



Monthly Report

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CCA working with government to address BRM programs

The Canadian Cattlemen's Association (CCA) has been working with both federal and provincial government officials to find solutions to address the significant financial hardships facing the cattle and other livestock industries. It developed several options to help ease the situation in the short-term while it worked on long-term solutions. In particular, the CCA's goal is to get funds to producers quickly and to address the current business risk management (BRM) programs so that they are more accessible to producers.

The Canadian government has expressed a desire to work within the existing BRM programs rather than create new ones. The CCA has analyzed these programs and has determined that they must be changed in order to address the current situation. Meetings between the CCA and the government have been valuable and resulted in some positive changes announced on December 19.

Ministers of Agriculture from federal, provincial and territorial governments announced on that date that support programs would be available to cattle and hog producers, such as AgriStability, with interim payments and targeted advances available; AgriInvest, including the federal \$600 million Kickstart program; and an improved Advanced Payment Program (APP). Cattle and hog producers will receive almost \$1.5 billion in cash payments through existing programs from late 2007 through 2008. Also, through the APP, up to \$1 billion in additional loans will be available to the livestock sector, bringing the total loans available through this program up to \$2.3 billion.

The enhanced APP will benefit producers by allowing them greater access to funding. Prior to this, a producer had to be enrolled in the Canadian Agriculture Income Stability (CAIS) program and have a positive reference margin to be eligible. Now, producers will be eligible even if they have a negative reference margin and can

borrow up to 50 per cent of the value of the animals they borrowed against.

However, there are further changes that need to be made to the programs if they are to meet the needs of various segments of the industry. The CCA is recommending that any assistance plan be national in scope and be equally accessible to producers across Canada; that programs not be ad hoc in nature and provide both short- and long-term benefits to producers; that they address the needs of all sectors of the cattle industry, regardless of size and structure; and that any programs be designed to minimize the risk of countervail actions by other countries.

To date however, government officials have indicated reluctance towards nearly all of CCA's recommendations, citing financial limitations and affordability. With the exception of the APP, there have been no changes to existing programs.

Inadequate programs put significant sectors of the cattle industry at risk of financial failure and downsizing, dismantling key infrastructure within the cattle and beef value chain and potentially reducing its long-term competitiveness and sustainability. Without leadership of both federal and provincial Ministers, the CCA is concerned that a successful outcome will not be achieved.

The government has indicated that its December 19 announcement was the first stage in a national action plan. The CCA will continue to work towards a reasonable and effective solution for the industry, both for the short- and long-term.

To view the CCA's recommendations on BRM options and to learn more about the AgriStability program, visit the "What's New" section at www.cattle.ca.

This Month...

- CCA working with government to address BRM programs
- CCA annual general meeting
- Healthy beef project receives government funding
- Rule 2 update
- BSE update

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

Mark your calendars for the 2008 CCA annual general meeting

The CCA's 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, bringing together Canadian MPs, senators and industry affiliates for an evening of dinner and discussion concerning the current state of the Canadian beef cattle industry.

If you would like more information, please call our Calgary office at (403) 275-8558.

Canadian Cattlemen's Association

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Healthy beef project receives government funding

The Government of Canada is investing \$305,792 towards bringing Canadian beef enhanced with bioactive lipids to the marketplace. The announcement was made at a press conference on December 14, by James Bezan, Member of Parliament for Selkirk-Interlake, on behalf of the Honourable Gerry Ritz, Minister of Agriculture and Agri-Food.

The CCA, with the Beef Information Centre and other sectors of the beef industry, will begin developing a strategic business plan for a commercialization pilot project featuring beef containing beneficial fatty acids. These fatty acids, such as Omega 3 and Conjugated Linoleic Acid (CLA), are known to help reduce the risk of heart disease, cancer, diabetes and obesity. This is an essential first step in taking on the challenge of establishing bioactive lipid-enriched beef as a successful food product in Canada, much in the same way egg producers have developed and marketed Omega 3 eggs.

“This is the type of government programming that allows groups like the CCA and the Beef Information Centre to work on innovative research projects to help put dollars into the pockets of the Canadian cattle industry and offer additional value to our consumers,” said CCA President, Hugh Lynch-Staunton.

The project involves all the key players from the beef industry value chain to ensure the most effective and successful production, processing and marketing biolipid enriched beef onto the consumer’s plate.

Agriculture and Agri-Food Canada funding for this project falls under the Agricultural Policy Framework (APF) Science and Innovation Broker Program.



CCA President Hugh Lynch-Staunton and MP James Bezan at the December 14 press conference where over \$300,000 in government funding was announced in support of the bioactive beef project.

Rule 2 update

As reported last month, the United States Department of Agriculture (USDA)’s “Rule 2” came into effect on November 19, allowing for trade of an expanded list of beef and live cattle. To date, the rule has been uninterrupted by legal maneuvers, despite the Ranchers-Cattlemen Action Legal Fund (R-CALF) continuing its pursuit of an injunction through the U.S. District Court in South Dakota. A hearing date for an injunction has not yet been set but the judge has indicated that the request for a Temporary Restraining Order (TRO) is moot and is considering bypassing a hearing for a preliminary injunction and moving directly to summary judgment. Also pending is the CCA’s request for official intervener status in the case which would provide us with the right to submit evidence and pursue an appeal if necessary. The CCA expects that some of these matters will become clearer in the coming weeks and we will be able to provide an update in next month’s report.

In the meantime, the USDA reports that 13,368 head of live Canadian over-30-month (OTM) cattle have been exported to the United States between November 19 and December 15. Prior to the closure of the U.S. border in 2003, the five year (98-02) monthly average for OTM cattle exports was 26,000 head for the month of November and 22,000 head for the month of December. The opening of the U.S. border to older cattle is beneficial for Canadian cattle producers but the amount of cattle exported relative to the U.S. cow slaughter is minimal. This modest level of trade should demonstrate to the Court that R-CALF’s rhetoric regarding a flood of cattle and negative impact on U.S. prices is unfounded.

BSE update

On December 18, the Canadian Food Inspection Agency (CFIA) confirmed the diagnosis of Bovine Spongiform Encephalopathy (BSE) in a 13-year-old beef cow in Alberta. The animal was identified at the farm level by the national surveillance program, which has detected all cases found in Canada. The animal was born before the implementation of Canada’s feed ban in 1997 and it falls within the age range of previous cases detected in Canada under the surveillance program.

Canada has an extensive surveillance program in place and the detection of this case proves the system is working. We expect to find a small number of cases over the next 10 years as the level of BSE continues to decline. Canada was recognized by the World Organization for Animal Health (OIE) as a controlled risk country for the effectiveness of its BSE surveillance, mitigation and eradication measures. This additional case will not affect Canada’s risk status. There has been no disruption to trade.

The CFIA is currently conducting a full epidemiological investigation and will release its report upon completion.