



# Monthly Report

By Theresa Keddy

MARCH 2008

## Government of Canada Improves Advance Payments Program

On February 25, 2008, the Honourable Gerry Ritz, Minister of Agriculture and Agri-food and Minister for the Canadian Wheat Board, introduced proposed amendments to the *Agricultural Marketing Programs Act* to give Canadian producers better access to cash advances through the Advanced Payments Program. With the support of the Canadian Cattlemen's Association, Parliament acted quickly to adopt these changes into law on February 28.

Producers will be eligible to access up to \$400,000 in repayable advances and they will be able to use inventory as security rather than having to use a business risk management program such as AgriStability (CAIS).

According to the federal announcement, producers will have quicker and easier access to cash advances and if all producers take advantage of the improved program, an estimated \$3.3 billion in advance payments will be

available. Further technical details are expected from Agriculture Canada in the coming days.

We are pleased with this change as it is consistent with one of the recommendations the CCA made to the federal government to provide a quick cash flow to producers. However, more work remains to be done to improve the business risk management programs, the regulatory environment and market access if the competitive environment Canadian beef producers are working in is to improve. As noted on the release, the Government of Canada is working to reduce costs and increase competitiveness under Canada's enhanced feed ban and the CCA will continue to work with the federal government to meet the needs of its producers and to determine a solution for the short- and long-term.

## This Month...

- Government of Canada improves Advance Payments Program
- Rule 2 update
- Mexico lifts ban on Canadian cattle imports
- KVD no longer a requirement for western wheat variety registration
- CCA at the NCBA annual convention
- Staff updates

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

## Rule 2 update

On February 19, in the U.S. District Court in Sioux Falls, South Dakota, Judge Lawrence Piersol heard arguments from both the United States Department of Agriculture (USDA) and R-CALF in the ongoing efforts of R-CALF to obstruct Rule 2 and the more normalized trade of cattle and beef between Canada and the United States. The USDA defended Rule 2 and its implementation on November 19, 2007. Nevertheless, the Judge asked that the USDA file further responses with the Court by February 28. R-CALF will then have until March 10 to submit a response. A decision will be made sometime after that, but the Court will not be under any deadline.

The CCA, the Government of Canada,

the National Meat Association and the American Meat Institute submitted *amicus briefs* in support of the USDA. In addition, representatives from the CCA attended the hearing, and while not permitted to intervene at this time, the Court granted the CCA's Motion at the hearing to be allowed to submit additional comments on issues raised at the hearing. These were filed on February 28.

This is a very expensive process for the Canadian beef cattle industry and we hope this issue will be quickly and finally resolved with an acknowledgment by the Court that Canadian cattle and beef are safe and that there is no reason why the U.S. border shouldn't be open to older Canadian cattle and beef. We will continue to keep you informed as more information becomes available.

## CCA Annual General Meeting

The CCA's 2008 Annual General Meeting will be held on March 11-14 in Ottawa, Ontario at the Crowne Plaza Hotel. All members are invited to attend this meeting and learn more about CCA policy and the direction the industry is heading.

On March 12, the Board of Directors and VIP Reception will be held on Parliament Hill, Room 200 West Block. This reception is an opportunity to bring Canadian MPs, senators and industry affiliates together for an evening of dinner and discussion concerning the Canadian beef industry. If you would like more information, please call our Calgary office at (403) 275-8558.

## Canadian Cattlemen's Association

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## **Mexico lifts ban on Canadian cattle imports**

The Mexican agriculture ministry has announced that it will partially lift its five-year ban on live imports of Canadian beef and dairy calves in March, allowing females under 30 months of age to enter the country provided they come from herds where BSE has never been detected.

The Mexican Ministry for Agriculture, Cattle, Rural Development, Fishing and Food (SAGARPA) stated that lifting the ban for female calves would give Mexican farmers access to breeding stock that would help them boost milk production for the local market.

Following a meeting between the Honourable Gerry Ritz, Minister of Agriculture and Agri-food and Minister for the Canadian Wheat Board and Mexico's Agriculture Minister Alberto Cardenas, a protocol was signed between Mexico, the United States and Canada in January to allow animals to pass through U.S. territory in transit.

## **KVD no longer a requirement for western wheat variety registration**

On February 11, the Honourable Gerry Ritz, Minister of Agriculture and Agri-Food announced that kernel visual distinguishability (KVD) would be removed as a requirement for western wheat variety registration.

The CCA has advocated for the removal of this system for some time and applauds the Minister for this decision. KVD has impacted the livestock sector by limiting the development and registration of new, higher-yielding varieties that are suitable for feed and biofuels at a time when the cost of feed is at an all-time high. The CCA recently completed a report titled *Feed grains and forage research and commercialization in Canada* (available on the CCA website [www.cattle.ca](http://www.cattle.ca)) to investigate the current situation of feed grains and forage research and commercialization in Canada and factors that hinder competitiveness. The report indicated that the removal of KVD could significantly benefit the Canadian beef industry. It also indicated that the full removal of KVD would increase farm revenue by \$60 to \$200 million per year. In addition, plant breeders estimate that the value lost in existing varieties due to KVD restrictions is over \$3.75 per tonne of production - equating to over \$86 million per year.

## **CCA at the NCBA annual convention**

The National Cattlemen's Beef Association annual convention and trade show was held in Reno, Nevada on February 6-9. This meeting represents an important opportunity for the CCA to represent the interests of

Canadian beef producers, especially in light of the trade issues currently surrounding the industry. In past years, the CCA has used the occasion of the NCBA meeting to address U.S. cattle producers' concerns over trade with Canada and to correct misinformation and other "coffee shop lore". This year, CCA participants sensed that a corner had been turned in that they did not encounter the usual level of concern over Canada-U.S. issues.

At the Canada-U.S. Working Group session, the CCA gave a presentation that highlighted how the dramatic shift in the Canada-U.S. currency exchange rate and other factors have started to influence the competitive balance between the two countries, particularly in the value-added segments of the industry. As a result, greater numbers of Canadian-born cattle are being fed and slaughtered in the U.S. and greater quantities of U.S. beef are being imported into Canada. The CCA's key message was that as the U.S. industry considers and adopts policies, such as mandatory Country of Origin Labelling, they should be based on this new reality rather than outdated assumptions.

## **Staff updates**

On March 3, Rob Leslie will join CanFax, the division of the CCA that provides market analysis for the Canadian beef industry, as its new Manager. He will be responsible for overseeing CanFax services and operations as the senior market analyst and will be actively involved in U.S. advocacy functions in the western states. Prior to coming to CanFax, he worked for Wyeth Animal Health where he was responsible for increasing and managing sales, among other duties. Prior to Wyeth Animal Health he worked for Pfizer Animal Health as Cattle Product Manager and Territory Manager in Southern Alberta. He was the cattle manager for Western Feedlots Ltd., a \$100 million feedlot company, and before that, he owned and operated a large commercial cow/calf and stocker/feeder operation. He holds an Agricultural MBA from the University of Guelph.

Unfortunately, Gjenna Vold, the CCA's communications assistant, resigned effective February 8 to pursue another opportunity. Although we were very disappointed to lose her, we wish her well. The CCA is currently in the process of recruiting a new communications coordinator.

Ryder Lee, based in the Ottawa office, will be undertaking the new role of Manager of Federal Provincial Relations for the CCA. In addition to retaining his current responsibilities for the Animal Care committee and the Domestic Ag Policy and Regulations committee, Ryder will work to ensure that every provincial cattle organization is fully informed of and able to seize opportunities to be involved in CCA's government advocacy efforts.