to U.S. slaughter facilities. This access may be impaired if those facilities do not want to incur the burden of tracking which product satisfies which origin label. Even if Canadian meat does well with U.S. consumers, Canadian livestock producers will face lower prices for their animals.

The only way to avoid the discrimination against Canadian animals is for the labeling law to acknowledge that the act of processing live animals into meat is a substantial transformation and that the meat is the origin of the country where that transformation occurred. *CLiP COOL* believes that the NAFTA and the WTO require the United States to treat meat from animals processed in the United States as U.S. meat.

## Canadian Cattlemen's Association

310, 6715—8th Street N.E., Calgary, Alberta, Canada, T2E 7H7  
(403) 275-8558 Fax: (403) 274-5686 [www.cattle.ca](http://www.cattle.ca)

## Celebrating 75 Years - Looking Back and Stepping Forward

The CCA held its semi-annual meeting and convention in Halifax, N.S. on August 13-17. The convention highlighted the fact that 2007 marks the 75th anniversary of the CCA. It included a look back over the past 75 years and focused on how the industry can move forward.

On August 15, Dr. Jill Hobbs from the University of Saskatchewan discussed traceability through the supply chain; Allan Bloxsom of Meat and Livestock Australia presented an Australian case study; Dean Baglole discussed value chain alliances from his perspective with Atlantic Beef Products and Terry Grajczyk presented information on Quality Starts Here and Verified Beef Production. The day concluded with an industry panel discussion featuring Canadian Cattlemen Market Development Council Chair David Andrews and CCA Director Brad Wildeman on the CCA's efforts to advance itself as a leader in animal production, health and beef safety.

The CCA also undertook a strategic review of its structure and governance this year to enhance how it represents its member organizations and provides leadership to the industry. It made several recommendations to the board of directors, which were approved. The board also approved policy recommendations by the Biofuels Task Force related to the impact of the biofuels sector on the beef industry.

## Alberta producers winners of the national Environmental Stewardship Award

The CCA would like to congratulate Brian and Shaunere Lane of Claresholm, Alberta for winning the 2007 national Environmental Stewardship Award. The award was presented at the CCA semi-annual meeting and convention on August 15.

The Lanes, who own and operate Brown Creek Ranch, have a commercial cattle herd, raising both red and black purebred Angus cattle. They have worked hard over the years to implement a variety of changes to improve the condition of the soil, grass and water sources. Swath and rotational grazing are the basis of those improvements. Eliminating the need for equipment to bring feed to the cattle in the winter and take the manure away has resulted in large energy savings costs.

Brian and Shaunere have also developed the Lane's Bed and Breakfast service and Brown Creek Ranch vacations, considering it an opportunity for Canadian and

international guests to see how environmentally friendly and humane animal practices exist in the ranching community.

The Environmental Stewardship Award is presented by the CCA each year to an operation that exemplifies the initiatives that producers across the country undertake in their role as stewards of the land. While the award is only presented to one recipient each year, it recognizes that many producers across Canada are undertaking important and innovative stewardship initiatives.



*Brian and Shaunere Lane accept the national Environmental Stewardship Award from Lynn Grant, CCA director and chair of the Environment committee.*

## New Minister of Agriculture and Agri-Food

The CCA congratulates and offers support to Gerry Ritz in his new role as Canada's Minister of Agriculture and Agri-food. There are several priority issues that the CCA looks forward to working on with Minister Ritz. One of the most pressing is to develop a way to address the over-inflated costs of complying with new enhanced animal feed regulations and disposing of meat and bone meal containing specified risk materials.

The CCA encourages Minister Ritz to create a bridge fund of up to \$25 million per year for two years until infrastructure projects under the delayed federal provincial transition funds can come on line. The CCA also encourages the new Minister to seek an ambitious result for agricultural exporters in the ongoing WTO negotiations.

## **First shipment of Canadian beef arrives in Taiwan**

The first shipment of Canadian beef to Taiwan in over four years arrived at Taiwan's Touyan International Airport on August 3. This shipment marked the long anticipated return of Canadian beef to the Taiwan market. It also signaled the launch of an extensive re-entry campaign by the Canada Beef Export Federation (CBEF)'s Taiwan office to recapture the market for Canadian beef.

The shipment of high quality Canadian tenderloin, strip loin and rib eye beef products from XL Food of Calgary, A.B., was timed to be featured in the Taiwan-Canada Friendship Night and Welcome Back Canadian Beef Reception in Taipei. CBEF export members forecast that Canadian beef imports to Taiwan will grow to 10,000 tonnes for a value of \$52 million.

## **New Verified Beef Production website**

A new website is available to help Canadian beef producers access information on the Verified Beef Production (VBP) Program. The VBP Program is Canada's on-farm food safety program for beef, and was developed by the CCA. Visit [www.verifiedbeef.org](http://www.verifiedbeef.org) to access information on program fundamentals and the latest news and developments, including contact information to find out about VBP workshops across the country. The site also includes online access to core program resources for producers, such as the VBP producer manual, fact sheets on good production practices and sample records.