



Monthly Report

By Theresa Keddy

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South Korea conditionally agrees to accept U.S. beef

On April 18, South Korea announced it would re-open its market to U.S. beef from cattle of all ages by mid-May. The resumption of trade of beef from cattle over 30 months of age was conditional on the United States publishing its final rule to implement its enhanced feed ban. The U.S. Food and Drug Administration satisfied that condition on April 24.

There are several things about this agreement that are significant for Canada. Most important is that we are hopeful that once South Korea resumes full imports of U.S. beef, Canada will also receive full access shortly thereafter. This is something the CCA is pressing the Government of Canada to achieve. We have a strong case in that Canada earned its BSE Controlled Risk status from the OIE at the same time as the U.S. and we have already implemented our enhanced feed ban.

Until Canada achieves full access to Korea in its own right, Canadian cattle exporters should be aware that any U.S. beef exported to Korea must come from

cattle that have been fed at least 100 days in the U.S. As such, some U.S. slaughter facilities have announced that they will not accept fed cattle direct from Canada until this condition is lifted.

The announcement that the U.S. will implement its enhanced feed ban may also remove a significant impediment to expansion of trade with Japan. The CCA is aware that Japan has been concerned that the U.S. has not taken this step to date, so we will be working with government officials to try to build some momentum in the negotiations with Japan.

In the longer term, the CCA sees the possibility to restore some of the regulatory cost balance between Canada and the U.S. once U.S. facilities also start to segregate SRMs and will no longer be able to utilize them in any animal feed, including pet food. Although the U.S. will only implement its enhancements in April 2009, this opens the door to explore a return to a

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- Lobbying days in Ottawa
- Animal Cruelty Bill passes
- 2008 CCA semi-annual meeting and convention

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

Business Risk Management

On April 24, CCA President Brad Wildeman, along with CCA Director John Gillespie and staff accompanied representatives of the Canada Pork Council to explain to a meeting of federal and provincial agricultural policy Assistant Deputy Ministers the need for improvements to the suite of Business Risk Management (BRM) programs.

The CCA and the CPC expressed the urgent need to eliminate the viability test and program caps that are rendering many producers ineligible for financial assistance. We also requested that

producers in all provinces be given the choice to base their reference margins on the better of the "Olympic average" or the average of their most recent three years and to enhance negative margin coverage from the current 60 per cent to 70 per cent, retroactive to 2006, as allowed by WTO rules.

Several provinces have implemented ad hoc programs or payments over the past several months in the absence of an agreed national approach. The growing variety of provincial programs has altered commercial decisions and is increasingly pitting producers in some regions against producers in others.

President Brad Wildeman stressed the importance of returning to a national approach and our concern that should there fail to be a Fed/Prov agreement, some provinces will continue to take matters into their own hands.

The next step will be for the federal/provincial officials to meet at the Deputy Minister level in late May leading up to the annual national meeting of Agriculture Ministers either at the end of May or early June. The CCA hopes to be able to state its views on the changes that producers need directly to Ministers at that meeting.

Canadian Cattlemen's Association

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harmonized regulatory approach in Canadian and U.S. meat processing facilities.

Finally, the resumption of Korean imports of U.S. beef will increase the likelihood of the U.S. Congress to ratify the U.S.-Korea free trade agreement. Under that agreement, Korea will eliminate its 40 per cent import tariff on U.S. beef over 15 years. During the phase-out period, U.S. beef will be entitled to significant quantities of duty-free treatment. If Korea resumes Canadian imports, the CCA will work very hard to promote the completion of a similar free trade agreement that will eventually provide for tariff-free Canadian beef exports to Korea.

Overall, the CCA is very pleased with this announcement as it could open the door for many positive developments for Canadian beef. The CCA is working hard to ensure that those opportunities come true.

Lobbying Days in Ottawa

Many of the provincial cattle associations have been actively explaining the industry's needs to elected officials in Ottawa. On April 15, representatives from the Saskatchewan Stock Growers Association and the Saskatchewan Cattle Feeders Association met with 11 of their province's 14 Members of Parliament, including Agriculture Minister Gerry Ritz. Upcoming lobbying days include Alberta Beef Producers on May 13 and Manitoba Cattle Producers near the end of May.

Animal Cruelty Bill passed

On April 9, 2008, the House of Commons passed Bill S-203, a private member's bill to amend the Prevention of Cruelty to Animals Act of the Criminal Code of Canada, which had been in place since 1892. This Bill was introduced by Liberal Senator John Bryden of New Brunswick to increase fines and penalties in animal abuse cases and provide courts with more tools to deal with these cases, without negatively impacting lawful activities in the agricultural, outdoor and medical research fields. Bill S-203 was approved by a large majority of Members of Parliament and received Royal Assent on April 17, thereby passing it into law.

The CCA is pleased with the passage of this bill. It has agreed with the general consensus that the penalties for animal cruelty cases were inadequate and that the current laws needed to be changed and the penalties for abusing animals be more reflective of the crime. Animal welfare groups have increasingly been lobbying for change, citing an increase in the number and severity of animal cruelty cases over the past few years in Canada. However, the

CCA was not able to support prior attempts to change the cruelty to animals provisions because they were too extreme and had the potential to interfere with lawful activities such as farming/ranching, fishing, hunting and medical research.

Bill S-203 increases penalties to a maximum of five years imprisonment and/or a \$10,000 fine. Instead of providing the prosecution with only one option (to try animal cruelty cases as summary offences), they may now try them as either summary or indictable, depending on the seriousness of the case. Summary conviction offences are the most minor offences in the Criminal Code and are not eligible for trial by jury. Indictable conviction offences are more serious, with greater penalties (convictions result in a criminal record) and are usually entitled to trial by jury.

In addition, the Bill expands the court's power to prohibit offenders from owning or keeping animals by removing the current limit of two years. Courts are now able to prohibit offenders from owning or keeping animals for any period they consider appropriate and in the case of a second or subsequent offence, a prohibition order must be for a minimum of five years.

The Bill also contains a new provision authorizing the court to order the accused to pay reasonable compensation to a person or organization who took care of animals that were injured.

2008 CCA Semi-Annual Meeting and Convention

The CCA is pleased to host its 2008 semi-annual meeting and convention at the Hilton Suites hotel in Winnipeg, Manitoba on August 11-15. This year's theme is "Breaking Beef Barriers" and will feature an enlightening and informative line of speakers on topics such as "why beef production is good for the environment".

To register today, inquire about sponsorship opportunities, or for more information, call the CCA office at (403) 275-8558.